

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 27 June 2005 at 3.00 p.m.

BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2004 and the Directors' and Auditors' Reports thereon. **(Resolution 1)**
2. To sanction the declaration of a final dividend. **(Resolution 2)**
3. To approve Directors' fees of RM180,000 for the financial year ended 31 December 2004 (2003 : RM180,000). **(Resolution 3)**
4. To re-elect Directors pursuant to Article 99 of the Articles of Association of the Company:
 - i. Dato' Baharuddin bin Musa **(Resolution 4)**
 - ii. Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah **(Resolution 5)**
5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:

"That _____, retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting."

in respect of:

 - i. Tan Sri Mohd Amin bin Osman **(Resolution 6)**
 - ii. Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad **(Resolution 7)**
6. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:

Ordinary Resolutions

7. **Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965** **(Resolution 9)**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approval of any relevant governmental and/or regulatory authorities, where such approval is required, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) per centum of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."
8. **Proposed renewal of the authority for the purchase of own shares** **(Resolution 10)**

"THAT, subject to compliance with the Companies Act, 1965, the Articles of Association of the Company, regulations and guidelines issued from time to time by Bursa Malaysia Securities Berhad ("Bursa Malaysia") or any other regulatory authorities, approval be and is hereby given to the Company to utilise an amount not exceeding the total retained profits and share premium of the Company to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time on Bursa Malaysia upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares to be purchased pursuant to this resolution does not exceed 74,268,300 ordinary shares of RM0.50 each representing ten (10) per centum of the issued and paid-up share capital of the Company as at 29 April 2005. Based on the audited financial statements for the financial year ended 31 December 2004, the Company's retained profits and share premium accounts were RM781.3 million and RM26.2 million respectively;

AND THAT such authority shall commence upon the passing of this resolution and shall remain in force until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or cancel them and/or resell the treasury shares or to distribute them as share dividend and/or subsequently cancel them;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary (including the appointment of up to two (2) Participating Organisations as defined in the Bursa Malaysia Listing Requirements and the opening and maintaining of Central Depository Accounts designated as Share Buy-Back Accounts) and to enter into any agreements and arrangements with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

9. To transact any other business of which due notice shall have been given.

By Order of the Board
TAN WOUI MENG
Secretary

Kuala Lumpur
31 May 2005

NOTES

A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a member of the Company but in accordance with Section 149 of the Companies Act, 1965, a member shall not be entitled to appoint a person who is not a member of the Company as his proxy unless that person is an advocate, an approved company auditor or a person approved by the Registrar of Companies in a particular case. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportions of his holding to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESS

- (1) Ordinary Resolution 9, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares in the Company up to and not exceeding in total ten (10) per centum of the issued and paid-up share capital of the Company for the time being, for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.
- (2) Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten (10) per centum of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") by utilising the funds allocated which shall not exceed the total retained profits and share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Further information on the Proposed Share Buy-Back are set out in the Share Buy-Back Statement of the Company dated 31 May 2005 which is despatched together with the Company's 2004 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

pursuant to paragraph 8.28(2) of the listing requirements of Bursa Malaysia Securities Berhad

1. The following are the Directors standing for re-election at the Twenty-Seventh Annual General Meeting of the Company to be held at 26th Floor Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 27 June 2005 at 3.00 p.m.:
 - (a) Pursuant to Article 99 of the Articles of Association of the Company
 - (i) Dato' Baharuddin bin Musa
 - (ii) Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah
 - (b) Pursuant to Section 129 of the Companies Act, 1965
 - (i) Tan Sri Mohd Amin bin Osman
 - (ii) Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
2. Number of Board Meetings held during the financial year ended 31 December 2004: **4**
3. Attendance of Directors at Board Meetings held during the financial year ended 31 December 2004 are set out on page 25 of this Annual Report.
4. Further details on the Directors standing for re-election at the Twenty-Seventh Annual General Meeting are set out in pages 7 and 8 of this Annual Report.

CORPORATE DIARY

2004

17 February

Announcement of the following proposed acquisitions:

- (i) The entire issued and fully paid-up share capital of:
 - Trushidup Plantations Sdn Bhd;
 - Wawasan Land Progress Sdn Bhd; and
 - Dianti Plantations Sdn Bhd
 by Sabah Development Company Sdn Bhd ("SDC") (now known as Asiatic SDC Sdn Bhd), a wholly-owned subsidiary of the Company, from several individuals.
- (ii) The entire issued and fully paid-up share capital of:
 - Cengkeh Emas Sdn Bhd; and
 - Kituva Plantations Sdn Bhd
 by SDC from Syarikat Trushidup Sdn Bhd ("STSB") and several individuals.
- (iii) Approximately 1,749 acres of plantation land together with a palm oil mill and other plantation assets located in the District of Kinabatangan, Sabah by SDC from STSB.
- (iv) Other plantation assets by SDC from Trushidup Resources Sdn Bhd.
- (v) Approximately 5,110 acres of plantation land located in the District of Kinabatangan, Sabah by Asiaticom Sdn Bhd, a 70% owned subsidiary of the Company, from STSB.

(collectively known as the "Trushidup Acquisitions")

26 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2003.

20 April

Announcement of the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2003 and the Twenty-Sixth Annual General Meeting.

Announcement of the proposed renewal of authority for the purchase of own shares ("Proposed Share Buy-Back").

25 May

Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2004.

28 May

Announcement of the completion of the Trushidup Acquisitions.

31 May

Notice to shareholders of the Twenty-Sixth Annual General Meeting.

22 June

Twenty-Sixth Annual General Meeting.

25 August

Announcement of the Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2004.

Announcement of the Entitlement Date for the Interim Dividend in respect of the half year ended 30 June 2004.

30 November

Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2004.

2005

25 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2004.

12 April

Announcement of the Entitlement Date for Proposed Final Dividend in respect of the financial year ended 31 December 2004 and the Twenty-Seventh Annual General Meeting.

