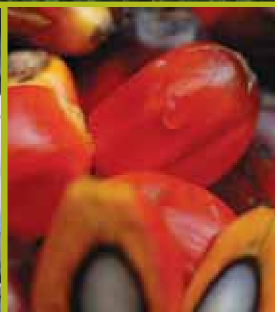

ASIATIC DEVELOPMENT BERHAD (34993-X)

ANNUAL REPORT 2007

ASIATIC DEVELOPMENT BERHAD (34993-X)

10th Floor, Wisma Genting, Jalan Sultan Ismail,
50250 Kuala Lumpur, Malaysia

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www.asiatic.com.my

a Genting company

OUR VISION

WE STRIVE:

To become a leader in the plantation industry.

To embark aggressively onto value-added downstream manufacturing activities which are synergistic to our core business.

To enhance return on the company land bank through property development activities.

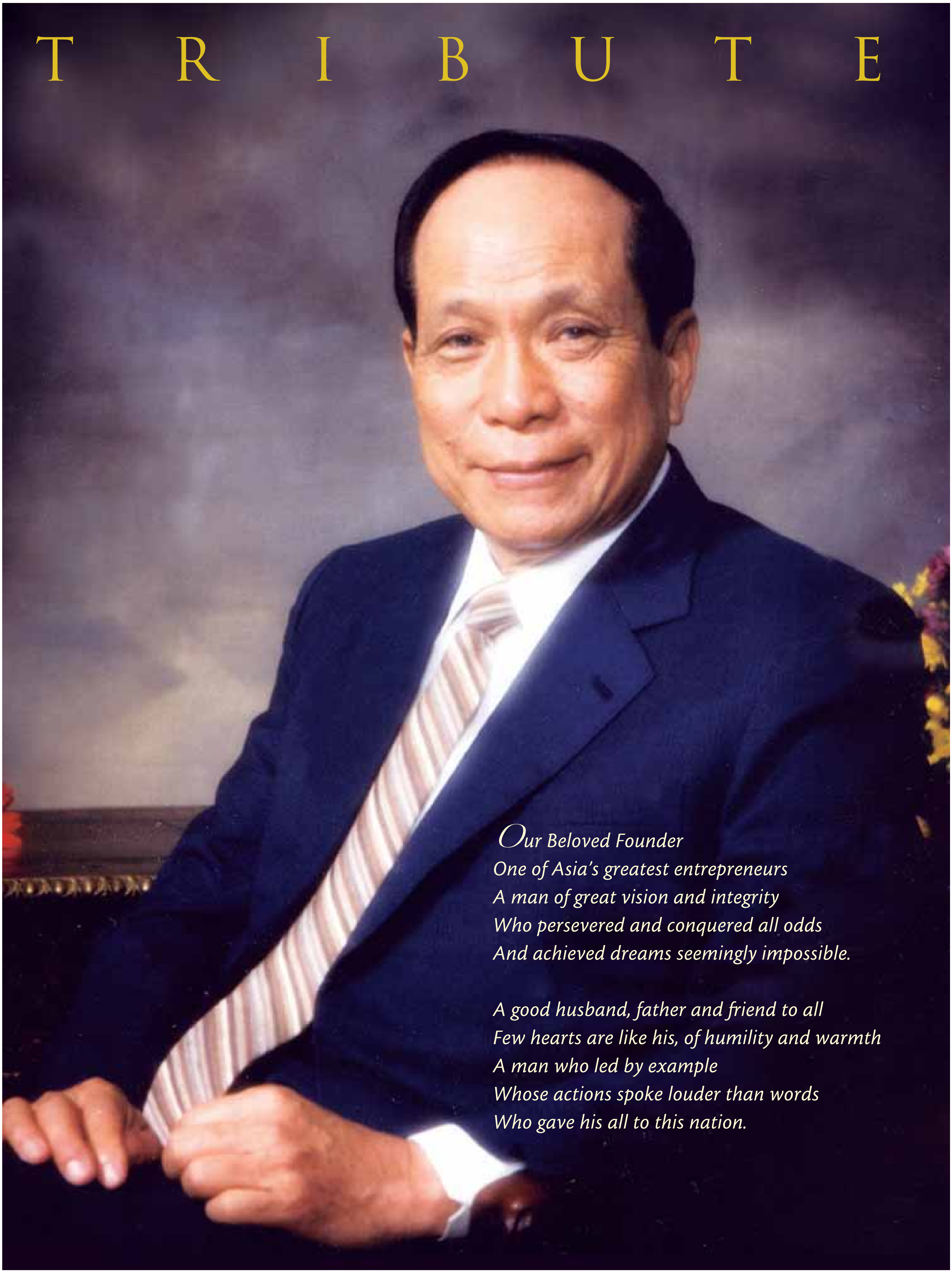
To adopt a market-driven and customer-oriented approach, with emphasis on product quality and diversity.

To strengthen our competitive position by adopting new technologies and innovations.

As people are the key to achieving the company's vision, we are committed to develop our employees and create a highly motivating and rewarding environment for them.

Contents

T R I B U T E



Our Beloved Founder
One of Asia's greatest entrepreneurs
A man of great vision and integrity
Who persevered and conquered all odds
And achieved dreams seemingly impossible.

A good husband, father and friend to all
Few hearts are like his, of humility and warmth
A man who led by example
Whose actions spoke louder than words
Who gave his all to this nation.

TAN SRI (DR.) LIM GOH TONG

28 February 1918 – 23 October 2007

The story of Lim Goh Tong, founder of the Genting Group, is a unique, inspiring Malaysian success story. He arrived in Malaysia in 1937 as a penniless young man without any tertiary education and went on to create the Genting Group – one of Asia's leading conglomerates.

He was often named amongst the world's most successful Asian entrepreneurs. To many, he was the legend who at the age of 47, embarked on a vision of turning a remote mountain into today's highly successful Genting Highlands Resort – Malaysia's premier tourist destination.

His life story and values are an inspiration to all. He dared to dream dreams and had the courage and conviction to turn them into reality. He did not study beyond primary school, yet was fearless in turning life's challenges into opportunities. His distinct entrepreneurial style blended street savvy with well-timed risk-taking and relentless hands-on management. He had a huge appetite for work, vacation was not in his vocabulary. But above all, he was extremely humble, often addressing himself as a simple traditional Chinese businessman.

Lim was born in 1918 in Anxi in China's southern Fujian province. He was the fifth child and second son of a vegetable-seed trader. When his father died, 16-year-old Lim left school and took over the trading business, hawking his goods along country roads.

Determined to support his mother and siblings financially, at 19 he ventured to work in Malaya. Starting as a carpenter, he went on to trade in used equipment and machinery, investing profits earned into small-scale mining ventures and plantations. Eventually, he established his own construction company called 'Kien Huat' and through dedication and hard work became a successful Class A contractor, completing many major public infrastructure projects.

After Malaysia's independence, he was awarded the contract to build the country's first dam – the RM12 million Ayer Itam Dam in Penang. His other major projects included the RM5.2 million Sultan Yahya Petra Bridge in Kota Bharu, the RM20 million Hydroelectric Power Project in Cameron Highlands and the RM54 million Kemubu Irrigation Scheme.

In 1964, while working in Cameron Highlands, he was inspired to build a highland resort for everyone to enjoy the cool mountain air. He identified Gunung Ulu Kali, a 1,800-metre high mountain plateau overlooking the country's capital, Kuala Lumpur, straddling the border between the states of Selangor and Pahang.

Many regarded this vision as an impossible dream, especially at a time when he could afford to retire comfortably. "The Genting project fitted my idea of an ideal business: Nobody else was interested in it," Lim wrote in his autobiography. Undeterred, he ploughed all his savings into turning his dream resort into reality. His humility, determination and proven track record as a contractor won the confidence of the authorities who approved his application to acquire and develop 6,000 hectares of land for the project.

On 8 August 1965, he began constructing the access road to the summit of Mount Ulu Kali through the dense tropical rainforest and rugged mountainous terrain. He devoted all his time, money and resources, even risking his life several times to complete this crucial access road within three years, instead of the original six-year target.

On 31 March 1969, when the foundation stone for the first hotel was laid, Malaysia's first Prime Minister Tunku Abdul Rahman Putra said the Government would consider a casino licence to further develop tourism in this remote area. On 28 April 1969, Malaysia granted its first and only casino licence to Genting.

On 8 May 1971, Genting Highlands Resort opened for business and became a great success story. Today, it is Malaysia's premier integrated resort and tourist destination attracting 19.6 million visitors in 2007. A vibrant 'City of Entertainment' – it offers six hotels (including the world's largest hotel) with hotel rooms, exhilarating fun rides, superb dining and shopping experiences, mega shows and international convention facilities.

From the humble beginnings of a 38-room hotel, Lim developed his Genting Group into a global empire spanning resorts, cruise ships, plantations, power generation and oil and gas exploration and production. The Genting Group is now known as one of Asia's leading and best-managed conglomerates. In the US, Lim bankrolled the Mashantucket Pequot Tribe in Connecticut to create one of the world's largest casino complexes, Foxwoods Resort Casino.

Lim retired on 31 December 2003 at age 85, handing over the reigns to his second son Kok Thay. After retiring, Lim spent most of his time at a villa he built in Gohtong Jaya, a township at the foothills of his beloved Genting Highlands.

A well-known philanthropist, he gave generously to the community through the Genting Group and Yayasan Lim, a family foundation established in 1978. He built the Chin Swee temple to honour the deity who inspired him to complete the access road to the peak of Mount Ulu Kali. For his contributions to the national economy and society, he was bestowed the title of "Tan Sri" by HM the Yang di-Pertuan Agong in 1979 and an Honorary Doctorate of Entrepreneurship from University of Tunku Abdul Rahman in 2005.

Tan Sri (Dr.) Lim married Puan Sri Lee Kim Hua in 1944. They were blessed with six children (three sons and three daughters) and 19 grandchildren.

He passed away peacefully on 23 October 2007 and was laid to rest on 29 October 2007, after a week-long wake attended by his beloved family, friends, associates and dignitaries from all over the world.

His honesty, humility and wisdom will be deeply missed. His remarkable legacy lives on.

HIS INSPIRING LEGACY LIVES ON...

LOCATION OF GROUP PROPERTIES

Plantation

Oil Mill

Property

CORPORATE DIARY

2007

28 February
Announcements of the following:
(a) Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2006; and
(b) Proposed joint venture between Asiatic Centre for Genome Technology Sdn Bhd (formerly known as Cosmo-Lotus Sdn Bhd), a wholly-owned subsidiary of the Company, and Synthetic Genomics Inc. ("Proposed ACGT & SGI Joint Venture").

24 April
Announcements of the following:
(a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2006;
(b) Twenty-Ninth Annual General Meeting;
(c) Proposed Renewal of authority for the Company to purchase its own shares; and
(d) Second extension of the Joint Venture Agreements for oil palm cultivation in Kabupaten Ketapang, Republic of Indonesia.

18 May
Announcement on the retirement of Dato' Baharuddin bin Musa as the Joint Chief Executive of the Company with effect from 22 June 2007.

21 May
Announcement on the redesignation of Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah from Non-Independent Non-Executive Director to Independent Non-Executive Director of the Company.

24 May
Announcement of the Consolidated Results of the Group for the first quarter ended 31 March 2007.

29 May
Notice to shareholders of the Twenty-Ninth Annual General Meeting.

6 June
Announcement on the completion of the Proposed ACGT & SGI Joint Venture.

20 June
Twenty-Ninth Annual General Meeting.

Announcements on the retirement of Dato' Baharuddin bin Musa as a Director and a member of the Audit Committee of the Company with effect from 20 June 2007.

23 August
Announcements of the following:
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2007; and
(b) Entitlement Date for the Interim Dividend in respect of the half year ended 30 June 2007.

22 October
Announcement on the appointment of Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah as a member of the Audit Committee of the Company.

23 October
Announcement of the demise of the Founder and Honorary Life Chairman of Genting Berhad, the late Tan Sri (Dr.) Lim Goh Tong.

22 November
Announcement of the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2007.

2008

28 February
Announcements of the following:
(a) Consolidated Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2007;
(b) Special Dividend of 6 sen less 26% tax per ordinary share of 50 sen each in respect of the financial year ended 31 December 2007 and the Entitlement Date; and
(c) Redesignation of Tan Sri Lim Kok Thay from Joint Chief Executive to Chief Executive of the Company.

2 May
Announcement of the Proposed Renewal of authority for the Company to purchase its own shares.

21 May
Announcements of the following:
(a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2007;
(b) Thirtieth Annual General Meeting; and
(c) Proposed amendments to the Articles of Association of the Company.

DIVIDENDS

	Announcement	Entitlement Date	Payment
2006 Final – 4.25 sen less tax	28 February 2007	25 June 2007	17 July 2007
2007 Interim – 3.25 sen less tax	23 August 2007	28 September 2007	18 October 2007
2007 Special – 6.0 sen less tax	28 February 2008	13 March 2008	27 March 2008
2007 Proposed Final – 4.75 sen less tax	28 February 2008	30 June 2008	15 July 2008*

** Upon approval of shareholders at the Thirtieth Annual General Meeting*

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Mohd Amin bin Osman	Chairman
Tan Sri Lim Kok Thay	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	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

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

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

Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah
Member/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

Tan Sri Lim Kok Thay
Member/Chief Executive

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

Encik Mohd Din Jusoh
Member/Independent Non-Executive Director

SECRETARY

Ms Loh Bee Hong

PRINCIPAL EXECUTIVE OFFICERS

Tan Sri Mohd Amin bin Osman
Chairman

Tan Sri Lim Kok Thay
Chief Executive

Mr Yong Chee Kong
Chief Operating Officer

Ms Cheah Ching Mooi
Chief Financial Officer

Encik Rusli Ujang
Chief Operating Officer, Plantation (Indonesia)

Haji Abd Halim bin Abd Majid
Executive Vice President, Plantation (Malaysia)

Mr Phang Kong Wong
Executive Vice President, Property

Mr Derrik Khoo Sin Huat
Chief Executive Officer,
Asiatic Centre for Genome Technology Sdn Bhd

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
24th 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 2255/2382 2255
Fax : (603) 2161 6149

STOCK EXCHANGE LISTING

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

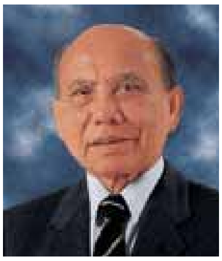
AUDITORS

PricewaterhouseCoopers
(Chartered Accountants)

INTERNET HOMEPAGE

http://www.asiatic.com.my

DIRECTORS' PROFILE



TAN SRI MOHD AMIN BIN OSMAN
Chairman

Tan Sri Mohd Amin bin Osman (Malaysian, aged 80), appointed on 27 June 1992, is the Chairman. He had a distinguished career spanning a period of over 36 years with the Royal Malaysian Police Force 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 the 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 989,000 ordinary shares in the Company.

TAN SRI LIM KOK THAY
Chief Executive

Tan Sri Lim Kok Thay (Malaysian, aged 56), appointed on 29 September 1977 as a Director and was redesignated from Joint Chief Executive to Chief Executive on 28 February 2008. 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 & Chief Executive of Genting Berhad and Resorts World Bhd; the Executive Chairman of Genting International P.L.C. and the Chairman of Stanley Leisure plc. He is the Chairman 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 369,000 ordinary shares in the Company.

LT. GEN. (B) DATO' HAJI ABDUL JAMIL BIN HAJI AHMAD
Independent Non-Executive Director

Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad (Malaysian, aged 79), 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 had served as the Chief Executive of KN from 1984 to 1989 and as director on the Board of Perwira Affin Merchant Bank (now known as Affin Investment Bank Berhad) from 1984 to 2000. 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.

ENCIK MOHD DIN JUSOH
Independent Non-Executive Director

En Mohd Din Jusoh (Malaysian, aged 64), 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
Independent Non-Executive Director

Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah (Malaysian, aged 67), appointed on 14 February 1996, is an 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
Non-Independent Non-Executive Director

Mr Quah Chek Tin (Malaysian, aged 56), appointed on 19 October 2001, is a Non-Independent Non-Executive Director. He began his career with Coopers & Lybrand, London before returning to Malaysia. He joined the Genting Group in 1979 and has served in various positions within the Group. He was the Executive Director of Genting Berhad as well as the Executive Director and Chief Operating Officer of Resorts World Bhd prior to his retirement. He holds a Bachelor of Science (Honours) Degree in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

In addition, he sits on the Boards of Genting Berhad, Resorts World Bhd and Paramount Corporation Berhad.

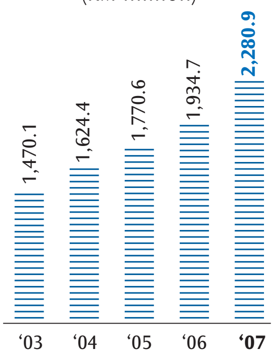
GEN. (B) TAN SRI MOHD ZAHIDI BIN HJ ZAINUDDIN
Independent Non-Executive Director

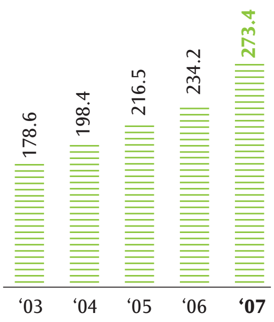
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin (Malaysian, aged 60), appointed on 1 July 2005 is an Independent Non-Executive Director. He holds a Masters of Science Degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan and had attended the Senior Executive Programme 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 Resources, Commander of 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, Bintulu Port Holdings Berhad and Bandar Raya Developments Berhad.

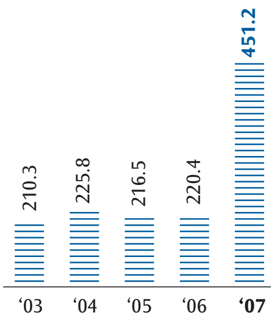
Tan Sri Zahidi was made a Member of Dewan Negara Perak, elected by DYMM Paduka Seri Sultan Perak on 25 November 2006 and also a Director of Yayasan Sultan Azlan Shah.

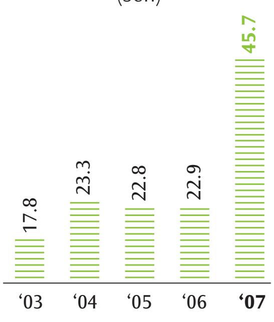
Attendance at Board Meetings
The details of Directors' attendances at Board Meetings are set out in the Corporate Governance Statement on page 27 of this Annual Report.

CHAIRMAN'S STATEMENT









On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Asiatic Development Berhad ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2007.

PERFORMANCE REVIEW

2007 was truly a very good year for the plantation sector in Malaysia. The upward price momentum that crude palm oil ("CPO") experienced towards the end of 2006 continued well into 2007, leading not only to record high commodity prices but also to an unprecedented period of elevated prices. The Malaysian palm oil industry benefited from this market dynamic and registered significant gains in the prices of all oil palm products. Export earnings from this industry soared by over 40% to a record RM45 billion from the previous level of RM32 billion.

In the early months of 2007, the surge in CPO prices was triggered by higher soyabean prices as farmers in the US switched to corn planting to cater for ethanol demand. It was the strong and growing global demand for all edible oils for both food and non-food uses, coupled with oil prices at historical highs of USD100 per barrel that took centre stage for most of the year, fuelling the sharp gains in CPO prices. The current consensus is that palm oil prices will continue to move in tandem with that of crude mineral oil.

Similarly, palm kernel ("PK") prices in 2007 have also been on a steady rise buoyed by rising exports and a supply squeeze in coconut oil following the effects of the typhoons in the Philippines in 2006.

I am happy to report that the Group saw another year of admirable results where performance closed on a high note, reflecting the upsurge in commodity prices. The strong financial performance charted in 2007 certainly surpassed expectations. Group revenues rose considerably from the previous RM577 million to RM906 million while the consolidated pre-tax profit grew by over 100% to RM451 million, an all time high.

Positively impacted by the robust prices of palm products, the Plantation Division continued to be the Group's main growth driver, delivering its best ever results and contributing 93% of the Group's 2007 revenues. The Plantation Division's outstanding pre-tax profit of RM429 million for the year more than doubled that of the previous year's RM195 million on the back of a marked increase in revenue from RM486 million to RM846 million. This stellar growth was boosted by a 7% increase in crop production to 1.21 million tonnes coupled with improvements in the Group's achieved prices for its palm products; CPO and PK achieved prices in 2007 were RM2,500 (2006: RM1,520), and RM1,445 (2006: RM897) respectively.

In the case of the Property Division, it operated in a challenging environment which worsened as the year progressed because of mounting concerns from higher fuel prices which had caused significant increases in the cost of building materials especially steel and cement, and the possible slowdown in the global economy, due to the spillover effect from the credit crunch in the United States. Notwithstanding this, the Property Division managed to achieve a marginal increase in total sales of 4% to RM78 million. Once again, Asiatic Indahpura, with sales of RM41 million, remained the key contributor, while Asiatic Pura Kencana's maiden sales of RM23 million was encouraging.

FINANCIAL HIGHLIGHTS

Year Ended 31 December	2007 RM'000	2006 RM'000	Change %
Operating revenue	**906,415**	576,578	+57
Profit before taxation	**451,158**	220,425	>100
Profit for the financial year	**348,056**	173,218	>100
Profit attributable to equity holders of the Company	**344,064**	171,147	>100
Equity attributable to equity holders of the Company	**2,064,309**	1,757,363	+17
Total assets employed	**2,280,920**	1,934,735	+18
Basic earnings per share (sen)	**45.7**	22.9	+100
Net dividend per share (sen)	**10.3**	5.1	>100
Dividend cover (times)	**4.4**	4.5	-2
Net assets per share (sen)	**273.4**	234.2	+17
Return (after tax and minority interests) on average shareholders' equity (%)	**18.0**	10.2	+77

CORPORATE DEVELOPMENTS

During the year, PT Sepanjang Intisurya Mulia, one of the Indonesian joint venture companies, had become unconditional in the third quarter of 2007 subsequent to successfully having obtained the 'Hak Guna Usaha' for 14,261 hectares of land. The Group will continue to work closely with its Indonesian partner towards the success of this venture.

Following its establishment in 2006, Asiatic Centre for Genome Technology Sdn Bhd ("ACGT") had, in February 2007, formed a strategic partnership with Synthetic Genomics, Inc ("Synthetic Genomics"), a renowned US based biotechnology company, to conduct research in the application of genomics-based techniques in oil palm and other crops. In line with its aim to be a world class centre of excellence in genomic science in Malaysia, ACGT is receiving technical assistance from the highly acclaimed J. Craig Venter Institute.

Over the next few years, ACGT, a BioNexus status company, will focus its research and development activities to produce planting materials that would increase yield and enhance value creation from oil palm and other crops. Ultimately, ACGT's initiatives will improve the economic growth of the agriculture sector as well as the creation of new sources of wealth for Malaysia.

DIVIDENDS

In the past few years, the Group has consistently delivered strong earnings growth, significantly improved the return on shareholders' equity, and increased dividend paid per share. We will maintain a reasonable balance between dividend payouts and the setting aside of funds to finance ongoing operations, as well as for future investments and business growth.

Given the sterling financial performance of the Group in 2007, a special dividend of 6 sen less 26% tax per ordinary share of 50 sen was declared, and paid on 27 March 2008. The Board of Directors has further recommended a final dividend of 4.75 sen less 26% tax per ordinary share of 50 sen. If approved by the shareholders at the forthcoming Thirtieth Annual General Meeting, the total dividends for the year, including the special dividend paid, will amount to a total distribution of RM78 million. It is noteworthy to mention that the total payout translates to a hefty jump of over 100% or RM40 million more than the RM38 million paid out for the financial year 2006.

FUTURE PROSPECTS

In recent weeks, after a strong rally, the prices of commodities and crude oil have been volatile. CPO prices which had skyrocketed to a high of RM4,480 per tonne in early March 2008 have since settled at a range of RM3,500 to RM3,600 per tonne.

The industry does not foresee an immediate sharp decline in CPO prices due to the continued strong demand and tight inventories for edible oils worldwide. As the emerging markets of China and India become more urbanised and wealthy, they continue to drive demand for edible oils. Furthermore, recent market developments, which include the complete abolishment of import duties on crude vegetable oils by India, the ongoing fight for acreage for the planting of crops for food versus crops for biofuel production, and the raised export taxes on CPO

CHAIRMAN'S STATEMENT

imposed by Indonesia, should continue to sustain CPO prices. We expect the plantation business to have another year of strong performance.

On the home front, the palm oil industry is faced with the perennial issues of escalating fertiliser and labour costs, or extension of the cooking oil cess. However, our plantation growth will be driven by both new land coming into maturity, coupled with improvement in yields as young palms move into higher yielding age groups.

The property sector is expected to continue to face a tough operating environment amidst fears of a deeper US recession, volatile crude oil prices, and escalating building material prices. With property buyers continuing to be in a cautious mood, the Group will tread vigilantly to ensure that property launches and releases are well timed and in line with market demand.

The prospects of palm products look positive riding on the strength of global demand for food and energy. The Group will continue to focus on its core competencies and operational efficiencies. We expect the operating performance of the Group for the current financial year to be satisfactory.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group upholds the highest standards of operations and conduct. As a socially responsible corporation, we will continue to contribute positively to the sustainable development of the economy and the community in the various countries where we operate.

The Group will continue to place importance on its CSR and remain committed to show care for the environment, care for employees, fostering strong relationships with business associates and supporting many community welfare causes as part of its business ethics and responsibilities.

In line with the Listing Requirements of Bursa Malaysia Securities Berhad which require the listed companies to provide a description of its CSR activities and practices, these efforts are now being articulated for the first time under the Group's CSR framework.

APPRECIATION

We are saddened by the demise of our beloved Founder Tan Sri (Dr.) Lim Goh Tong, who passed away peacefully on 23 October 2007. It is without doubt that with our Founder's foresight, the Group has grown and established itself as one of the country's leading plantation companies today. His remarkable entrepreneurial legacy lives on.

On 1 May 2008, Mr. Tan Wooi Meng retired as the Group Company Secretary. On behalf of the Board, I would like to extend our thanks and appreciation to Mr. Tan Wooi Meng for his dedication and valuable contribution to the Group.

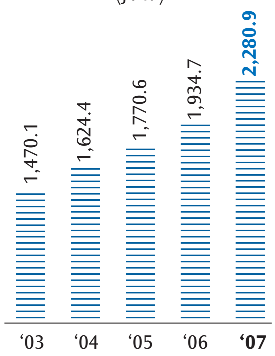
On behalf of the Board, I would like to sincerely thank our shareholders for their strong support and confidence in the Board over the years. We look forward to their continued strong support while the Board strives to create and enhance shareholders' value. Our appreciation is also extended to our customers, business associates, and government authorities.

The results for this year have been generated by the collective efforts of the whole Asiatic team. The Board would like to acknowledge the continuing efforts and dedication from all on the team. Last but not least, my personal thanks to my fellow colleagues on the Board for their invaluable insights and wise counsel.

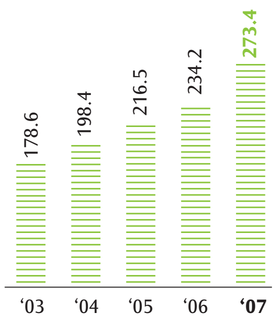
TAN SRI MOHD AMIN BIN OSMAN
Chairman
21 May 2008

PENYATA PENGERUSI

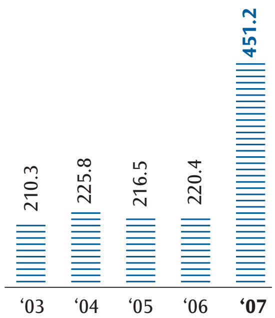
Jumlah Aset Diguna
(Juta)



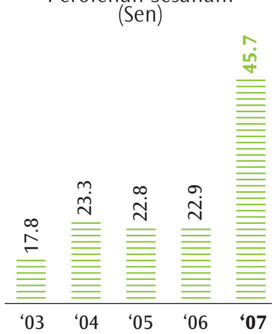
Aset Ketara Bersih Sesaham
(Sen)



Untung Sebelum Cukai
(Juta)



Perolehan Sesaham
(Sen)



Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah Diaudit bagi Asiatic Development Berhad ("Syarikat") dan anak-anak syarikat ("Kumpulan") untuk tahun berakhir 31 Disember 2007.

