

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting of the Company will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 20 June 2006 at 3.00 p.m.

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2005 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 RM254,753 for the financial year ended 31 December 2005 (2004 : RM180,000). **(Resolution 3)**
4. To re-elect Directors pursuant to Article 99 of the Articles of Association of the Company:
 - i. Tan Sri Lim Kok Thay **(Resolution 4)**
 - ii. Encik Mohd Din Jusoh **(Resolution 5)**
5. To re-elect Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin as a Director pursuant to Article 104 of the Articles of Association of the Company. **(Resolution 6)**
6. 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 7)**
 - ii. Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad **(Resolution 8)**
7. To re-appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 9)**

SPECIAL BUSINESS

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

Ordinary Resolutions

8. **Authority to issue and allot shares pursuant to Section 132D of the Companies Act, 1965** **(Resolution 10)**

"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."

9. **Proposed renewal of the authority for the purchase of own shares**

(Resolution 11)

“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 74,644,300 ordinary shares of RM0.50 each representing ten (10) per centum of the issued and paid-up share capital of the Company as at 2 May 2006. Based on the audited financial statements for the financial year ended 31 December 2005, the Company’s retained profits and share premium accounts were RM879.6 million and RM28.3 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.”

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

By Order of the Board
TAN WOUI MENG
Secretary

Kuala Lumpur
29 May 2006

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 10, 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 11, 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 29 May 2006 which is despatched together with the Company’s 2005 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-Eighth Annual General Meeting of the Company to be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 20 June 2006 at 3.00 p.m.
 - (a) Pursuant to Article 99 of the Articles of Association of the Company
 - (i) Tan Sri Lim Kok Thay
 - (ii) Encik Mohd Din Jusoh
 - (b) Pursuant to Article 104 of the Articles of Association of the Company

Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin
 - (c) 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 2005: **4**
3. Attendance of Directors at Board Meetings held during the financial year ended 31 December 2005 are set out on page 23 of this Annual Report.
4. Further details on the Directors standing for re-election at the Twenty-Eighth Annual General Meeting are set out in pages 7 and 8 of the Annual Report.

Corporate Diary

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 the 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 purchase of own shares ("Proposed Share Buy-Back").

27 May

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

31 May

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

8 June

Announcement on the proposed Joint Venture for oil palm cultivation on approximately 98,300 hectares in Kabupaten Ketapang, Provinsi Kalimantan Barat, Republic of Indonesia.

27 June

Twenty-Seventh Annual General Meeting.

28 June

Announcements on the retirement of Dato' Siew Nim Chee as the Independent Non-Executive Director and the Chairman of the Audit Committee of the Company.

1 July

Announcements on the appointment of Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin as an Independent Non-Executive Director and the Chairman of the Audit Committee of the Company.

26 August

Announcement of the Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2005.

Announcement of the Entitlement Date for the Interim Dividend in respect of the half year ended 30 June 2005.

25 November

Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2005.

2006

22 February

Announcement of the Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2005.

19 April

Announcement of the Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2005 and the Twenty-Eighth Annual General Meeting.

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

9 May

MOU entered into between the Company, Sabah Wildlife Department and WWF-Malaysia on a conservation programme on part of Asiatic Layang Estate.

DIVIDENDS			
	Announcement	Entitlement Date	Payment
2004 Final – 3.5 sen less tax	25 February 2005	1 July 2005	21 July 2005
2005 Interim – 2.5 sen less tax	26 August 2005	30 September 2005	21 October 2005
2005 Proposed Final – 3.75 sen less tax	22 February 2006	28 June 2006	19 July 2006*

* Upon approval of shareholders at the Twenty-Eighth 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



LT. GEN. (B) DATO' ABDUL GHANI BIN ABDULLAH
Non-Independent Non-Executive Director



MR QUAH CHEK TIN
Non-Independent Non-Executive Director



GEN. (B) TAN SRI MOHD ZAHIDI BIN HJ ZAINUDDIN
Independent Non-Executive Director
(Appointed on 1 July 2005)

PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Mohd Amin bin Osman
Chairman