Announcement of the proposed renewal of authority for the Proposed Share Buy-Back.

27 May

Announcement of the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2005.

DIVIDENDS			
	Announcement	Entitlement Date	Payment
2003 Final - 2.75 sen less tax	26 February 2004	29 June 2004	19 July 2004
2004 Interim - 2.0 sen less tax	25 August 2004	28 September 2004	19 October 2004
2004 Proposed Final - 3.5 sen less tax	25 February 2005	1 July 2005	21 July 2005*

* Upon approval of shareholders at the Twenty-Seventh Annual General Meeting

CORPORATE INFORMATION



Tan Sri Lim Goh Tong
Founder

BOARD OF DIRECTORS



Tan Sri Mohd Amin bin Osman
Chairman



Dato' Baharuddin bin Musa
Joint Chief Executive



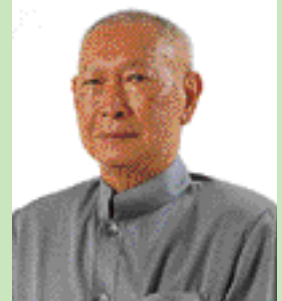
Tan Sri Lim Kok Thay
Joint Chief Executive



Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
Independent Non-Executive Director



Encik Mohd Din Jusoh
Independent Non-Executive Director



Dato' Siew Nim Chee
Independent Non-Executive Director



Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah
Non-Independent Non-Executive Director



Mr Quah Chek Tin
Non-Independent Non-Executive Director

PRINCIPAL EXECUTIVE OFFICERS**DIRECTORATE**

Tan Sri Mohd Amin bin Osman
Chairman

Dato' Baharuddin bin Musa
Joint Chief Executive

Tan Sri Lim Kok Thay
Joint Chief Executive

PLANTATION

Mr Sze Kok Sing
Chief Operating Officer

Mr Khoo Lian Hong
Regional Operating Manager - West Malaysia

Encik Abdul Halim bin Abdul Majid
Regional Operating Manager - Sabah

Mr Choo Huan Boon
Senior Manager - Processing

Mr Clifford Che Keng Soon
Senior Manager - Marketing (Palm Products)

PROPERTY

Mr Phang Kong Wong
Chief Operating Officer

Encik Habibullah Khong
Senior Manager - Project

Encik Khaidzir bin Zainuddin
General Manager - ASIATIC Indahpura

Encik Mohd Sukairi bin Sohoh
Operations Manager - ASIATIC Permaipura

Ms Tan Siew Foong
Marketing Manager - ASIATIC Indahpura

Mr Wong Pei Yan
Project Manager - ASIATIC Cheng Perdana

FINANCE

Mr Yong Chee Kong
Chief Financial Officer

AUDIT COMMITTEE

Dato' Siew Nim Chee
Chairman/Independent Non-Executive Director

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
Member/Independent Non-Executive Director

Encik Mohd Din Jusoh
Member/Independent Non-Executive Director

Dato' Baharuddin bin Musa
Member/Joint Chief Executive

Mr Quah Chek Tin
Member/Non-Independent Non-Executive Director

NOMINATION COMMITTEE

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
Member/Independent Non-Executive Director

Dato' Siew Nim Chee
Member/Independent Non-Executive Director

Encik Mohd Din Jusoh
Member/Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Siew Nim Chee
Chairman/Independent Non-Executive Director

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad
Member/Independent Non-Executive Director

Encik Mohd Din Jusoh
Member/Independent Non-Executive Director

Dato' Baharuddin bin Musa
Member/Joint Chief Executive

SECRETARY

Mr Tan Wooi Meng

ASIATIC DEVELOPMENT BERHAD

A public limited liability company
Incorporated and domiciled in Malaysia
Company no. 34993-X

REGISTERED OFFICE

24th Floor, Wisma Genting,
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel : (03) 2178-2288/2333-2288
Fax : (03) 2161-5304
Email : info@asiatic.com.my

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
23rd Floor, Wisma Genting,
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel : (03) 2178-2266/2333-2266
Fax : (03) 2161-5304

CORPORATE HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

10th Floor, Wisma Genting,
Jalan Sultan Ismail, 50250 Kuala Lumpur
Tel : (03) 2178-2255/2333-2255
Fax : (03) 2161-6149

ASIATIC REGIONAL OFFICE, SABAH

Wisma Asiatic,
KM 12, Labuk Road,
90000 Sandakan, Sabah
Tel : (089) 673-811/672-787
Fax : (089) 673-976

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad
(30 August 1982)

AUDITORS

PricewaterhouseCoopers
(Chartered Accountants)

INTERNET HOMEPAGE

<http://www.asiatic.com.my>

DIRECTORS' PROFILE

Tan Sri Mohd Amin bin Osman (Malaysian, aged 77), appointed on 27 June 1992, is the Chairman. He has had a distinguished career spanning a period of over 36 years with the Royal Malaysian Police Force. He joined the police force as an Inspector and retired as the Acting Inspector General of Police, Malaysia. In between, he had served as Deputy Commissioner of Police, Sabah; Brigade Commander, Police Field Force, East Malaysia; Chief of City Police, Kuala Lumpur; and Director of Special Branch, Malaysia. He has won various awards including the Panglima Setia Mahkota and Sri Indera Mahkota Pahang. He is the Executive Director of Genting Berhad and also sits on the Board of Shangri-La Hotels (Malaysia) Berhad.

Tan Sri Mohd Amin holds 164,000 ordinary shares and has a share option to subscribe for 825,000 ordinary shares in the Company whose shares are listed under the Plantation Sector on Bursa Malaysia Securities Berhad.