TINJAUAN PRESTASI

Sesungguhnya, 2007 adalah tahun yang sangat memberangsangkan untuk sektor perladangan di Malaysia. Momentum kenaikan harga yang dialami oleh minyak sawit mentah ("CPO") pada hujung tahun 2006 diteruskan pada tahun 2007, bukan sahaja untuk mencatat rekod tertinggi bagi harga komoditi, tetapi turut menyaksikan kenaikan harga bagi tempoh yang paling panjang dalam sejarah. Industri minyak sawit Malaysia mengaut keuntungan daripada keanjalan pasaran ini dan telah mencatatkan keuntungan yang ketara dalam harga kesemua produk kelapa sawit. Perolehan eksport daripada industri ini melonjak sehingga melebihi 40% untuk mencatatkan rekod pada RM45 bilion berbanding paras yang terdahulu iaitu RM32 bilion.

Pada bulan-bulan awal tahun 2007, peningkatan harga CPO didorong oleh harga kacang soya yang lebih tinggi memandangkan petani di AS telah beralih kepada penanaman jagung untuk memenuhi permintaan etanol. Tumpuan utama tahun ini ialah permintaan global yang tinggi dan semakin bertambah terhadap kesemua minyak masak untuk kegunaan makanan dan bukan makanan, ditambah dengan harga minyak mencecah paras tertinggi dalam sejarah iaitu ASD100 setong, dan situasi ini memacu peningkatan ketara dalam harga CPO. Umum bersetuju bahawa harga minyak sawit akan terus bergerak selari dengan minyak mineral mentah.

Tidak ketinggalan, harga isirung sawit ("PK") pada 2007 turut naik secara stabil didorong oleh peningkatan eksport dan kurangnya bekalan minyak kelapa berikutan kesan taufan yang melanda Filipina pada 2006.

Saya dengan sukacitanya melaporkan bahawa Kumpulan sekali lagi mencatat keputusan yang membanggakan di mana prestasi Kumpulan ditutup tinggi berikutan kenaikan harga komoditi. Prestasi kewangan yang kukuh dicatatkan pada 2007 sememangnya menjangkaui jangkaan. Perolehan kumpulan telah meningkat dengan ketaranya iaitu daripada RM577 juta sebelum ini kepada RM906 juta, sementara keuntungan sebelum cukai yang disatukan bertambah sehingga melebihi 100% kepada RM451 juta, yang juga merupakan paras rekod tertinggi pernah dicatatkan.

Didorong oleh kesan positif daripada harga produk sawit yang bergerak cergas, Bahagian Perladangan terus menjadi pemacu utama pertumbuhan Kumpulan, memperoleh keputusan terbaik pernah dicapai dan menyumbang 93% daripada perolehan Kumpulan dalam 2007. Keuntungan sebelum cukai yang cemerlang bagi Bahagian Perladangan berjumlah RM429 juta adalah lebih daripada dua kali ganda berbanding tahun sebelumnya iaitu RM195 juta di sebalik kenaikan nyata dalam perolehan daripada RM486 juta kepada RM846 juta. Pertumbuhan yang menakjubkan ini didorong oleh kenaikan sebanyak 7% dalam pengeluaran tanaman kepada 1.21 juta tan, beserta dengan kenaikan pada harga yang dicapai oleh Kumpulan untuk produk-produk sawitnya; harga yang dicapai oleh CPO dan PK masing-masing ialah RM2,500 (2006: RM1,520), dan RM1,445 (2006: RM897) pada 2007.

Bagi Bahagian Hartanah pula, ia beroperasi dalam persekitaran yang mencabar dan semakin sukar dari masa ke semasa untuk tahun ini akibat daripada kebimbangan yang memuncak terhadap harga minyak yang semakin meningkat yang mengakibatkan kenaikan ketara dalam kos bahan-bahan pembinaan terutamanya besi dan simen, dan kemungkinan ekonomi global menjadi perlahan, berikutan daripada kesan limpahan tekanan kredit di Amerika Syarikat. Walaupun begitu, Bahagian Hartanah berjaya mencapai sedikit kenaikan dalam jualan keseluruhan iaitu sebanyak 4% kepada RM78 juta. Sekali lagi, Asiatic Indahpura kekal menjadi penyumbang utama dengan jualan berjumlah RM41 juta, sementara jualan pertama Asiatic Pura Kencana menunjukkan prestasi memberangsangkan berjumlah RM23 juta.

PENYATA PENGERUSI

SOROTAN KEWANGAN

Tahun berakhir 31 Disember	2007 RM'000	2006 RM'000	Beza %
Perolehan operasi	**906,415**	576,578	+57
Untung sebelum cukai	**451,158**	220,425	>100
Untung untuk tahun kewangan	**348,056**	173,218	>100
Untung bagi pemegang ekuiti Syarikat	**344,064**	171,147	>100
Ekuiti bagi pemegang ekuiti Syarikat	**2,064,309**	1,757,363	+17
Jumlah aset diguna	**2,280,920**	1,934,735	+18
Perolehan asas sesaham (sen)	**45.7**	22.9	+100
Dividen bersih sesaham (sen)	**10.3**	5.1	>100
Liputan dividen (kali)	**4.4**	4.5	-2
Aset ketara bersih sesaham (sen)	**273.4**	234.2	+17
Pulangan (selepas cukai dan kepentingan minoriti) purata ekuiti pemegang saham (%)	**18.0**	10.2	+77

PEMBANGUNAN KORPORAT

Pada tahun ini, PT Sepanjang Intisurnya Mulia, iaitu salah satu syarikat usaha sama di Indonesia telah mendapat hak mutlak pada suku ketiga 2007 setelah berjaya memperolehi 'Hak Guna Usaha' untuk 14,261 hektar tanah di sana. Kumpulan akan terus menjalinkan kerjasama yang erat dengan rakannya di Indonesia bagi memastikan kejayaan usaha ini.

Setelah ditubuhkan pada 2006, Asiatic Centre for Genome Technology Sdn Bhd ("ACGT") telah mewujudkan suatu rakan kongsi strategik pada Februari 2007 dengan Synthetic Genomics, Inc ("Synthetic Genomics"), iaitu sebuah syarikat bioteknologi terkemuka yang berpusat di AS bertujuan menjalankan kajian dalam aplikasi teknik berasaskan 'genomic' dalam minyak sawit dan tanaman lain. Sejajar dengan matlamatnya untuk menjadi pusat kecemerlangan bertaraf dunia bagi sains 'genomic' di Malaysia, ACGT menerima bantuan teknikal daripada Institut J. Craig Venter yang terkenal.

Dalam beberapa tahun yang akan datang, ACGT iaitu syarikat berstatus BioNexus akan menumpukan perhatian dalam penyelidikan dan pembangunan aktiviti untuk menghasilkan bahan-bahan tanaman yang akan menambahkan hasil dan meningkatkan pembentukan nilai daripada minyak sawit dan tanaman lain. Akhirnya, inisiatif ACGT ini akan memperbaiki pertumbuhan ekonomi dan keberkesanan sektor pertanian, di samping mewujudkan sumber kekayaan baru untuk Malaysia.

DIVIDEN

Pada tahun-tahun kebelakangan ini, Kumpulan terus mencatatkan pertumbuhan perolehan yang kukuh, pulangan atas ekuiti pemegang saham meningkat tinggi, dan menambah bayaran dividen sesaham. Kami akan mengekalkan keseimbangan yang munasabah di antara bayaran dividen dengan dana-dana yang diperuntukkan untuk membiayai operasi berterusan, serta untuk tujuan pelaburan dan perkembangan perniagaan di masa hadapan.

Berdasarkan prestasi kewangan Kumpulan yang cemerlang pada 2007, suatu dividen khas berjumlah 6 sen tolak cukai 26% sesaham biasa bernilai 50 sen telah diisytiharkan, dan dibayar pada 27 Mac 2008. Lembaga Pengarah kemudiannya telah mencadangkan dividen akhir sebanyak 4.75 sen tolak cukai 26% sesaham biasa bernilai 50 sen. Sekiranya diluluskan oleh pemegang saham pada Mesyuarat Agung Tahunan Ketiga Puluh yang akan datang, pemberian dividen untuk tahun ini termasuk dividen khas yang dibayar akan berjumlah RM78 juta. Adalah penting untuk dinyatakan bahawa jumlah bayaran pada tahun ini meningkat lebih daripada 100% atau RM40 juta melebihi bayaran yang dibuat untuk tahun kewangan 2006 iaitu RM38 juta.

PROSPEK MASA HADAPAN

Selepas rali yang menyakinkan, harga komoditi dan minyak mentah menjadi tidak stabil semenjak beberapa minggu yang lalu. Harga CPO yang melonjak setinggi RM4,400 setan pada awal Mac 2008 kemudiannya berlegar di antara RM3,500 hingga RM3,600 setan.

Industri meramalkan bahawa harga CPO tidak akan jatuh menjunam secara mendadak berikutan permintaan yang terus kukuh serta inventori untuk minyak masak yang ketat di seluruh dunia. Dengan pasaran baru muncul seperti China dan India menjadi semakin maju dan mewah, mereka akan terus menerajui permintaan minyak masak. Tambahan pula, dengan perkembangan pasaran terkini termasuk penghapusan sepenuhnya duti import untuk minyak sayuran mentah di India, perebutan tanah untuk penanaman tanaman untuk tujuan makanan ataupun tanaman untuk pengeluaran biodisel, dan kenaikan cukai eksport CPO yang dilaksanakan oleh Indonesia, akan terus menstabilkan harga CPO. Kami menjangkakan perniagaan perladangan akan terus menunjukkan prestasi yang kukuh tahun ini.

Di pasaran tempatan pula, industri minyak sawit berdepan dengan isu berterusan mengenai kenaikan kos baja dan buruh, atau peningkatan penambahan cukai minyak masak. Bagaimanapun, pertumbuhan perladangan kita akan diterajui oleh tanah-tanah yang sudah matang beserta peningkatan pulangan apabila pokok kelapa sawit muda beralih kepada kumpulan umur yang memberikan hasil yang lebih tinggi.

Sektor hartanah dijangka akan terus berdepan dengan persekitaran operasi yang sukar akibat kegawatan ekonomi yang semakin teruk di AS, harga minyak mentah yang tidak menentu, dan kenaikan harga bahan pembinaan. Ketika pembeli hartanah terus bersikap berhati-hati, Kumpulan akan mengambil langkah berjaga-jaga untuk memastikan hartanah yang dilancar dan dipasarkan adalah tepat pada masanya dan memenuhi permintaan pasaran.

Prospek produk sawit kelihatan positif berikutan permintaan global yang tinggi untuk makanan dan tenaga. Kumpulan akan terus menumpukan perhatian kepada keupayaan teras dan kecekapan operasinya. Kami menjangkakan prestasi operasi Kumpulan adalah memuaskan untuk tahun kewangan terkini.

TANGGUNGJAWAB SOSIAL KORPORAT

Kumpulan mengamalkan prinsip-prinsip tertinggi dalam pengendalian dan operasi-operasi kami. Sebagai entiti korporat yang mengamalkan tanggungjawab sosial, kami terus menyumbang secara positif kepada pembangunan ekonomi dan komuniti di negara-negara dimana kami beroperasi.

Kumpulan akan sentiasa mementingkan CSR dan terus komited terhadap penjagaan alam sekitar, prihatin terhadap pekerja, membina hubungan yang erat dengan rakan-rakan perniagaan dan menyokong pelbagai aktiviti kebajikan masyarakat sebagai sebahagian daripada etika dan tanggungjawab perniagaan.

Selaras dengan Syarat-syarat Penyenaraian Bursa Malaysia Securities Berhad yang memerlukan semua syarikat tersenarai memberi penerangan ke atas aktiviti-aktiviti dan amalan-amalan dalam CSR, usaha-usaha ini sedang dinyatakan untuk kali pertama dalam rangka kerja tanggungjawab sosial korporat Kumpulan.

PENGHARGAAN

Kami berdukacita atas pemergian Pengasas kami yang disayangi, Tan Sri (Dr.) Lim Goh Tong, yang telah meninggal dunia dengan tenang pada 23 Oktober 2007. Tidak dapat disangkal lagi bahawa dengan pandangan jauh Pengasas kami, Kumpulan telah berkembang dan menempatkan diri sebagai salah satu syarikat perladangan yang utama di negara kita hari ini. Warisan keusahawanan beliau akan terus berkekalan.

Pada 1 Mei 2008, Encik Tan Wooi Meng bersara sebagai Setiausaha Syarikat Kumpulan. Bagi pihak Lembaga Pengarah, saya ingin menyampaikan ucapan terima kasih dan penghargaan kami kepada Encik Tan Wooi Meng atas perkhidmatan beliau yang berdedikasi dan sumbangan berharga kepada Kumpulan.

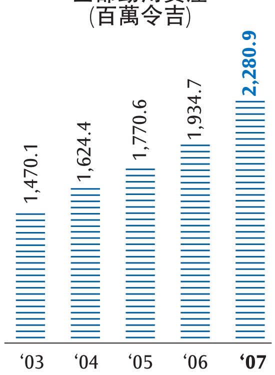
Bagi pihak Lembaga, saya ingin merakamkan penghargaan kepada pemegang saham kami atas kepercayaan dan sokongan padu mereka terhadap Lembaga selama ini. Kami mengharapkan sokongan padu yang berterusan sementara Lembaga akan terus membentuk dan memantapkan lagi nilai pemegang saham. Kami juga turut merakamkan penghargaan kepada para pelanggan, sekutu niaga, dan pihak berkuasa.

Keputusan tahun ini dicapai hasil usaha sama kolektif daripada keseluruhan pasukan Asiatic. Kumpulan ingin menyatakan penghargaan atas usaha dan dedikasi berterusan daripada semua yang berada dalam pasukan. Akhir kata, saya mengucapkan terima kasih kepada rakan sejawat di dalam Lembaga atas pandangan berharga dan nasihat arif mereka.

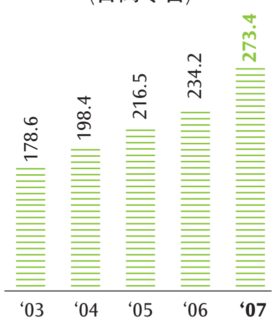
TAN SRI MOHD AMIN BIN OSMAN
Pengerusi
21 Mei 2008

主席文告

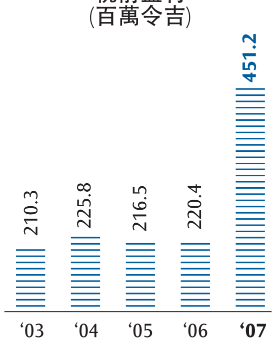
全部動用資產
(百萬令吉)



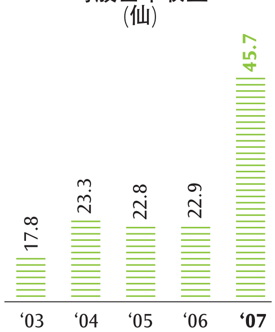
每股淨資產
(百萬令吉)



稅前盈利
(百萬令吉)



每股基本收益
(仙)



本人謹代表董事部欣然提呈亞地種植（簡稱‘本公司’）及其子公司（簡稱‘本集團’）截至2007年12月31日的年度報告及已審核的財政報告。

業績回顧

馬來西亞種植業于2007年大唱豐收。原棕油價格從2006年杪開始向上揚升，步入2007年繼續展現氣勢如虹的走勢，不僅連番創新高，也創下史無前例處于高峰期限的輝煌記錄。馬來西亞棕油業從強勁的市場中獲益無窮，各類棕油產品的價格全面飈漲。這個行業的出口收益猛升逾40%，從前一年的三百二十億令吉，激增至四百五十億令吉。

美國農夫為了滿足乙醇的需求而轉向種植玉米，推高了大豆價格，同時也激勵原棕油價格于2007年最初幾個月的漲勢。全球的食用油在食物與非食物用途的需求強勁成長，再加上全年備受矚目的原油價格突破每桶100美元歷史新高，持續激勵原棕油價格漲勢。當前的市場共識認為，原棕油與原油價格將繼續亦步亦趨。

同時棕仁出口量增加，以及菲律賓于2006年受颱風侵襲造成椰油產量減少因素下，棕仁價格也于2007年呈現上揚趨勢。

本人謹此欣然宣布，在原產品價格漲勢帶動下，本集團在這一年的業績以高水平掛收，再次取得卓越表現。2007年強勁的業績表現，顯著地超乎預期水平。集團營運收入從五億七千七百萬令吉，上漲至九億零六百萬令吉，而綜合稅前盈利猛漲逾100%至四億五千一百萬令吉，寫下有史以來新高。

在棕油產品價格節節上漲激勵下，種植組繼續成為本集團主要成長動力，取得史無前例的佳績，而且占了本集團2007年營運收入的93%。種植組的營運收入從四億八千六百萬令吉，大漲至八億四千六百萬令吉，帶領稅前盈利表現出色，達四億二千九百萬令吉，比前一年的一億九千五百萬令吉激增逾倍。本集團的棕櫚果產量增長7%至一百二十一萬公噸，再加上棕油產品，取得更高的價位，是推動業績大幅成長的原因，其中原棕油與棕仁于2007年取得的價格，分別為每公噸二千五百令吉（2006年：一千五百二十令吉）與一千四百四十五令吉（2006年：八百九十七令吉）。

在產業組方面，由于市場關注油價上漲趨勢，導致建筑材料，尤其是鋼鐵與洋灰成本大幅提高，以及美國信貸危機引起的連銷效應，可能導致全球經濟放緩，令產業組業務在挑戰更加嚴峻的環境下營運。雖然如此，產業組的總銷售額仍稍微上揚4%至七千八百萬令吉。古來優美城（Asiatic Indahpura）取得四千一百萬令吉銷售額，再次成為主要貢獻者。而旺金城（Asiatic Pura Kencana）首次貢獻二千三百萬令吉，表現同樣令人鼓舞。

財政重點

截至12月31日	2007年 令吉'000	2006年 令吉'000	相差 %
營運收入	**906,415**	576,578	+57
稅前盈利	**451,158**	220,425	>100
年度盈利	**348,056**	173,218	>100
歸股東盈利	**344,064**	171,147	>100
歸股東利益	**2,064,309**	1,757,363	+17
全部動用資產	**2,280,920**	1,934,735	+18
每股基本收益 (仙)	**45.7**	22.9	+100
每股淨股息 (仙)	**10.3**	5.1	>100
股息支付率 (倍)	**4.4**	4.5	-2
每股淨資產 (令吉)	**273.4**	234.2	+17
平均股東股權 (在扣稅及扣稅少數股東利益後) 的回酬 (%)	**18.0**	10.2	+77

企業發展

在這一年內，其中一家印尼聯營公司 – PT Sepanjang Intisurya Mulia取得一萬四千二百六十一公頃地段的土地發展權后，而于2007年第三季不再附帶條件。本集團將繼續與印尼伙伴密切合作，以確保這項聯營計劃取得成功。

成立于2006年的亞地種植基因科技中心私人有限公司（Asiatic Centre for Genome Technology Sdn Bhd，簡稱“ACGT”），于2007年2月份與美國著名生物科技公司 – 合成基因有限公司 (譯名)（Synthetic Genomics Inc.）達致一項策略合伙關系，以研究在油棕與其他農作物運用基因科技。立志成為馬來西亞達到國際水準的卓越基因科技中心之宏愿下，ACGT獲得備受推崇的J克雷格文特爾研究院(譯名) 提供技術援助。

在未來幾年內，享有生化核心工業（BioNexus）地位的ACGT，將專注于研究開發能提升收益率與加強油棕價值的種植材料。最終，ACGT的倡導將可改善經濟成長并提升農業領域的效率，同時為馬來西亞創造新的財富來源。

股息

這些年來，本集團持續取得強勁收益成長，大幅改善股東股本回酬，并提高每股股息派發。我們將繼續竭力在派息、預留充足資金作為營運融資，以及未來投資與業務擴展用途方面取得良好平衡。

鑒于2007年業績表現亮麗，本集團宣布每一50仙普通股享有6仙（須扣除26%所得稅）特別股息，并已于2008年3月27日支付。董事部進一步建議每一50仙普通股派發4.75仙（須扣除26%所得稅）終期股息。若獲得來臨的第30屆股東大會批準，本年度的股息總額（包括特別股息）將高達七千八百萬令吉。值得一提的是，比起2006財政年所支付的三千八百萬令吉，總股息派發額激增逾100%或四千萬令吉。

未來展望

經過強勁的漲潮期，原產品與原油價格在近幾個星期出現動蕩不定的走勢。原棕油價格于2008年3月初創下每公噸四千四百八十令吉的新高水平，過后在每公噸三千五百令吉至三千六百令吉之間游走。

由于需求持續殷切，加上全世界的食用油庫存吃緊，業界不認為原棕油價格會即時大幅滑落。由于新興市場，如中國與印度日益城市化與日趨富裕，將繼續提動食油的需求。此外，市場最近的一些動態，例如印度全面取消原菜油進口稅、充作食物與生化柴油用途的農作物互爭種植面積，以及印尼提高原棕油出口稅，都有助支撐原棕油價格。我們預期種植業務在未來一年有望再寫佳績。

在本地市場，油棕業持續面對肥料與勞工成本上漲，或擴大食油稅率的長期性壓力。然而，新種植地進入成熟期，再加上新油棕樹正邁向高收成期，而有助提高收益率，這將可推動我們的種植業務成長。

主席文告

由于市場擔心美國經濟衰退惡化、原油價格起伏不定，以及建筑材料價格進一步上漲，產業領域預料持續面對艱難的經營環境。在產業買家謹慎觀望下，本集團將嚴謹策劃，以確保產業推介與銷售配合時機，迎合市場的需求。

在全球對食品與能源強勁需求下，棕油產品前景顯得一片光明。本集團將繼續專注于核心優勢與營運效率。我們預料本集團將在現財政年取得令人滿意的營運表現。

企業社會責任

本集團秉承營運與管理操守的最高標準。作為一家深具社會責任感的企業，本集團將會在業務遍及之處，繼續為當地經濟與社會發展，作出積極貢獻。

本集團將繼續看重企業社會責任，同時，秉持關心環境、關懷員工，增強與商業伙伴關系，大力支持社會慈善活動經已歸納在商業道德規范與責任中。

遵照大馬股票交易所的上市條規，上市公司必須清楚列明其企業社會責任的活動及行為，本集團首次在企業社會責任架構下，清楚闡明了各項活動。

致謝

我們摯愛的創辦人丹斯里林梧桐博士，于2007年10月23日與世長辭，令我們深感痛惜。憑著創辦人高瞻遠矚的領導作風，本集團從一家鮮為人知的種植公司，發展成為國內種植業的佼佼者。他締造的非凡企業傳奇，將永為后世所傳頌。

陳偉民先生于5月1日榮休，卸下集團公司秘書職務。本人謹代表董事部，向陳偉民先生對本集團所作出的寶貴貢獻，表示最深切的謝意。

本人謹代表董事部衷心感謝股東持續給予本集團的支持與信任。我們期望持續獲得股東們的支持，同時董事部將努力不懈地創造與增強股東價值。我們也對客戶、商業伙伴與相關政府當局的支持深表感激。

今年的佳績，是亞地種植全體同仁努力的成果。董事部衷心感謝管理層與員工的辛勤苦干，同時，本人也對董事同仁所給予的寶貴意見和精明指點致以萬分謝意。

TAN SRI MOHD AMIN BIN OSMAN
主席
2008年5月21日

REVIEW OF OPERATIONS

Good water mannagement

Various infield activities

PLANTATION

Malaysia

The country's plantation sector had a good head start with the bullish commodity prices continuing its uptrend well into 2007. With fundamentals supporting high prices in place throughout 2007, it was a year of stellar performance for the plantation sector. Fuelled by historical high crude oil prices of USD100 per barrel, coupled with continued robust demand from emerging markets such as China and India against tightness in global oils and fats supply, crude palm oil prices reached to unprecedented highs of nearly RM3,000 per tonne. Against this backdrop, the Malaysian oil palm industry registered an impressive 40% increase in its export earnings to a record RM45 billion from RM32 billion in 2006.

In tandem with the exceptional bullish market sentiment of the plantation sector, the Group saw another year of remarkable performance, surpassing all expectations. The Group registered a 105% increase in pre-tax profits from RM220 million to RM451 million in 2007 on the back of higher revenues of RM906 million as compared with RM577 million in the preceding year. The Plantation Division performed significantly better than last year and continued to be the key profit driver for the Group, accounting for RM846 million, or 93%, of the Group's total revenues. Pre-tax profit of the Division surged to an all-time high of RM429 million, a laudable growth of 120% from that of previous year.

The Plantation Division's commendable growth in the year under review was largely due to strong palm product prices and higher crop production. Crude palm oil ("CPO") prices soared significantly over the past year to never before price levels. It is gratifying to note that the Group was able to benefit from this robust market sentiment and saw a surge in its achieved average CPO selling price to RM2,500 per tonne representing a 64% increase from 2006's level of RM1,520 per tonne.

On a similar note, palm kernel ("PK"), which was well supported by a tight supply of coconut oil following the typhoons in the Philippines in 2006, witnessed a much improved achieved average selling price of RM1,445 per tonne, a substantial 61% upturn from that of the previous year's RM897 per tonne.

For the year under review, the Group scored another record harvest of fresh fruit bunches ("FFB") as production grew by 7% to 1.21 million tonnes from 1.13 million tonnes in 2006. The main catalysts for this growth were the improvement in the average yield per mature hectare for the Group by 5% from 21.4 tonnes to 22.4 tonnes, and the increase in harvesting area as some new plantings in Sabah, particularly Asiatic Indah and Asiatic Permai Estates, progressed into the "maturity" bracket.

REVIEW OF OPERATIONS

Asiatic Ayer Item Oil Mill

Various activities at oil mill

The year under review saw the closure of Asiatic Kulai Besar Oil Mill sited at the Asiatic Kulai Besar Estate, Kulai in end March 2007 to make way for the Group's property development activities. The Group's five remaining oil mills' total intake, inclusive of outside purchased FFB, of 1.28 million tonnes was 5% more than the preceding year's intake of 1.22 million tonnes. With the enlarged FFB intake, the milling throughput increased capacity utilisation to 99% from 89% in 2006. Improvements were also registered in the average oil and kernel extraction rates, albeit marginal, as more vigilant monitoring and controls on harvesting standards were exercised at ground level. In 2007, oil extraction rate inched from 20.52% to 20.70% whilst kernel extraction rate improved from 4.91% to 4.98%. Correspondingly, these better rates translated into CPO and PK production for the year at 264,914 tonnes (2006: 250,308 tonnes) and 63,745 tonnes (2006: 59,831 tonnes) respectively.

Asiatic Ayer Item Oil Mill continued to successfully obtain renewal for its ISO 9001:2000 Quality Management System status which was previously accredited by SIRIM in October 2002.

The construction works of the Asiatic Indah Oil Mill, a 30 tonne-per-hour oil mill sited on Asiatic Indah Estate, commenced in March 2007. This new oil mill will cater to the crop production from both Asiatic Indah and Permai Estates, as well as surrounding smallholders.

As at end 2007, the preparation of the mill site was nearing completion while construction works such as civil, structural, and building and related works were in progress. As a responsible corporate citizen, Management has taken measures to ensure that the implementation of the project has incorporated practices which emphasised the preservation and conservation of the environment. Sedimentation ponds with silt traps were constructed to prevent siltation in waterways, and exposed areas have been planted with topsoil vegetation to prevent erosion. In addition, environmental monitoring and compliance audit is periodically conducted once in every four months by an accredited consultant to ensure adherence to regulatory requirements.

As at end 2007, the Division had completed the planting of about 3,413 hectares on Asiatic Jambongan Estate with oil palm.

As reported in the last annual report, the lawsuit instituted by certain individuals claiming native customary rights over some 2,634 hectares in Asiatic Permai Estate, remains status quo. Nevertheless, Management will continue to actively pursue the case and our solicitors maintained their opinion that the suit is unsustainable and misconceived and that it is unlikely that the individuals will succeed.