Dato' Baharuddin bin Musa
Joint Chief Executive

Tan Sri Lim Kok Thay
Joint Chief Executive

Mr Yong Chee Kong
Chief Operating Officer

Ms Cheah Ching Mooi
Chief Financial Officer

PLANTATION

Mr Sze Kok Sing
Executive Vice President

Encik Abdul Halim bin Abdul Majid
Senior Vice President/General Manager, Sabah

Mr Tang Hong Piau
Acting Vice President/General Manager, West Malaysia

Mr Choo Huan Boon
Senior Vice President/General Manager, Processing

Mr Clifford Che Keng Soon
Vice President, Marketing - Palm Products

PROPERTY

Mr Phang Kong Wong
Executive Vice President

Encik Habibullah Khong
Vice President/General Manager, Project

Encik Khaidzir bin Zainuddin
Vice President/General Manager, ASIATIC Indahpura

Encik Mohd Sukairi bin Sohoh
Operations Manager, ASIATIC Permaipura

Ms Tan Siew Foong
Marketing Manager, ASIATIC Indahpura

AUDIT COMMITTEE

Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin
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
Chairman/Independent Non-Executive Director

Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin
Member/Independent Non-Executive Director

Encik Mohd Din Jusoh
Member/Independent Non-Executive Director

REMUNERATION COMMITTEE

Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin
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 : (603) 2178 2288/2333 2288
Fax : (603) 2161 5304
E-mail : info@asiatic.com.my

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
23rd Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel : (603) 2178 2266/2333 2266
Fax : (603) 2161 5304

CORPORATE HEAD OFFICE/PRINCIPAL PLACE OF BUSINESS

10th Floor, Wisma Genting,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel : (603) 2178 2255/2333 2255
Fax : (603) 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

www.asiatic.com.my

Directors' Profile

Tan Sri Mohd Amin bin Osman (Malaysian, aged 78), appointed on 27 June 1992, is the Chairman. He had a distinguished career with the Royal Malaysian Police Force spanning for a period of 36 years where he 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 69), 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 and a number of other private limited companies.

Dato' Baharuddin holds 113,000 ordinary shares and has a share option to subscribe for 625,000 ordinary shares in the Company.

Tan Sri Lim Kok Thay (Malaysian, aged 54), 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 attended the advanced management programme of Harvard Business School, Harvard University in 1979. He is also the Chairman, President & Chief Executive of Genting Berhad and Resorts World Bhd; and the Executive Chairman of Genting International P.L.C. 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 77), 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 Queenscliffe, 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") in February 2004 and resigned as a Board member on 8 March 2006. 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; and Chemsain Konsultant Sdn Bhd.

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

En Mohd Din Jusoh (Malaysian, aged 62), 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) Berhad.

Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah (Malaysian, aged 65), 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.

Mr Quah Chek Tin (Malaysian, aged 54), 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 & 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 Group which include three public companies namely, Genting Golf Course Bhd, Genting Highlands Berhad and Awana Vacation Resorts Development Berhad.

Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin (Malaysian, aged 58), appointed on 1 July 2005 is an Independent Non-Executive Director. He holds a Masters of Science Degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan and had attended the Senior Executive Programme in Harvard University, United States of America in 2002. He is a Fellow of the Malaysian Institute of Management (MIM). He has had a distinguished career in the Malaysian Armed Forces for 38 years 11 months, before retiring from the Force on 30 April 2005. During the period as a professional military officer, he served 6 years 4 months as the Malaysian Chief of Defence Forces from 1 January 1999 and as the Chief of the Malaysian Army for one year from 1 January 1998. Most notable appointments in the Armed Forces held were Aide de Camp (ADC) to His Majesty Yang Di-Pertuan Agong Sultan Azlan Shah, Commander Infantry Brigade, Assistant Chief of Staff Human Resource, Commander Army Training and Doctrine Command, Deputy Chief of Army and Chief of Army. In international duties, he served as a Military Observer under the United Nations International Monitoring Group in Iraq after Iran-Iraq War Ceasefire in 1988/1989. Tan Sri Mohd Zahidi is also a Director of Resorts World Bhd, Cahya Mata Sarawak Berhad, Affin Holdings Berhad, Wah Seong Corporation Berhad and Bintulu Port Holdings Berhad.

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 2005.

PERFORMANCE REVIEW

The year under review saw the Malaysian economy continuing to enjoy healthy growth but the momentum was discernibly dampened by the upsurge in fossil fuel prices. This has affected global economy and resulted in less vibrant export performance. At the same time, inflation concerns weighed down on domestic demand. Against this challenging backdrop, I am happy to report that the Group did well to stay on course, attaining an all-time high operating revenue of RM522.7 million and posted a consolidated pre-tax profit of RM217.5 million.