Dato' Baharuddin bin Musa (Malaysian, aged 68), appointed on 8 November 1985, is the Joint Chief Executive and Director. He holds a Bachelor of Arts (Honours) Degree from the University of Malaya and a Masters Degree in Public Administration from Pittsburgh University. He is also a Parvin Fellow of Princeton University. He served the Malaysian Government in the Malaysian Administrative and Diplomatic Service for 20 years in various positions, including inter alia, Assistant State Secretary in the States of Pahang and Malacca and the first Director of Culture and then the Deputy Secretary General of the Ministry of Culture, Youth and Sports and the first Deputy Chairman and Director General of Tourist Development Corporation Malaysia. He was also seconded to the University of Malaya as Chairman of the Division of Public Administration in the Faculty of Economics and Administration where apart from lecturing on Government and Administration also started the course for Diploma in Public Administration. His last posting whilst in the Government Service was as Deputy Secretary General, Ministry of Defence. He also sits on the Board of some of the companies within the Genting Group, Tradewinds Corporation Berhad (formerly known as Pemas International Holdings Berhad) and a number of other private limited companies.

Dato' Baharuddin holds 613,000 ordinary shares and has a share option to subscribe for 825,000 ordinary shares in the Company.

Tan Sri Lim Kok Thay (Malaysian, aged 53), appointed on 29 September 1977, is the Joint Chief Executive and Director. He holds a Bachelor of Science Degree in Civil Engineering from the University of London. He is also the Chairman, President and Chief Executive of Genting Berhad and Resorts World Bhd; and the Chairman of Genting International PLC. He is the Chairman, President and Chief Executive Officer of Star Cruises Limited, a company listed on The Stock Exchange of Hong Kong Limited. In addition, he sits on the boards of other Malaysian and foreign companies. He joined the Genting Group in 1976 and has since served in various positions within the Group. He also sits on the Board of trustees of several charitable organisations in Malaysia.

Tan Sri Lim holds 144,000 ordinary shares and has a share option to subscribe for 825,000 ordinary shares in the Company.

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad (Malaysian, aged 76), appointed on 12 June 1980, is an Independent Non-Executive Director. Dato' Jamil received his early training at the Royal Military Academy, Sandhurst, and did further training courses at Staff College Queenscliff, Joint Services Staff College Latimer and the Royal College of Defence Studies, London. He served in the Malaysian Armed Forces for 33 years and retired from military service in January 1984 as Army Corps Commander.

Dato' Jamil retired as the Deputy Chairman of Kontena Nasional Berhad ("KN") on 9 February 2004 but remains as a member of the Board. He was also formerly the Chief Executive of KN and served in the said position from 1984 to 1989. He is also a Board member of the Institute of Strategic and International Studies, Malaysia; Chemsain Konsultant Sdn Bhd and director of certain subsidiaries of KN.

Dato' Jamil holds 10,000 ordinary shares in the Company.

Dato'Siew Nim Chee (Malaysian, aged 79), appointed on 12 June 1980, is an Independent Non-Executive Director. Dato' Siew is also a director of Resorts World Bhd. He holds a Bachelor of Arts Degree and a Bachelor of Arts (Honours) Degree in Economics from the University of Malaya. Dato' Siew went on to obtain a Masters of Science Degree in Industrial Labour Relations from Cornell University in 1953. He was an adviser and consultant to Genting Berhad from 1977 to 1985 and continues to be active in the corporate sector. He also sits on the Boards of Ancom Berhad, Johan Holdings Berhad, UAC Berhad, Malaysia Smelting Corporation Berhad and Malaysian Oxygen Berhad.

Dato' Siew holds 10,000 ordinary shares in the Company.

Encik Mohd Din Jusoh (Malaysian, aged 61), appointed on 12 June 1980, is an Independent Non-Executive Director. He is a member of the Institute of Chartered Secretaries and Administrators (UK) and had attended a number of senior management courses abroad. He is also the Chairman and/or director of a number of private companies as well as a public company, Asiatic Golf Course (Sg. Petani) Bhd.

Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah (Malaysian, aged 64), appointed on 14 February 1996, is a Non-Independent Non-Executive Director. Dato' Abdul Ghani

has had a distinguished career with the Malaysian Armed Forces for 36 years. He was Field Army Commander before his retirement as a three star general. Prior to that, Dato' Abdul Ghani served in Kuching, Sarawak as Commander of the First Division for East Malaysia and earlier between 1990 and 1993 commanded the Armed Forces' Strategic Division with the rank of Major General. His long army career also saw Dato' Abdul Ghani doing planning and logistics at the Ministry of Defence and attending training programs at the US Army Intelligence School, Defence Services Staff College in India, the Joint Services Staff College in Canberra and the National Defence College in Pakistan. Dato' Abdul Ghani holds a Masters of Science Degree in Defence and Strategic Studies. He is also a director of AFFIN-ACF Holdings Berhad.

Mr Quah Chek Tin (Malaysian, aged 53), appointed on 19 October 2001, is a Non-Independent Non-Executive Director. He is also the Executive Director of Genting Berhad and the Executive Director and Chief Operating Officer of Resorts World Bhd. He holds a Bachelor of Science (Honours) Degree in Economics from the London School of Economics and is a Fellow of the Institute of Chartered Accountants in England and Wales. He also holds directorships in other companies within the Genting Group which include three public companies namely, Genting Golf Course Bhd, Genting Highlands Berhad and Awana Vacation Resorts Development Berhad.

Attendance at Board Meetings

The details of Directors' attendances at Board Meetings are set out on page 25 of the Corporate Governance statement in this Annual Report.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of the Company and its subsidiaries ("Group") for the year ended 31 December 2004.

PERFORMANCE REVIEW

The Malaysian economy grew over 7.0% in 2004, the highest since 2000, underpinned by the exceptionally strong export performance and sustained domestic demand. Although the growth momentum moderated in the second half, the overall business environment for the year under review was generally characterised by favourable commodity prices and positive market outlook.

Under these propitious operating conditions together with the unwavering commitment from our people, the Group forged ahead to achieve a new record level of operating revenue breaching the "half a billion" mark at RM514.7 million. Riding on the back of higher operating revenue, the Group, maintaining its incremental trend over the last 4 consecutive years, registered a consolidated pre-tax profit of RM226.6 million.