Serian Palm Oil Mill, the Group's 40% owned joint venture with Sarawak Land Consolidation and Rehabilitation Authority, also benefited from the sharp gains in palm product prices, posting admirable results.

Maiden planting ceremony - 9 June 2007

Cover crop establishment

Nursery maintenance works

Main office, Ketapang

PLANTATION

Indonesia

The year 2007 was the second year of operations for all ground activities of the joint venture between the Group and its Indonesian partner ("the JV") in Kabupaten Ketapang, Kalimantan Barat.

As planned, the contracts for land clearing works were awarded in February and as at year end, more than 60% of the total land bank of 14,261 hectares have been packaged out to contractors. Maiden planting ceremony which officially kicked off planting activities was held on 9 June 2007. The event was graced jointly by the Deputy Governor of the Kalimantan Barat and the Bupati of Ketapang and witnessed by Management of the JV. As at end 2007, 1,716 hectares of land had been planted. Land clearing and planting works will continue despite facing some issues with the local indigenous people. Other than planting works, we have also made arrangements to expand the nursery size and as at year end, the nursery size has increased to 102 hectares, from the initial area of 30 hectares in 2006. This should be sufficient to support about 1.4 million seedlings. In order to maintain a good mix of planting materials, the JV has also used imported germinated seeds from Malaysia.

In the year under review, the JV grew from a zero start up position and placed itself amongst the bigger players in the location, employing more than 900 people, most of whom are from the surrounding villages around the estates, thus creating employment opportunities for the indigenous people.

To support the growing population of employees in the estate and its head office in Ketapang, we have embarked and have since completed the upgrading works of the head office, and the construction of the estate office, 20 units of worker quarters, a surau, and a polyclinic.

REVIEW OF OPERATIONS

Asiatic Indahpura

PROPERTY

Property developers faced a difficult period in 2007. With rocketing oil prices, the general market sentiment was weak amidst growing concerns on rising inflation and a possible slowdown in the US and global economies.

Amongst the three major sub-sectors of the market i.e. residential, commercial and industrial, the residential sub-sector continued to be the most active, particularly for projects in well sought-after locations.

The challenging market condition took a toll on the Division's performance despite its concerted efforts to achieve higher sales. During the year, there was a drop in both the revenue (2007:RM60.7 million) and pre-tax profit (2007:RM7.4 million) by 33% and 43% respectively compared to 2006.

Asiatic Indahpura – the Group's flagship project in Kulai, Johor and key revenue contributor achieved total sales of RM41.0 million. Sales were mainly derived from the single-storey terrace houses type Iris and double-storey terrace houses type Diamond, where sales of RM20.2 million was achieved.

Aerial view (artist impression) - Asiatic Pura Kencana, Sri Gading

Although currently at the tail end of development, Asiatic Cheng Perdana, Melaka – the Group's maiden project kept its good performance by generating RM14.2 million in sales. The sales were derived mainly from its newly launched single- and double-storey terrace houses and semi-detached houses, which contributed a combined sales of RM11.0 million, or over 77% of the project's total sales.

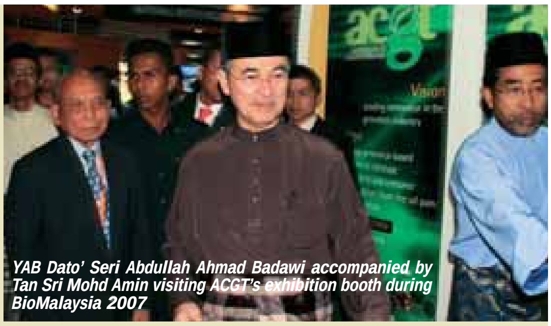
Over at Asiatic Permaipura, Kedah, the thrust was on clearing inventories as the local property market was not favourable for new launches. On the golf course front, the Permaipura Golf and Country Club (PGCC) performed reasonably well in the face of stiff competition from other clubs. During the year under review, PGCC continued its marketing efforts to encourage tournament packages to attract more golfers both local and foreign and boost members' patronage to the club.

Year 2007 also saw the soft launch of the Group's fourth property project, a 320-acre mixed development called Asiatic Pura Kencana in Sri Gading, Batu Pahat, Johor. As part of its maiden launch, 122 units of double-storey shop offices were offered for sale. The take-up rate was good with over 50% of the shops sold at a sales value of RM22.9 million.

Official opening of Tan Sri Lim Goh Tong Hall at Foon Yew High School by Tan Sri Lim Kok Thay

The Sri Gading Industrial Estate, a joint venture project between the Group and TPM Technopark Sdn Bhd registered a pre-tax profit of RM58.8 million in 2007 compared to RM19.6 million in 2006.

REVIEW OF OPERATIONS



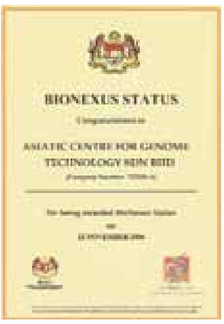
YAB Dato' Seri Abdullah Ahmad Badawi accompanied by Tan Sri Mohd Amin visiting ACGT's exhibition booth during BioMalaysia 2007

Launch of ACGT's logo in July 2007

ACGT's Laboratory

BIOTECHNOLOGY

Asiatic Centre for Genome Technology ("ACGT") has been set up as a centre of excellence in genomic science. The centre focuses on research and development ("R&D") in genome sequencing and biomarker discovery that will lead to innovations for enhancing the productivity and sustainability of palm oil production. ACGT is one of the first seven biotechnology companies to be awarded BioNexus status by the Malaysian Biotechnology Corporation, an agency under the purview of the Ministry of Science, Technology and Innovation (MOSTI).



BIONEXUS STATUS

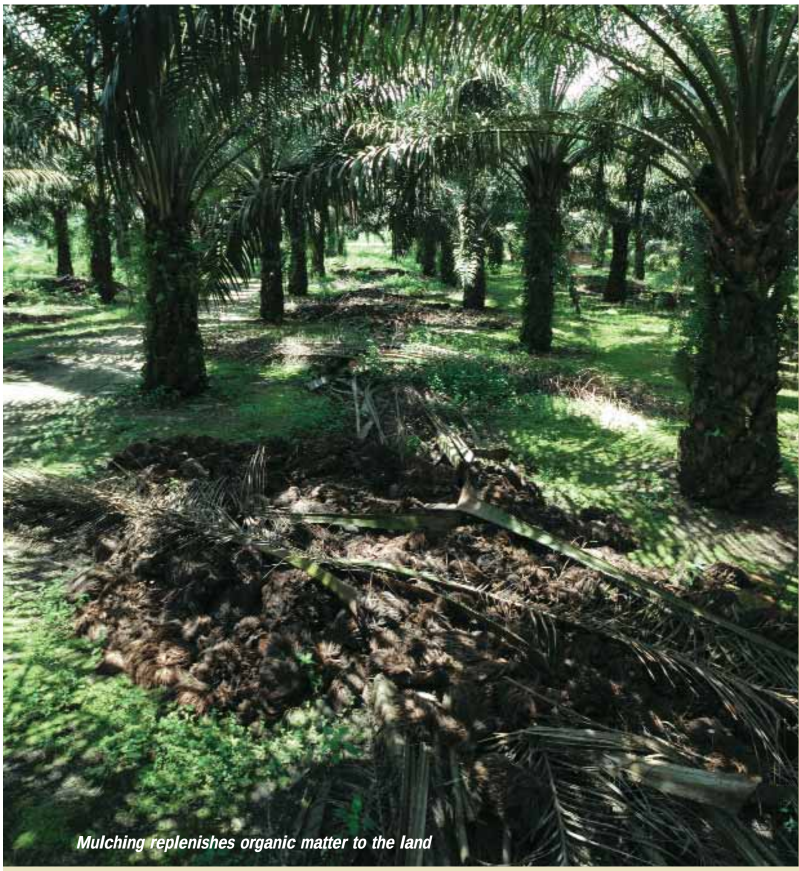
ASIATIC CENTRE FOR GENOME TECHNOLOGY SDN BHD

ACGT's logo was launched in July 2007 in conjunction with the Malaysian Biotechnology Corporation's Second Eminent Speakers Series in which Dr. Aristides A.N. Patrinos, President of Synthetic Genomics, Inc., spoke on the impact of global warming and synthetic biology on the development of industrial biotechnology in Malaysia.

Since then, ACGT has participated in exhibitions and among them is the BioMalaysia 2007 which was held at the Putra World Trade Centre in Kuala Lumpur from 27 to 30 November 2007.

In August 2007, ACGT moved into its office and laboratory at Technology Park Malaysia, Bukit Jalil. The new office and laboratory are located in two adjacent lots with a total area of 5,509 square feet. The laboratory is equipped to carry out experiments in bioinformatics, DNA and RNA extraction, DNA sequencing, gene cloning, marker analysis and microbial isolation. Nine scientists have been recruited, and one of the scientists has undergone training in bioinformatics at the J. Craig Venter Institute ("JCVI") in Rockville, Maryland, USA.

CORPORATE SOCIAL RESPONSIBILITY



Mulching replenishes organic matter to the land

Integrated pest management practices

Terracing reduces soil erosion

Asiatic works closely with WWF in their "Partners for Wetlands" programme

The Group upholds the highest standards of operations and conduct. As a socially responsible corporation, we will continue to contribute positively to the sustainable development of the economy and the community in the various countries where the Group operates.

The Group will continue to place importance on its CSR and remain committed to care for the environment, care for employees, fostering strong relationships with business associates and supporting many community welfare causes as part of its business ethics and responsibilities.

ENVIRONMENT

Asiatic has made consistent efforts to uphold its long-term commitment to environmental conservation and sustainable development. As a member of the Roundtable on Sustainable Palm Oil ("RSPO") since 2004, the Group will continuously pursue and adopt various good agronomic and eco-friendly practices in its oil palm plantation operations. In Indonesia, the Group's joint venture company, PT Sepanjang Intisurya Mulia, has also stepped up efforts to ensure the observance of environmental friendly practices in its land development activities.

Asiatic recognises that its business operations may impact the environment adversely if left unmonitored, and concern and regard for the environment are integral to sustainable oil palm cultivation. Accordingly, the Group continues to monitor and emphasise that good practices are always observed from land preparation which include zero burning in land development and establishing cover crops to prevent soil erosion, through to the processing of the crops, where the by-products are used as feedstock for power generation and boiler fuel; thus reducing the consumption of fossil fuel.

The Group is proud to be part of the "Partners for Wetlands" programme in Sabah for which the Group had dedicated an area of approximately 86.5 hectares. Asiatic is notably the first plantation company to participate in this programme in 1999. The programme, which was initiated by World Wide Fund for Nature Malaysia, is an effort to conserve the lower Kinabatangan floodplains. This involves the rehabilitation and restoration of riverine and wetland habitats as wildlife sanctuary, and the conservation of biodiversity.

Within the Asiatic Tenegang Group of Estates, an area of some 175 hectares of land has been converted into worthy use. Known as the Baha Sanctuary and Tanjung Sanctuary, these areas which were turned into wildlife sanctuaries more than 10 years ago, are still being preserved in their natural state and is home to orang utans, proboscis monkeys and hornbills, among others.

CORPORATE SOCIAL RESPONSIBILITY

Participants at the 27th Management Conference


Company trip to Pulau Redang

Asiatic's team for the Kuala Lumpur Rat Race 2007

WORKPLACE

Cognisant that a team of dedicated and motivated human resources plays a crucial role in ensuring that the Group is well poised to meet present and future challenges, the Group continues to place emphasis to develop its human capital, the organisation's most valuable asset. The Group, in both its Malaysian and Indonesian operations, had a total workforce of over 8,800 as at 31 December 2007.

Along with the expansion in its business operations, it becomes increasingly vital that the Group manages its present and future manpower requirements as well as retaining these talents. The Group continues to adopt the approach of reaching out to undergraduates and diploma holders by organising interviews at local universities and institutions of higher learning in its recruitment drive. Systematic development programmes and functional skill training for its employees are progressively reviewed and instituted, in its aim to develop a multi-skilled workforce capable of delivering their utmost. In line with this, employees of all levels are continuously encouraged to attend various external conferences and programmes over and above those organised internally.

During the year, some of the external courses and training attended by employees include motivational courses, ISO training, and courses in management and leadership programmes for the purpose of enhancing skills and knowledge in planning, organising, problem solving, decision making and leadership capabilities. Various seminars and talks addressing issues on work, health and lifestyle management were organised internally by Genting Berhad to promote a healthy and positive work environment for employees of the Genting Group.

The 27th Management Conference, held in Hanoi, Vietnam, and the Assistant Managers' Conference, in Kota Kinabalu, Sabah, were themed "The Asiatic Challenge" and "Action Plans To Raise Yield – Role of Assistant Managers" respectively. Both conferences saw the active participation, and sharing of ground experiences and knowledge among the delegates.

In its efforts to create a safe and healthy working environment in compliance with Occupational Safety and Health Act (OSHA), the Group conducts safety committee meetings, safety audit and inspection, and fire safety and handling of chemical training regularly.

To encourage interaction among the employees and foster a sense of belonging to the Group, a company trip to Pulau Redang, Terengganu was organised in September 2007.

A total of 101 employees were honoured with Long Service Awards in appreciation of their loyalty and invaluable dedicated services to the Group.

Some of the amenities provided by Asiatic

COMMUNITY

As a plantation company, the Group is conscious that it is pertinent to co-exists not only with the environment, but also with the communities in the vicinity where it operates.

The Group had contributed RM19.7 million towards the Oil Palm Fruit Cess since its implementation in June 2007. The collection of the cess is to subsidise prices of cooking oil in the country.

Various activities, eg friendly games and football matches, and kenduri and celebrations of major festivals are often organised to promote interaction with villagers.

Over the years, the Group has established a policy to create and offer local workforce in nearby villages priorities to take up job opportunities, either by way of direct employment or through the award of contract works. This policy has proven effective in improving the living standards of these villagers.

The Group has also invested substantially in the construction of roads in estates, workers' quarters, clinic and places of worships, and the provision of electricity and treated water in the operating units.

The Group has rendered support in monetary terms and in-kind to schools and institutions. In Sabah, the Group assists to provide education to young school going children of plantation workers and the local communities in the 8 schools set up in the estates with Humana, a non-profit organisation. In addition, in Peninsula Malaysia estates, the Group has contributed land for the building of 5 government schools within the estates land. Other donations made by the Group include those made to the Foon Yew School in Asiatic Indahpura, Kulai, Johore, and the Monfort Youth Training Centre.

In advocating youth development, the Group has been providing industrial training and internship programmes to school leavers, and undergraduates from universities and other institutions of higher learning; and thereafter offering graduate placements wherever possible.

CORPORATE GOVERNANCE

It is the policy of the Company to manage the affairs of the Group in accordance with the appropriate standards for good corporate governance. Set out below is a statement on how the Company has applied the principles and complied with the best practices as set out in the Malaysian Code on Corporate Governance ("the Code").

A. DIRECTORS

(i) The Board

The Board has overall responsibility for the proper conduct of the Company's business. The Board meets on a quarterly basis and additionally as required. The Board has a formal schedule of matters specifically reserved for its decision, including overall strategic direction, annual operating plan, capital expenditure plan, acquisitions and disposals, major capital projects and the monitoring of the Group's operating and financial performance.

Formal Board Committees established by the Board in accordance with the Code namely, the Audit Committee, Nomination Committee and Remuneration Committee assist the Board in the discharge of its duties.

During the year under review, four meetings of the Board were held and all Directors have complied with the requirements in respect of board meeting attendance as provided in the Articles of Association.

The details of Directors' attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Mohd Amin bin Osman	4
Dato' Baharuddin bin Musa*	2
Tan Sri Lim Kok Thay	4
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	4
Encik Mohd Din Jusoh	4
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	4
Mr Quah Chek Tin	4
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	3

* *Retired on 20 June 2007*

(ii) Board Balance

On 20 June 2007, Dato' Baharuddin bin Musa retired as a Director of the Company. With his retirement, the Board members were reduced from eight to seven, comprising one executive Director and six non-executive Directors. Four of the six non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or currently occupy senior positions in the public and/or private sectors. The independent non-executive Directors provide a strong independent element on the Board with Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad as the senior independent non-executive Director to whom concerns may be conveyed. All the independent non-executive Directors participate in the Audit Committee. Three of the four independent non-executive Directors also participate in the Remuneration and Nomination Committees as members of these Committees.

A brief profile of each of the Directors is presented on pages 7 and 8 of this Annual Report.

(iii) Supply of Information

Notice of meetings, setting out the agenda and accompanied by the relevant Board papers are given to the Directors in sufficient time to enable the Directors to peruse, obtain additional information and/or seek further clarification on the matters to be deliberated.

As a Group practice, any Director who wishes to seek independent professional advice in the furtherance of his duties may do so at the Group's expense. Directors have access to all information and records of the Company and also the advice and services of the Company Secretary.

(iv) Appointments to The Board

The Nomination Committee comprising entirely of independent non-executive Directors is responsible for identifying and recommending to the Board suitable nominees for appointment to the Board and Board Committees.

On appointment, Directors are provided with information about the Group and are encouraged to visit the sites of the Group's operating units and meet with key senior executives.

All the Directors have attended the Mandatory Accreditation Programme and are also encouraged to attend courses whether in-house or external to help them in the discharge of their duties.

(iv) Appointments to The Board (cont'd)

The following are the courses and training programmes attended by the Directors in 2007:

COURSES	NAMES OF DIRECTORS	Tan Sri Mohd Amin bin Osman	Tan Sri Lim Kok Thay	Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	Encik Mohd Din Jusoh	Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	Mr Quah Chek Tin	Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin
Training on BASEL II								•
TED 2007 : "Icons. Geniuses. Mavericks."			•					
How to Find the Land Mines in Financial Accounts (Pre-Conference Workshop) - Finding the Land Mines in Financial Accounts : A Guide for Audit Committees				•				•
Audit Committees : Crucial Updates 2007				•				•
International Financial Reporting Standards (IFRS) Implementation Issues and Development		•		•	•	•	•	
Industrial Biotechnology - How Malaysia can be amongst the Front Runners in this Focus Area		•						
21st Century Governance, Legal and Regulatory Challenges to the Malaysian Board : With Special Reference & Update on the Companies (Amendment) Act 2007		•						
3D Public Relations		•						
Understanding and Making Effective Use of Financial Statements								•
Audit Committee Forum								•
Improving Board Performance, Leadership & Governance								•
Amendment to Companies Act		•		•	•	•		•
Tax Seminar - The 2008 Budget					•	•	•	•
G2E 2007 - NCRG Conference on Gambling and Addiction - G2E Leadership Academy			•					
Reading, Interpreting & Analysing Annual Financial Statements		•		•	•	•	•	•

(v) Re-election

The Articles of Association of the Company provides that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting and that all Directors shall retire once in every three years. A retiring Director is eligible for re-election. The Articles of Association also provide that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next Annual General Meeting to be held following his appointment.

Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

B. DIRECTORS' REMUNERATION

The Remuneration Committee comprising three independent non-executive Directors and one Executive Director is responsible for making recommendations to the Board on the remuneration packages of executive Directors and members of Board Committees. In making recommendations to the Board, information provided by independent consultants and appropriate survey data are taken into consideration. The Board as a whole, determines the level of fees of non-executive Directors and executive Directors. Directors' fees are approved at the Annual General Meeting by the shareholders. Directors do not participate in decisions regarding their own remuneration packages.

CORPORATE GOVERNANCE (CONT'D)

B. DIRECTORS' REMUNERATION (cont'd)

The Remuneration Committee met twice during the financial year.

Details of the Directors' remuneration are set out on pages 65 and 66 of the Audited Financial Statements in this Annual Report. In the interest of security, additional information have not been provided other than the details stipulated in the Listing Requirements of Bursa Malaysia Securities Berhad.

C. SHAREHOLDERS

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company's Annual General Meeting remains the principal forum for dialogue with shareholders. Shareholders are encouraged to participate in the proceedings and to ask questions about the resolutions being proposed and the operations of the Group.

The Group maintains a corporate website at www.asiatic.com.my which provides information relating to annual reports, press releases, quarterly results, announcements and corporate developments.

The Group also participates in investor forums held locally and abroad and also organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.

D. ACCOUNTABILITY AND AUDIT

(i) Financial Reporting

The Board aims to ensure that the quarterly reports, annual financial statements as well as the annual review of operations in the annual report are presented in a manner which provides a balanced and understandable assessment of the Company's performance and prospect.

The Directors are also required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 93 of this Annual Report.

(ii) Internal Control

The Board is responsible for the Group's system of internal control and risk management and for reviewing its adequacy and integrity. While acknowledging their responsibility for the system of internal control, the Directors are aware that such a system is designed to manage rather than eliminate risks and therefore cannot provide an absolute assurance against material misstatement or loss.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced internal audit department. The activities of this department which reports regularly to the Audit Committee provides the Board with much of the assurance it requires regarding the adequacy and integrity of the system of internal control. As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

(iii) Relationship with Auditors

The Company through the Audit Committee, has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's financial statements, the external auditors have highlighted to the Audit Committee and the Board, matters that require the Board's attention. All Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and report and for presenting their comments on the audited financial statements.

E. OTHER INFORMATION

Material Contracts

Material Contracts of the Company and its subsidiaries involving Directors and substantial shareholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are disclosed in Note 39 to the financial statements under "Significant Related Party Transactions and Balances" on pages 89 and 90 of this Annual Report.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE

The Audit Committee ("Committee") was established on 26 July 1994 to serve as a Committee of the Board.

MEMBERSHIP

The present members of the Committee comprise:

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
En Mohd Din Jusoh	Member/Independent Non-Executive Director
Mr Quah Chek Tin	Member/Non-Independent Non-Executive Director
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah#	Member/Independent Non-Executive Director

Appointed on 22 October 2007

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2007

The Committee held a total of *five (5) meetings. Details of attendance of the Committee members are as follows:

Name of Member	Number of Meetings Attended
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	*5
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	*5
En Mohd Din Jusoh	*5
Dato' Baharuddin bin Musa	^2
Mr Quah Chek Tin	*5
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	#1

^ *Retired on 20 June 2007*
# *Appointed on 22 October 2007*

* The total number of meetings is inclusive of the special meeting held between members of the Committee who are non-executive Directors of the Company and representatives of the external auditors, PricewaterhouseCoopers without the presence of any Executive Director.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR 2007

The Committee carried out its duties in accordance with its Terms of Reference.

The main activities carried out by the Committee were as follows:

i) considered and approved the internal audit plan for the Company and the Group and authorised resources to address risk areas that have been identified;

ii) reviewed the internal audit reports for the Company and the Group;

iii) reviewed the external audit plan for the Company and the Group with the external auditors;

iv) reviewed the external audit reports for the Company and the Group with the external auditors;

v) reviewed the quarterly reports of the Company and the Group, focusing particularly on:

  (a) changes in or implementation of major accounting policy changes;

  (b) significant and unusual events; and

  (c) compliance with accounting standards and other legal requirements;

vi) reviewed related party transactions of the Company and the Group;

vii) reviewed the proposed audit fees for the external auditors in respect of their audit of the Group and of the Company;

viii) considered the re-appointment of the external auditors for recommendation to the shareholders for their approval;

ix) reviewed the Financial Statements of the Group and of the Company for the financial year ended 31 December 2006; and

x) reviewed the reports submitted by the Risk and Business Continuity Management Committee of the Company.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION AND RISK MANAGEMENT PROCESS

The Group has an adequately resourced internal audit department to assist the Board in maintaining a sound system of internal control. The internal audit department reports to the Committee and is independent of the activities it audits. The primary role of the department is to undertake regular and systematic review of the systems of internal control so as to provide sufficient assurance that the Group has sound systems of internal control and that established policies and procedures are adhered to and continue to be effective and satisfactory.

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks.

TERMS OF REFERENCE

The terms of reference of the Committee were revised by the Board of Directors of the Company on 28 February 2008 in line with the amendments to the Malaysian Code on Corporate Governance and the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Committee is governed by the following terms of reference, as revised:

1. Composition

(i) The Committee shall be appointed by the Board from amongst the Directors excluding Alternate Directors; shall consist of not less than three members, all of whom are non-executive Directors with a majority of them being independent Directors; and at least one member of the audit committee:

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:

(aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

(bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or

(c) fulfills such other requirements as prescribed or approved by Bursa Securities.

The Chairman shall be an independent Director elected by the members of the Committee.

(ii) In the event of any vacancy in the Committee resulting in the non-compliance of paragraph (i) above, the Board must fill the vacancy within 3 months.

(iii) The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every 3 years to determine whether the Committee and its members have carried out their duties in accordance with their terms of reference.

2. Authority

The Committee is granted the authority to investigate any activity of the Company and its subsidiaries within its terms of reference, and all employees are directed to co-operate as requested by members of the Committee. The Committee is empowered to obtain independent professional or other advice and retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

3. Responsibility

The Committee is to serve as a focal point for communication between non-Committee Directors, the external auditors, internal auditors and the Management on matters in connection with financial accounting, reporting and controls. The Committee is to assist the Board in fulfilling its fiduciary responsibilities as to accounting policies and reporting practices of the Company and all subsidiaries and the sufficiency of auditing relative thereto. It is to be the Board's principal agent in assuring the independence of the Company's external auditors, the integrity of the management and the adequacy of disclosures to shareholders.

If the Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Bursa Securities Listing Requirements, the Committee shall promptly report such matter to Bursa Securities.

4. Functions

The functions of the Committee are to review:

i) with the external auditors, their audit plan;

ii) with the external auditors, their evaluation of the system of internal accounting controls;

iii) with the external auditors, their audit report and management letter (if any);

iv) the assistance given by the Company's officers to the external auditors;

v) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;

vi) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

vii) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:

(a) changes in or implementation of major accounting policy changes;
(b) significant and unusual events; and
(c) compliance with accounting standards and other legal requirements;

viii) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and

ix) consider the nomination, appointment and re-appointment of external auditors; their audit fees; and any questions on resignation, suitability and dismissal.

5. Meetings

i) The Committee is to meet at least four times a year and as many times as the Committee deems necessary.

ii) In order to form a quorum for any meeting of the Committee, the majority of members present must be independent.

iii) The meetings and proceedings of the Committee are governed by the provisions of the Articles of Association of the Company regulating the meetings and proceedings of the Board so far as the same are applicable.

iv) The head of finance and the head of internal audit shall normally attend meetings of the Committee. The presence of a representative of the external auditors will be requested, if required.

v) Upon request by the external auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider any matters the external auditors believe should be brought to the attention of the Directors or shareholders of the Company.

vi) At least twice a year, the Committee shall meet with the external auditors without the presence of any executive Director.

vii) Whenever deemed necessary, meetings can be convened with the external auditors, internal auditors or both, excluding the attendance of other Directors and employees.

6. Secretary and Minutes

The Secretary of the Committee shall be the Company Secretary. Minutes of each meeting are to be prepared and sent to the Committee members, and the Company's Directors who are not members of the Committee.

STATEMENT ON INTERNAL CONTROL

THE BOARD'S RESPONSIBILITIES

In relation to internal control, pursuant to the requirements under the Malaysian Code on Corporate Governance for companies listed on the Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("the Board") hereby acknowledges their responsibilities under the Bursa Securities Listing Requirements to:

- Identify principal risks and ensure implementation of appropriate control measures to manage such risks.
- Review the adequacy and integrity of the internal control system and management information systems and systems for compliance with applicable laws, regulations, rules, directives and guidelines.

It should be noted that an internal control system is designed to manage risks rather than eliminate them and can provide only reasonable but not absolute assurance against any material misstatement or loss.

The Board confirms that the risk management process is an ongoing process to identify, evaluate, and manage significant risks to effectively mitigate the risks that may impede the achievement of Asiatic Group of Companies' ("the Group") business and corporate objectives. The Board reviews the process on a regular basis to ensure proper management of risks and measures are taken to mitigate any weaknesses in the control environment.

THE RISK MANAGEMENT PROCESS

The Group employs the Control Self-Assessment ("CSA") to formalise the risk management process. With the CSA, departments/business areas of the Group are required to identify and evaluate controls within key functions/activities of their business processes. The risks to the Group's strategic objectives are assessed at the Group level.