It was not unexpected that our key business segment, the Plantation Division, suffered a mild setback with the retreat of palm oil prices as a result of high palm oil inventory build-up coupled with bumper harvest of major oilseeds. Nevertheless, even at a reduced operating profit, it had performed laudably when benchmarked to peers. Its crop yield and oil extraction rate were above industry average. Its operating margin continued to be at a comfortable level despite escalating fertiliser costs and freight charges - a manifestation of our relentless pursuit of productivity and cost efficiency. In addition, for the first time, our fresh fruit bunch production hit a record high surpassing the "one million tonnes" mark at 1.1 million tonnes.

The Property Division, despite the intense competition and stock overhang faced by the industry, put up a commendable performance in achieving steadily rising sales of RM86.0 million, some 67% above that of 2004. Asiatic Indahpura, the

Group's flagship project in Kulai, Johor continued to be the key contributor but the well-timed launches of residential units in Asiatic Cheng Perdana, Melaka also played a substantial role.

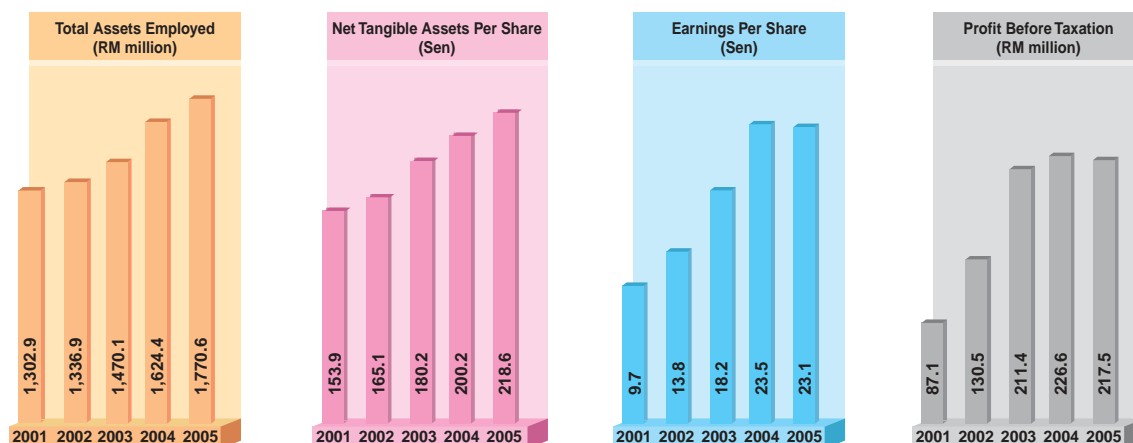
CORPORATE DEVELOPMENT

Our growth strategies saw the Group expanding vigorously both in land size and production during the last few years. Whilst these recent acquisitions were within our own familiar shores, the year under review marked the Group taking a bold step venturing beyond its traditional domain of operation to a foreign albeit neighbouring country, Indonesia.

The above proposal is significant not only in terms of location but it also involves land one-and-a-half times our current land bank. For this purpose, the Group had entered into several conditional agreements with the Sepanjang Group of Indonesia to acquire and develop some 98,300 hectares of vacant land near Ketapang, Kalimantan Barat into oil palm plantation on a joint venture basis. On completion, the Group will hold 70% of the joint venture. The acquisition of the first parcel of vacant land measuring approximately 14,500 hectares by the joint venture is expected to be completed in the second quarter of 2006.

DIVIDENDS

The Board of Directors has recommended a final dividend of 3.75 sen less 28% income tax per ordinary share of 50 sen each for the year ended 31 December 2005. If approved by shareholders at the forthcoming Twenty-Eighth Annual General Meeting, the total dividend for the year inclusive of the interim dividend of 2.50 sen less 28% income tax per ordinary share of 50 sen each paid on 21 October 2005 will amount to a total distribution of RM33.5 million, some 14% or RM4.1 million more than 2004's RM29.4 million.



FINANCIAL HIGHLIGHTS

Year Ended 31 December	2005 RM'000	2004 RM'000	Change %
Operating revenue	522,720	514,667	+2
Profit before taxation	217,533	226,624	-4
Profit after taxation	173,858	177,171	-2
Profit attributable to shareholders	171,809	174,571	-2
Shareholders' equity	1,629,895	1,486,546	+10
Total assets employed	1,770,639	1,624,408	+9
Earnings per share (sen)	23.1	23.5	-2
Net dividend per share (sen)	4.5	4.0	+13
Dividend cover (times)	5.1	5.9	-14
Net tangible assets per share (sen)	218.6	200.2	+9
Return (after tax and minority interests) on average shareholders' equity (%)	11.0	12.4	-11

FUTURE PROSPECTS

The world economy will continue to grapple with a high and volatile energy price environment and will have to contend with rising US Dollar interest rate as their upward trends show no sign of respite in the medium term. Likewise, the local economy would not be spared and it may experience slower growth if external demand and consumer confidence put on the brakes.

