

Type : **Announcement**
Subject : **ASIATIC DEVELOPMENT BERHAD ("ASIATIC" OR THE "COMPANY")**

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE FOR 2005

Contents :

1. INTRODUCTION

The Board of Directors of Asiatic wishes to announce that the Company had entered or will enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations with certain related parties of Asiatic ("Recurrent Transactions").

2. DETAILS OF THE RECURRENT TRANSACTIONS

Asiatic is principally involved in plantation and investment holding whilst the principal activities of its subsidiaries include plantation and property development. Asiatic and its subsidiaries ("the Asiatic Group" or the "Group") in the ordinary course of business, enter into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations with certain related parties of the Asiatic Group. Such Recurrent Transactions are carried out or will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public and which will not be detrimental to the minority shareholders of the Company. The Recurrent Transactions are disclosed in Table 1.

3. FINANCIAL EFFECTS OF THE RECURRENT TRANSACTIONS

The Recurrent Transactions will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of Asiatic, and is not expected to have a material effect on the net tangible assets per share and earnings per share of the Asiatic Group.

4. DIRECTORS' AND MAJOR SHAREHOLDER'S INTERESTS

The interests of the Directors and major shareholder of Asiatic in the Recurrent Transactions are set out in Table 1. Save as disclosed in Table 1 and as far as the Directors are aware, none of the other Directors or major shareholder of Asiatic or persons connected to them has any interest, direct or indirect, in the Recurrent Transactions.

5. DIRECTORS' RECOMMENDATION

The Directors, after due consideration of all aspects of the Recurrent Transactions, are of the opinion that the Recurrent Transactions are in the best interests of the Company.

TAN SRI MOHD AMIN BIN OSMAN
Chairman
Asiatic Development Berhad

Details of Recurrent Related Party Transactions are as follows :-

Table 1

Item No.	Asiatic Development Bhd (ADB) & or its subsidiaries	Transacting Party	Nature of Relationship	Nature of Transaction	Estimated Value for 2005/ Contract Period RM'000
1.	ADB	Genting Berhad ("GB")	<p>GB owns 54.8% equity interest in ADB.</p> <p>Tan Sri Mohd Amin bin Osman -Director, shareholder and share option holder of ADB and GB.</p> <p>Tan Sri Lim Kok Thay -Director, shareholder and share option holder of ADB. -Director, shareholder and share option holder of GB.</p> <p>Dato' Baharuddin bin Musa -Director, shareholder and share option holder of ADB. -Shareholder of GB (indirect interest).</p> <p>Mr Quah Chek Tin -Director of ADB and GB. -Shareholder and share option holder of GB.</p>	Fee payable for the provision of shared services by GB covering secretarial, treasury, tax and other services.	783
2.	ADB	Setiakahaya Sdn Bhd ("SSB")	<p>SSB is a 50:50 joint-venture company between ADB and GB.</p> <p>Director's interest as in (1) above.</p>	Rental payable to SSB for the provision of a staff holiday bungalow in Kuantan.	19
3.	ADB	Genting Management and Consultancy Services Sdn Bhd ("GMC")	<p>GMC is a wholly-owned subsidiary of GB.</p> <p>Directors' interest as in (1) above.</p>	Provision of share registration services by GMC at a monthly fee of RM1,000.	12
4.	ADB	Oakwood Sdn Bhd ("Oakwood")	<p>Oakwood is a wholly-owned subsidiary company of GB.</p> <p>Directors' interest as in (1) above.</p>	<p>Rental payable to Oakwood for the extension of the tenancy of office space at Wisma Genting for another 3 years commencing 1/1/2005 to 31/12/2007.</p> <p>Amount payable for the provision of services in connection with the above tenancy.</p>	<p>2,519</p> <p>419</p>
5.	Asiatic Oil Mills (WM) Sdn Bhd ("AOMWM")	Puncak Singa (M) Sdn Bhd ("PSM")	<p>AOMWM is a wholly-owned subsidiary company of ADB.</p> <p>PSM is an indirect 97.7%-owned subsidiary of GB.</p> <p>GB owns 54.8% equity interest in ADB.</p> <p>Directors' interest as in (1) above.</p>	<p>Rental receivable from PSM for the letting of land in Machap, District of Kluang for 3 years from 1/1/2005 to 31/12/2007.</p> <p>Sale of empty fruit bunches ("EFB") to PSM for 3 years from 1/1/2005 to 31/12/2007.</p>	<p>128</p> <p>540</p>

Details of Recurrent Related Party Transactions are as follows :-

Table 1

Item No.	Asiatic Development Bhd (ADB) & or its subsidiaries	Transacting Party	Nature of Relationship	Nature of Transaction	Estimated Value for 2005/ Contract Period RM'000
6.	ADB	E-Genting Sdn Bhd ("EGSB")	<p>EGSB is a wholly-owned subsidiary of E-Genting Holdings Sdn Bhd ("EGHSB").</p> <p>GB and Resort World Bhd ("RWB") own 80% and 20% equity interest in EGHSB respectively. GB owns 56.8% and 54.8% equity interest in RWB and ADB respectively.</p> <p>Tan Sri Mohd Amin bin Osman -Director, shareholder and share option holder of ADB and GB. -Shareholder of RWB.</p> <p>Tan Sri Lim Kok Thay -Director, shareholder and share option holder of ADB and RWB. -Director, shareholder and share option holder of GB.</p> <p>Dato' Baharuddin bin Musa -Director, shareholder and share option holder of ADB. -Shareholder of GB (indirect interest).</p> <p>Mr Quah Chek Tin -Director of ADB, RWB and GB. -Shareholder and share option holder of GB. -Shareholder of RWB.</p> <p>Dato' Siew Nim Chee -Director of ADB and RWB. -Shareholder of ADB.</p>	<p>Amount payable for satellite internet services for 5 years from 1/1/2005 to 31/12/2009.</p> <p>Subscription fee for virtual private network.</p> <p>Software development Cost.</p>	<p>654</p> <p>6</p> <p>100</p>
				Total value of transactions with GB Group	5,180
7.	ALD	Kien Huat Development Sdn Bhd ("KHD")	<p>ALD is a wholly-owned subsidiary company of ADB. KHD is a company in which Datuk Lim Chee Wah, a brother of Tan Sri Lim Kok Thay, is a director and has deemed substantial financial interest.</p> <p>Tan Sri Lim Kok Thay -Director, shareholder and share option holder of ADB.</p>	Fee payable to KHD as Project Manager to manage ALD's property development project located in Melaka for the period from 1.1.2005 to 31.12.2009.	1,840
8.	ADB and its subsidiaries	Ancom Crop Care Sdn Bhd ("ACCSB"), a subsidiary company of Ancom Bhd	<p>Dato' Siew Nim Chee ("Dato' Siew") -Director and shareholder of ADB. -Dato' Siew is a Director whilst his son is a Director and shareholder of Ancom Bhd.</p>	Purchase of agrochemicals from ACCSB.	1,135