ASIATIC DEVELOPMENT BERHAD (34993-X)

ANNUAL REPORT

2008

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

LOCATION OF GROUP PROPERTIES

Plantation

ASIATIC Bukit Sembilan Estate	1
ASIATIC Selama Estate	2
ASIATIC Sepang Estate	3
ASIATIC Tebong Estate	4
ASIATIC Cheng Estate	5
ASIATIC Tanah Merah Estate	6
ASIATIC Sri Gading Estate	7
ASIATIC Sungei Rayat Estate	8
ASIATIC Kulai Besar Estate	9
ASIATIC Sabapalm Estate	10
ASIATIC Tanjung Estate	11
ASIATIC Bahagia Estate	12
ASIATIC Tenegang Estate	13
ASIATIC Landworthy Estate	14
ASIATIC Layang Estate	15
ASIATIC Mewah Estate	16
ASIATIC Indah Estate	17
ASIATIC Permai Estate	18
ASIATIC Jambongan Estate	19
ASIATIC Sekong Estate	20
ASIATIC Suan Lamba Estate	21
JOINT VENTURE	
SIS Mulia Estates	22
Kapuas Estates	23

Oil Mill

Property

Biotechnology

CORPORATE DIARY

2008

28 February
Announcement of the following:
(a) Consolidated Unaudited 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;
(c) Redesignation of Tan Sri Lim Kok Thay from Joint Chief Executive to Chief Executive of the Company.

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

21 May
Announcement 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.
(c) Proposed amendments to the Articles of Association of the Company.

28 May
Announcement of the following:
Notice to shareholders of the Thirtieth Annual General Meeting.

Announcement on the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2008.

11 June
Announcement on the proposed joint venture to acquire and develop approximately 45,000 hectares of oil palm plantation at Kabupaten Kapuas, Provinsi Kalimantan Tengah, Indonesia ("Proposed Kapuas JV").

19 June
Thirtieth Annual General Meeting.

23 June
Announcement on the decision of the High Court of Sabah and Sarawak at Kota Kinabalu, ("High Court") where the High Court upheld the Preliminary Objection by the Company, Asiatic Tanjung Bahagia Sdn Bhd and Hap Seng Consolidated Berhad ("the Defendants") to the Injunction Application initiated by the natives over approximately 8,830 ha of land or part thereof at Sungai Tongod, District of Kinabatangan, Sandakan, Sabah with costs awarded to the Defendants.

13 August
Announcement on the proposed joint venture for oil palm cultivation of approximately 15,800 hectares in Kabupaten Ketapang, Provinsi Kalimantan Barat, Indonesia ("Proposed Ketapang JV").

26 August
Announcement of the following:
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2008.
(b) Entitlement Date for the Interim Dividend in respect of the half year ended 30 June 2008.

6 October
Announcement on the completion of the Proposed Kapuas JV.

8 October
Announcement on the redesignation of Mr Quah Chek Tin from Non-Independent Non-Executive Director to Independent Non-Executive Director of the Company.

25 November
Announcement on the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2008.

2009

24 February
Announcement on the Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2008.

19 March
Announcement on the completion of the Proposed Ketapang JV.

7 April
Announcement on the Proposed Renewal of Authority for the Company to purchase and/or hold its own shares.

12 May
Announcement of the following:
(a) Entitlement Date for the Proposed Final Dividend in respect of the financial year ended 31 December 2008.
(b) Thirty-First Annual General Meeting.
(c) Proposed Shareholder' Mandate for recurrent related party transactions of a revenue or trading nature.
(d) Proposed Change of Name from Asiatic Development Berhad to Genting Plantation Berhad.

DIVIDENDS

	Announcement	Entitlement Date	Payment
2007 Special – 6.0 sen less tax	28 February 2008	13 March 2008	27 March 2008
2007 Final – 4.75 sen less tax	28 February 2008	30 June 2008	15 July 2008
2008 Interim – 5.0 sen less tax	26 August 2008	30 September 2008	16 October 2008
2008 Proposed Final – 5.0 sen less tax	24 February 2009	30 June 2009	15 July 2009*

** Upon approval of shareholders at the Thirty-First 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	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/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

Mr Tan Wee Kok
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 2255/2333 2255
Fax : (603) 2161 6149

STOCK EXCHANGE LISTING

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

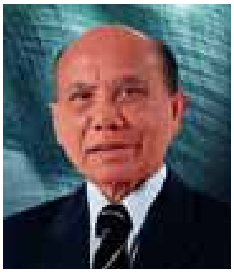
AUDITORS

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 81), 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 57), appointed on 29 September 1977, is the Chief Executive and Director. He holds a Bachelor of Science Degree in Civil Engineering from the University of London. He attended the advanced management programme of Harvard Business School, Harvard University in 1979. He is also the Chairman & Chief Executive of Genting Berhad and Resorts World Bhd; the Executive Chairman of Genting Singapore PLC (formerly known as Genting International P.L.C.) and the Chairman of Genting UK Plc (formerly known as Genting Stanley 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 80), 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 had served as Executive Deputy Chairman, Special Advisor and then as a Board member of Kontena Nasional Berhad from 1984 to March 2006. He had also served as a director of Perwira Affin Merchant Bank (now known as Affin Investment Bank Berhad) from 1984 to 2000. He is a Board member of the Institute of Strategic and International Studies, Malaysia and the Chairman of Chemsain Konsultant Sdn Bhd.