The fossil fuel price rally will inevitably cause soaring input costs and depress sentiment. This may indirectly create an opening and accelerate the development of bio-fuel from edible oils. Bio-fuel could become economically feasible as an environmental friendly and sustainable source of energy should fossil fuel prices remain steep. Such new demand for edible oils as alternative energy would provide cushion to its "floor prices" and may potentially be the catalyst for the next upturn of palm oil prices once the production of bio-fuel comes on stream. In addition, the rising imports from China with the abolishment of import quota, and the impending increase in demand in the United States (US) as a result of the growing concerns on trans-fatty acid issue as well as the price discount on palm oil are all positive to price movement. Nevertheless, there is concern over the palm oil stock level which is at its unprecedented high. If demand does not pick up as envisaged, palm oil prices may trend downwards. Moreover, the de-pegging of Malaysian Ringgit (RM) to a managed float system may also affect our earnings. With the probable strengthening of RM against the US Dollar, the Group may achieve lower average selling prices in RM even if palm oil prices in US Dollar were to stay flat. Overall, the Plantation Division, benefiting from production volume growth, may continue to perform well.

Whilst there are bright spots amidst uncertainties for the plantation business, the Property Division would have to brave against even tougher business conditions. Growing inflationary pressure from fuel price increase and rising borrowing costs in response to the widening of interest rate

differential gap with the US has somewhat muted consumer spending. In view of such adversity, the Property Division will step up its marketing efforts to ensure good take-up rate capitalising on its past success in surpassing customers' expectation for high standard of living environment. Given its proven track record, the Property Division shall be able to contribute positively.

Overall, we anticipate a very challenging year ahead and are committed to delivering a good performance.

DIRECTORATE

On behalf of the Board, I wish to extend a warm welcome to Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin who has been appointed as Independent Non-Executive Director with effect from 1 July 2005. We have full confidence that he will contribute positively towards adherence of good governance by our body corporate.

APPRECIATION

The Group has achieved solid performance over the years and is well placed to capitalise on opportunities and face greater challenges ahead. This would not have been possible without the continued faith and endorsement of our valued shareholders, the untiring assistance and co-operation of our business associates and the considerate authorities, as well as the dedication, loyalty and commitment of our management and staff.

For that reason, I would like to express our sincere gratitude to all the above parties. Last but not least, my personal thanks to my fellow colleagues on the Board for their stewardship, guidance and unfailing support to the continued progress and development of the Group through the years.

TAN SRI MOHD AMIN BIN OSMAN

Chairman

18 May 2006

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 2005.

TINJAUAN PRESTASI

Tahun dalam kajian menyaksikan ekonomi Malaysia yang hingga kini menikmati pertumbuhan yang baik walaupun dilembabkan sedikit kerana kenaikan harga minyak fosil. Ekonomi global yang sederhana menyebabkan pencapaian eksport kurang mantap manakala kebimbangan terhadap inflasi menjadikan permintaan dalam negeri menurun. Di sebalik keadaan yang sukar ini, saya dengan sukacitanya melaporkan bahawa Kumpulan masih terus berjaya mencapai perolehan operasi paling tinggi pernah dicapai iaitu sebanyak RM522.7 juta dan mencatatkan keuntungan yang disatukan sebelum cukai sebanyak RM217.5 juta.

Adalah tidak memeranjatkan apabila bahagian perniagaan utama kita iaitu Bahagian Perladangan, mengalami kemerosotan akibat penurunan harga minyak sawit kesan dari inventori yang berlebihan serta hasil penuaian 'oilseeds' yang besar. Walaupun berlakunya pengurangan dalam keuntungan operasi, Bahagian Perladangan telah menunjukkan prestasi baik yang boleh dibanggakan apabila dibandingkan dengan saingannya. Kadar hasil tanaman dan pemerahan minyak adalah melebihi purata industri. Margin operasi masih di tahap yang selesa walaupun kos baja serta caj pengangkutan meningkat – ekoran hasil dari usaha yang berterusan dalam meningkatkan produktiviti dan keberkesanan kos. Jua buat kali pertama, pengeluaran buah tandan basah mencecah rekod melebihi sasaran "satu juta tan" iaitu sebanyak 1.1 juta tan.