The Plantation business was again a success story with an all-time high profit contribution of RM210.2 million driven largely by the higher average palm products prices resulting from supply side constraints and increased crop harvest contributed mainly by recent acquisitions. More importantly, the impressive profit growth of 25% was attained despite

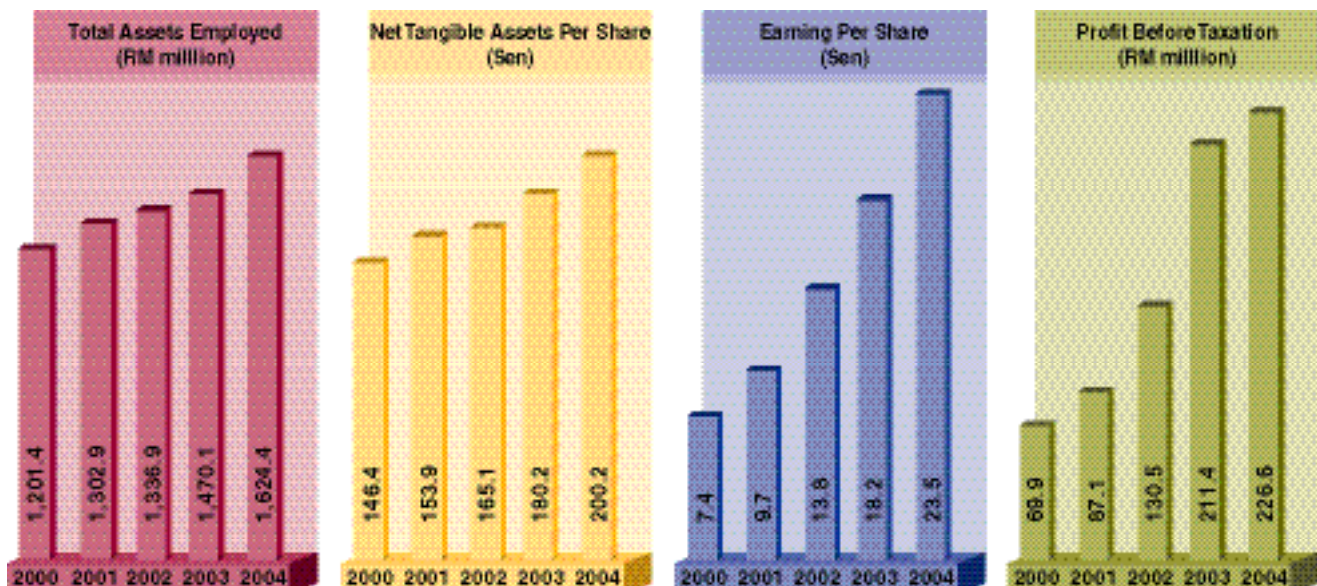
escalating fertiliser costs and freight charges - a testimony to our untiring effort in enhancing operating efficiency and productivity.

Likewise, benefiting from an improving economy which boosted market sentiment and consumer confidence, the Property Division enjoyed better take up rate and contributed total progressive revenue of RM47.5 million, a substantial increase of 69% over that of the preceding year. Property sales were particularly robust prior to the expiry of the "Home Ownership for the People" stimulus plan in May 2004 when house buyers took advantage of the incentives.

CORPORATE DEVELOPMENT

Besides chalking up commendable corporate earnings, the Group had also been busy expanding its plantation interest as well as exploring new frontiers to provide continual impetus for sustainable growth in the years ahead.

During the course of the year, the Group completed acquisitions of some 6,755 hectares of oil palm estates and a 60 tonnes per hour palm oil mill in Sabah for a total consideration of RM211.5 million. With its 86% prime yielding areas, the newly acquired estates had played a role in the good showing of plantation earnings for the year under review. The acquisitions will also bring the Group's total land bank to 66,016 hectares, an increase of 4% as compared to last financial year.



FINANCIAL HIGHLIGHTS

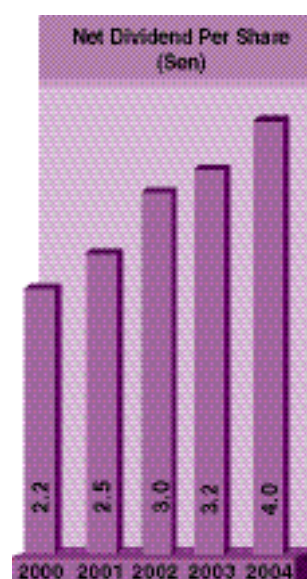
Year Ended 31 December	2004 RM'000	2003 RM'000	Change %
Operating revenue	514,667	490,818	+5
Profit before taxation	226,624	211,441	+7
Profit after taxation	177,171	149,453	+19
Profit attributable to shareholders	174,571	135,250	+29
Shareholders' equity	1,486,546	1,336,649	+11
Total assets employed	1,624,408	1,470,127	+10
Earnings per share (sen)	23.5	18.2	+29
Net dividend per share (sen)	4.0	3.2	+25
Dividend cover (times)	5.9	5.6	+5
Net tangible assets per share (sen)	200.2	180.2	+11
Return (after tax and minority interests) on average shareholders' equity (%)	12.4	10.6	+17

DIVIDENDS

Our expansion programme in recent years had been very successful with an increase of 61% in the Group's land bank over the last 5 years from 41,001 hectares in 2000 to 66,016 hectares in 2004. For this purpose, the Group ploughed back a total of RM 500.5 million. These new acquisitions had since contributed considerably towards the Group's bottom line. It is most gratifying to note that the exponential growth was achieved largely with internally generated fund. Even more so, the Group continued with its increasing trend of dividend payment over the last few years despite the hefty funding requirements.

The Group will endeavour to reward the shareholders with commensurable level of dividend payouts but it will be mindful of the need to retain sufficient reserves in the pursuit of our aggressive growth strategies.