The Risk and Business Continuity Management Committee ("the RBCMC") comprises senior management of the Group and is chaired by the Chief Financial Officer. The RBCMC is tasked with the responsibility for formulating the risk management policy and the review of the system of internal control. The Heads of Divisions and Departments are required to issue a letter of assurance on a semi annual basis to confirm that the risk reports and risk profiles have been reviewed and action plans being implemented are monitored.

The RBCMC meets at least four (4) times a year to review the risk assessment documents of the Group and where applicable propose changes to the risk management and controls procedures/policies. The review also covers the status of action plans or measures taken or to be taken to address any weaknesses identified in the existing internal controls. The RBCMC presents to the Executive Committee on a quarterly basis, a report of the risk assessments on the Group's significant risks and the status of control measures being implemented or to be implemented to deal with the risks. Reports are then presented to the Audit Committee for review, deliberation and recommendation for endorsement by the Board.

THE INTERNAL CONTROL PROCESSES

The other key aspects of the internal control process are:

- The Board and the Audit Committee meet at least every quarter to discuss matters raised by Management on business and operational matters including potential risks and control issues.
- The Board has delegated the responsibilities to relevant committees established by the Board to implement and monitor the Board's policies on controls.
- Delegation of authority including authorisation limits at various levels of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.
- Internal procedures and policies are clearly documented in manuals and reviewed and revised periodically to meet changing business, operational and statutory reporting needs.
- Performance and cash flow reports are provided to Management and the Executive Committee to review and monitor the financial performance and cash flow position.
- Business/operating units present their annual budget, which includes the financial and operating targets, capital expenditure proposals and performance indicators for approval by the Budget Committee and the Board.
- A half yearly review of the annual budget is undertaken to identify and where appropriate, to address significant variances from the said budget.

For the year under review, some weaknesses in internal controls were identified but were deemed not significant to be mentioned in this statement as none had materially impacted the business or operations of the Group. Nevertheless, measures have been or are being taken to address these weaknesses. In addition the Group considers business continuity management as an integral part of the Group's risk management process. In this respect, the Group has commenced implementation of business continuity plans to minimise business disruptions either due to failure of critical IT systems and/or operational process.

The Group in issuing this statement has excluded its associates' state of internal controls as they are deemed to be insignificant to the Group.

The Internal Audit Function

The Internal Audit Department ("Internal Audit") is responsible for undertaking regular and systematic review of the internal controls to provide the Audit Committee and the Board with sufficient assurance that the systems of internal control are effective in addressing the risks identified.

On a quarterly basis, Internal Audit submits audit reports for review and approval by the Audit Committee. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

The Directors of ASIATIC DEVELOPMENT BERHAD have pleasure in submitting their report together with their statement pursuant to Section 169(15) of the Companies Act, 1965 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2007.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the subsidiaries include plantation, property development and genomics research and development.

Details of the principal activities of the subsidiaries and associates are set out in Note 41 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year, except as disclosed above.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit before taxation	451,158	487,091
Taxation	(103,102)	(118,490)
Profit for the financial year	348,056	368,601

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

(i) a final dividend of 4.25 sen less 27% tax per ordinary share of 50 sen each amounting to RM23,357,012 in respect of the financial year ended 31 December 2006 was paid on 17 July 2007; and

(ii) an interim dividend of 3.25 sen less 27% tax per ordinary share of 50 sen each amounting to RM17,865,412 in respect of the financial year ended 31 December 2007 was paid on 18 October 2007.

A special dividend of 6 sen less 26% tax per ordinary share of 50 sen each in respect of the current financial year has been declared for payment to shareholders registered in the Register of Members on 13 March 2008. The special dividend shall be paid on 27 March 2008. Based on the issued and paid up capital of the Company as at the date of this report, the special dividend would amount to RM33,561,383.

The Directors recommend payment of a final dividend of 4.75 sen less 26% tax per ordinary share of 50 sen each in respect of the current financial year to be paid to shareholders registered in the Register of Members on a date to be determined by the Directors. Based on the issued and paid-up capital of the Company as at the date of this report, the final dividend would amount to RM26,569,428.

RESERVES AND PROVISIONS

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued a total of 4,716,000 new ordinary shares of 50 sen each, particulars of which are set out below, by virtue of the exercise of options granted pursuant to The Asiatic Executive Share Option Scheme to take up unissued shares of the Company which new ordinary shares rank pari passu with the then existing issued ordinary shares of the Company:

Price per Share (sen)	No. of Ordinary Shares
92	59,000
145	1,976,000
165	2,681,000
	4,716,000

There were no issue of debentures during the financial year.

SHARE OPTIONS PURSUANT TO THE ASIATIC EXECUTIVE SHARE OPTION SCHEME

The Asiatic Executive Share Option Scheme ("the Scheme") was approved by members of the Company at an Extraordinary General Meeting held on 28 June 2000.

Details of the Scheme are set out in Note 32 to the financial statements.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (CONT'D)

DIRECTORATE

The Directors who served since the date of the last report are:

Tan Sri Mohd Amin bin Osman
Tan Sri Lim Kok Thay *
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad *
Encik Mohd Din Jusoh *
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah
Mr Quah Chek Tin
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin *
Dato' Baharuddin bin Musa * *(Retired on 20 June 2007)*

* *Also members of the Remuneration Committee*

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares of the Company; Genting Berhad, a company which owns 54.84% equity interest in the Company as at 31 December 2007; Resorts World Bhd, a company which is 48.72% owned by Genting Berhad and Genting International P.L.C., a subsidiary of Genting Berhad, as set out below:

INTEREST IN THE COMPANY

Shareholdings in the names of Directors

	1.1.2007	**Acquired/(Disposed)**	**31.12.2007**
		(Number of ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	741,000	124,000	865,000
Tan Sri Lim Kok Thay	144,000	825,000/(600,000)	369,000
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	10,000	-	10,000

Interest of spouse/child of Director*

	15.8.2007	**Acquired/(Disposed)**	**31.12.2007**
		(Number of ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	80,000	-	80,000

Share Option in the names of Directors

	1.1.2007	**Offered/(Exercised)**	**31.12.2007**
		(Number of unissued ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	248,000	(124,000)	124,000
Tan Sri Lim Kok Thay	825,000	(825,000)	-

INTEREST IN GENTING BERHAD

Shareholdings in the names of Directors

	1.1.2007	Acquired/ (Disposed)	12.4.2007	Adjusted for the Share Split on 13.4.2007	Acquired/ (Disposed)	31.12.2007
	(Number of ordinary shares of 50 sen each)			(Number of ordinary shares of 10 sen each)		
Tan Sri Mohd Amin bin Osman	197,000	-	197,000	985,000	315,000/ (95,400)	1,204,600
Tan Sri Lim Kok Thay	1,933,800	-	1,933,800	9,669,000	2,500,000/ (1,800,000)	10,369,000
Mr Quah Chek Tin	1,000	-	1,000	5,000	315,000/ (315,000)	5,000

Interest of spouse/child of Directors*

	15.8.2007	Acquired/(Disposed)	31.12.2007
		(Number of ordinary shares of 10 sen each)	
Tan Sri Mohd Amin bin Osman	60,000	-	60,000
Mr Quah Chek Tin	315,000	315,000	630,000

Share Option in the names of Directors

	1.1.2007	Offered/ (Exercised)	12.4.2007	Adjusted for the Share Split on 13.4.2007	Offered/ (Exercised)	31.12.2007
	(Number of unissued ordinary shares of 50 sen each)			(Number of unissued ordinary shares of 10 sen each)		
Tan Sri Mohd Amin bin Osman	311,000	-	311,000	1,555,000	(315,000)	1,240,000
Tan Sri Lim Kok Thay	1,000,000	-	1,000,000	5,000,000	(2,500,000)	2,500,000
Mr Quah Chek Tin	311,000	-	311,000	1,555,000	(315,000)	1,240,000

INTEREST IN RESORTS WORLD BHD

Shareholdings in the names of Directors

	1.1.2007	Acquired/ (Disposed)	12.4.2007	Adjusted for the Share Split on 13.4.2007	Acquired/ (Disposed)	31.12.2007
	(Number of ordinary shares of 50 sen each)			(Number of ordinary shares of 10 sen each)		
Tan Sri Mohd Amin bin Osman	122,000	-	122,000	610,000	(70,000)	540,000
Tan Sri Lim Kok Thay	50,000	-	50,000	250,000	1,410,000	1,660,000
Mr Quah Chek Tin	1,000	-	1,000	5,000	-	5,000

Interest of spouse/child of Director*

	15.8.2007	Acquired/(Disposed)	31.12.2007
		(Number of ordinary shares of 10 sen each)	
Tan Sri Mohd Amin bin Osman	180,000	-	180,000

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (CONT'D)

INTEREST IN RESORTS WORLD BHD (cont'd)

Share Option in the name of Director

	1.1.2007	Offered/ (Exercised)	12.4.2007	Adjusted for the Share Split on 13.4.2007	Offered/ (Exercised)	31.12.2007
	(Number of unissued ordinary shares of 50 sen each)			(Number of unissued ordinary shares of 10 sen each)		
Tan Sri Lim Kok Thay	750,000	-	750,000	3,750,000	(1,410,000)	2,340,000

INTEREST IN GENTING INTERNATIONAL P.L.C.

Shareholding in the name of Director

	1.1.2007	Acquired/(Disposed)	31.12.2007
		(Number of ordinary shares of US$0.10 each)	
Tan Sri Lim Kok Thay	20,000	12,000	32,000

Interest of spouse/child of Director*

	15.8.2007	Acquired/(Disposed)	31.12.2007
		(Number of ordinary shares of US$0.10 each)	
Tan Sri Mohd Amin bin Osman	400	-	400

Share Option in the names of Directors

	1.1.2007	Offered/ (Exercised)	16.9.2007	Adjusted for the Rights Issue on 17.9.2007	Offered/ (Exercised)	31.12.2007
	(Number of unissued ordinary shares of US$0.10 each)					
Tan Sri Mohd Amin bin Osman	1,000,000	-	1,000,000	1,131,707	-	1,131,707
Tan Sri Lim Kok Thay	5,000,000	-	5,000,000	5,658,536	-	5,658,536
Mr Quah Chek Tin	1,500,000	-	1,500,000	1,697,560	-	1,697,560
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	1,000,000	-	1,000,000	1,131,707	-	1,131,707

* *Disclosure pursuant to Section 134 (12) (c) of the Companies Act, 1965 as amended by the Companies (Amendment) Act, 2007 which took effect on 15 August 2007.*

Apart from the above disclosures:

(a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and

(b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors and the provision for Directors' retirement gratuities or the fixed salary of a full-time employee of the Company and/or its related corporations shown in the respective financial statements of the Company and/or its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

(i) Tan Sri Mohd Amin bin Osman has been retained by Resorts World Bhd, a company which is 48.72% owned by Genting Berhad ("GB"), to provide advisory services.

(ii) Asiatic Plantations (WM) Sdn Bhd ("APWM"), a wholly-owned subsidiary of the Company, has extended a housing loan to Dato' Baharuddin bin Musa to enable him to acquire a home, which loan has been settled during the financial year.

(iii) A company in which Tan Sri Lim Kok Thay is a director and a substantial shareholder has appointed APWM to provide plantation advisory services.

(iv) A corporation in which Tan Sri Lim Kok Thay and his spouse are directors and which is wholly-owned indirectly by them has rented its property to Genting International P.L.C. ("GIPLC"), a subsidiary of GB.

(v) A corporation which is owned by the family of Tan Sri Lim Kok Thay has been appointed by Resorts World at Sentosa Pte. Ltd., an indirect wholly-owned subsidiary of GIPLC, to provide professional design consultancy and master-planning services for the Resorts World at Sentosa integrated resort in Singapore.

Tan Sri Lim Kok Thay and Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Article 99 of the Articles of Association of the Company and they, being eligible, have offered themselves for re-election.

Tan Sri Mohd Amin bin Osman and Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad will retire pursuant to Section 129 of the Companies Act, 1965 at the forthcoming AGM and separate resolutions will be proposed for their re-appointment as Directors at the AGM under the provision of Section 129(6) of the said Act to hold office until the next AGM of the Company.

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Group or of the Company misleading;

(iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and

(iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965 (CONT'D)

OTHER STATUTORY INFORMATION (Cont'd)

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except those disclosed in the financial statements; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

In the opinion of the Directors, the financial statements set out on pages 41 to 92, are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date in accordance with MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and comply with the provisions of the Companies Act, 1965.

ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

On behalf of the Board,

TAN SRI LIM KOK THAY	**MOHD DIN JUSOH**
Chief Executive and Director	Director

Kuala Lumpur
28 February 2008

Financial Statements

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2007	2006	**2007**	2006
Revenue	5&6	**906,415**	576,578	**494,516**	49,551
Cost of sales	7	**(395,686)**	(309,350)	**-**	(2,391)
Gross profit		**510,729**	267,228	**494,516**	47,160
Other income		**18,743**	15,426	**11,823**	894,220
Selling and distribution costs		**(37,770)**	(32,095)	**-**	(360)
Administration expenses		**(29,063)**	(22,420)	**(18,737)**	(16,115)
Other expenses		**(15,133)**	(9,539)	**(511)**	(620)
Profit from operations		**447,506**	218,600	**487,091**	924,285
Share of results in associates		**3,652**	1,825	**-**	-
Profit before taxation	5,8&9	**451,158**	220,425	**487,091**	924,285
Taxation	12	**(103,102)**	(47,207)	**(118,490)**	338
Profit for the financial year		**348,056**	173,218	**368,601**	924,623
Attributable to:					
Equity holders of the Company		**344,064**	171,147	**368,601**	924,623
Minority interests		**3,992**	2,071	**-**	-
		348,056	173,218	**368,601**	924,623
Earnings per share for profit attributable to the equity holders of the Company:					
- basic (sen)	13	**45.72**	22.91		
- diluted (sen)	13	**45.47**	22.69		
Gross dividends per share (sen)	14	**14.00**	7.00		

The notes set out on pages 50 to 92 form part of these financial statements.

BALANCE SHEETS
AS AT 31 DECEMBER 2007

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2007	2006 (Restated)	**2007**	2006
ASSETS					
Non-current assets					
Property, plant and equipment	15	**384,239**	367,644	**8,551**	5,687
Land held for property development	16	**232,765**	226,253	**-**	-
Investment properties	17	**10,594**	10,874	**-**	-
Plantation development	18	**469,510**	445,512	**-**	-
Leasehold land use rights	19	**249,180**	249,226	**-**	-
Intangible asset	20	**16,955**	-	**-**	-
Subsidiaries	21	**-**	-	**242,187**	192,187
Jointly controlled entity	22	**1,901**	-	**-**	-
Associates	23	**11,291**	12,961	**2,123**	2,123
Long term investments	24	**32,718**	32,653	**-**	-
Amount due from subsidiaries	21	**-**	-	**1,539,377**	-
Long term receivables	28	**-**	5,000	**-**	5,000
Deferred tax assets	25	**6,871**	5,669	**167**	1,033
Current assets					
Property development costs	16	**111,150**	104,134	**-**	-
Land held for sale	26	**-**	-	**1,290**	1,290
Inventories	27	**119,500**	114,926	**13**	14
Tax recoverable		**23,645**	13,414	**23,428**	11,401
Trade and other receivables	28	**114,700**	84,008	**7,213**	10,970
Amounts due from subsidiaries	21	**-**	-	**394,352**	1,881,174
Amount due from other related companies	29	**4**	4	**-**	-
Amounts due from associates	23	**803**	1,094	**656**	665
Short term investments	30	**204,234**	121,184	**187,163**	104,651
Bank balances and deposits	31	**290,860**	140,179	**248,901**	108,783
		864,896	578,943	**863,016**	2,118,948
Total assets		**2,280,920**	1,934,735	**2,655,421**	2,324,978
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	32	**377,569**	375,211	**377,569**	375,211
Reserves	33	**1,686,740**	1,382,152	**2,161,793**	1,829,155
		2,064,309	1,757,363	**2,539,362**	2,204,366
Minority interests		**11,549**	11,392	**-**	-
Total Equity		**2,075,858**	1,768,755	**2,539,362**	2,204,366
Non-current liabilities					
Other payables	34	**15,592**	17,220	**-**	1,628
Provision for directors' retirement gratuities	35	**2,331**	5,566	**928**	4,303
Deferred tax liabilities	25	**40,613**	41,088	**-**	5
		58,536	63,874	**928**	5,936
Current liabilities					
Trade and other payables	34	**119,220**	94,922	**8,377**	7,350
Amount due to ultimate holding company	29	**876**	638	**876**	638
Amount due to subsidiaries	21	**-**	-	**105,390**	105,439
Amount due to other related companies	29	**488**	1,249	**488**	1,249
Taxation		**25,942**	5,297	**-**	-
		146,526	102,106	**115,131**	114,676
Total liabilities		**205,062**	165,980	**116,059**	120,612
Total equity and liabilities		**2,280,920**	1,934,735	**2,655,421**	2,324,978
NET ASSETS PER SHARE (RM)		**2.73**	2.34		

The notes set out on pages 50 to 92 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

Amounts in RM'000 unless otherwise stated

Group	Attributable to equity holders of the Company								
	Share capital	Share premium	Re-valuation reserve	Reserve on exchange differences	Option reserve	Retained earnings	Total	Minority Interests	Total Equity
Balance at 1 January 2007	**375,211**	**32,948**	**18,075**	**(355)**	**379**	**1,331,105**	**1,757,363**	**11,392**	**1,768,755**
Revaluation surplus realised upon sale of land, net of tax, not recognised in income statement	-	-	(12)	-	-	12	-	-	-
Net loss not recognised in income statement - exchange differences	-	-	-	(3,513)	-	-	(3,513)	-	(3,513)
Net income/(expense) recognised directly in equity	-	-	(12)	(3,513)	-	12	(3,513)	-	(3,513)
Profit for the financial year	-	-	-	-	-	344,064	344,064	3,992	348,056
Total recognised income and expense for the year	-	-	(12)	(3,513)	-	344,076	340,551	3,992	344,543
Employees share option scheme									
- Shares issued *(see Note 32)*	2,358	4,985	-	-	-	-	7,343	-	7,343
- Options granted *(see Note 9)*	-	-	-	-	274	-	274	-	274
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(3,835)	(3,835)
Appropriation:									
- Final dividend paid for financial year ended 31 December 2006 *(4.25 sen less 27% tax)* *(See Note 14)*	-	-	-	-	-	(23,357)	(23,357)	-	(23,357)
- Interim dividend paid for financial year ended 31 December 2007 *(3.25 sen less 27% tax)* *(See Note 14)*	-	-	-	-	-	(17,865)	(17,865)	-	(17,865)
	-	-	-	-	-	(41,222)	(41,222)	-	(41,222)
Balance at 31 December 2007	**377,569**	**37,933**	**18,063**	**(3,868)**	**653**	**1,633,959**	**2,064,309**	**11,549**	**2,075,858**

The notes set out on pages 50 to 92 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (CONT'D)

Amounts in RM'000 unless otherwise stated

	Attributable to equity holders of the Company								
Group	**Share capital**	**Share premium**	**Re-valuation reserve**	**Reserve on exchange differences**	**Option reserve**	**Retained earnings**	**Total**	**Minority Interests**	**Total Equity**
Balance at 1 January 2006	372,779	28,269	18,115	288	-	1,194,888	1,614,339	10,634	1,624,973
Revaluation surplus realised upon sale of land, net of tax, not recognised in income statement	-	-	(40)	-	-	40	-	-	-
Net loss not recognised in income statement - exchange differences	-	-	-	(643)	-	-	(643)	-	(643)
Net income/(expense) recognised directly in equity	-	-	(40)	(643)	-	40	(643)	-	(643)
Profit for the financial year	-	-	-	-	-	171,147	171,147	2,071	173,218
Total recognised income and expense for the year	-	-	(40)	(643)	-	171,187	170,504	2,071	172,575
Employees share option scheme									
- Shares issued *(see Note 32)*	2,432	4,679	-	-	-	-	7,111	-	7,111
- Options granted *(see Note 9)*	-	-	-	-	379	-	379	-	379
Minority interest arising on business combination	-	-	-	-	-	-	-	120	120
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(1,433)	(1,433)
Appropriation:									
- Final dividend paid for financial year ended 31 December 2005 *(3.75 sen less 28% tax)*	-	-	-	-	-	(20,164)	(20,164)	-	(20,164)
- Interim dividend paid for financial year ended 31 December 2006 *(2.75 sen less 28% tax)* *(See Note 14)*	-	-	-	-	-	(14,806)	(14,806)	-	(14,806)
	-	-	-	-	-	(34,970)	(34,970)	-	(34,970)
Balance at 31 December 2006	375,211	32,948	18,075	(355)	379	1,331,105	1,757,363	11,392	1,768,755

The notes set out on pages 50 to 92 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (CONT'D)

Amounts in RM'000 unless otherwise stated

		Non-Distributable			Distributable	
	Share capital	Share premium	Revaluation reserve	Option reserve	Retained earnings	Total
Company						
Balance at 1 January 2007	375,211	32,948	104	379	1,795,724	2,204,366
Profit for the financial year	-	-	-	-	368,601	368,601
Total recognised income and expense for the year	-	-	-	-	368,601	368,601
Employees share option scheme						
- Shares issued *(see Note 32)*	2,358	4,985	-	-	-	7,343
- Option granted	-	-	-	274	-	274
Appropriation:						
- Final dividend paid for financial year ended 31 December 2006 *(4.25 sen less 27% tax)* *(See Note 14)*	-	-	-	-	(23,357)	(23,357)
- Interim dividend paid for financial year ended 31 December 2007 *(3.25sen less 27% tax)* *(See Note 14)*	-	-	-	-	(17,865)	(17,865)
	-	-	-	-	(41,222)	(41,222)
Balance at 31 December 2007	377,569	37,933	104	653	2,123,103	2,539,362

The notes set out on pages 50 to 92 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (CONT'D)

Amounts in RM'000 unless otherwise stated

		Non-Distributable			Distributable	
	Share capital	**Share premium**	**Revaluation reserve**	**Option reserve**	**Retained earnings**	**Total**
Company						
Balance at 1 January 2006	372,779	28,269	26,613	-	879,562	1,307,223
Revaluation surplus realised upon sale of land, net of tax, not recognised in income statement	-	-	(26,509)	-	26,509	-
Net expense recognised directly in equity	-	-	(26,509)	-	26,509	-
Profit for the financial year	-	-	-	-	924,623	924,623
Total recognised income and expense for the year	-	-	(26,509)	-	951,132	924,623
Employees share option scheme						
- Shares issued *(see Note 32)*	2,432	4,679	-	-	-	7,111
- Option granted	-	-	-	379	-	379
Appropriation:						
- Final dividend paid for financial year ended 31 December 2005 *(3.75 sen less 28% tax)*	-	-	-	-	(20,164)	(20,164)
- Interim dividend paid for financial year ended 31 December 2006 *(2.75 sen less 28% tax)* *(see Note 14)*	-	-	-	-	(14,806)	(14,806)
	-	-	-	-	(34,970)	(34,970)
Balance at 31 December 2006	375,211	32,948	104	379	1,795,724	2,204,366

The notes set out on pages 50 to 92 form part of these financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2007	2006 Restated	**2007**	2006
Cash flows from operating activities				
Profit before taxation	**451,158**	220,425	**487,091**	924,285
Adjustments for:				
Depreciation of property, plant and equipment	**20,567**	16,973	**462**	345
Depreciation of investment properties	**389**	320	**-**	-
Amortisation of leasehold land use rights	**2,878**	1,646	**-**	-
Amortisation of plantation development	**7**	7	**-**	-
Property, plant and equipment written off	**568**	508	**1**	4
Bad debts written off	**446**	849	**-**	-
Provision for Directors' retirement gratuities	**475**	254	**335**	210
Allowance for doubtful debts	**336**	106	**-**	-
Loss/(gain) on disposal of property, plant and equipment	**442**	(83)	**(98)**	(21)
Share-based payment expenses	**274**	379	**96**	141
Share of results in associates	**(3,652)**	(1,825)	**-**	-
Interest income	**(12,201)**	(7,387)	**(10,214)**	(6,041)
Net surplus arising from compensation in respect of freehold land acquired by the Government	**(27)**	(1,770)	**-**	(1,770)
Dividend income	**-**	-	**(474,180)**	(26,320)
Gain arising from Group Rationalisation Exercise	**-**	-	**-**	(884,934)
	10,502	9,977	**(483,598)**	(918,386)
Operating profit before changes in working capital	**461,660**	230,402	**3,493**	5,899
Property development costs	**4,194**	15,047	**-**	-
Inventories	**(4,574)**	5,870	**2**	463
Receivables	**(26,475)**	(12,098)	**8,757**	2,659
Amounts due from associates	**273**	(411)	**9**	18
Payables	**14,204**	(14,419)	**(1,194)**	(5,314)
Amounts due to ultimate holding company	**238**	(91)	**238**	(91)
Amounts due to other related companies	**(743)**	786	**(761)**	783
Amounts due from subsidiaries	**-**	-	**(20,159)**	(16,797)
	(12,883)	(5,316)	**(13,108)**	(18,279)
Cash generated from operations	**448,777**	225,086	**(9,615)**	(12,380)
Tax paid (net of tax refund)	**(94,364)**	(53,983)	**(1,628)**	(7,257)
Retirement gratuities paid	**(3,710)**	-	**(3,710)**	-
	(98,074)	(53,983)	**(5,338)**	(7,257)
Net cash generated from/(used in) operating activities	**350,703**	171,103	**(14,953)**	(19,637)

The notes set out on pages 50 to 92 form part of these financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (CONT'D)

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2007	2006 Restated	**2007**	2006 Restated
Cash flows from investing activities					
Proceeds received from Government in respect of acquisition of freehold land and plantation		**49**	12,455	**-**	12,455
Interest received		**12,201**	7,387	**10,215**	6,041
Dividends received from:					
- subsidiaries		**-**	-	**340,830**	19,910
- associates		**5,322**	1,728	**5,322**	1,728
Repayments from associates		**-**	1,977	**-**	1,977
Proceeds from disposal of property, plant and equipment		**788**	129	**147**	43
Land held for property development		**(7,105)**	(2,874)	**-**	-
Purchase of property, plant and equipment		**(44,646)**	(20,850)	**(2,784)**	(1,519)
Leasehold land use rights		**(3,580)**	(15,500)	**-**	-
Investment properties		**(109)**	(772)	**-**	-
Intangible assets		**(16,955)**	-	**-**	-
Acquisition of a subsidiary	(a)	**-**	1,042	**-**	-
Investment in subsidiaries		**-**	-	**(50,000)**	-
Investment in jointly controlled entity		**(1,901)**	-	-	-
Purchase of long term investments		**(65)**	(32,653)	**-**	-
Plantation development		**(23,257)**	(12,120)	**-**	-
Advances to subsidiaries		**-**	-	**(117,061)**	(16,471)
Repayments from subsidiaries		**-**	-	**84,793**	102,198
Net cash (used in)/generated from investing activities		**(79,258)**	(60,051)	**271,462**	126,362
Cash flows from financing activities					
Proceeds from issue of shares *(see Note 32)*		**7,343**	7,111	**7,343**	7,111
Dividends paid		**(41,222)**	(34,970)	**(41,222)**	(34,970)
Dividends paid to minority shareholders		**(3,835)**	(1,433)	**-**	-
Net cash used in financing activities		**(37,714)**	(29,292)	**(33,879)**	(27,859)
Net increase in cash and cash equivalents		**233,731**	81,760	**222,630**	78,866
Cash and cash equivalents at beginning of the financial year		**261,363**	179,603	**213,434**	134,568
Cash and cash equivalents at end of the financial year	(b)	**495,094**	261,363	**436,064**	213,434

The notes set out on pages 50 to 92 form part of these financial statements.