Bahagian Hartanah, walaupun mempunyai saingan hebat dan masalah stok berlebihan yang dihadapi oleh industri, telah mencatat pencapaian yang memuaskan apabila jualan meningkat kepada RM86.0 juta iaitu 67% lebih tinggi dari tahun 2004. Asiatic Indahpura, projek unggul Kumpulan di Kulai, Johor terus memberi sumbangan utama, namun pelancaran baru unit kediaman di Asiatic Cheng Perdana, Melaka pada waktu yang sesuai juga telah memainkan

peranan penting.

PEMBANGUNAN KORPORAT

Strategi pertumbuhan syarikat di tahun-tahun lalu, menyaksikan Kumpulan giat memperluaskan keluasan tanah dan pengeluaran hasil. Walaupun perolehan hingga kini masih melibatkan aktiviti dalam negara, tahun dalam kajian mencatatkan Kumpulan mengambil langkah yang lebih berani dengan menceburi diri di luar iaitu di negara jiran, Indonesia.

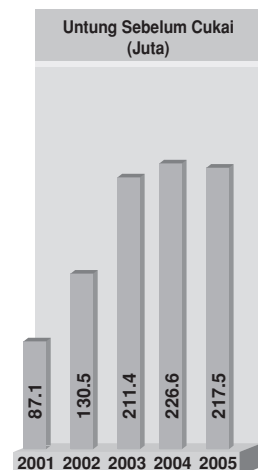
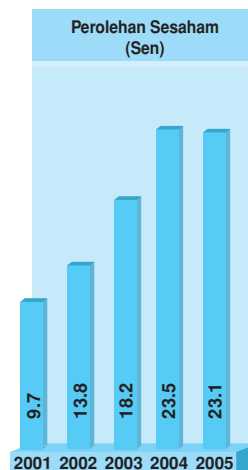
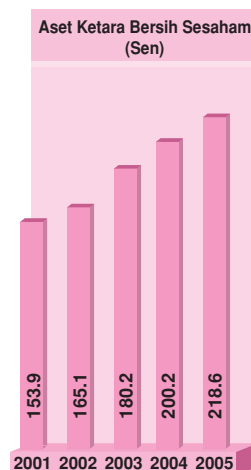
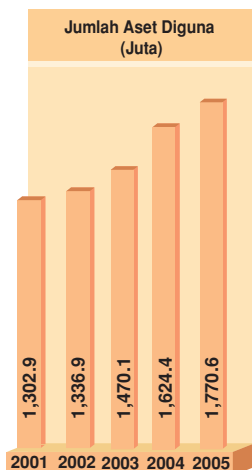
Langkah ini amat bermakna bukan hanya meliputi lokasinya tetapi juga melibatkan keluasan tanah satu setengah kali ganda besarnya dari keluasan tanah yang kita sedia ada. Bagi tujuan ini, Kumpulan telah memeterai beberapa perjanjian dengan Sepanjang Group, Indonesia untuk memperolehi dan membangun 98,300 hektar tanah kosong di Ketapang, Kalimantan Barat sebagai perladangan kelapa sawit secara usahasama. Apabila selesai nanti, Kumpulan akan memegang 70% usahasama ini. Perolehan tanah kosong peringkat pertama berukuran kira-kira 14,500 hektar oleh usahasama ini dijangka selesai dalam suku kedua 2006.

DIVIDEN

Lembaga Pengarah telah mengesyorkan dividen akhir sebanyak 3.75 sen ditolak cukai pendapatan 28% sesaham biasa 50 sen, setiap satu, bagi tahun berakhir 31 Disember 2005. Jika diluluskan oleh pemegang saham pada Mesyuarat Agung Tahunan Kedua Puluh Lapan yang akan datang, dividen bagi tahun dalam kajian termasuk dividen interim 2.50 sen ditolak cukai pendapatan 28% sesaham biasa 50 sen setiap satu dan yang telah pun dibayar pada 21 Oktober 2005 akan berjumlah RM33.5 juta, 14% atau RM4.1 juta lebih banyak dari tahun 2004 yang hanya berjumlah RM29.4 juta.

PROSPEK MASA DEPAN

Ekonomi dunia akan terus bergelut dengan suasana harga yang tidak stabil dan akan diikuti pula dengan kenaikan kadar faedah Dolar Amerika Syarikat. Kenaikan secara mendadak ini tiada menunjukkan tanda untuk reda dalam jangka masa sederhana. Justeru, ekonomi tempatan akan turut terjejas dan akan mengalami pertumbuhan yang lembab jika permintaan luar dan keyakinan pengguna merosot.