After taking into consideration the above objectives, the Board of Directors, having noted the creditable results achieved by the Group this year, has recommended a final dividend of 3.50 sen less 28% income tax per ordinary share of 50 sen each for the year ended 31 December 2004. If approved by shareholders at the forthcoming Twenty-Seventh Annual General Meeting, the total dividend for the year inclusive of the interim dividend of 2.00 sen less 28% income tax per ordinary share of 50 sen each paid on 19 October 2004 will amount to a total distribution of RM29.4 million, the highest since the inception of the Group and some 25% higher than 2003's RM24.0 million.



FUTURE PROSPECTS

Whilst the crude palm oil prices were at comfortable level for most part of the year, its erratic fluctuation from a high of exceeding RM2,000 per tonne to a low of RM1,400 per tonne has once again demonstrated the near impossible task of predicting the performance of palm oil business, particularly in the medium term of 6 to 12 months. Nevertheless, with its superior nutritional value and production cost efficiency and the viability of crude palm oil ("CPO") conversion to biodiesel underpinned by environmental benefits and high price of fossil oil, the Group remains upbeat of the long term potential of palm oil and that it would continue to generate creditable returns to the shareholders.

Palm oil prices had softened during the first few months of current financial year given the high carry-over inventory plus the anticipated surge in global supply of edible oils. Nonetheless, its downward trend has since tapered off with good support at current level in view of strong demand from China; the substitution effect in favour of palm oil arising from trans-fatty acid issue; and higher import to Europe with the growing use of biodiesel drawn from rapeseed and CPO supply. However, a price reversal at this juncture is quite uncertain and would take place if the supply of edible oils is severely affected by inclement weather or the rust fungus in the United States and South America. On balance, our plantation business would be hard pressed to repeat the profit growth experienced last financial year. However, we would continue to be profitable due to continual high production and the synergistic benefits from economy of scale.

The property demand, a mirror image of the domestic economy, has picked up notably. However, the benign economic conditions have generated much interest amongst developers leading to considerable supply of residential properties. Competition is set to intensify and margin is likely to be further eroded. It is more so for the Group's projects which are located at secondary sites at Johor, Melaka and Kedah where stock overhang still persisted. Despite such adversity, the Group prides itself of developing quality "value for money" homes in a timely manner and is confident that the sales launches planned for the current financial year will enjoy good response.

Overall, barring any unforeseen circumstances, we are cautiously optimistic that the operating performance of the Group for the current financial year will be satisfactory.

DIRECTORATE

Dato' Siew Nim Chee has, on 18 May 2005, indicated his desire in not seeking to be re-appointed as a Director at the forthcoming AGM. On behalf of the Board, I wish to convey my heartfelt thanks to Dato' Siew for his dedicated service on the Board and its Committees during his tenure of almost 25 years. We wish him the best in his future endeavours.

APPRECIATION

On behalf of the Board, I wish to thank our shareholders for their continued faith in us. To our valued customers and associates, our utmost appreciation for their support and trust. I would also like to extend our gratitude to the relevant government authorities for their assistance and not least, to our employees for their hard work and personal sacrifices. Lastly, my personal thanks to my fellow colleagues on the Board for their invaluable advice and wise counsel.

TAN SRI MOHD AMIN BIN OSMAN

Chairman
20 May 2005

PENYATA PENGERUSI

Saya bagi pihak Lembaga Pengarah dengan sukacitanya membentangkan Laporan Tahunan serta Penyata Kewangan Syarikat dan anak-anak syarikat ("Kumpulan") untuk tahun berakhir 31 Disember 2004.

TINJAUAN PRESTASI

Pertumbuhan ekonomi Malaysia yang melebihi 7.0% dalam tahun 2004, adalah merupakan yang tertinggi semenjak tahun 2000, berlandaskan pencapaian eksport yang besar serta permintaan dalam negeri yang terus kukuh. Walaupun kadar pertumbuhannya berada di tahap sederhana dalam pertengahan tahun kedua, namun secara keseluruhannya suasana perniagaan bagi tahun dalam kajian adalah dipengaruhi oleh harga komoditi yang menggalakkan serta tinjauan ekonomi yang positif.

Dengan suasana operasi yang baik serta sumbangan yang tidak berbelah bagi dari semua kakitangan, maka Kumpulan telah terus mara mencapai tahap rekod baru dalam perolehan operasinya yang melebihi "setengah billion" iaitu sebanyak RM514.7 juta. Dengan bertambahnya perolehan operasi, maka keuntungan Kumpulan yang disatukan sebelum cukai terus meningkat selama 4 tahun berturut-turut ke satu angka baru sebanyak RM226.6 juta.

Perniagaan Perladangan telah mengulangi kejayaannya apabila memberi sumbangan keuntungan yang paling tinggi pernah dicapai iaitu sebanyak RM210.2 juta terutamanya disebabkan oleh harga dan purata keluaran minyak sawit

yang lebih tinggi berikutan bekalan yang berkurangan serta peningkatan hasil tuaian yang disumbangkan oleh ladang-ladang yang baru diperolehi. Yang lebih bermakna adalah, pencapaian pertumbuhan keuntungan yang membanggakan sebanyak 25% tercapai mahu pun dalam keadaan kos baja serta caj pengangkutan meningkat - ini membuktikan kesungguhan dan kekesan kita dalam usaha meningkatkan operasi dan produktiviti.

Begitu juga, manfaat dari keadaan ekonomi yang bertambah baik telah meningkatkan sentimen pasaran serta keyakinan konsumer dalam hartanah. Justeru, Bahagian Hartanah telah mencapai penjualan yang lebih baik dan telah menyumbangkan jumlah jualan sebanyak RM47.5 juta, satu penambahan yang besar iaitu sebanyak 69% dari tahun sebelumnya. Jualan hartanah adalah memuaskan terutamanya sebelum rancangan pelan penggalakan "Pemilikan Rumah Untuk Rakyat" tamat pada bulan Mei 2004 di waktu mana pembeli rumah mengambil peluang dari insentif ini.