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (CONT'D)

Amounts in RM'000 unless otherwise stated

Notes

(a) Analysis of the acquisition of a subsidiary in 2006

	Group 2006
Net assets acquired at the date of acquisition:	
Property, plant and equipment	(18,322)
Plantation development	(2,960)
Trade and other receivables	(288)
Bank balances and deposits	(1,321)
Trade and other payables	6,900
Long term payable	15,592
Minority interests	120
Total purchase consideration discharged by cash	(279)
Less : Bank balances and deposits of subsidiary acquired	1,321
Net cash inflow on acquisition of subsidiary	1,042

(b) Analysis of cash and cash equivalents

	Group		Company	
	2007	2006	**2007**	2006
Short term investments *(see Note 30)*	**204,234**	121,184	**187,163**	104,651
Bank balances and deposits *(see Note 31)*	**290,860**	140,179	**248,901**	108,783
	495,094	261,363	**436,064**	213,434

Included in the above bank balances and deposits for the Group is an amount of RM14.7 million *(2006 : RM12.7 million)* deposited by a subsidiary involved in property development activities into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2007

Amounts in RM'000 unless otherwise stated

1. PRINCIPAL ACTIVITIES

The Company is principally an investment holding and management company.

The principal activities of the subsidiaries include plantation, property development and genomics research and development.

Details of the principal activities of the subsidiaries and associates are set out in Note 41 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year, except as disclosed above.

2. BASIS OF PREPARATION

The financial statements of the Group and the Company have been prepared in accordance with and comply with Financial Reporting Standards, Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the provisions of the Companies Act, 1965. The bases of measurement applied to assets and liabilities include cost, amortised cost, lower of cost and net realisable value, revalued amount and fair value.

The preparation of financial statements in conformity with Financial Reporting Standards and the provisions of the Companies Act, 1965 requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these judgements and estimates are based on Directors' best knowledge of current events and actions, actual results could differ from those estimates.

Judgments and estimations

In the process of applying the Group's accounting policies, management makes judgments that can significantly affect the amount recognised in the financial statements. These judgments include:

Provision for taxation

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions, where applicable, in the period in which such determination is made.

3. SIGNIFICANT ACCOUNTING POLICIES

Adoption of new Financial Reporting Standards

Accounting policies adopted by the Group and the Company have been applied consistently in dealing with items that are considered material in relation to the financial statements, unless otherwise stated. The following new and revised Financial Reporting Standards ("FRSs") that are relevant to the Group have been adopted during the financial year:

FRS 117 Leases
Amendments to FRS 119_{2004} Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124 Related Party Disclosures

The adoption of the above FRSs did not result in substantial changes to the Group's accounting policies other than the effects of the adoption of FRS 117 which have been highlighted in the section on changes in accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Standards, amendments to published standards and interpretations to existing standards that are not yet effective and have not been early adopted

The new standards, amendments to published standards and interpretations that are mandatory for the Group's financial periods beginning on or after 1 January 2008, but which the Group has not early adopted, are as follows:

- FRS 107 *Cash Flow Statements.*
  This revised standard has no significant changes as compared to the original standard.

- FRS 112 *Income Taxes.*
  This revised standard has removed the requirements that prohibit recognition of deferred tax on reinvestment allowances or other allowances in excess of capital allowances.

- FRS 118 *Revenue.*
  This revised standard has no significant changes as compared to the original standard.

- Amendment to FRS 121 *The Effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation.*
  This amendment requires exchange differences on monetary items that form part of the net investment in a foreign operation to be recognised in equity instead of in profit or loss regardless of the currency in which these items are denominated in.

- FRS 134 *Interim Financial Reporting.*
  This revised standard has no significant changes as compared to the original standard.

- FRS 137 *Provisions, Contingent Liabilities and Contingent Assets.*
  This revised standard has no significant changes as compared to the original standard.

- IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities.*
  This interpretation deals with changes in the estimated timing or amount of the outflow of resources required to settle the obligation, or a change in the discount rate.

- IC Interpretation 8 *Scope of FRS 2.*
  This Interpretation clarifies that FRS 2 *Share-based Payment* applies even in the absence of specifically identifiable goods or services.

Standards, amendments to published standards and interpretations to existing standards that are not yet effective and not relevant for the Group's operations

- FRS 111 *Construction Contracts.*
  This revised standard has no significant changes as compared to the original standard.

- FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance.*
  This revised standard allows alternative treatment that non-government grant to be recorded at nominal amount.

- IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments.*
  This interpretation deals with liabilities or equity classification of financial instruments which give the holder the right to request redemption, but subject to limits on whether it will be redeemed.

- IC Interpretation 5 *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds.*
  This interpretation deals with accounting in the financial statements of a contributor for its interests arising from decommissioning funds.

- IC Interpretation 6 *Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment.*
  This interpretation provides guidance on the recognition, in the financial statements of producers, of liabilities for waste management under the European Union Directive in respect of sales of historical household equipment.

- IC Interpretation 7 *Applying the Restatement Approach under FRS 129 Financial Reporting in Hyperinflationary Economies.*
  This interpretation provides guidance on how to apply the requirement of FRS 129 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when that economy was not hyperinflationary in the prior period.

The effective date for FRS 139 Financial Instruments: Recognition and Measurement has yet to be determined by the MASB. Entities are exempted from disclosing the impact of FRS 139 prior to its effective date.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Changes in Accounting Policies

The principal effects of the changes in accounting policies resulting from the adoption of the revised FRS 117 are set out below :

i) Prior to the adoption of the revised FRS 117, leasehold land was classified as property, plant and equipment and was stated at cost or valuation less accumulated depreciation and impairment losses. Under the revised FRS 117, leasehold land is classified as an operating lease unless title passes to the lessee at the end of the lease term. With the adoption of the revised FRS 117, the unamortised carrying amounts of leasehold land are now classified as leasehold land use rights and amortised over the period of its remaining lease term, as allowed by the transitional provisions of the revised FRS 117. The reclassification of leasehold land as leasehold land use rights has been accounted for retrospectively and the comparatives in the balance sheet have been restated.

ii) The effects on the comparatives to the Group on adoption of FRS 117 are as follows:

RM'000	As previously reported	Effects on adoption of FRS 117	As restated
Group			
At 1 January 2007			
Decrease in property, plant and equipment	616,870	(249,226)	367,644
Increase in leasehold land use rights	-	249,226	249,226

However, the impact from the adoption of FRS 117 on the income statement is immaterial and is not separately disclosed.

Basis of Consolidation

Investments in subsidiaries are eliminated on consolidation while investments in jointly controlled entities and associates are accounted for by the equity method of accounting.

a) Subsidiaries

The consolidated financial statements include the audited financial statements of the Company and all its subsidiaries made up to the end of the financial year. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date that control ceases. Subsidiaries are consolidated using the purchase method of accounting whereby the results of subsidiaries acquired or disposed of during the financial year are included from the date of acquisition up to the date when control ceases. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiary acquired at the date of acquisition is reflected as goodwill. See accounting policy note on treatment of goodwill.

Negative goodwill represents the excess of the fair value of the Group's share of the net assets acquired over the cost of acquisition and prior to 1 January 2006, the negative goodwill is credited to retained earnings in the year of acquisition. Negative goodwill arising from new acquisition, on or after 1 January 2006, is recognised directly in the income statement.

All material intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of Consolidation (Cont'd)

a) Subsidiaries (cont'd)

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any balance of goodwill on acquisition and exchange differences which were not previously recognised in the consolidated income statement.

Minority interests is measured at the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at the date of acquisition and the minorities' share of movements in the acquiree's net assets since that date. Separate disclosure is made of minority interests.

b) Jointly Controlled Entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties.

The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post acquisition results of jointly controlled entities in the income statement and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of the investment and includes goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of assets.

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other parties in the ventures. The Group does not recognise its share of profits or losses from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with those of the Group.

c) Associates

Associates are companies in which the Group exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in the income statement the Group's share of the associates' results for the financial year. The Group's interest in associates is stated at cost net of goodwill written off, for acquisitions prior to 1 January 2004, plus adjustments to reflect changes in the Group's share of the net assets of the associates. Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or made payments on behalf of the associate.

The Group's investment in associates include goodwill (net of any accumulated impairment loss) identified on acquisition.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment

Property, plant and equipment are tangible items that:

i) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for certain properties which were revalued before 1998. In accordance with the transitional provision allowed by MASB upon first adoption of IAS 16, Property, Plant and Equipment, the valuation of these assets have not been updated, and they continue to be stated at their existing carrying amounts less accumulated depreciation, amortisation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the items.

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost to disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Freehold land and capital work-in-progress are not depreciated. The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	Years
Land improvements	25
Buildings and improvements	20 - 50
Plant and machinery	4 - 10
Motor vehicles	5
Furniture, fittings and equipment	3 - 10

The assets' residual values and useful lives are reviewed annually and revised, if appropriate.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in income statement. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or capital appreciation and are not occupied by the Group.

Investment in freehold land is stated at cost. Other investment properties are stated at cost, less accumulated depreciation and impairment losses. Depreciation for other investment properties is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

	Years
Buildings and improvements	5 - 50

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

Gain and losses on disposal are determined by comparing net disposal proceeds with carrying amount and are included in the income statement.

Plantation Development

Plantation development (previously termed as "Biological Assets") comprise cost of planting and development on oil palm and other plantation crops.

Cost of new planting and development of plantation crops are capitalised from the stage of land clearing up to the stage of maturity. The cost of new planting capitalised is not amortised. However, where the cost of new planting is incurred on leasehold land which has unexpired period shorter than the crop's economic life, the cost is amortised over the remaining period of the lease on a straight line basis.

Replanting expenditure is charged to the income statement in the financial year in which the expenditure is incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Leasehold Land Use Rights

Leasehold land that normally has a finite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as leasehold land use rights (referred to as prepaid lease payments in FRS 117, Leases) that are amortised over the lease term in accordance with the pattern of benefits provided.

The Group had previously classified the leasehold land use rights within its property, plant and equipment. On adoption of FRS 117, Leases, the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as leasehold land use rights.

Property Development Activities

a) Land Held for Property Development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses, if any.

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use. Where the Group had previously recorded the land at revalued amounts, it continues to retain these amounts as its surrogate cost as allowed by FRS 201_{2004}, *Property Development Activities.* Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and where the development activities can be completed within normal operating cycle.

b) Property Development Costs and Revenue Recognition

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

When the outcome of the development activity can be estimated reliably, property development revenue and expenses are recognised by using the percentage of completion method in respect of sales where agreements have been finalised. Under this method, profits are recognised as the property development activity progresses. The stage of completion is determined based on proportion of property development costs incurred for work performed up to the balance sheet date over the estimated total property development cost to completion.

When the outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable of recovery and property development costs on the development units sold are recognised as an expense when incurred. Foreseeable losses, if any, arising when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, are recognised immediately in the income statement.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value. Upon completion of development, the unsold completed development properties are transferred to inventories.

Where revenue recognised in the income statement exceed billings to purchasers, the balance is shown as accrued billings under trade and other receivables (within current assets). Where billings to purchasers exceed revenue recognised in the income statement, the balance is shown as progress billings under trade and other payables (within current liabilities).

Investments

Investments in non-current investments other than investments in subsidiaries, jointly controlled entities and associates are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Such a decline is recognised as an expense in the financial year in which it is identified.

Short term quoted investments are stated at the lower of cost and market value, determined on a portfolio basis by comparing aggregate cost against aggregate market value. Market value is calculated by reference to quoted selling prices at the close of business on the balance sheet date. Money market instruments are stated at the lower of cost and net realisable value.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments (cont'd)

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is charged/credited to the income statement.

Intangible Assets

a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's share of the fair value of the identifiable net assets of the subsidiaries at the date of acquisition. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

b) Research and Development Expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

(a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
(b) management intends to complete the intangible asset and use or sell it;
(c) there is an ability to use or sell the intangible asset;
(d) it can be demonstrated that the intangible asset will generate probable future economic benefits;
(e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
(f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Collaborations and alliances are maintained with third parties for provision of research and development expertise and capacity in genomics for the achievement of performance milestones. Milestones payments are capitalised to the extent that the capitalisation criteria in FRS 138 - Intangible Assets are met. Judgement is involved in determining whether amount paid meets the performance milestones so as to enable the amount to be capitalised as intangible assets.

Other development expenditure that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use or sale, on a straight-line basis over useful life, not exceeding twenty years.

Intangible assets are tested for impairment annually, in accordance with FRS 136. See accounting policy note on impairment of assets.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and an appropriate proportion of production overheads (based on normal operating capacity). The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs to completion and selling expenses.

Non-Current Assets Classified as Assets Held for Sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than a continuing use.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Receivables

Receivables are carried at estimated realisable value. In estimating realisable value, an allowance is made for doubtful receivables based on a review of all outstanding amounts at the financial year end. Bad debts are written off to the income statement during the financial year in which they are identified.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), deposits and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are included within short-term borrowings in current liabilities and money market instruments are included within short-term investments in current assets in the balance sheet.

Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the option are exercised.

Borrowing

Borrowings are recognised initially based on the proceeds received.

Costs incurred on borrowings to finance qualifying assets are capitalised until the assets are ready for their intended use after which such expenses are charged to the income statement. All other borrowing costs are charged to the income statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Impairment of Non-Financial Assets

The carrying values of assets, with the exception of inventories, assets arising from construction contracts, deferred tax assets and financial assets (excluding investments in subsidiaries, jointly controlled entities and associates), are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also:

a) tests intangible assets with indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount.
b) tests goodwill acquired in a business combination for impairment annually.

Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the income statement, unless the asset is carried at revalued amount, in which case the impairment loss is used to reduce the revaluation surplus.

Assets, other than goodwill, that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Contingent Liabilities and Contingent Assets

The Group does not recognise a contingent liability but discloses its existence in the financial statements, except in a business combination. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. When a change in the probability of an outflow of economic resources occurs and that an outflow is probable, it will then be recognised as a provision.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Contingent Liabilities and Contingent Assets (cont'd)

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provision of FRS 137_{2004} and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with FRS 118.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Income Taxes

a) Current taxation

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable income and is measured using the tax rates which are applicable at the balance sheet date.

b) Deferred taxation

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. However, deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax assets is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, jointly controlled entities and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Employee Benefits

a) Short-term employee benefits

Short-term employee benefits include wages, salaries, bonus, social security contributions and paid annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

b) Post-employment benefits

Post-employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred and are measured on an undiscounted basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee Benefits (cont'd)

c) Long-term employee benefits

Long-term employee benefits include retirement gratuities payable to Executive Directors of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to the past services rendered and it does not take into account the employee's service to be rendered in later years up to retirement. The gratuity, which is calculated based on the emoluments earned in the immediate past three years, is a vested benefit when the Directors reach retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the balance sheet date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. The differences arising from the application of such discounting as well as any past service costs and the effects of any curtailments or settlements, if any, are recognised immediately in the income statement.

Such retirement gratuities payable are classified as current liabilities when it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

d) Share-based compensation benefits

The Company operates an equity settled, share based compensation plan i.e. the Asiatic Executive Share Option Scheme since 1 September 2000, where share options are issued to eligible Executives and Executive Directors of the Group.

The fair value of employees' services rendered in exchange for the grant of the share options is recognised as an expense over the vesting period. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of each share option granted at the grant date and the number of share options vested by vesting date, with a corresponding increase in equity (option reserve). At each balance sheet date, the Group will revise its estimates of the number of share options that are expected to become exercisable. The option reserves in respect of options which have been lapsed are transferred to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised.

Income Recognition

a) Revenue

Sales are recognised upon delivery of products or performance of services, net of sales tax and discounts, and after eliminating sales within the Group.

Sales relating to property development projects are recognised progressively as the project activity progresses and are in respect of sales where agreements have been finalised. The recognition of sales is based on the percentage of completion method and is consistent with the method adopted for profit recognition.

Management fees are recognised on accrual basis. Dividend income is recognised when the right to receive payment is established.

b) Other income

Other income comprising interest income, rental income and golf club memberships fees are recognised on accrual basis.

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign Currency Translation (cont'd)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the balance sheet date, non-monetary items are translated at balance sheet date using historical rates or rates prevailing when the fair value of the assets are determined. Monetary items are translated at the closing rate. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities at the closing rate are recognised in the income statement. However, the exchange differences arising on monetary items that form part of the net investment in the foreign operations are recognised directly in equity in the consolidated financial statements until the disposal of the foreign operations in which case they are recognised as gain or loss in the consolidated income statement.

(c) Group companies

On consolidation, the results and financial position of all the Group's entities which have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows :

(i) assets and liabilities, including goodwill and fair value adjustments arising from business combinations completed on/after 1 January 2006, for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

Financial Instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

a) Financial instruments recognised on the balance sheet

The recognition method adopted for financial instruments that are recognised on the balance sheet is disclosed separately in the individual policy statements associated with the relevant financial instrument. The financial assets and liabilities of the Group are primarily denominated in Ringgit Malaysia. Financial assets and liabilities that are denominated in other currencies, where material, have been disclosed in the notes to the financial statements.

b) Fair value estimation for disclosure purposes

The Group uses various methods and makes assumptions that are based on market conditions to derive the fair value of non-traded financial instruments. Comparisons are made to similar instruments that are publicly traded and estimates based on discounted cash flow techniques are also used. For other long term financial assets and liabilities, fair value is estimated by discounting future contractual cash flows at appropriate interest rates.

The book values of financial assets and liabilities with maturities of less than one year are assumed to approximate their fair values.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Segmental Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Group adopts business segment analysis as its primary reporting format. No geographical segment analysis is reported as the Group's overseas operations is immaterial and all customers are in Malaysia.

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by the segment and consist principally of property, plant and equipment net of accumulated depreciation, amortisation and impairment loss, plantation development, investment properties, leasehold land use rights, land held for property development, property development costs, inventories and receivables. Segment liabilities comprise operating liabilities. Both segment assets and liabilities do not include income tax assets and liabilities and interest bearing instruments.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to optimise the value creation for shareholders. In addition, the Group seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks.

The Group operates within clearly defined guidelines that are approved by the Board of Directors and do not trade in financial instruments. Financial risk management is carried out through risk reviews conducted at all significant operational units. This process is further enhanced by effective internal controls, a group-wide insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group and the relevant policies for controlling and management of these risks are set out below:

Interest Rate Risk

The Group has no significant exposure to interest rate risk.

Market Risk

The Group, in the normal course of business, is exposed to market risks in respect of volatility in market prices of palm products. The Group manages its risk through established guidelines and policies.

Credit Risk

Exposure to credit risk arises mainly from sales made on deferred credit terms. Credit terms offered by the Group range from 7 days to 14 days from date of transaction. Risks arising therefrom are minimised through effective monitoring of receivables and suspension of sales to customer which accounts exceed the stipulated credit terms. Credit limits are set and credit history is reviewed to minimise potential losses. The Group has no significant concentration of credit risk with any single customer.

The Group also seeks to invest cash assets safely and profitably and buys insurance to protect itself against insurable risks. In this regard, counterparties are assessed for credit risk and limits are set to minimise any potential losses.

Liquidity and Cash Flow Risks

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

Foreign Currency Exchange Risk

The Group is exposed to foreign currency exchange risk when subsidiaries enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

5. SEGMENT ANALYSIS

	Plantation		Property		Others		Total	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
Revenue – external	**845,701**	486,041	**60,714**	90,537	**-**	-	**906,415**	576,578
Segment profit/(loss)	**428,892**	195,198	**7,389**	12,948	**(1,003)**	1,297	**435,278**	209,443
Interest income							**12,201**	7,387
Net surplus arising from disposals of freehold land and plantation	**27**	1,770	**-**	-	**-**	-	**27**	1,770
Share of results in associates	**3,549**	1,890	**132**	(65)	**(29)**	-	**3,652**	1,825
Profit before taxation							**451,158**	220,425
Taxation							**(103,102)**	(47,207)
Profit for the financial year							**348,056**	173,218
Other information:								
i) Assets								
a) Segment assets	**1,243,736**	1,148,460	**507,927**	501,833	**1,319**	1,862	**1,752,982**	1,652,155
b) Jointly controlled entities	**1,901**	-	**-**	-	**-**	-	**1,901**	-
c) Associates	**8,686**	10,101	**2,659**	2,885	**(54)**	(25)	**11,291**	12,961
d) Interest bearing instruments							**483,580**	249,867
e) Unallocated corporate assets							**31,166**	19,752
Total assets							**2,280,920**	1,934,735
ii) Liabilities								
a) Segment liabilities	**81,249**	72,290	**55,889**	45,313	**5**	105	**137,143**	117,708
b) Unallocated corporate liabilities							**67,919**	48,272
Total liabilities							**205,062**	165,980
iii) Other disclosures								
a) Capital expenditure incurred*	**65,382**	69,602	**3,177**	3,025	**-**	-	**68,559**	72,627
b) Depreciation and amortisation charged*	**22,614**	17,917	**1,227**	1,029	**-**	-	**23,841**	18,946

* *Includes capital expenditure in respect of property, plant and equipment, investment properties, plantation development and leasehold land use rights.*

The segment analysis is organised as follows:

i) Plantation - comprises mainly activities relating to oil palm plantations.

ii) Property - comprises mainly activities relating to property development and the operation of a golf course.

iii) Others - comprises other insignificant businesses and are not reported separately.

6. REVENUE

Revenue of the Group and of the Company comprises the following:

	Group		Company	
	2007	2006	**2007**	2006
Sale of goods:				
Sale of plantation produce	**845,701**	486,041	**-**	6,434
Sale of development properties	**59,501**	89,542	**-**	-
Rendering of services:				
Revenue from golf course operations	**1,213**	995	**-**	-
Fee from management services	**-**	-	**20,336**	16,797
Investment Income	**-**	-	**474,180**	26,320
	906,415	576,578	**494,516**	49,551

7. COST OF SALES

	Group		Company	
	2007	2006	**2007**	2006
Cost of inventories recognised as an expense				
- Plantation produce	**354,397**	240,870	**-**	2,391
- Development properties	**39,775**	66,959	**-**	-
Cost of services recognised as an expense	**1,514**	1,521	**-**	-
	395,686	309,350	**-**	2,391

8. PROFIT BEFORE TAXATION

Profit before taxation has been determined after inclusion of the following charges and credits:

	Group		Company	
	2007	2006	**2007**	2006
Charges:				
Depreciation of property, plant and equipment	**20,567**	16,973	**462**	345
Depreciation of investment properties	**389**	320	**-**	-
Amortisation of leasehold land use rights	**2,878**	1,646	**-**	-
Amortisation of plantation development	**7**	7	**-**	-
Replanting expenditure	**5,378**	3,836	**-**	112
Directors' remuneration excluding estimated money value of benefits-in-kind *(see Note 10)*	**2,514**	2,607	**1,915**	2,181
Charges payable to related companies:				
- Rental of premises	**1,138**	914	**840**	792
- Shared services fee	**572**	535	**572**	535
- Hire of equipment	**148**	769	**148**	769
Property, plant and equipment written off	**568**	508	**1**	4
Shared services fee payable to ultimate holding company	**680**	628	**662**	628
Bad debts written off	**446**	849	**-**	-
Allowance for doubtful debts	**336**	106	**-**	-
Auditors' remuneration *(See Note 11)*				
- current year	**290**	195	**53**	50
- prior year	**52**	-	**-**	-
Employee benefits expense *(see Note 9)*	**82,318**	65,931	**14,492**	12,873
Research and development expenditure	**572**	-	**-**	-
Repairs and maintenance				
- property, plant and equipment	**8,774**	8,809	**153**	442
- investment properties	**38**	16	**-**	-
Transportation costs	**34,263**	26,918	**258**	360
Utilities	**3,540**	2,931	**-**	-
Raw materials and consumables	**177,967**	99,861	**-**	-
Credits:				
Net surplus and additional compensation arising from acquisition of freehold land and plantation	**27**	1,770	**-**	1,770
Gain arising from Group rationalisation exercise	**-**	-	**-**	884,934
Interest income	**12,201**	7,387	**10,214**	6,041
Income from associates				
- Gross dividend	**-**	-	**7,290**	2,400
- Management fee	**600**	991	**-**	-
Rental income	**1,987**	1,321	**331**	295
(Loss)/gain on disposal of property, plant and equipment	**(442)**	83	**98**	21
Rental income from related companies	**67**	67	**-**	-
Income from subsidiaries				
- Gross dividend	**-**	-	**466,890**	23,920
- Management fee	**-**	-	**20,336**	16,797
Non statutory audit fee payable to auditors *(See Note 11)*	**138**	192	**75**	145

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2007	2006	**2007**	2006
Wages, salaries and bonuses	**75,319**	54,461	**11,174**	9,893
Defined contribution plans	**2,547**	3,790	**1,358**	1,271
Provision for retirement gratuities	**475**	254	**383**	210
Share-based payments	**274**	379	**96**	141
Other short term employee benefits	**3,703**	7,047	**1,481**	1,358
	82,318	65,931	**14,492**	12,873

Employee benefits expense, as shown above, include the remuneration of Executive Directors.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2007	2006	**2007**	2006
Non-Executive Directors*				
Fees	**406**	301	**406**	301
Salaries and bonuses	**410**	336	**-**	-
Defined contribution plan	**49**	40	**-**	-
Provision for retirement gratuities	**140**	44	**-**	-
	1,005	721	**406**	301
Executive Directors				
Fees	**76**	90	**76**	84
Salaries and bonuses	**952**	1,381	**952**	1,381
Defined contribution plan	**146**	205	**146**	205
Provision for retirement gratuities	**335**	210	**335**	210
	1,509	1,886	**1,509**	1,880
Directors' remuneration excluding estimated money value of benefits-in-kind *(see Note 8)*	**2,514**	2,607	**1,915**	2,181
Estimated money value of benefits-in-kind (not charged to the income statements):				
Non-Executive Directors	**10**	11	**-**	-
Executive Directors	**10**	20	**10**	20
	20	31	**10**	20
	2,534	2,638	**1,925**	2,201

* *A Non-Executive Director of the Company receives salary and related benefits from a subsidiary by virtue of him being an Executive Director of the said subsidiary.*

Remuneration of Directors of the Company, in respect of services rendered to the Company and its subsidiaries, is in the following bands:

	2007	2006
Amounts in RM'000	Number	
Non-Executive Directors		
0 – 50	**1**	2
50 – 100	**4**	3
450 – 500	**-**	1
650 – 700	**1**	-

10. DIRECTORS' REMUNERATION (Cont'd)

Amounts in RM'000	**2007**	2006
	Number	
Executive Directors		
350 – 400	**-**	1
500 – 550	**1**	-
950 – 1,000	**1**	-
1,500 – 1,550	**-**	1

Executive Directors of the Company and its subsidiaries have been granted options under the Asiatic Executive Share Option Scheme ("the Scheme") on the same terms and conditions as those offered to other executive employees. Details of the Scheme are set out in Note 32. The unissued shares under the Scheme in respect of Directors are as follows:

			Number of shares			
Date granted	Exercisable period	Subscription price (sen/share)	At 1 January '000	Offered and accepted '000	Exercised/ relinquished/ lapsed '000	At 31 December '000
Financial year ended 31.12.2007:						
2.9.2002	2.9.2005 – 31.8.2010	145	**577**	**-**	**(577)**	**-**
1.12.2003	1.12.2006 – 31.8.2010	165	**620**	**-**	**(496)**	**124**
			1,197	**-**	**(1,073)**	**124**
Financial year ended 31.12.2006:						
2.9.2002	2.9.2005 – 31.8.2010	145	1,531	-	(954)	577
1.12.2003	1.12.2006 – 31.8.2010	165	744	-	(124)	620
			2,275	-	(1,078)	1,197

	2007 '000	2006 '000
Number of share options vested at balance sheet date	**124**	825

Details relating to options exercised by three Directors during the financial year are as follows:-

Exercise Date	Fair values of shares at share issue date (sen/share)	Subscription price (sen/share)	Number of shares issued **2007 '000**	**2006 '000**
May	**580** / 308 - 346	145	**577**	288
August	**555**	165	**124**	-
November	378 - 382	145	**-**	666
December	**775 - 780** / 428	165	**372**	124
			1,073	1,078

	2007	2006
Ordinary share capital – at par	**536**	539
Share premium	**1,119**	1,049
Proceeds received on exercise of share options	**1,655**	1,588
Fair value at exercise date of shares issued	**6,924**	3,960

11. AUDITORS' REMUNERATION

	Group		Company	
	2007	2006	**2007**	2006
Statutory audit fees payable to:				
PricewaterhouseCoopers Malaysia*	**213**	195	**53**	50
Other member firms of PricewaterhouseCoopers International Limited*	**77**	-	**-**	-
Total statutory audit fees *(See Note 8)*	**290**	195	**53**	50
Underprovision in prior year:				
Paid to other member firms of PricewaterhouseCoopers International Limited*	**52**	-	**-**	-
Fees for other audit related services payable to:				
PricewaterhouseCoopers Malaysia*	**138**	192	**75**	145
Total Remuneration	**480**	387	**128**	195

* *PricewaterhouseCoopers Malaysia and other member firms of PricewaterhouseCoopers International Limited are separate and independent legal entities.*

12. TAXATION

	Group		Company	
	2007	2006	**2007**	2006
Current taxation charge:				
Malaysian income tax charge	**104,663**	44,059	**117,544**	1,129
Deferred tax (reversal)/charge *(See Note 25)*	**(1,677)**	2,849	**861**	(1,428)
	102,986	46,908	**118,405**	(299)
Prior years' taxation:				
Income tax under/(over) provided	**116**	344	**85**	(39)
Deferred tax over provided *(See Note 25)*	**-**	(45)	**-**	-
	103,102	47,207	**118,490**	(338)

The reconciliation between the average effective tax rate and the Malaysian tax rate is as follows:

	Group		Company	
	2007	2006	**2007**	2006
	%	%	**%**	%
Malaysian tax rate	**27.0**	28.0	**27.0**	28.0
Tax effects of:				
- expenses not deductible for tax purposes	**-**	2.5	**0.2**	-
- income not subject to tax	**(0.1)**	(0.4)	**-**	(26.9)
- tax incentives	**(4.1)**	(7.8)	**(2.8)**	(1.1)
- over/(under) provision in prior financial years	**-**	0.1	**-**	-
- others	**0.1**	(1.0)	**-**	(0.1)
Average effective tax rate	**22.9**	21.4	**24.4**	(0.1)

Subject to the agreement by the Inland Revenue Board, the amount of unutilised tax losses of subsidiaries available for which the related tax effects have not been recognised in the net income amounted to approximately RM378,000 (2006 : RM378,000) as at the financial year end. The amount of tax savings in respect of brought forward tax losses for which credit has been recognised by subsidiaries and tax incentive on an investment made by the Company during the financial year amounted to RM95,000 (2006 : RM3,000) and RM13.5 million (2006 : RM9.8 million) respectively.