SOROTAN KEWANGAN

Tahun berakhir 31 Disember	2005	2004	Change
	RM'000	RM'000	%
Perolehan operasi	522,720	514,667	+2
Untung sebelum cukai	217,533	226,624	-4
Untung selepas cukai	173,858	177,171	-2
Untung bagi pemegang saham	171,809	174,571	-2
Ekuiti pemegang saham	1,629,895	1,486,546	+10
Jumlah aset diguna	1,770,639	1,624,408	+9
Perolehan sesaham (sen)	23.1	23.5	-2
Dividen bersih sesaham (sen)	4.5	4.0	+13
Liputan dividen (kali)	5.1	5.9	-14
Aset ketara bersih sesaham (sen)	218.6	200.2	+9
Pulangan (selepas cukai dan kepentingan minoriti) purata ekuiti pemegang saham (%)	11.0	12.4	-11

Kenaikan harga minyak fosil tidak boleh tidak akan menyebabkan peningkatan harga input dan sentimen penurunan. Ianya secara tidak langsung akan membuka peluang dan mempercepatkan keadaan bagi pembangunan bio-fuel daripada minyak masak. Apabila harga minyak fosil kekal di paras tinggi, dari segi ekonomi bio-fuel dapat dilaksanakan dan juga memberi manfaat sebagai sahabat alam sekitar di samping dapat menampung kepada sumber tenaga. Keperluan baru bagi minyak masak sebagai tenaga alternatif, boleh memelihara harga dan berpotensi sebagai pemangkin untuk harga minyak sawit meningkat apabila pengeluaran bio-fuel menjadi kukuh. Lebih-lebih lagi, penambahan import dari China apabila kuota import telah dimansuhkan dan permintaan yang meningkat secara mendadak di Amerika Syarikat kerana peningkatan kecurigaan isu 'trans-fatty acid' serta diskaun bagi minyak sawit, semuanya ini adalah petunjuk positif bagi harga minyak sawit meningkat semula. Walau bagaimanapun, harus prihatin tentang paras stok minyak sawit yang berada di tahap yang terlalu tinggi. Jika permintaan tidak meningkat seperti yang dijangkakan, maka harga minyak sawit akan jatuh merudum. Lebih-lebih lagi, penarikan semula tabung Ringgit Malaysia (RM) kepada sistem apungan yang terkawal, akan memberi kesan terhadap pendapatan syarikat. Dengan kemungkinan RM semakin mengukuh berbanding Dolar Amerika Syarikat (AS), Kumpulan mungkin mencapai purata harga yang lebih rendah dalam RM jika harga minyak sawit dalam Dolar AS terus diguna pakai. Pada keseluruhannya, Bahagian Perladangan kerana pertumbuhan pengeluaran, berkemungkinan akan terus memberikan sumbangan yang baik.

Meskipun ada harapan cerah bagi pemiagaan perladangan, Bahagian Hartanah terus menghadapi suasana pemiagaan yang lebih sukar. Tekanan inflasi yang meningkat akibat dari kenaikan harga minyak serta kenaikan kadar pinjaman hasil dari penambahan kadar faedah di AS, menyebabkan perbelanjaan pengguna merosot. Memandangkan kesukaran ini, maka Bahagian Hartanah akan meningkatkan usaha pemasaran bagi memastikan kadar jualan yang baik sambil mengambil kesempatan dari kejayaan lalu yang memenuhi jangkaan pengguna bagi kediaman yang lebih selesa. Setelah membuktikan prestasi yang baik, Bahagian Hartanah

akan dapat terus memberi sumbangan yang positif.

Keseluruhannya, kami menjangkakan satu cabaran yang hebat di masa hadapan dan kerana itu kami akan bersungguh-sungguh berusaha untuk mencapai prestasi yang memuaskan.

LEMBAGA PENGARAH

Bagi pihak Lembaga Pengarah, saya ingin mengalu-alukan Jeneral (B) Tan Sri Mohd Zahidi bin Hj Zainuddin yang dilantik sebagai Pengarah Bebas dan Bukan Eksekutif mulai 1 Julai 2005. Kami berkeyakinan penuh bahawa beliau akan dapat memberi sumbangan positif terhadap urus tadbir yang baik oleh badan korporat syarikat kami.

PENGHARGAAN

Pencapaian mantap oleh Kumpulan di tahun-tahun yang lalu telah membina kedudukan yang kukuh untuk membolehkan syarikat menghadapi cabaran hari muka yang lebih hebat. Ianya adalah hasil dari keyakinan dan sokongan yang berterusan dari pemegang saham serta bantuan dan kerjasama yang tidak putus-putus dari rakan kongsi perniagaan dan timbang rasa dari pihak-pihak berkuasa. Juga, dedikasi, kesetiaan dan komitmen oleh pihak pengurusan dan semua kakitangan adalah amat memberansangkan.