PEMBANGUNAN KORPORAT

Di samping mencapai pendapatan korporat yang membanggakan, Kumpulan jua giat memperluaskan tanah ladangnya serta terus meneroka sempadan baru dalam usahanya untuk terus berkembang.

Juga dalam tahun ini, Kumpulan telah berjaya memperolehi ladang kelapa sawit seluas 6,755 hektar di Sabah sekali



SOROTAN KEWANGAN

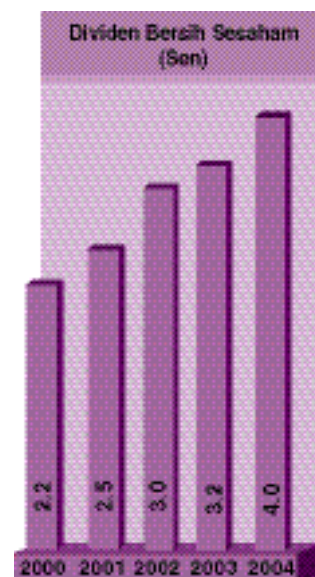
Tahun berakhir 31 December	2004 RM'000	2003 RM'000	Perbezaan %
Perolehan operasi	514,667	490,818	+5
Untung sebelum cukai	226,624	211,441	+7
Untung selepas cukai	177,171	149,453	+19
Untung bagi pemegang saham	174,571	135,250	+29
Ekuiti pemegang saham	1,486,546	1,336,649	+11
Jumlah aset diguna	1,624,408	1,470,127	+10
Perolehan sesaham (sen)	23.5	18.2	+29
Dividen bersih sesaham (sen)	4.0	3.2	+25
Liputan dividen (kali)	5.9	5.6	+5
Aset ketara bersih sesaham (sen)	200.2	180.2	+11
Pulangan (selepas cukai dan kepentingan minoriti) purata ekuiti pemegang saham (%)	12.4	10.6	+17

dengan sebuah kilang yang mempunyai kapasiti 60 tan sejam dengan harga berjumlah RM211.5 juta. Dengan keluasan 86% kawasan berpengeluaran tinggi yang terdapat di estet baru ini, maka ianya memainkan peranan penting dalam menyumbang keuntungan besar bagi Bahagian Perladangan tahun ini. Dengan estet baru ini, jumlah keluasan tanah bagi Kumpulan adalah 66,016 hektar, iaitu meningkat sebanyak 4% berbanding tahun kewangan yang lalu.

DIVIDEN

Rancangan pengembangan yang kami lakukan sepanjang lima tahun yang lalu telah menghasilkan penambahan sebanyak 61% keluasan tanah Kumpulan iaitu dari 41,001 hektar pada tahun 2000 kepada 66,016 hektar pada tahun 2004. Bagi tujuan ini, Kumpulan telah melabur sebanyak RM500.5 juta. Perolehan ladang-ladang baru telah memberi sumbangan yang bererti kepada pendapatan Kumpulan. Yang lebih memuaskan adalah pertumbuhan yang begitu pesat ini dicapai sepenuhnya melalui sumber dana dalaman Kumpulan. Lebih-lebih lagi Kumpulan terus dapat mengekalkan pembayaran dividen yang meningkat sejak beberapa tahun yang lalu meskipun keperluan ke atas dana kian bertambah.

Kumpulan akan berusaha untuk memberi ganjaran kepada pemegang saham dengan pemberian dividen tahunan yang sepadan sambil turut mengambil kira keperluan mengekalkan



simpanan yang mencukupi di dalam mengejar strategi pertumbuhan yang agresif.

Setelah mengambilkira objektif di atas dan setelah mengkaji pencapaian Kumpulan yang baik dalam tahun ini, maka Ahli Lembaga Pengarah telah mengesyorkan dividen akhir sebanyak 3.50 sen ditolak cukai pendapatan 28% sesaham biasa 50 sen setiap satu bagi tahun berakhir 31 Disember 2004. Jika diluluskan oleh pemegang saham pada Mesyuarat Agung Kedua Puluh Tujuh yang akan datang, dividen bagi

tahun dalam kajian termasuk dividen interim 2.00 sen ditolak cukai pendapatan 28% sesaham biasa 50 sen setiap satu yang telah dibayar pada 19 Oktober 2004 akan berjumlah RM29.4 juta, merupakan dividen paling tinggi dibayar sejak penubuhan Kumpulan dan 25% lebih tinggi dari tahun 2003 yang berjumlah RM24.0 juta.

PROSPEK MASA DEPAN

Meskipun harga minyak sawit mentah berada di tahap yang selesa pada tahun lalu, namun harga yang tidak menentu iaitu dari setinggi RM2,000 se tan kepada serendah RM1,400 se tan membuktikan bahawa adalah sukar untuk meramal pencapaian perniagaan minyak sawit, terutamanya dalam jangkamasa sederhana iaitu dari 6 hingga 12 bulan. Walau bagaimanapun, dengan nilai khasiatnya yang tinggi dan kos pengeluarannya yang efisien dan kebolehan minyak sawit mentah ditukar kepada biodisel di sebalik memberi manfaat kepada alam sekitar dan harga minyak fosil yang tinggi, maka Kumpulan merasakan bahawa untuk jangkamasa panjang, potensi minyak sawit masih menggalakkan dan akan terus memberi pulangan yang memuaskan kepada para pemegang saham.