13. EARNINGS PER SHARE

Earnings per share of the Group is calculated by dividing the profit for the financial year by the weighted or adjusted weighted average number of ordinary shares in issue.

	Group	
	2007	2006
a) Basic earnings per share		
Profit for the financial year	**344,064**	171,147
Weighted number of ordinary shares in issue	**752,492,455**	747,106,923
Basic earnings per share (sen)	**45.72**	22.91
b) Diluted earnings per share		
Profit for the financial year	**344,064**	171,147
Adjusted weighted average number of ordinary shares in issue:		
Weighted number of ordinary shares in issue	**752,492,455**	747,106,923
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	**4,176,233**	7,050,331
	756,668,688	754,157,254
Diluted earnings per share (sen)	**45.47**	22.69

14. DIVIDENDS

	Group and Company	
	2007	2006
Interim paid – 3.25 sen less 27% tax *(2006 : 2.75 sen less 28% tax)* per ordinary share of 50 sen each.	**17,865**	14,806
Proposed special dividend - 6 sen less 26% tax *(2006 : Nil)* per ordinary share of 50 sen each.	**33,561**	-
Proposed final – 4.75 sen less 26% tax *(2006 : 4.25 sen less 27% tax)* per ordinary share of 50 sen each.	**26,569**	23,310
Additional final dividends paid in respect of previous financial year due to issue of shares pursuant to the Asiatic Executive Share Option Scheme	**-**	47
	60,130	23,357
	77,995	38,163

A special dividend of 6 sen less 26% tax per ordinary share of 50 sen each in respect of the current financial year has been declared for payment to shareholders registered in the Register of Members on 13 March 2008. The special dividend shall be paid on 27 March 2008. Based on the issued and paid up capital of the Company as at the date of this report, the special dividend would amount to RM33.6 million. The special dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2007 of 4.75 sen less 26% tax (2006 : 4.25 sen less 27% tax) per ordinary share of 50 sen each amounting to RM26.6 million *(2006 : RM23.4 million)* will be proposed for shareholders' approval. The financial statements did not reflect this final dividend which will be accrued as a liability upon approval by shareholders.

15. PROPERTY, PLANT AND EQUIPMENT

	Land and improvements	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2007							
Group							
Net book value:							
At 1 January	491,686	59,505	50,129	3,978	3,094	8,478	616,870
Effects of adoption of FRS 117	(249,226)	-	-	-	-	-	(249,226)
Restated at 1 January	242,460	59,505	50,129	3,978	3,094	8,478	367,644
Additions	13,814	1,532	7,334	1,883	1,927	14,891	41,381
Disposals	(1,459)	(701)	(478)	(50)	-	-	(2,688)
Written off	-	(182)	(376)	-	(10)	-	(568)
Depreciation:							
- charged to income statement	(4,705)	(2,556)	(11,624)	(901)	(781)	-	(20,567)
- capitalised under plantation development	-	(66)	(258)	(46)	(20)	-	(390)
Reclassifications	47	4,127	593	-	155	(4,922)	-
Reclassifications to plantation development	(573)	-	-	-	-	-	(573)
At 31 December	249,584	61,659	45,320	4,864	4,365	18,447	384,239
At 31 December							
Cost	211,297	99,185	141,025	10,106	12,473	18,447	492,533
At 1981 valuation	46,613	-	-	-	-	-	46,613
Accumulated depreciation	(8,326)	(37,526)	(95,705)	(5,242)	(8,108)	-	(154,907)
Net book value	249,584	61,659	45,320	4,864	4,365	18,447	384,239

15. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Land and improvements	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2006							
Group							
Net book value:							
At 1 January	459,243	59,857	54,584	2,018	2,504	5,329	583,535
Effects of adoption of FRS 117 *(See Note 19)*	(233,127)	-	-	-	-	-	(233,127)
Restated at 1 January	226,116	59,857	54,584	2,018	2,504	5,329	350,408
Additions	17,424	772	5,991	2,131	735	7,546	34,599
Disposals	(415)	-	-	(45)	(1)	-	(461)
Written off	(16)	(179)	(289)	(5)	(19)	-	(508)
Assets of subsidiary acquired	808	73	1,068	-	488	-	2,437
Depreciation:							
- charged to income statement	(1,862)	(2,379)	(12,005)	(45)	(682)	-	(16,973)
- capitalised under plantation development	-	(89)	(314)	(76)	(22)	-	(501)
Reclassifications	405	1,450	1,094	-	91	(3,040)	-
Reclassifications to investment properties	-	-	-	-	-	(1,357)	(1,357)
As at 31 December	242,460	59,505	50,129	3,978	3,094	8,478	367,644
At 31 December							
Cost	197,794	97,106	143,980	9,241	10,798	8,478	467,397
At 1981 valuation	48,287	-	-	-	-	-	48,287
Accumulated depreciation	(3,621)	(37,601)	(93,851)	(5,263)	(7,704)	-	(148,040)
Net book value	242,460	59,505	50,129	3,978	3,094	8,478	367,644

15. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	Freehold land and improvements	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2007							
Company							
Net book value:							
At 1 January	**949**	**44**	**181**	**1,236**	**536**	**2,741**	**5,687**
Additions	**-**	**185**	**46**	**307**	**417**	**2,421**	**3,376**
Disposals	**-**	**-**	**-**	**(41)**	**(8)**	**-**	**(49)**
Written off	**-**	**-**	**-**	**-**	**(1)**	**-**	**(1)**
Depreciation	**-**	**(3)**	**(22)**	**(257)**	**(180)**	**-**	**(462)**
At 31 December	**949**	**226**	**205**	**1,245**	**764**	**5,162**	**8,551**
At 31 December							
Cost	**949**	**465**	**335**	**2,481**	**3,885**	**5,162**	**13,277**
Accumulated depreciation	**-**	**(239)**	**(130)**	**(1,236)**	**(3,121)**	**-**	**(4,726)**
Net book value	**949**	**226**	**205**	**1,245**	**764**	**5,162**	**8,551**
2006							
Net book value:							
At 1 January	124,840	2,142	2,663	590	668	2,411	133,314
Additions	-	-	120	763	167	358	1,408
Disposal arising from Group Rationalisation Exercise	(122,789)	(2,059)	(2,517)	(28)	(141)	(28)	(127,562)
Disposals – others	(415)	-	-	(22)	-	-	(437)
Written off	-	-	(1)	(2)	(1)	-	(4)
Depreciation	-	(39)	(84)	(65)	(157)	-	(345)
Reclassification to land held for sale *(See Note 26)*	(687)	-	-	-	-	-	(687)
At 31 December	949	44	181	1,236	536	2,741	5,687
At 31 December							
Cost	949	281	289	2,703	3,736	2,741	10,699
Accumulated depreciation	-	(237)	(108)	(1,467)	(3,200)	-	(5,012)
Net book value	949	44	181	1,236	536	2,741	5,687

The valuation of the freehold land made by the Directors in 1981 were based upon valuations carried out by an independent firm of professional valuers using fair market value basis. The net book value of the revalued freehold land for the Group and the Company would have amounted to RM45.6 million *(2006 : RM45.6 million)* and RM Nil *(2006 : RM Nil)* respectively had they been stated in the financial statements at cost.

16. PROPERTY DEVELOPMENT ACTIVITIES

	Group 2007		Group 2006	
(a) Land held for property development:				
Freehold land		**89,718**		91,766
Development cost		**143,047**		134,487
		232,765		226,253
At the beginning of the financial year				
- freehold land	**91,766**		94,058	
- development costs	**134,487**	**226,253**	131,369	225,427
Costs incurred during the financial year				
- freehold land	**2,185**		-	
- development costs	**15,444**	**17,629**	8,626	8,626
Costs transferred to property development costs *(see Note 16(b))*				
- freehold land	**(4,233)**		(2,292)	
- development costs	**(6,884)**	**(11,117)**	(5,508)	(7,800)
At the end of the financial year		**232,765**		226,253
(b) Property development costs:				
Freehold land		**30,999**		31,182
Development costs		**116,877**		152,521
Accumulated costs charged to income statement		**(36,726)**		(79,569)
		111,150		104,134
At the beginning of the financial year				
- freehold land	**31,182**		29,703	
- development costs	**152,521**		132,516	
- accumulated costs charged to income statement	**(79,569)**	**104,134**	(50,837)	111,382
Costs incurred during the financial year				
- transferred from land held for property development *(see Note 16(a))*	**11,117**		7,800	
- freehold land	**81**		-	
- development costs	**33,784**	**44,982**	47,069	54,869
Costs charged to income statement		**(28,574)**		(57,349)
Costs transferred to inventories				
- freehold land	**(4,497)**		(813)	
- development costs	**(76,312)**		(32,572)	
- accumulated costs charged to income statement	**71,417**	**(9,392)**	28,617	(4,768)
At the end of the financial year		**111,150**		104,134

17. INVESTMENT PROPERTIES

	2007	2006
Group		
Net book value:		
At 1 January	**10,874**	9,065
Additions	**109**	2,129
Depreciation	**(389)**	(320)
At 31 December	**10,594**	10,874
At 31 December		
Cost	**13,931**	13,822
Accumulated depreciation	**(3,337)**	(2,948)
Net book value at end of the financial year	**10,594**	10,874
Fair value at end of the financial year	**18,820**	17,955

The aggregate rental income and direct operating expenses arising from investment properties that generated rental income which was recognised during the financial year amounted to RM1,869,000 and RM671,000 respectively *(2006 : RM1,308,000 and RM490,000).*

The fair values of the investment properties were based on valuation by independent professional qualified valuers. Valuations were based on sales of comparable properties in the vicinity.

18. PLANTATION DEVELOPMENT

	Group		Company	
	2007	2006	2007	2006
Net book value				
At 1 January	**445,512**	429,712	**-**	91,857
Additions	**23,489**	13,117	**-**	-
Assets of subsidiary acquired	**-**	2,960	**-**	-
Disposals	**(57)**	(270)	**-**	(91,254)
Amortisation	**(7)**	(7)	**-**	-
Reclassification from property, plant and equipment *(See Note 15)*	**573**	-	**-**	-
Reclassification to land held for sale *(See Note 26)*	**-**	-	**-**	(603)
At 31 December	**469,510**	445,512	**-**	-
At 31 December				
Cost	**469,535**	445,530	**-**	-
Accumulated amortisation	**(25)**	(18)	**-**	-
Net book value at end of the financial year	**469,510**	445,512	**-**	-

19. LEASEHOLD LAND USE RIGHTS

	Group	
	2007	2006
Net book value		
At 1 January	**-**	-
Effects of adoption of FRS 117	**249,226**	233,127
	249,226	233,127
Additions	**3,580**	2,857
Assets of subsidiary acquired	**-**	15,885
Amortisation charged to income statement	**(2,878)**	(1,646)
Amortisation capitalised under plantation development	**(748)**	(997)
At 31 December	**249,180**	249,226
At 31 December		
Cost	**271,633**	268,053
Accumulated amortisation	**(22,453)**	(18,827)
Net book value	**249,180**	249,226
Analysed by:		
- unexpired period more than 50 years	**243,976**	243,809
- unexpired period less than 50 years	**5,204**	5,417
	249,180	249,226

20. INTANGIBLE ASSET

	Group	
	2007	2006
Beginning of the financial year	**-**	-
Additions	**16,955**	-
End of financial year	**16,955**	-

The intangible asset comprises expenditure incurred on intellectual property development relating to the use of genomics-based techniques and other methods or tools thereof to increase the yields and profit streams principally from oil palm and other crops where it is reasonably anticipated that the costs will be recovered through commercialisation, sale and marketing of all the resulting products from the aforesaid development.

As at 31 December 2007, the expenditure incurred represents payments in respect of the oil palm genome sequencing data received todate.

Amortisation of the intangible asset will commence when the asset is available for use or sale.

21. SUBSIDIARIES

	Company 2007	Company 2006
Unquoted shares - at cost	**245,822**	195,822
Less : Amounts written down to-date	**(3,635)**	(3,635)
	242,187	192,187
Amounts due from subsidiaries		
- Non-current	**1,539,377**	-
- Current	**394,352**	1,881,174
	1,933,729	1,881,174
Amounts due to subsidiaries		
- Current	**(105,390)**	(105,439)

The amounts due from and to subsidiaries represent outstanding amounts arising from inter-company sales and purchases, advances, payments and receipts on behalf of or by subsidiaries. The outstanding amounts which are less than one year and classified as current assets and current liabilities respectively, are interest free, unsecured and are repayable on demand.

The outstanding amounts which are more than one year and classified as non-current asstes, are interest free, unsecured and repayable after 12 months. The carrying value of the outstanding amounts which are more than one year approximates its fair value.

Included in amount due from subsidiaries in the previous financial year is an amount of RM990.4 million representing balance of purchase price receivable for sale of plantation land and buildings erected thereon located in West Malaysia pursuant to the Group Rationalisation Exercise. This amount has no cash flow impact and is outstanding as at the end of financial year.

The subsidiaries are listed in Note 41.

22. JOINTLY CONTROLLED ENTITY

During the financial year, the Group had through Degan Limited, a wholly-owned subsidiary of Asiatic Centre for Genome Technology Sdn Bhd ("ACGT"), a wholly-owned subsidiary of the Company, subscribed 50% shareholdings in a jointly controlled entity pursuant to a Joint Venture Formation Agreement entered between ACGT and Synthetic Genomics Inc on 28 February 2007.

Details of jointly controlled entity are as follows:

Name of Jointly Controlled Entity	Effective percentage of ownership	Country of incorporation	Principal activities
	2007		
SGSI-Asiatic Limited	50	British Virgin Islands	Genomics research and development

	Group 2007
Unquoted – at cost:	
Shares in foreign corporation	**1,901**

22. JOINTLY CONTROLLED ENTITY (Cont'd)

The Group's aggregate share of the income, expenses, assets and liabilities of the jointly controlled entity is as follows:

	Group 2007
Income	-
Expenses	-
	-
Non-current assets	-
Current assets	171
Current liabilities	-
Non-current liabilities	-
Net assets	171

There are no capital commitments or contingent liabilities relating to the Group's interest in jointly controlled entity at the financial year end.

23. ASSOCIATES

	Group		Company	
	2007	2006	2007	2006
Unquoted shares - at cost	2,123	2,123	2,123	2,123
Group's share of post-acquisition reserves	9,168	10,838	-	-
Share of net assets, other than goodwill	11,291	12,961	2,123	2,123
Amount due from associates	803	1,094	656	665
Less : Balance included in current assets	(803)	(1,094)	(656)	(665)
	-	-	-	-
	11,291	12,961	2,123	2,123

The amounts due from associates represent outstanding amounts arising from trade transactions and advances and payments made on behalf of associates, are unsecured and interest free and are repayable on demand.

The Group's share of the results of its associates, all of which are unlisted, and its share of the assets and liabilities are as follows:

	Group	
	2007	2006
Revenue	57,281	30,663
Net profit	3,652	1,825
Total assets	24,246	22,561
Total liabilities	(12,955)	(9,600)

The associates are listed in Note 41.

24. LONG TERM INVESTMENTS

	Group	
	2007	2006
Unquoted shares in a foreign corporation, at cost	**32,718**	32,653
Fair value of the unquoted shares in a foreign corporation	**32,718**	32,653

The Directors are of the view that the fair value of the unquoted shares in a foreign corporation approximate its book based on the recent shares transaction in the foreign corporation.

25. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2007	2006	**2007**	2006
Deferred tax assets:				
- subject to income tax	**6,871**	5,480	**167**	1,033
- subject to real property gains tax	**-**	189	**-**	-
	6,871	5,669	**167**	1,033
Deferred tax liabilities:				
- subject to income tax	**(40,613)**	(37,780)	**-**	-
- subject to real property gains tax	**-**	(3,308)	**-**	(5)
	(40,613)	(41,088)	**-**	(5)
	(33,742)	(35,419)	**167**	1,028
At 1 January	**(35,419)**	(32,615)	**1,028**	(400)
(Charged)/credited to income statement *(see Note 12)*:				
- Property, plant and equipment	**(2,664)**	(2,165)	**(78)**	1,570
- Provision for Directors' retirement gratuities	**(830)**	(40)	**(857)**	(27)
- Land held for property development	**1,962**	568	**-**	-
- Property development costs	**203**	275	**-**	-
- Inventories	**738**	(674)	**-**	-
- Accruals	**687**	166	**(10)**	79
- Other temporary differences	**1,581**	(934)	**84**	(194)
	1,677	(2,804)	**(861)**	1,428
At 31 December	**(33,742)**	(35,419)	**167**	1,028

25. DEFERRED TAXATION (Cont'd)

	Group		Company	
	2007	2006	**2007**	2006
Subject to income tax				
i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**1,035**	1,116	**-**	-
- Provision for Directors' retirement gratuities	**617**	1,447	**262**	1,119
- Land held for property development	**2,766**	2,125	**-**	-
- Property development costs	**-**	1,021	**-**	-
- Inventories	**1,362**	628	**-**	-
- Accruals	**2,751**	2,064	**269**	279
- Other temporary differences	**1,562**	330	**84**	-
	10,093	8,731	**615**	1,398
- Offsetting	**(3,222)**	(3,251)	**(448)**	(365)
Deferred tax assets (after offsetting)	**6,871**	5,480	**167**	1,033
ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(39,403)**	(35,046)	**(448)**	(365)
- Land held for property development	**(345)**	(359)	**-**	-
- Property development costs	**(3,513)**	(4,737)	**-**	-
- Inventories	**(573)**	(577)	**-**	-
- Other temporary differences	**(1)**	(312)	**-**	-
	(43,835)	(41,031)	**(448)**	(365)
- Offsetting	**3,222**	3,251	**448**	365
Deferred tax liabilities (after offsetting)	**(40,613)**	(37,780)	**-**	-
Subject to real property gains tax				
iii) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**-**	724	**-**	-
- Offsetting	**-**	(535)	**-**	-
Deferred tax assets (after offsetting)	**-**	189	**-**	-
iv) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**-**	(2,498)	**-**	(5)
- Land held for property development	**-**	(1,307)	**-**	-
- Other temporary differences	**-**	(38)	**-**	-
	-	(3,843)	**-**	(5)
- Offsetting	**-**	535	**-**	-
Deferred tax liabilities (after offsetting)	**-**	(3,308)	**-**	(5)

The amount of unutilised tax losses and deductible temporary differences on property, plant and equipment for which no deferred tax asset is recognised in the balance sheet are as follows:

	Group	
	2007	2006
Unutilised tax losses	**378**	378
Property, plant and equipment	**858**	944
	1,236	1,322

26. LAND HELD FOR SALE

	Company	
	2007	2006
Land held for sale	**1,290**	1,290

The land held for sale in the previous financial year comprised freehold land *(see Note 15)* measuring approximately 242 acres and the plantation development *(see Note 18)* situated therein located in the Mukim of Tangkak, Johor. The land was planned to be sold to a fellow subsidiary for property development. However, the period required to execute the said plan has been extended due to the delay in the process involved to complete the sale.

27. INVENTORIES

	Group		Company	
	2007	2006	**2007**	2006
At cost:				
Produce stocks	**4,208**	2,935	**-**	-
Stores and spares	**10,031**	5,061	**13**	14
Completed development properties	**105,261**	106,930	**-**	-
	119,500	114,926	**13**	14

28. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2007	2006	**2007**	2006
Current:				
Trade receivables	**67,913**	47,487	**-**	-
Less : Allowance for bad and doubtful debts	**(1,099)**	(766)	**-**	-
	66,814	46,721	**-**	-
Accrued billings in respect of property development	**7,626**	13,415	**-**	-
Deposits	**2,418**	2,167	**614**	478
Prepayments*	**24,828**	635	**145**	8
Other receivables	**13,014**	21,070	**6,454**	10,484
	114,700	84,008	**7,213**	10,970
Non-current:				
Other receivables	**-**	5,000	**-**	5,000
	114,700	89,008	**7,213**	15,970

The maturity profile for non-current receivables is as follows:

	Group		Company	
	2007	2006	**2007**	2006
More than one year and less than two years	**-**	5,000	**-**	5,000
Fair value for non-current receivables				
- Other receivables	**-**	4,634	**-**	4,634

* *Included in the prepayment of the Group was an advance payment on provision of genomics research services of RM24.1 million (2006 : NIL) made by ACGT to SGSI-Asiatic Limited.*

28. TRADE AND OTHER RECEIVABLES (Cont'd)

The currency profile of trade and other receivables excluding advance payment for the genomics research services as at the end of the financial year is as follows:-

	Group		Company	
	2007	2006	**2007**	2006
Ringgit Malaysia	**89,164**	89,008	**7,213**	15,970
Indonesia Rupiah	**1,425**	-	**-**	-
	90,589	89,008	**7,213**	15,970

Credit terms offered by the Group range from 7 to 14 days *(2006 : 7 to 14 days)* from date of invoice.

Bad debts written off during the financial year against allowance created in previous financial years for the Group amounted to RM71,000 *(2006 : RM68,000).*

Included in other receivables of the Group in the previous financial year was a secured housing loan of RM500,000 granted to an Executive Director of the Company which carries interest at 4% per annum. The housing loan has been fully repaid in the current financial year.

The other receivables included in non-current portion in the previous financial year represent amounts receivable in respect of additional compensation arising from freehold land previously acquired by the government. The carrying amounts of long term receivables at the balance sheet date were not reduced to their estimated fair values as these amounts were awarded by high court and the Directors are of the opinion that the amounts will be receivable in full on their due dates. The fair values of long term receivables were derived by discounting future contractual cash flows at the risk free rate over 2 years.

29. HOLDING COMPANY AND OTHER RELATED COMPANIES

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

	Group		Company	
	2007	2006	**2007**	2006
Amount due to ultimate holding company	**876**	638	**876**	638
Amounts due to other related companies	**488**	1,249	**488**	1,249
	1,364	1,887	**1,364**	1,887
Amounts due from other related companies	**(4)**	(4)	**-**	-
	1,360	1,883	**1,364**	1,887

The amounts due to and from holding company and other related companies are unsecured, interest free and are payable on demand.

30. SHORT TERM INVESTMENTS

Short term investments represent investments in unquoted money market instruments and are stated at cost. Money market instruments comprise negotiable certificates of deposit and bankers' acceptances. The short term investments of the Company as at 31 December 2007 have maturity periods ranging between overnight and one month *(2006 : between overnight and one month).*

Short term investments of the Group and of the Company as at 31 December 2007 are deriving interest at weighted average interest rate of 3.28% per annum *(2006 : 3.42% per annum)* at the end of the financial year.

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2007	2006	**2007**	2006
Deposits with licensed banks	**279,346**	128,683	**241,408**	100,164
Cash and bank balances	**11,514**	11,496	**7,493**	8,619
	290,860	140,179	**248,901**	108,783
Add:				
Money market instruments *(See Note 30)*	**204,234**	121,184	**187,163**	104,651
Cash and cash equivalents	**495,094**	261,363	**436,064**	213,434

The currency profile and weighted average interest rates of the bank balances and deposits as at the financial year end are as follows:

	Group				Company			
	Currency profile		Interest rate per annum (%)		Currency profile		Interest rate per annum (%)	
	2007	2006	**2007**	2006	**2007**	2006	**2007**	2006
Ringgit Malaysia	**491,929**	261,363	**3.22**	3.30	**436,064**	213,434	**3.27**	3.41
Indonesia Rupiah	**3,165**	-	**-**	-	**-**	-	**-**	-
	495,094	261,363			**436,064**	213,434		

The deposits of the Group and of the Company as at 31 December 2007 have maturity period of one month *(2006 : one month).* Cash and bank balances of the Group and of the Company are held at call.

Included in deposits with licensed banks for the Group is an amount of RM14.7 million *(2006 : RM12.7 million)* deposited by a subsidiary into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

32. SHARE CAPITAL

	Company	
	2007	2006
	'000	'000
Authorised:		
1,000,000,000 ordinary shares of 50 sen each	**500,000**	500,000
Issued and fully paid:		
Ordinary shares of 50 sen each		
At beginning of the financial year		
- 750,422,000 *(2006 : 745,558,000)*	**375,211**	372,779
Issue of shares		
- 4,716,000 *(2006 : 4,864,000)*	**2,358**	2,432
At end of the financial year		
- 755,138,000 *(2006 : 750,422,000)*	**377,569**	375,211

During the financial year, 59,000 ordinary shares of 50 sen each fully-paid at the subscription price of 92 sen per share, 1,976,000 ordinary shares of 50 sen each fully-paid at the subscription price of 145 sen per share and 2,681,000 ordinary shares of 50 sen each fully-paid at the subscription price of 165 sen per share were issued by virtue of the exercise of the Options to take up unissued ordinary shares of the Company by executive employees of the Group pursuant to The Asiatic Executive Share Option Scheme ("the Scheme") all of which ordinary shares rank pari passu with the then existing ordinary shares of the Company. These Options were granted prior to the current financial year.

The Scheme is governed by the Bye-Laws and was approved by the shareholders at an Extraordinary General Meeting held on 28 June 2000. The Scheme came into effect on 1 September 2000.

The main features of the Scheme are as follows:

i) The Scheme shall be in force for a period of ten (10) years commencing from 1 September 2000 ("the Option Period").

ii) Eligible Executives are employees of the Group (including Executive Directors) or persons under an employment contract of the Group for a period of at least twelve (12) full months of continuous service before the date of offer. The eligibility for participation in the Scheme shall be at the discretion of the Remuneration, Compensation and Benefits Committee ("RCB Committee") which is established by the Board of Directors.

iii) In the event of cessation of employment of a Grantee with the Group prior to the full exercise of the options, such options shall cease without any claim against the Company provided always that subject to the written approval of RCB Committee in its discretion where the Grantee ceases his employment with the Group by reason of:

- his retirement at or after attaining retirement age;
- ill-health or accident, injury or disability;
- redundancy; and/or
- other reasons or circumstances which are acceptable to the RCB Committee

the Grantee may exercise his unexercised options within the Option Period subject to any conditions that may be imposed by the RCB Committee.

iv) The total number of shares to be offered under the Scheme shall not exceed in aggregate 10% of the issued and paid-up share capital of the Company at the time of the offer.