Oleh itu, saya ingin merakamkan penghargaan kepada semua pihak yang disebutkan di atas. Akhir kata, saya mengucapkan terima kasih kepada rakan sejawat saya di dalam Lembaga Pengarah yang banyak membantu pengurusan, tunjuk ajar dan sokongan padu yang membolehkan progres dan pembangunan Kumpulan secara berterusan di sepanjang tahun.

TAN SRI MOHD AMIN BIN OSMAN

Pengerusi

18 Mei 2006

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2005年12月31日的常年報告及已審核的財政報告。

業績檢討

在受檢討年間，馬來西亞的經濟持續健全成長，但是成長勢頭卻受到燃油價格不斷攀升所打擊。全球成長趨緩，影響了出口表現，與此同時，國人對通貨膨脹深表關注下影響了本地需求。在這種充滿挑戰的大環境之下，我欣喜地呈報，本集團仍然保持良好表現，營運收入創下新高記錄，達到五億二千二百七十萬令吉，而綜合稅前盈利則達到二億一千七百五十萬令吉。

由于棕油存貨量升高，加上主要的含油種子大唱豐收，導致棕油價格回退，因此我們的主要業務，即種植組面對輕微回退，並不是完全出人意料的事情。然而，即使營運盈利減少，但是若與同儕相比，其表現仍然令人激賞。其農作物收成與榨油率高過同行平均數。雖然肥料成本與運輸費用逐步升高，但是種植組的營運賺幅仍然處於舒適水平，這反映出我們不遺餘力地提高生產力與注重成本效率。此外，我們的新鮮棕櫚果串產量創下新高記錄，超越“一百萬公噸”水平，達到一百一十萬公噸。

雖然產業的競爭激烈，而且這個行業面對滯銷問題，但是產業組仍然達到不俗表現，銷售額穩定成長，達到八千六百萬令吉，比2004年高出約67%。

本集團在柔佛州古來的旗艦產業計劃，即優美城（Asiatic Indahpura），繼續是主要貢獻者，不過在適當時機新推介的馬六甲 Asiatic Cheng Perdana 的住宅單位也同樣扮演著舉足輕重的角色。

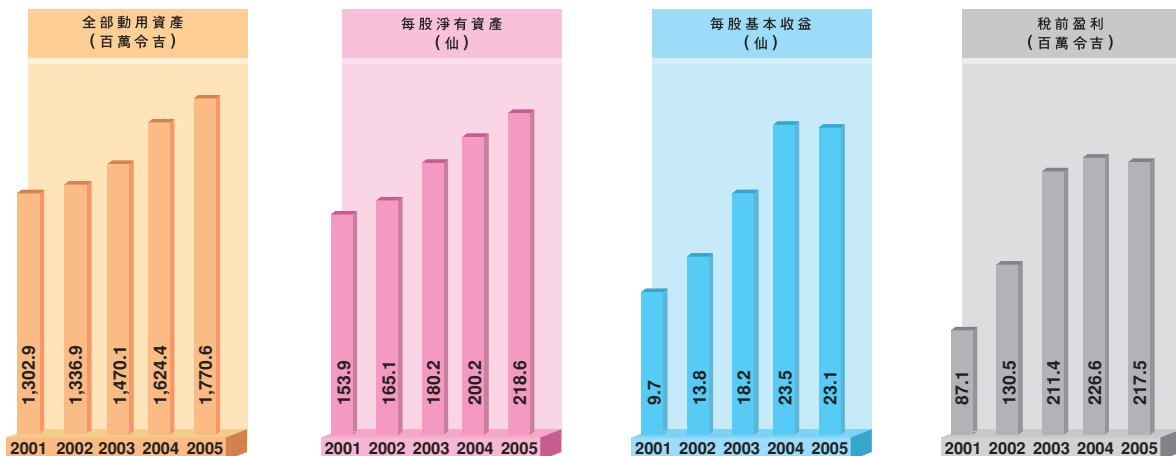
企業發展

本集團最近幾年來，在擴展策略下，不斷擴大地庫規模與產量水平。雖然近期的收購計劃都在我們所熟悉的地點，但是在受檢討年間，本集團勇敢地跨出傳統營運地點到鄰近國家，即印尼。