Harga minyak sawit menurun sedikit untuk beberapa bulan pertama di tahun kewangan semasa kerana inventori yang tinggi dan juga jangkaan bertambahnya bekalan minyak masak. Sungguhpun demikian, penurunan harga secara menjunam telah lega sedikit kerana permintaan yang kukuh dari China; akibat dari penggantian kepada minyak sawit yang timbul dari isu 'trans-fatty acid' dan impot yang tinggi ke Eropah berikutan bertambahnya penggunaan biodisel yang diperolehi dari sumber 'rapeseed' dan minyak sawit mentah. Walau bagaimanapun, kenaikan harga pada ketika ini adalah tidak menentu dan akan berlaku jika sekiranya bekalan minyak masak terjejas disebabkan oleh keadaan cuaca ataupun serangan 'rust fungus' di Amerika Syarikat dan Amerika Selatan. Pokoknya, adalah agak mencabar bagi perniagaan perladangan mengulangi pertumbuhan keuntungan yang dicapai pada tahun kewangan yang lalu. Dalam pada itu, kami merasakan kita akan terus mendapat keuntungan yang memuaskan hasil dari berterusnya pengeluaran yang tinggi dan manfaat sinergi dari ekonomi berskala.

Permintaan bagi hartanah, yang mencerminkan asas ekonomi dalam negeri yang kukuh, telah meningkat. Walau bagaimanapun, keadaan ekonomi yang memuaskan ini telah

menarik minat di kalangan pemaju untuk menyediakan lebih banyak hartanah kediaman. Persaingan adalah dijangka hebat dan kadar keuntungan dikira akan berkurangan. Apatah lagi memandangkan bahawa projek-projek Kumpulan terletak di Johor, Melaka dan Kedah di mana stok yang berlebihan masih berlanjutan. Namun, di sebalik kesukaran yang dihadapi ini, Kumpulan merasa bangga kerana dapat memajukan rumah yang mempunyai mutu serta nilai yang tinggi dan tepat pula pada masanya dan kerana itu, Kumpulan merasa yakin bahawa pelancaran jualan yang dirancang untuk tahun kewangan semasa akan mendapat sambutan yang baik.

Secara keseluruhannya, dengan dikecualikan keadaan yang tidak tersangka, kami menduga pencapaian operasi Kumpulan bagi tahun kewangan semasa akan memuaskan.

LEMBAGA PENGARAH

Pada 18 Mei 2005, Dato' Siew Nim Chee telah menyuarakan hasratnya untuk tidak dilantik semula sebagai Pengarah pada AGM yang akan datang. Bagi pihak Lembaga, kami ingin mengucapkan terima kasih yang tulus ikhlas kepada Dato' Siew ke atas khidmat beliau yang berdedikasi sebagai Pengarah dan semasa memegang jawatan dalam Jawatankuasa-jawatankuasanya hampir 25 tahun. Kami mengucapkan selamat bersara kepada beliau.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan ucapan terima kasih kepada pemegang-pemegang saham di atas sokongan berterusan kepada kami. Kepada pelanggan-pelanggan kami yang dihargai serta rakan-rakan kongsi, penghargaan tulus ikhlas diucapkan terhadap sokongan dan kepercayaan kepada kami selama ini. Saya juga ingin memanjangkan penghargaan ini kepada pihak Kerajaan di atas bantuan yang diberikan dan tidak lupa juga kerja keras dan pengorbanan dari semua kakitangan. Akhir kata, terima kasih saya ucapkan kepada rakan sejawat di dalam Lembaga Pengarah di atas nasihat bijaksana yang tidak ternilai.

TAN SRI MOHD AMIN BIN OSMAN

Pengerusi

20 Mei 2005

主席文告

我謹代表董事部欣然提呈本公司及其子公司(本集團)截至2004年12月31日的常年報告及已審核的財政報告。

業績檢討

在特別強勁的出口表現和持續不斷的國內需求的扶持下，馬來西亞經濟在2004年取得2000年以來最高的增長，即超過7.0%。雖然其增長勢頭在下半年趨緩，本檢討年度的整體商業環境，一般上都顯現良好的商品價格和積極的市場前景。

在此項有利的營運情況下，加上本集團員工堅定不移的支持，本集團的營運收入創下了一項新紀錄，以五億一千四百七十萬令吉打破“五億令吉”的大關。由於較高的營運收入，本集團取得了二億二千六百六十萬令吉的統一稅前盈利，繼續保持其過去連續四年的增長走勢。

種植組生意再度以有史以來最高的二億一千零二十萬令吉的盈利貢獻取得輝煌的成就，其主要原因是供應的短缺導致較高的平均棕櫚產品價格，以及最近的一系列收購導致棕櫚果收成的增加。更重要的是，此項25%的盈利增長，是在肥料成本和貨運費大幅飆升下取得的——這証明了我們在提升營運效率及生產力所作的不懈努力。

同樣的，在經濟增長中，市場情緒和消費信心獲得提升，本產黨組取得更好的營運率。它一共作出四千七百五十萬令吉的營運貢獻，比上一年激增了69%。尤其在2004年5月展開的“國民抽籤”刺激計劃截止之前，購票者把握優惠高潮，產黨銷售額得特別強勁。