32. SHARE CAPITAL (Cont'd)

v) Not more than 50% of the shares available under the Scheme would be allocated, in aggregate, to the Executive Directors and Senior Management. In addition, not more than 10% of the shares available under the Scheme would be allocated to any individual Eligible Executive who, either singly or collectively through persons connected, holds 20% or more in the issued and paid up share capital of the Company.

vi) The price at which the Grantee is entitled to subscribe upon exercise of his rights under the Options shall be based on the weighted average market price of the Shares as shown in the Daily Official List of the Malaysia Securities Exchange Berhad for the five (5) Market Days immediately preceding the Date of Offer. Notwithstanding this, the Option Price per Share shall in no event be less than the nominal value of the Share.

vii) No option shall be granted for less than 1,000 shares nor more than 1,500,000 shares to any Eligible Employee.

viii) The Option granted under the Scheme can only be exercised by the Grantee in the fourth year from the Date of Offer until the expiry of the Option Period in the following manner:

Number of new Shares comprised in the Option granted	**Percentage of new Shares comprised in the Option exercisable each year from the Date of Offer**				
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Below 10,000	-	-	-	100%	-
10,000 and above	-	-	-	50% *	50%

* *50% or 10,000, whichever is the higher.*

The employee's entitlements to the Options are vested as soon as they become exercisable.

ix) All new ordinary shares issued upon exercise of the Options granted under the Scheme will rank pari passu in all respects with the existing ordinary shares of the Company other than their entitlements to dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares and will be subject to all provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

x) The Options shall not have any right to vote at general meeting of the Company and the Grantees shall not be entitled to any dividends, right or other entitlements in respect of their unexercised options.

xi) The persons to whom the Options have been issued have no right to participate by virtue of the Options in any share issue of any other company.

32. SHARE CAPITAL (Cont'd)

Set out below are details of options over the ordinary shares of the Company granted under the Scheme:

Date granted	Exercisable period	Subscription price (sen/share)	At 1 January	Offered and accepted	Exercised	Lapsed	At 31 December
			(Number of options)				
Financial year ended 31.12.2007:							
11.11.2000	**11.11.2003 - 31.8.2010**	**92**	**66,000**	**-**	**(59,000)**	**-**	**7,000**
2.9.2002	**2.9.2005 - 31.8.2010**	**145**	**2,193,000**	**-**	**(1,976,000)**	**-**	**217,000**
1.12.2003	**1.12.2006 - 31.8.2010**	**165**	**4,467,000**	**-**	**(2,681,000)**	**(10,000)**	**1,776,000**
29.8.2005	**29.8.2008 - 31.8.2010**	**183**	**1,855,000**	**-**	**-**	**(19,000)**	**1,836,000**
			8,581,000	**-**	**(4,716,000)**	**(29,000)**	**3,836,000**

Date granted	Exercisable period	Subscription price (sen/share)	At 1 January	Offered and accepted	Exercised	Lapsed	At 31 December
			(Number of options)				
Financial year ended 31.12.2006:							
11.11.2000	11.11.2003 - 31.8.2010	92	301,000	-	(229,000)	(6,000)	66,000
2.9.2002	2.9.2005 - 31.8.2010	145	5,990,000	-	(3,733,000)	(64,000)	2,193,000
1.12.2003	1.12.2006 - 31.8.2010	165	5,445,000	-	(902,000)	(76,000)	4,467,000
29.8.2005	29.8.2008 – 31.8.2010	183	1,966,000	-	-	(111,000)	1,855,000
			13,702,000	-	(4,864,000)	(257,000)	8,581,000

	2007	2006
Number of share options vested at balance sheet date	**2,000,000**	4,247,000

32. SHARE CAPITAL (Cont'd)

Details relating to options exercised during the financial year are as follows:

Exercise date	Fair value of shares at share issue date (sen/share)	Subscription price (sen/share)	Number of shares issued 2007	2006
January – March	**442 - 545** / 233 - 287	**92 - 165** / 92 - 145	**1,290,000**	653,000
April – June	**580 – 675** / 285 - 346	**92 - 165** / 92 - 145	**1,159,000**	609,000
July – September	**525 – 635** / 308 - 388	**145 - 165** / 92 - 145	**151,000**	997,000
October – December	**590 – 815** / 346 - 428	**92 - 165** / 92 - 165	**2,116,000**	2,605,000
			4,716,000	4,864,000

	2007	2006
Ordinary share capital – at par	**2,358**	2,432
Share premium	**4,985**	4,679
Proceeds received on exercise of share options	**7,343**	7,111
Fair value at exercise date of shares issued	**29,939**	13,656

The fair value of options granted on 29 August 2005 determined using the Trinomial valuation model was at RM0.42 per share. The significant inputs into the model were share price of RM1.82 at the grant date, exercise price shown above, first exercise date and expiration date, price volatility of 33.35%, dividend yield of 1.56%, annual risk-free interest rate of 3.285% and option life of 5 years. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of monthly share prices over the last five years.

33. RESERVES

	Group 2007	Group 2006	Company 2007	Company 2006
Share premium	**37,933**	32,948	**37,933**	32,948
Option reserve	**653**	379	**653**	379
Revaluation reserve	**18,063**	18,075	**104**	104
Exchange differences	**(3,868)**	(355)	**-**	-
	52,781	51,047	**38,690**	33,431
Retained earnings	**1,633,959**	1,331,105	**2,123,103**	1,795,724
	1,686,740	1,382,152	**2,161,793**	1,829,155

The movements in reserves have been disclosed in the Statements of Changes in Equity.

Under the single-tier tax system which came into effect from the year of assessment 2008, companies are not required to have tax credits under Section 108 of the Income Tax Act 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

Companies with Section 108 credits as at 31 December 2007 may continue to pay franked dividends until the Section 108 credits are exhausted or 31 December 2013 whichever is earlier unless they opt to disregard the Section 108 credits to pay single-tier dividends under the special transitional provisions of the Finance Act 2007. As at 31 December 2007, subject to agreement with the tax authorities, the Company has sufficient Section 108 tax credits and tax exempt income to pay RM770.6 million *(2006 : RM460.5 million)* of the retained earnings of the Company as franked and exempt dividends.

34. TRADE AND OTHER PAYABLES

	Group		Company	
	2007	2006	**2007**	2006
Current:				
Trade payables	**42,194**	27,399	**2,490**	184
Accrual of property development expenditure	**18,833**	14,169	**-**	-
Deposits	**14,839**	2,650	**281**	233
Accrued expenses	**35,817**	28,779	**5,591**	6,918
Retention monies	**6,463**	7,980	**15**	15
Amount due to related companies	**8**	13,005	**-**	-
Other payables	**1,066**	940	**-**	-
	119,220	94,922	**8,377**	7,350
Non-current:				
Amount due to shareholders of a subsidiary	**15,592**	15,592	**-**	-
Other payables	**-**	1,628	**-**	1,628
	15,592	17,220	**-**	1,628
	134,812	112,142	**8,377**	8,978
The maturity profile for non-current payables is as follows:				
More than one year and less than two years	**15,592**	17,220	**-**	1,628
Fair value of non-current other payables	**14,457**	15,875	**-**	1,501

The currency profile of trade and other payables as at the end of the financial year is as follows:-

	Group		Company	
	2007	2006	**2007**	2006
Ringgit Malaysia	**114,119**	96,550	**8,377**	8,978
Indonesia Rupiah	**20,693**	15,592	**-**	-
	134,812	112,142	**8,377**	8,978

Credit terms available to the Group range from 30 to 90 days *(2006 : 30 to 90 days)* from date of invoice.

The amount due to related companies and shareholders of a subsidiary are unsecured and interest free.

The non-current payables in respect of the previous financial year represent consultancy fees payable for services rendered, due and payable on staggered basis. The fair values were derived by discounting future contractual cash flows at current market borrowing rates available for the Group with similar credit ratings.

35. PROVISION FOR DIRECTORS' RETIREMENT GRATUITIES

	Group		Company	
	2007	2006	**2007**	2006
At 1 January	**5,566**	5,312	**4,303**	4,093
Charged to income statement	**475**	254	**335**	210
Paid during the financial year to a former executive director of the Company	**(3,710)**	-	**(3,710)**	-
At 31 December	**2,331**	5,566	**928**	4,303

36. ON GOING LITIGATION

The Company and Asiatic Tanjung Bahagia Sdn Bhd ("ATBSB"), a wholly-owned subsidiary, had vide previous announcements informed shareholders on the status of the legal suit filed in the High Court of Sabah and Sarawak at Kota Kinabalu Suit No. K22-245 of 2002 wherein the Company and ATBSB were named as the Second and Third Defendants respectively ("the Suit"). The Suit was instituted by certain natives ("the Plaintiffs") claiming Native Customary Rights over the agricultural land or part thereof held under title number CL095330724 measuring approximately 8,830 hectares situated at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah ("Tongod Land") which was acquired by ATBSB from Hap Seng Consolidated Berhad ("HSCB").

Subsequently, the Plaintiffs had also applied for an interlocutory injunction to restrain the Company and ATBSB from entering, trespassing, clearing, using or occupying the Tongod Land or part thereof ("the Injunction"). However, no injunction has been granted to date. The Court has still to deliver its ruling on a preliminary objection made against the injunction application.

Our solicitors maintain their opinion that the Plaintiffs' action is misconceived and unsustainable.

There have been no material changes to the status of the legal suit as at the date of this report.

37. CAPITAL COMMITMENTS

	Group		Company	
	2007	2006	**2007**	2006
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**92,109**	32,966	**184**	101
- not contracted	**305,459**	118,853	**4,318**	1,778
	397,568	151,819	**4,502**	1,879
Analysed as follows:				
- Property, plant and equipment	**243,883**	112,372	**4,502**	1,879
- Intellectual property development	**49,268**	-	**-**	-
- Investment properties	**25,645**	1,370	**-**	-
- Plantation development	**78,772**	36,958	**-**	-
- Investments	**-**	1,119	**-**	-
	397,568	151,819	**4,502**	1,879

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

a) Proposed Joint Venture for oil palm cultivation of approximately 98,300 hectares in Kabupaten Ketapang, Provinsi Kalimantan Barat, Republic of Indonesia:

On 8 June 2005, the Company announced that 5 of its subsidiaries had entered into 5 separate Joint Venture Agreements for the cultivation of oil palm on approximately 98,300 hectares of land in Kabupaten Ketapang, Provinsi Kalimantan Barat, Indonesia ("the Land") ("the Proposed Joint Venture"). One of the five Joint Venture Agreements, entered into between Sri Nangatayap Pte. Ltd., PT Mulia Agro Investama ("PT Agro") and Borneo Palma Pte. Ltd., a company related to PT Agro, has become unconditional on 5 December 2007 and the joint venture company, PT Sepanjang Intisurya Mulia has secured the Hak Guna Usaha ("HGU") certificate for 14,261 hectares of land. The other 4 Joint Venture Agreements have yet to become unconditional and are subject to the following conditions being fulfilled within 12 months from the date of the Joint Venture Agreements or such period as may be mutually extended by parties to the said agreements:

i) the letter of confirmation from the local government of Kabupaten Ketapang on the Proposed Joint Venture;

ii) the approval of Badan Koordinasi Penanaman Modal ("BKPM") or Investment Coordinating Board in Indonesia;

ii) the issuance of the HGU certificates or Rights/Titles to Cultivate the Land;

iii) due diligence study on the Land and the Joint Venture Companies; and

iv) any other approvals, licenses and permits required for the Proposed Joint Venture.

The period for the fulfilment of the above conditions has since been extended up to and including 8 June 2009.

There have been no material changes to the status of the Proposed Joint Venture as at the date of this report.

b) Acquisition of a subsidiary during the financial year

During the financial year, the Group acquired the following subsidiary :

	Date of Acquisition	Country of Incorporation	Percentage of Equity Interest Acquired	Acquired by
Cosmo-Jupiter Bhd	16 November 2007	Malaysia	100	Asiatic Development Berhad

The above acquired subsidiary is a newly set up company and the acquisition does not have any material effect on the Group's profit for the current financial year.

39. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In the normal course of business, the Company and the Group undertakes on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party transactions mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transaction listed below was carried out on terms and conditions obtainable in transactions with unrelated parties:

	Group		Company	
	2007	2006	**2007**	2006
a) Transactions with immediate holding company				
Provision of shared services in relation to secretarial, tax, treasury and other services by the immediate holding company to the Group	**718**	628	**662**	628
b) Transactions with subsidiaries				
Fees receivable from subsidiaries for the provision of management services	**-**	-	**20,336**	16,797
c) Transactions with associates				
Provision of palm oil mill management services to Serian Palm Oil Mill Sdn Bhd, an associate of the Company, by ADB (Sarawak) Palm Oil Mill Management Sdn Bhd, a wholly-owned subsidiary of the Company	**613**	991	**-**	-
d) Transaction with other related parties				
i) Progress payments made by a wholly-owned subsidiary, Asiatic Land Development Sdn Bhd ("ALDSB") to the contractor, Kien Huat Development Sdn Bhd ("KHD"), 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, for the development of properties in Kulai, Johor. The progress payments include fees and reimbursables totalling RM Nil *(2006 : RM1,435,500).*	**72**	37,464	**-**	-
ii) Provision of information technology and system implementation services and rental of equipment by eGenting Sdn Bhd and Genting Information Knowledge Enterprise Sdn Bhd, all of which are indirect subsidiaries of Genting Berhad, the Company's immediate and ultimate holding company.	**1,438**	1,609	**-**	-
iii) Letting of office space and provision of related services by Oakwood Sdn Bhd, a wholly-owned subsidiary of Genting Berhad, the Company's immediate and ultimate holding company.	**1,138**	914	**840**	792

39. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

	Group		Company	
	2007	2006	**2007**	2006
d) Transaction with other related parties (Cont'd)				
iv) Payment to SGSI-Asiatic Limited by ACGT, a wholly-owned subsidiary of the Company, where Tan Sri Lim Kok Thay is a director and shareholder of the Company as well as a director, shareholder and share option holder of Genting Berhad, the Company's immediate and ultimate holding company. SGSI-Asiatic Limited is a jointly controlled entity in which Tan Sri Lim Kok Thay is a beneficiary of a trust which has 13.6% equity interest in Synthetic Genomics Inc., which in turn has 50% interest in SGSI-Asiatic Limited for the provision of genomics research services.	**41,066**	-	**-**	-
e) Directors and key management personnel				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries and bonuses	**3,104**	3,100	**2,659**	2,758
Defined contribution plan	**385**	369	**330**	329
Provision for retirement gratuities	**475**	254	**335**	210
Other short term employee benefits	**2**	2	**1**	2
Estimated money value of benefit-in-kind (not charged to the income statement)	**60**	78	**50**	67
	4,026	3,803	**3,375**	3,366

f) The significant outstanding balances with subsidiaries, associates and other related parties were shown in Note 21, Note 23, Note 29 and Note 34 respectively.

40. SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

On 13 February 2008, the Company and Asiatic SDC Sdn Bhd, a wholly-owned subsidiary of the Company, entered into a Sale and Purchase Agreement for the sale and purchase of approximately 27,952 acres of plantation land and other assets located in Sabah for a total cash consideration of RM470.5 million ("the Proposed Exercise"). The Proposed Exercise was transacted at market values determined by an independent firm of professional valuers and has no financial impact at Group level. The objectives of the Proposed Exercise is to streamline operation and rationalise assets backing of the Group.

The Proposed Exercise is subject to the approval from Foreign Investment Committee.

41. SUBSIDIARIES AND ASSOCIATES

		Effective Percentage of Ownership 2007	2006	Country of Incorporation	Principal Activities
	Direct Subsidiaries				
	Asiatic SDC Sdn Bhd	**100**	100	Malaysia	Plantation
	Asiatic Plantations (WM) Sdn Bhd	**100**	100	Malaysia	Plantation
	Asiatic Tanjung Bahagia Sdn Bhd	**100**	100	Malaysia	Plantation
	Landworthy Sdn Bhd	**84**	84	Malaysia	Plantation
	Kinavest Sdn Bhd	**100**	100	Malaysia	Plantation
	Asiaticom Sdn Bhd	**100**	100	Malaysia	Plantation
	Asiatic Oil Mills (WM) Sdn Bhd	**100**	100	Malaysia	FFB processing
	ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	**100**	100	Malaysia	Provision of palm oil mill management services
	Asiatic Land Development Sdn Bhd	**100**	100	Malaysia	Property development
	Technimode Enterprises Sdn Bhd	**100**	100	Malaysia	Property investment
	Asiatic Properties Sdn Bhd	**100**	100	Malaysia	Property investment
	Mediglove Sdn Bhd	**100**	100	Malaysia	Investment holding
	Asiatic Centre for Genome Technology Sdn Bhd	**100**	100	Malaysia	Genomics research and development
	ALD Construction Sdn Bhd	**100**	100	Malaysia	Provision of project management services
	Asiatic Commodities Trading Sdn Bhd	**100**	100	Malaysia	Pre-operating
	Asiatic Vegetable Oils Refinery Sdn Bhd	**100**	100	Malaysia	Pre-operating
*	Cosmo-Jupiter Berhad *(formerly known as Cosmo-Jupiter Sdn Bhd)*	**100**	-	Malaysia	Pre-operating
	Orbit Crescent Sdn Bhd	**100**	100	Malaysia	Pre-operating
	Amalgamated Rubber (Penang) Sdn Bhd	**100**	100	Malaysia	Dormant
	AR Property Development Sdn Bhd	**100**	100	Malaysia	Dormant
	Glugor Development Sdn Bhd	**100**	100	Malaysia	Dormant
	Asiatic Green Tech Sdn Bhd	**100**	100	Malaysia	Dormant
	Plantation Latex (Malaya) Sdn Bhd	**100**	100	Malaysia	Dormant
	Kenyalang Borneo Sdn Bhd	**100**	100	Malaysia	Dormant
	Asiatic Overseas Limited	**100**	100	Isle of Man	Dormant
	Azzon Limited	**100**	100	Isle of Man	Dormant

41. SUBSIDIARIES AND ASSOCIATES (Cont'd)

		Effective Percentage of Ownership 2007	2006	Country of Incorporation	Principal Activities
	Indirect Subsidiaries				
	Setiamas Sdn Bhd	**100**	100	Malaysia	Plantation and property development
	Wawasan Land Progress Sdn Bhd	**100**	100	Malaysia	Plantation
	Sawit Sukau Usahasama Sdn Bhd	**56**	56	Malaysia	Plantation
	PT Sepanjang Intisurya Mulia	**70**	70	Indonesia	Plantation
	Asiatic Indahpura Development Sdn Bhd	**100**	100	Malaysia	Property development
	Asiatic Golf Course (Sg. Petani) Berhad	**100**	100	Malaysia	Golf course operation
	Sri Nangatayap Pte Ltd	**100**	100	Singapore	Investment holding
	Degan Limited	**100**	100	Isle of Man	Investment holding
	Trushidup Plantations Sdn Bhd	**100**	100	Malaysia	Investment holding
	Dianti Plantations Sdn Bhd	**100**	100	Malaysia	Dormant
	Cengkeh Emas Sdn Bhd	**100**	100	Malaysia	Dormant
	Kituva Plantations Sdn Bhd	**100**	100	Malaysia	Dormant
	Asiatic Awanpura Sdn Bhd	**100**	100	Malaysia	Pre-operating
	Asiatic Equities (S'pore) Pte Ltd	**100**	100	Singapore	Pre-operating
	Ketapang Holdings Pte Ltd	**100**	100	Singapore	Pre-operating
	Sandai Maju Pte Ltd	**100**	100	Singapore	Pre-operating
	Sri Kenyalang Pte Ltd	**100**	100	Singapore	Pre-operating
	Associates				
	Serian Palm Oil Mill Sdn Bhd	**40**	40	Malaysia	FFB processing
@	Sri Gading Land Sdn Bhd	**49**	49	Malaysia	Property development
	Setiacahaya Sdn Bhd	**50**	50	Malaysia	Property investment
@	Asiatic Ceramics Sdn Bhd	**49**	49	Malaysia	In receivership

* *Subsidiary acquired during the financial year.*

@ *The financial statements of these companies are audited by firms other than the auditors of the Company.*

42. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 February 2008.

STATEMENT ON DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.27(A) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

As required under the Companies Act, 1965 ("Act"), the Directors of Asiatic Development Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities so as to give a true and fair view of the financial position of the Company and of the Group for the financial year ended 31 December 2007.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the system of internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 28 February 2008.

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, **CHEAH CHING MOOI**, the Officer primarily responsible for the financial management of **ASIATIC DEVELOPMENT BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 41 to 92, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
CHEAH CHING MOOI, at KUALA LUMPUR on)
28 February 2008.) **CHEAH CHING MOOI**

Before me,

DATO' NG MANN CHEONG
Commissioner for Oaths
Kuala Lumpur

REPORT OF THE AUDITORS

TO THE MEMBERS OF ASIATIC DEVELOPMENT BERHAD

We have audited the financial statements set out on pages 41 to 92. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB Approved Accounting Standards in Malaysia for Entities Other Than Private Entities so as to give a true and fair view of:

   (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

   (ii) the state of affairs of the Group and of the Company as at 31 December 2007 and of the results and cash flows of the Group and of the Company for the financial year ended on that date;

and

b) the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

Our audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of section 174 of the Act.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LOH LAY CHOON
(No. 2497/03/08 (J))
Partner of the firm

Kuala Lumpur
28 February 2008

TEN-YEAR SUMMARY

FINANCIAL

RM'000	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Revenue	906,415	576,578	522,720	514,667	490,818	296,099	199,863	230,783	446,811	351,304
Profit before taxation	451,158	220,425	216,456	225,847	210,281	129,700	86,525	69,167	272,850	163,743
Taxation	(103,102)	(47,207)	(44,610)	(50,328)	(63,774)	(28,872)	(14,418)	(13,522)	147	(39,889)
Profit for the financial year	348,056	173,218	171,846	175,519	146,507	100,828	72,107	55,645	272,997	123,854
Attributable to :-										
Equity holders of the Company	344,064	171,147	169,797	172,919	132,304	99,832	71,239	54,772	266,366	124,809
Minority interest	3,992	2,071	2,049	2,600	14,203	996	868	873	6,631	(955)
	348,056	173,218	171,846	175,519	146,507	100,828	72,107	55,645	272,997	123,854
Issued capital	377,569	375,211	372,779	371,252	370,862	370,668	370,668	370,668	370,668	370,668
Retained earnings	1,633,959	1,331,105	1,194,888	1,057,192	910,640	800,803	720,283	664,896	633,612	390,901
Other reserves	52,781	51,047	46,672	44,558	43,254	43,309	43,360	43,575	46,716	47,047
Equity attributable to equity holders of the Company	2,064,309	1,757,363	1,614,339	1,473,002	1,324,756	1,214,780	1,134,311	1,079,139	1,050,996	808,616
Minority interests	11,549	11,392	10,634	9,898	9,227	12,504	11,516	10,683	21,316	14,718
Total equity	2,075,858	1,768,755	1,624,973	1,482,900	1,333,983	1,227,284	1,145,827	1,089,822	1,072,312	823,334
Long term borrowings	-	-	-	-	-	5,388	5,388	5,388	5,388	5,388
Deferred tax liabilities	40,613	41,088	38,865	40,939	40,065	29,987	21,294	19,561	23,086	22,385
Provision for directors' retirement gratuities	2,331	5,566	5,312	5,218	4,378	6,529	5,577	5,485	5,091	4,446
Other payables	15,592	17,220	4,120	-	-	-	-	-	-	-
	2,134,394	1,832,629	1,673,270	1,529,057	1,378,426	1,269,188	1,178,086	1,120,256	1,105,877	855,553
Property, plant and equipment	384,239	367,644	350,408	327,540	287,526	282,727	238,419	236,801	254,068	253,784
Land held for property development	232,765	226,253	225,427	232,565	236,116	247,474	247,794	250,064	231,246	221,170
Investment properties	10,594	10,874	9,065	1,289	1,219	1,408	1,244	1,417	1,589	1,762
Plantation development	469,510	445,512	429,712	414,899	294,876	261,587	209,767	204,288	200,818	196,992
Leasehold land use rights	249,180	249,226	233,127	245,988	175,881	174,199	111,208	49,502	46,314	47,959
Intangible assets	16,955	-	-	-	-	-	-	-	-	-
Jointly controlled entity	1,901	-	-	-	-	-	-	-	-	-
Associates	11,291	12,961	12,864	11,919	11,672	9,810	9,671	1,199	2,184	8,717
Long term investments	32,718	32,653	-	-	653	289	289	289	638	1,438
Long term receivables	-	5,000	16,977	4,918	4,917	5,897	6,877	18,781	18,854	19,231
Deferred tax assets	6,871	5,669	6,250	1,788	2,011	3,432	-	-	-	-
	1,416,024	1,355,792	1,283,830	1,240,906	1,014,871	986,823	825,269	762,341	755,711	751,053
Net current assets	718,370	476,837	389,440	288,151	363,555	282,365	352,817	357,915	350,166	104,500
	2,134,394	1,832,629	1,673,270	1,529,057	1,378,426	1,269,188	1,178,086	1,120,256	1,105,877	855,553
Basic earnings per share (sen)	45.7	22.9	22.8	23.3	17.8	13.5	9.6	7.4	35.9	16.8
Net dividend per share (sen)	10.3	5.1	4.5	4.0	3.2	3.0	2.5	2.2	3.6	3.2
Dividend cover (times)	4.4	4.5	5.1	5.9	5.5	4.5	3.8	3.4	10.0	5.2
Current ratio	5.9	5.7	5.0	4.0	5.0	5.2	3.8	5.4	4.3	1.8
Net assets per share (sen)	273.4	234.2	216.5	198.4	178.6	163.9	153.0	145.6	141.8	109.1
Return (after tax and minority interests) on average shareholders' equity (%)	18.0	10.2	11.0	12.4	10.4	8.5	6.4	5.1	28.6	16.4
Market share price										
- highest (RM)	8.65	4.32	2.49	2.28	1.97	1.61	1.28	1.52	1.60	1.55
- lowest (RM)	4.42	2.13	1.60	1.66	1.14	1.12	0.80	0.80	1.01	0.76

Certain figures relating to the previous years have been reclassified / adjusted to conform with the current year's presentation mainly due to adoption of new/revised FRSs.