上述建議意義重大，不只是因為地點的關係，而且所涉及的地庫面積是我們原有地庫的一倍半。有鑒于此，本集團與印尼 Sepanjang 集團簽署了數項附條件協議，來收購加里曼丹西部 Ketapang 附近的 98,300 公頃空地，以聯營方式發展為油棕園。一旦完成這項計劃，本集團將持有聯營計劃的 70% 股權。有關聯營計劃所收購的首個地段約占地 14,500 公頃，預計在 2006 年第二季完成。

股息

董事部建議在截至2005年12月31日止的財政年，派發每一50仙普通股享有3.75仙，但須扣28%所得稅的終期股息。若獲得行將來臨的第28屆股東大會批准，本年度的股息總額，包括2005年10月21日付出的每一50仙普通股享有2.50仙，但須扣28%所得稅的中期股息，將為三千三百五十萬令吉，比2004年的二千九百四十萬令吉高出約14%或四百一十萬令吉。



財政重點

截至 12 月 31 日年度	2005 令吉'000	2004 令吉'000	相差 %
營運收入	522,720	514,667	+2
稅前盈利	217,533	226,624	-4
稅後盈利	173,858	177,171	-2
歸股東盈利	171,809	174,571	-2
股東股權	1,629,895	1,486,546	+10
全部動用資產	1,770,639	1,624,408	+9
每股基本收益(仙)	23.1	23.5	-2
每股淨股息(仙)	4.5	4.0	+13
股息補足率(倍數)	5.1	5.9	-14
每股淨有形資產(仙)	218.6	200.2	+9
平均股東股權 (在扣稅及少數股東利益後)的回酬(%)	11.0	12.4	-11

未來展望

全球經濟仍然面對能源價格偏高並且波動不定的挑戰，同時，美國利率持續上揚，而且在中期內沒有停止加息的跡象。同樣的，本地經濟也無法幸免，如果外圍需求減少而且消費者信心下降的話，那麼我國經濟也會經歷較緩慢的成長。

燃油價格掀起漲潮，將無可避免地加重生產成本，進而打擊情緒。這可能間接地造就與加速把食油開發為生物燃油。生物燃油有利于環保，而且是持續不斷的能源來源，如果燃油價格持續高企不下，生產生物燃油將在符合經濟效益的情況下而成為可行之道。食油可作為替代能源的新需求下，有助緩衝其“最低限價”水平，而且一旦生物燃油計劃獲得落實，這也可能是激勵棕油價格掀起另一輪漲潮的催化素。此外，中國廢除進口限額後增加進口量、由于反式脂肪酸課題日益受到關注導致美國需求量提高，加上棕油處于折價水平，都是有利于價格走勢的進展。然而，由于棕油存貨量正處于有史以來最高水平，因此業者須加以關注。萬一需求未如預期般提高，那麼棕油價格可能掉頭回跌。此外，令吉與美元脫鉤，採取管理式浮動制度，也可能會影響我們的盈利水平。由于令吉兌美元匯價可能走強，如果以美元掛價的棕油價格保持平穩，那麼本集團所獲得平均售價，以令吉計算，就可能減少。整體而言，從種植產量提高中受惠的種植組有望持續良好表現。

種植組雖然處身在充斥不明朗的大環境下，但是仍然有其光明面，反觀產業組則面對更加艱難的商業環境。燃油價格上漲，加重通貨膨脹壓力，而且在

我國與美國利差擴大而提高本地借貸成本的情況下，難免會打擊消費人的開支。在不利的經營環境下，產業組將憑著一直以來都能夠超乎客戶預期，打造出高素質居住環境的良好紀錄，來加緊推行行銷工作，以確保獲得良好認購率。在過往良好紀錄下，產業組有望作出正面貢獻。

整體而言，我們預期未來一年充滿挑戰，同時承諾致力于交出良好表現。

董事部

我謹代表董事部熱烈歡迎退休將軍丹斯里 Mohd Zahidi bin Hj Zainuddin 于 2005 年 7 月 1 日加入本董事部，出任獨立非執行董事。我們充滿信心，他可以在監督我們管理方面作出積極貢獻。

致謝

本集團在這麼多年來取得堅穩的表現，而且已準備就緒，把握未來的機遇，並迎接未來的挑戰。這一切都是因為我們獲得尊貴股東的信任與委托，以及我們商業伙伴與有關當局所給予的協助與合作，還有公司管理層與員工辛勤苦幹和個人獻身工作精神也居功至偉。

有鑒于此，我在此衷心地感激上述所有人士。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。

TAN SRI MOHD AMIN BIN OSMAN

主席

2006 年 5 月 18 日