企業發展

除了取得令人稱許的公司盈利之外，本集團也致力於擴展其種植權益，以及開拓新領域，為未來年頭提供持續不斷的增長動力。

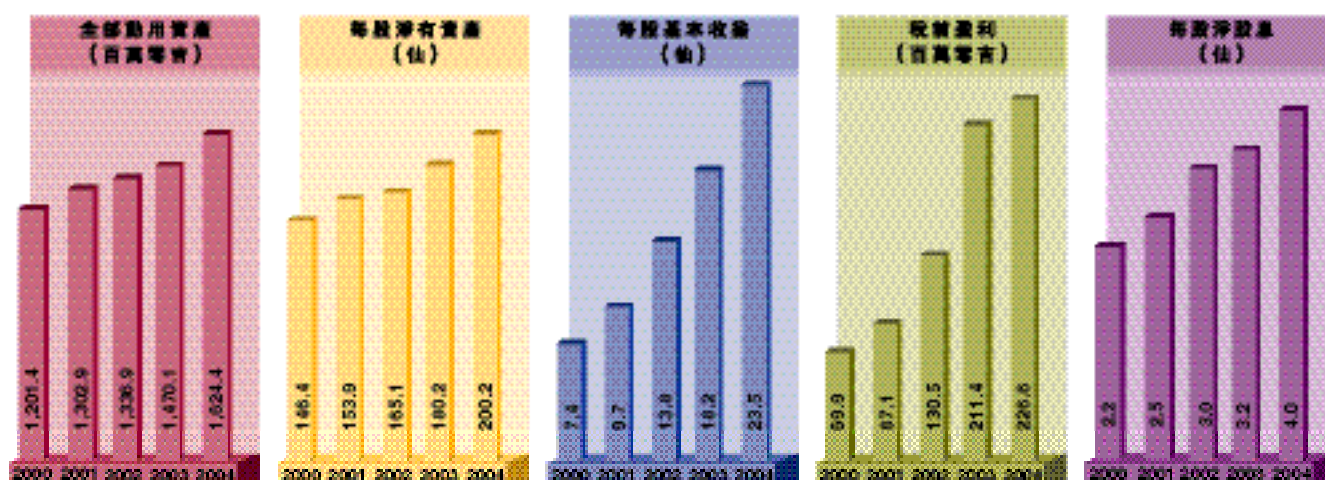
在本年度，本集團總共以二億一千一百五十萬令吉的數額完成在沙巴收購6,755公頃的油棕園和每小時能生產六十噸棕油的初榨油廠。由於收購的園坵有86%處於盛產期，此項新收購在本檢討年度取得的良好種植收益上，扮演了重要的角色。上述收購也使本集團的地庫總面積增至66,016公頃，比前財政年增加了4%。

股息

我們最近幾年的擴展計劃已成功使本集團過去5年的地庫從2000年的41,001公頃增至2004年的66,016公頃，即增加了61%。本集團一共投資了5億零五十萬零令在此擴展計劃。上述新收購已為本集團的盈利作出重大貢獻。令人欣慰的是，此項加速的增長，大部份是內部融資的。尤有進者，雖然涉及高昂的融資需求，過去幾年來，本集團仍繼續增發股息。

本集團將致力以可觀的股息回報股東，但它也有需要保留足夠的儲備金，以推行我們的強勁增長策略。

在深慮上述宗旨下，本董事部在集團取得良好業績下建議，截至2004年12月31日止的財政年，派發每一50仙普通股享有3.5仙，但須扣28%所得稅的終期股息。若獲得行將來臨的第27屆股東大會的批准，本年度的股息



財政重點

截至12月31日年度	2004 零百'000	2003 零百'000	相差 %
營運收入	514,667	490,818	+5
稅前盈利	226,624	211,441	+7
稅後盈利	177,171	149,453	+19
歸股東盈利	174,571	135,250	+29
股東股權	1,486,546	1,336,649	+11
全部動用資產	1,624,408	1,470,127	+10
每股基本收益(仙)	23.5	18.2	+29
每股淨股息(仙)	4.0	3.2	+25
股息充足率(倍數)	5.9	5.6	+5
每股淨有形資產(仙)	200.2	180.2	+11
平均股東股權 (在扣稅及少數股東利益後)的回酬(%)	12.4	10.6	+17

總額，包括2004年10月19日付出的每一50仙普通股享有2.00仙，但須扣28%所得稅的中期股息，將為二千九百四十萬令吉，這是本集團創立以來最高的股息，比2003年的二千四百萬令吉多了25%。

未來展望

雖然原棕油的價格在本年的大部份時間都處于舒適的水平，它的飄浮不定，即從每噸價格漲至二千令吉以上的高點，又跌至一千四百令吉的低點，再次顯示要預測棕油生意的業績幾乎是不可能的，特別是預測中期的6個月至12個月。雖然如此，由于它具有優越的營養價值、有效率生產成本，加上環保以及原油價格高企，致使把原棕油提煉成生物柴油成為有利可圖的商機。本集團仍對棕油的長期潛能保持樂觀，它將繼續為股東帶來可觀的回酬。

本財政年度的首幾個月，由于高數額的累積存貨，加上原料中的全球食油供應大增，棕油價格曾一度趨軟。雖然如此，其下跌走勢在目前的良好支持下已減緩，這是由于中國的強勁需求；反式脂肪課題帶來的棕油取代的效應；以及油菜籽及原棕油供應的生物柴油使用的增加導致出口至歐洲增多。但是目前無法肯定價格是否會逆轉，這只有在美國及南美的食油供應受寒冷氣候或霍拉病菌的嚴重影響才會發生。總的來說，我們的種植生意要重獲取得上財政年的盈利是難以達致的，但在棕櫚果生產的增加，配合規模經濟效應下，它將繼續有利可圖。

反映國內經濟的房產業需求，已獲得顯著改善。不過，有利的經濟情況已引發發展商的真大興趣，因而導致大量的住宅產業供應。這勢將造成激烈的競爭而使盈利進一步受到衝擊。由于本集團位于柔佛、馬六甲及吉打次要地區的計劃仍存在有過剩房屋，其影響將更顯著。雖然面對此項困境，本集團仍以適時推出有素質的‘物有所

值’的房屋引以為榮。本集團有信心它在現有財政年推展的銷售計劃將取得良好的反應。

整體來說，除了無可預見的情況，我們對本集團現有財政年度取得滿意的營運業績保持樂觀。

董事部

拿督蕭念慈于2005年5月18日表示在將來臨的常年股東大會，他無意尋求被重委任為公司董事。我謹代表董事部向拿督蕭念慈在這接近二十五年來任職期間為董事部和委員會所作的獻身服務，深表由衷的感激。我們祝他未來的事業萬事如意。

致謝

我謹代表董事部感謝股東們不斷地對我們抱持信心，對我們寶貴的客戶和商業同仁，我要衷心感激他們的支持和信賴。我也要向有關政府當局給予的協助以及公司員工的辛勤苦幹和個人獻身工作表示謝意。最後，我本人也要感謝董事同仁所給予的寶貴意見和精明指點。

丹斯里莫哈末阿敏
主席

2005年5月20日