OPERATIONS

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
OIL PALM										
FFB Production (T)	1,208,140	1,132,026	1,099,285	978,693	864,603	707,863	700,275	655,366	574,359	472,962
Yield Per Mature Hectare (T)	22.4	21.4	22.1	21.7	22.5	20.9	21.4	20.2	18.5	16.8
Average Selling Prices										
Crude Palm Oil (RM/T)	2,500	1,520	1,398	1,600	1,568	1,352	883	1,000	1,445	2,321
Palm Kernel (RM/T)	1,445	897	1,017	1,068	748	665	438	703	1,071	1,103
RUBBER										
Production ('000 kg)	-	-	-	-	-	-	830	1,457	1,729	1,826
Yield Per Mature Hectare (kg)	-	-	-	-	-	-	1,526	1,591	1,420	1,201
Average Selling Prices of All Grades (Sen/kg)	-	-	-	-	-	-	182	223	209	250

LAND AREAS

HECTARES	2007			2006			2005	2004	2003	2002	2001	2000	1999	1998
	M'sia	Indon	Total	M'sia	Indon	Total								
Oil Palm														
Mature	54,104	-	54,104	53,968	-	53,968	51,068	48,630	38,816	37,145	32,683	32,605	31,625	29,095
Immature	5,594	1,716	7,310	5,566	-	5,566	7,250	7,951	9,894	9,139	6,076	4,765	4,331	6,581
	59,698	1,716	61,414	59,534	-	59,534	58,318	56,581	48,710	46,284	38,759	37,370	35,956	35,676
Rubber														
Mature	-	-	-	-	-	-	-	-	-	-	750	1,291	1,582	1,830
Immature	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	750	1,291	1,582	1,830
Durians & Others														
Mature	-	-	-	-	-	-	-	-	-	10	10	10	-	-
Immature	-	-	-	-	-	-	-	-	-	-	-	-	10	34
	-	-	-	-	-	-	-	-	-	10	10	10	10	34
TOTAL PLANTED AREA	59,698	1,716	61,414	59,534	-	59,534	58,318	56,581	48,710	46,294	39,519	38,671	37,548	37,540
Unplanted Agricultural Land/ Clearing In Progress	2,573	12,440	15,013	3,157	14,261	17,418	4,665	6,571	12,276	8,394	9,019	-	1,235	1,558
Labour Lines, Buildings, Infrastructure etc.	3,234	105	3,339	2,858	-	2,858	2,681	2,516	2,243	2,425	1,863	1,923	1,857	1,786
Property Development	426	-	426	415	-	415	340	348	359	364	364	407	412	487
TOTAL TITLED AREA	65,931	14,261	80,192	65,964	14,261	80,225	66,004	66,016	63,588	57,477	50,765	41,001	41,052	41,371

LIST OF GROUP PROPERTIES
AS AT 31 DECEMBER 2007

Location	Tenure	Year Of Expiry	Hectares: Plantation	Hectares: Property Development	Description	Age Of Buildings (years)	Year Of Acquisition/ Revaluation*	Net Book Value As At 31 Dec 2007 (RM'000)
PENINSULAR MALAYSIA								
A. NORTH								
1. ASIATIC Bukit Sembilan Estate, Baling/Sg. Petani/Jitra, Kedah	Freehold		1,314	147		12	1981*	59,967
2. ASIATIC Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold		1,852				1981*	24,548
B. CENTRAL								
3. ASIATIC Sepang Estate, Sepang & Ulu Langat, Selangor	Freehold		666				1981*	14,268
4. ASIATIC Tebong Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold		2,321				1981*	29,594
5. ASIATIC Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold		793	4			1981*	22,586
6. ASIATIC Tanah Merah Estate, Tangkak, Johor	Freehold		1,801				1981*	25,676
C. SOUTH								
7. ASIATIC Sri Gading Estate, Batu Pahat, Johor	Freehold		3,556	72			1983	77,567
8. ASIATIC Sungei Rayat Estate, Batu Pahat, Johor	Freehold		1,707				1983	29,632
9. ASIATIC Sing Mah Estate, Air Hitam, Johor	Freehold		669			27	1983	12,924
10. ASIATIC Kulai Besar Estate, Kulai/ Simpang Renggam, Johor	Freehold		2,763	103			1983	357,120
11. ASIATIC Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold		134	100			1996	76,966
SABAH								
12. ASIATIC Sabapalm Estate, Labuk Valley, Sandakan	Leasehold	2085,2887	4,360			37	1991	44,108
13. ASIATIC Tanjung Estate, Kinabatangan	Leasehold	2086, 2096	4,345			13	1988, 2001	44,092
14. ASIATIC Bahagia Estate, Kinabatangan	Leasehold	2085, 2086	4,548				1988, 2003	48,382
15. ASIATIC Tenegang Estate, Kinabatangan	Leasehold	2088	4,047				1990	33,892
16. ASIATIC Landworthy Estate, Kinabatangan	Leasehold	2083	4,039				1992	36,902
17. ASIATIC Layang Estate, Kinabatangan	Leasehold	2090	1,683				1993	19,825
18. ASIATIC Jambongan Estate, Beluran	Leasehold	2033 - 2100	3,711				2001 - 2004	62,442
19. ASIATIC Indah & ASIATIC Permai Estates, Kinabatangan	Leasehold	2096	8,830				2001	124,881
20. ASIATIC Mewah Estate, Kinabatangan	Leasehold	2083 - 2890	5,611			11	2002	119,081
21. ASIATIC Sekong & ASIATIC Suan Lamba Estates, Kinabatangan	Leasehold	2022 - 2098	6,755			11	2004	187,515
INDONESIA								
22. Ketapang, Kalimantan Barat	Leasehold	2037	14,261				2006	38,326
OTHER PROPERTIES OWNED								
23. Bangi Factory, Selangor	Leasehold	2086	12,140 (sq.m)			26	1990	2,636
24. ASIATIC Regional Office, Wisma Asiatic, Sandakan, Sabah	Leasehold	2100	2,023 (sq.m)			5	2004	2,923
25. Residential Bungalows, Sandakan, Sabah	Leasehold	2887	1,206 (sq.m)			23	1991	146
26. ASIATIC Vegetable Oils Refinery, Sandakan,Sabah	Leasehold	2080	8				1992	2,170
PROPERTIES MANAGED								
27. Bundoora Estate, Ulu Yam, Selangor	Freehold		105			11		
28. Serian Palm Oil Mill, Serian, Sarawak	Leasehold	2054	31					

Plantation
Mill
Residential Bungalow
Asiatic Indahpura Car City
Property Development
Office
Factory
Asiatic Indahpura Sports City
Permaipura Golf & Country Club
Vacant Land

GROUP OFFICES AND OPERATING UNITS

PLANTATION DIVISION

Peninsula Malaysia

ASIATIC Bukit Sembilan Estate
Kuala Ketil
09300 Kedah
Tel/Fax : +604 4163214
Manager : Encik Salim bin Abd Rahim

ASIATIC Selama Estate
c/o Man Woh Sdn Bhd
34-36 Jalan Besar
34150 Selama
Perak
Tel/Fax : +604 4077245
Manager : Mr Murugasoo Munisamy

ASIATIC Sepang Estate
Nilai
71809 Negeri Sembilan
Tel : +603 87061240
Fax : +603 87065602
Manager : Encik Zainol Ahmad

ASIATIC Tebong Estate
Tebong P. O
76460 Melaka
Tel : +606 4486226
Fax : +606 4486750
Manager : Mr Bong Kim Poh

ASIATIC Cheng Estate
Alor Gajah
78000 Melaka
Tel : +606 5561216
Fax : +606 5581216
Acting Manager :
Mr Kenneth Sinclair Speldewinde

ASIATIC Tanah Merah Estate
P.O. Box 68
84907 Tangkak
Johor Darul Takzim
Tel : +606 9781310
Fax : +606 9799131
Manager : En Abdul Rahim Wilson bin Abdullah

ASIATIC Sri Gading Estate
P. O Box 510
Batu Pahat
83009 Johor
Tel : +607 4558634
Fax : +607 4559629
Manager : Mr Ngo Kok Chai

ASIATIC Sungei Rayat Estate
Batu Pahat
83009 Johor
Tel : +607 4558237
Fax : +607 4557931
Manager : Mr Ganesan Sivaguru

ASIATIC Kulai Besar Estate
Batu 19, Kulai Besar
81000 Kulai
Johor Darul Takzim
Tel : +607 6840386
Manager : Mr Foo See Sun

ASIATIC Ayer Item Oil Mill
Batu 54 Jalan Johor
Air Hitam
86100 Johor
Tel/Fax : +607 7581998
Manager : Encik Jamhuri Lee Abdullah

Sabah

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

ASIATIC Sabapalm Estate
Tel/Fax : +6089 518294
Acting Manager : En Jumaine b Jaffar@Japar

ASIATIC Tenegang Estate
Tel : +6089 563120
Fax : +6089 791031
Manager : Encik Anas Lim Thiam Hui

ASIATIC Bahagia Estate
Tel/Fax : +6089 821157
Manager : Mr Lee Siew Kong

ASIATIC Tanjung Estate
Tel/Fax : +6089 791087
Manager : Mr Earnest Isac

ASIATIC Landworthy Estate
Tel : +6089 791088
Fax : +6089 791087
Manager : Encik Masing bin Kasana

ASIATIC Layang Estate
Tel/Fax : +6089 791089
Manager : Encik Abas Hj Ismail

ASIATIC Jambongan Estate
Tel/Fax : +6089 234300
Manager : Mr Tan Yeong Huat

ASIATIC Indah Estate
Tel : +6019 8928626
Manager : Mr Tiew Hoon Leng

ASIATIC Permai Estate
Tel : +6019 8928616
Fax : +6087 307101
Manager (Development) :
Encik Mohd Nadzar bin Awang

GROUP OFFICES AND OPERATING UNITS (CONT'D)

ASIATIC Mewah Estate
Tel : +6089 565914
Fax : +6089 230856
Manager : Encik Ibrahim b. S. Musleh

ASIATIC Sekong Estate
Tel/Fax : +6089 230231
Manager : Encik Mohd Aminuddin b. Maidin

ASIATIC Suan Lamba Estate
Tel/Fax : +6089 230233
Manager : Mr Yap Heng Lee

ASIATIC Sabapalm Oil Mill
Tel/Fax : +6089 518317
Manager : Encik Anuar Buniran

ASIATIC Tanjung Oil Mill
Tel : +6089 791288
Fax : +6089 791090
Manager : Mr Teoh Kheong Hock

ASIATIC Mewah Oil Mill
Tel : +6089 563126
Fax : +6089 563068
Manager : Mr Yee Keoh Seng

ASIATIC Trushidup Oil Mill
Tel/Fax : +6089 234300
Manager : Mr Kalyana Raman

Sarawak

Serian Palm Oil Mill
4 Km Kedup/ Mongkos Link Road
Off 13 Km Poaon Limau/ Mentung Marau Road
Off 20 Km Serian/ Sri Aman Road
P.O.Box 150, 94700 Serian, Sarawak
Tel/Fax : +6011 218927
Manager : Encik Muhamad Bostman bin Muhamud

Indonesia

Head Office
10th Floor Gedung Artha Graha
Sudirman Central Business District
Jl Jenderal Sudirman Kav.52-53
Jakarta 12190

Ketapang Office
Jalan D.I. Panjaitan
No. 63E Ketapang Kota
Kalimantan Barat 78851
Tel : +60534 3036320
Fax : +60534 3036319
President Director : Mr Arunan a/l Kandasamy

SIS Mulia Estate 1 & 2
Manager : Mr Jude Stephen Holloway

SIS Mulia Estate 3 & 4
Manager : Encik Mohd Daud b Abdullah

PROPERTY DIVISION

Asiatic Indahpura Sales Office
Batu 19, Kulai Besar
81000 Kulai
Johor
Tel : +607 6624653
Fax : +607 6624655
VP/GM-Project : Encik Habibullah Khong

Asiatic Permaipura Golf & Country Sales Office
Riverside
01810 Bedong
Kedah
Tel : 04-4594000
Fax : 04-4594500
Operations Manager : Encik Mohd Sukairi bin Sohot

Asiatic Pura Kencana Sri Gading Sales Office
Batu 8, Jalan Kluang
83300 Sri Gading
Batu Pahat, Johor
Tel : 07-4558181
Fax : 07-4557171
Operations Manager : Mr Chang Cho Chuan

Asiatic Cheng Perdana Sales Office
No. 32 Jalan Cheng Perdana 1/6
Desa Cheng Perdana 1
Cheng, 75250 Melaka
Tel : 06-3123548
Fax : 06-3123590
Manager- Project : Mr Wong Pei Yan

BIOTECHNOLOGY DIVISION
Asiatic Centre for Genome Technology Sdn Bhd

Head Office
25th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-23332288
Fax : 03-21613621
CEO : Mr Derrik Khoo Sin Huat

Office & Laboratory
L3-I-1 Enterprise 4, Technology Park Malaysia
Lebuhraya Puchong-Sg Besi, Bukit Jalil
57000 Kuala Lumpur, Malaysia
Tel : 603-8996 9888
Fax : 603-8996 3388
Chief Scientific Officer : Dr Cheah Suan Choo

Jatropha Experimental Station
Jalan Salak-KLIA
(Kuala Lumpur International Airport)
Cincang 43900 Sepang
Selangor, Malaysia

ANALYSIS OF SHAREHOLDINGS
AS AT 28 APRIL 2008

Class of Shares : Ordinary shares of 50 sen each
Voting Rights : One vote per share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Capital
Less than 100	98	0.90	1,816	-
100 - 1,000	4,280	39.43	3,925,593	0.52
1,001 - 10,000	5,247	48.34	20,334,546	2.69
10,001 - 100,000	903	8.32	29,564,743	3.91
100,001 to less than 5% of issued shares	320	2.95	258,618,702	34.20
5% and above of issued shares	6	0.06	443,755,600	58.68
Total	**10,854**	**100.00**	**756,201,000**	**100.00**

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS
(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Issued Capital
1. Genting Berhad	85,171,000	11.26
2. Genting Berhad	80,000,000	10.58
3. Genting Berhad	80,000,000	10.58
4. Genting Berhad	80,000,000	10.58
5. Genting Berhad	80,000,000	10.58
6. Employees Provident Fund Board	38,584,600	5.10
7. Lembaga Tabung Angkatan Tentera	37,072,800	4.90
8. Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for American International Assurance Company Limited*	11,404,300	1.51
9. HSBC Nominees (Tempatan) Sdn Bhd *Nomura Asset Mgmt Malaysia for Employees Provident Fund*	7,750,000	1.03
10. Mayban Nominees (Tempatan) Sdn Bhd *Mayban Trustees Berhad for Public Ittikal Fund (N14011970240)*	7,531,400	1.00
11. Genting Equities (Hong Kong) Limited	7,139,000	0.94
12. Valuecap Sdn Bhd	6,760,700	0.89
13. SBB Nominees (Tempatan) Sdn Bhd *Kumpulan Wang Persaraan (Diperbadankan)*	6,203,500	0.82
14. Amanah Raya Nominees (Tempatan) Sdn Bhd *Amanah Saham Wawasan 2020*	5,287,700	0.70
15. SBB Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	5,017,500	0.66
16. HSBC Nominees (Asing) Sdn Bhd *Exempt AN for the HongKong and Shanghai Banking Corporation Limited (HBFS-I CLT ACCT)*	4,750,000	0.63
17. Cartaban Nominees (Asing) Sdn Bhd *SSBT Fund HG22 for Smallcap World Fund, Inc.*	3,740,000	0.50
18. Amanah Raya Nominees (Tempatan) Sdn Bhd *Public Islamic Dividend Fund*	3,395,100	0.45

ANALYSIS OF SHAREHOLDINGS
AS AT 28 APRIL 2008 (CONT'D)

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)
(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Issued Capital
19. Mayban Nominess (Tempatan) Sdn Bhd *Mayban Trustees Berhad for Public Regular Savings Fund (N14011940100)*	3,242,800	0.43
20. Cartaban Nominees (Asing) Sdn Bhd *Investors Bank and Trust Company for Ishares, Inc.*	2,985,600	0.40
21. Cartaban Nominees (Asing) Sdn Bhd *State Street London Fund 26AD for Asian Equity Fund*	2,586,100	0.34
22. Citigroup Nominees (Tempatan) Sdn Bhd *ING Insurance Berhad (INV-IL PAR)*	2,542,500	0.34
23. Amanah Raya Nominees (Tempatan) Sdn Bhd *Public Islamic Equity Fund*	2,457,200	0.33
24. Amanah Raya Nominees (Tempatan) Sdn Bhd *Public Growth Fund*	2,364,900	0.31
25. Alliance Group Nominees (Tempatan) Sdn Bhd *Alliance Investment Management Berhad for Employees Provident Fund*	2,203,000	0.29
26. Amanah Raya Nominees (Tempatan) Sdn Bhd *Public Equity Fund*	2,145,100	0.28
27. Ke-Zan Nominees (Asing) Sdn Bhd *Kim Eng Securities Pte. Ltd. for Exquisite Holdings Limited*	2,000,000	0.26
28. Cartaban Nominees (Asing) Sdn Bhd *Exempt AN for RBC Dexia Investor Services Trust (Clients Account)*	1,975,100	0.26
29. Amanah Raya Nominees (Tempatan) Sdn Bhd *Public South-East Asia Select Fund*	1,922,700	0.25
30. Citigroup Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Fund*	1,918,900	0.25
Total	**578,151,500**	**76.45**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS
AS AT 28 APRIL 2008

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Indirect/ Deemed Interest	% of Issued Capital
Employees Provident Fund Board	57,441,100	7.60	-	-
Genting Berhad	406,895,000	53.81	7,249,000*	0.96
Kien Huat Realty Sdn Berhad	-	-	406,895,000^	53.81
Parkview Management Sdn Bhd	-	-	406,895,000^	53.81

Note: * Deemed interested through direct and indirect subsidiaries of Genting Berhad
^ Deemed interested through Genting Berhad

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 28 APRIL 2008

INTEREST IN THE COMPANY

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman[(1)]	989,000	0.1308	-	-
Tan Sri Lim Kok Thay	369,000	0.0488	-	-
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	10,000	0.0013	-	-

INTEREST IN GENTING BERHAD ("GB"), A COMPANY WHICH OWNS 54.77% EQUITY INTEREST IN THE COMPANY

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman[(2)]	1,204,600	0.0325	-	-
Tan Sri Lim Kok Thay	10,369,000	0.2800	-	-
Mr Quah Chek Tin[(3)]	5,000	0.0001	-	-

INTEREST IN RESORTS WORLD BHD ("RWB"), A COMPANY WHICH IS 48.36% OWNED BY GB

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman[(4)]	540,000	0.0094	-	-
Tan Sri Lim Kok Thay	1,660,000	0.0289	-	-
Mr Quah Chek Tin	5,000	0.0001	-	-

INTEREST IN GENTING INTERNATIONAL P.L.C. ("GIPLC"), A SUBSIDIARY OF GB

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman[(5)]	-	-	-	-
Tan Sri Lim Kok Thay	32,000	0.0003	-	-

Notes

The following disclosures are made pursuant to Section 134(12)(c) of the Companies Act, 1965 as amended by the Companies (Amendment) Act, 2007 which took effect on 15 August 2007:

(1) Tan Sri Amin's spouse holds 80,000 ordinary shares (0.0106%) in the Company.
(2) Tan Sri Amin's spouse holds 60,000 ordinary shares (0.0016%) in GB.
(3) Mr Quah's spouse holds 630,000 ordinary shares (0.0170%) in GB.
(4) Tan Sri Amin's spouse and children collectively hold 180,000 ordinary shares (0.0031%) in RWB.
(5) Tan Sri Amin's spouse holds 400 ordinary shares (negligible) in GIPLC.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of Asiatic Development Berhad ("the Company") will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 19 June 2008 at 3.00 p.m.

AS ORDINARY BUSINESSES

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2007 and the Directors' and Auditors' Reports thereon. **(Ordinary Resolution 1)**

2. To sanction the declaration of a final dividend of 4.75 sen less 26% tax per ordinary share of 50 sen each for the financial year ended 31 December 2007. **(Ordinary Resolution 2)**

3. To approve the payment of Directors' fees of RM481,825 for the financial year ended 31 December 2007 (2006: RM385,400). **(Ordinary Resolution 3)**

4. To re-elect the following persons as Directors of the Company pursuant to Article 99 of the Articles of Association of the Company:

   i. Tan Sri Lim Kok Thay **(Ordinary Resolution 4)**
   ii. Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin **(Ordinary Resolution 5)**

5. To consider and, if thought fit, pass the following resolutions pursuant to Section 129 of the Companies Act, 1965:

   i. "That Tan Sri Mohd Amin bin Osman, 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 conclusion of the next Annual General Meeting." **(Ordinary Resolution 6)**

   ii. "That Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad, 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 conclusion of the next Annual General Meeting." **(Ordinary Resolution 7)**

6. To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 8)**

AS SPECIAL BUSINESSES

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

Special Resolution

7. **Proposed Amendments to the Articles of Association of the Company**

   "That the amendments to the existing Articles of Association of the Company as proposed and set forth in Part B of the Document to Shareholders dated 28 May 2008 be and are approved and adopted by the Company, and that the Directors of the Company be and are authorised to do all acts and things and take all such steps as they may consider necessary and/or desirable to give full effect to these amendments to the Articles of Association of the Company." **(Special Resolution)**

Ordinary Resolutions

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

   "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 10% of the issued and paid-up share capital of the Company for the time being, and this authority under this resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company, and that:

(a) approval and authority be and are given to the Directors of the Company to take all such actions that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) in connection therewith; and

(b) the Directors of the Company 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." **(Ordinary Resolution 9)**

9. **Proposed renewal of the authority for the Company to purchase and/or hold its own shares of an aggregate amount of up to 10% of its prevailing issued and paid-up share capital at any time**

"That, subject to compliance with all applicable laws, the Company's Articles of Association, and the regulations and guidelines applied from time to time by Bursa Malaysia Securities Berhad ("Bursa Securities") and/or any other relevant regulatory authority:

(a) approval and authority be and are given for the Company to utilise up to the aggregate of the total retained earnings and share premium accounts of the Company based on its latest audited financial statements available up to the date of the transaction, to purchase, from time to time during the validity of the approval and authority under this resolution, such number of ordinary shares of 50 sen each in the Company (as may be determined by the Directors of the Company) on Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that the aggregate number of shares to be purchased and/or held by the Company pursuant to this resolution does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at the time of purchase, and provided further that in the event that the Company ceases to hold all or any part of such shares as a result of (among others) cancellations, resales and/or distributions of any of these shares so purchased, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed 10% of the total issued and paid-up ordinary share capital of the Company at the time of purchase. Based on the audited financial statements of the Company for the financial year ended 31 December 2007, the Company's retained earnings and share premium accounts were approximately RM2,123.1 million and RM37.9 million respectively;

(b) approval and authority conferred by this resolution shall commence on the passing of this resolution, and shall remain valid and in full force and effect until:

(i) the conclusion of the next Annual General Meeting of the Company; or

(ii) the expiry of the period within which the next Annual General Meeting is required by law to be held,

unless earlier revoked or varied by ordinary resolution of the members of the Company in general meeting, whichever occurs first;

(c) approval and authority be and are given to the Directors of the Company in their absolute discretion, to deal with any shares purchased and any existing treasury shares ("the said Shares") in the following manner:

(i) cancel the said Shares; and/or
(ii) retain the said Shares as treasury shares; and/or
(iii) distribute all or part of the said Shares as dividends to shareholders, and/or resell all or part of the said Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancel all or part of the said Shares,

or in any other manner as may be prescribed by all applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force and that the authority to deal with the said Shares shall continue to be valid until all the said Shares have been dealt with by the Directors of the Company; and

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(d) approval and authority be and are given to the Directors of the Company to take all such actions (including the appointment of up to two (2) Participating Organisations as defined in the Bursa Securities Listing Requirements and the opening and maintaining of Central Depository Accounts designated as Share Buy-Back Accounts) that may be necessary and/or desirable to give effect to this resolution and in connection therewith to enter into and execute on behalf of the Company any instrument, agreement and/or arrangement with any person, and in all cases with full power to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by any relevant regulatory authority or Bursa Securities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company." **(Ordinary Resolution 10)**

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

By Order of the Board

LOH BEE HONG
Secretary

Kuala Lumpur
28 May 2008

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 at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.

EXPLANATORY NOTES ON SPECIAL BUSINESSES

(1) Special Resolution, if passed, will streamlne the Company's Articles with Chapter 7 of the Listing Requirements of Bursa Malaysia Securities Berhad as well as to facilitate some administrative issues and to ensure consistency throughout the Articles.

Further information on the Proposed Amendments to the Articles of Association of the Company is set out under Part B of the Document to Shareholders dated 28 May 2008 which is despatched together with the Company's 2007 Annual Report.

(2) 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 10% 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.

(3) Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase and/or hold the Company's shares of an aggregate amount of up to 10% of the issued and paid-up share capital of the Company for the time being ("Proposed Share Buy-Back Renewal") by utilising up to the total retained earnings and share premium of the Company based on its latest audited financial statements up to the date of the purchase. This authority, will expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held, unless revoked or varied by ordinary resolution of the members of the Company at a general meeting, whichever occurs first.

Further information on the Proposed Share Buy-Back Renewal is set out under Part A of the Document to Shareholders dated 28 May 2008 which is despatched together with the Company's 2007 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant To Paragraph 8.28(2) Of The Listing Requirements Of Bursa Malaysia Securities Berhad

- **Details of individuals who are standing for election as Directors**

  No individual is seeking election as a Director at the forthcoming Thirtieth Annual General Meeting of the Company.

ASIATIC DEVELOPMENT BERHAD
(34993-X)

FORM OF PROXY

(Before completing the form, please refer to the notes overleaf)

"A" I/We_______________________________________ NRIC No./Co. No.:__________
(FULL NAME IN BLOCK CAPITALS)

of____
(ADDRESS)

being a member of ASIATIC DEVELOPMENT BERHAD hereby appoint

_______________________________________ NRIC No./Co. No.:__________
(FULL NAME)

of____
(ADDRESS)

or failing him/her_______________________________ NRIC No./Co. No.:__________
(FULL NAME)

of____
(ADDRESS)

or failing him/her, *the CHAIRMAN OF THE MEETING as *my/our first proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 19 June 2008 at 3.00 p.m. and at any adjournment thereof.

"B" Where it is desired to appoint a second proxy, this section must also be completed. Otherwise it should be deleted.

I/We_______________________________________ NRIC No./Co. No.:__________
(FULL NAME IN BLOCK CAPITALS)

of____
(ADDRESS)

being a member of ASIATIC DEVELOPMENT BERHAD hereby appoint

_______________________________________ NRIC No./Co. No.:__________
(FULL NAME)

of____
(ADDRESS)

or failing him/her_______________________________ NRIC No./Co. No.:__________
(FULL NAME)

of____
(ADDRESS)

or failing him/her, *the CHAIRMAN OF THE MEETING as *my/our second proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 19 June 2008 at 3.00 p.m. and at any adjournment thereof.

The proportions of my/our holdings to be represented by my/our proxies are as follows:

First Proxy "A"	%
Second Proxy "B"	%
	100%

In case of a vote taken by a show of hands *First Proxy "A" / Second Proxy "B" shall vote on my/our behalf.

My/our proxies shall vote as follows:

RESOLUTIONS		FIRST PROXY "A"		SECOND PROXY "B"	
		For	Against	For	Against
To receive and adopt the Audited Financial Statements	**Ordinary Resolution 1**				
To sanction the declaration of a final dividend of 4.75 sen less tax per ordinary share	**Ordinary Resolution 2**				
To approve the payment of Directors' fees	**Ordinary Resolution 3**				
To re-elect the following Directors pursuant to Article 99 of the Articles of Association of the Company:					
i. Tan Sri Lim Kok Thay	**Ordinary Resolution 4**				
ii. Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	**Ordinary Resolution 5**				
To re-appoint the following Directors in accordance with Section 129 of the Companies Act, 1965:					
i. Tan Sri Mohd Amin bin Osman	**Ordinary Resolution 6**				
ii. Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	**Ordinary Resolution 7**				
To re-appoint Auditors	**Ordinary Resolution 8**				
To amend the Articles of Association of the Company	**Special Resolution**				
To empower Directors to issue and allot shares up to 10% of the Company's total issued and paid-up capital	**Ordinary Resolution 9**				
To renew the authority for the Company to purchase and/or hold its own shares up to 10% of its prevailing issued and paid-up capital	**Ordinary Resolution 10**				

(Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her/their discretion.)

Signed this ________ day of ________________ 2008

No. of Shares held	CDS Account No.

____
Signature of Member(s)

** Delete if inapplicable*

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 at 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.*

In the case of a corporation, this form must be either under seal or signed by a duly authorised officer or attorney.

EXPLANATORY NOTES ON SPECIAL BUSINESSES

(1) Special Resolution, if passed, will streamlne the Company's Articles with Chapter 7 of the Listing Requirements of Bursa Malaysia Securities Berhad as well as to facilitate some administrative issues and to ensure consistency throughout the Articles.

Further information on the Proposed Amendments to the Articles of Association of the Company is set out under Part B of the Document to Shareholders dated 28 May 2008 which is despatched together with the Company's 2007 Annual Report.

(2) 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 10% 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.

(3) Ordinary Resolution 10, if passed, will empower the Directors of the Company to purchase and/or hold the Company's shares of an aggregate amount of up to 10% of the issued and paid-up share capital of the Company for the time being ("Proposed Share Buy-Back Renewal") by utilising up to the total retained earnings and share premium of the Company based on its latest audited financial statements up to the date of the purchase. This authority, will expire at the conclusion of the next Annual General Meeting of the Company or the expiry of the period within which the next Annual General Meeting is required by law to be held, unless revoked or varied by ordinary resolution of the members of the Company at a general meeting, whichever occurs first.

Further information on the Proposed Share Buy-Back Renewal is set out under Part A of the Document to Shareholders dated 28 May 2008 which is despatched together with the Company's 2007 Annual Report.