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

ENCIK MOHD DIN JUSOH
Independent Non-Executive Director

Encik Mohd Din Jusoh (Malaysian, aged 65), appointed on 12 June 1980, is an Independent Non-Executive Director. He is a member of the Institute of Chartered Secretaries and Administrators (UK) and had attended a number of senior management courses abroad. He is also the Chairman and/or director of a number of private companies as well as a public company, Asiatic Golf Course (Sg. Petani) Bhd.

LT. GEN. (B) DATO' ABDUL GHANI BIN ABDULLAH

Independent Non-Executive Director

Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah (Malaysian, aged 68), 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

Independent Non-Executive Director

Mr Quah Chek Tin (Malaysian, aged 57), appointed on 19 October 2001, was redesignated as an Independent Non-Executive Director on 8 October 2008. 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 on 8 October 2006. 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 61), 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.

He was also made a Member of the Malaysian–Indonesian Eminent Persons Group (EPG) elected by the Prime Minister in July 2008.

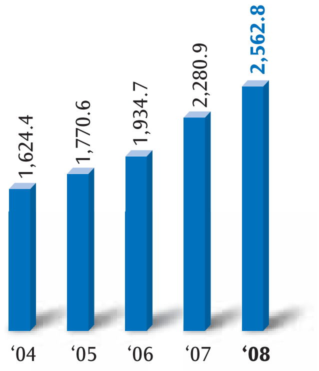
Tan Sri Zahidi holds 20,000 ordinary shares in the Company.

Notes:
The details of Directors' attendances at Board Meetings are set out in the Corporate Governance Statement on page 30 of this Annual Report.

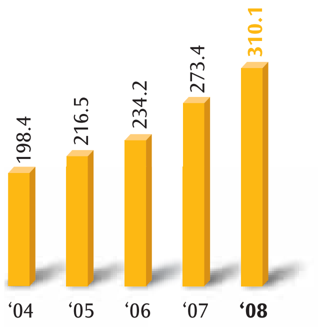
The above Directors have no family relationship with any Director and/or major shareholder of Asiatic Development Berhad, have no conflict of interest with Asiatic Development Berhad and have not been convicted for any offence within the past ten years.

CHAIRMAN'S STATEMENT

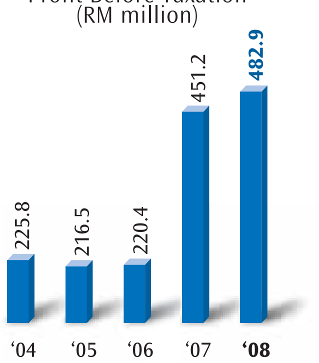
Total Assets Employed
(RM million)



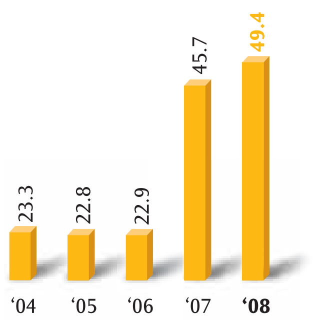
Net Assets Per Share
(Sen)



Profit Before Taxation
(RM million)



Basic Earnings Per Share
(Sen)



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 2008.

PERFORMANCE REVIEW

2008 will be remembered as a year characterised by two halves of contrasting fortunes for the world economy. The year started on a high note, but ended under a cloud of uncertainty.

In the early part of 2008, confidence in the outlook for global markets and economic growth was firmly intact. Commodity prices extended their bull run, with palm oil scaling unprecedented heights. The domestic equity market also set new record highs.

But things took a drastic turn by the latter half of the year, as the fallout from the US subprime mortgage defaults and credit crunch proved to be much worse than earlier anticipated. What began as a US housing sector slump snowballed into a full-blown financial crisis that spread rapidly throughout much of the developed world, slowing down economic activities and stoking fears that a deep, prolonged recession may ensue.

Commodity markets, including palm oil, were not spared the adverse effects of the deteriorating conditions. Falling crude oil prices and expectations that consumer demand would weaken were among factors that exerted pressure on palm oil prices. Consequently, by the end of 2008, palm oil prices were about half their levels at the start of the year, although, on a more upbeat note, there has been a moderate recovery of late.

In the face of turbulence, the plantation industry continued to perform well in 2008, riding largely on the strength of the favourable price environment in the early part of the year. The palm oil sector cemented its position as the second biggest contributor of export earnings to the country. Exports of oil palm products generated revenue of RM65 billion for the nation in 2008, up an impressive 44% from 2007.

It is heartening to note that the Group also performed commendably in 2008 despite the underlying economic uncertainties and challenging operating conditions. In fact, the Group delivered its best-ever results. Revenue rose to RM1.04 billion, up 14% from the previous year while pre-tax profit improved by 7% over the previous year to reach a record RM482.9 million.

The Plantation Division continued to be the Group's leading growth driver. The Division registered revenue of RM936.5 million and pre-tax profit of RM455.9 million in 2008, an improvement of 11% and 6% respectively over the previous year. The positive performance was underpinned by the record high crop production and an increase in the average achieved prices for palm products. Production of fresh fruit bunches rose to 1.23 million metric tonnes in 2008 from 1.21 million metric tonnes in 2007. The Group achieved an average crude palm oil price of RM2,822 per metric tonne and an average palm kernel price of RM1,595 per metric tonne in 2008, up from RM2,500 and RM1,445 respectively in 2007.

For the Property Division, 2008 was considerably more difficult than 2007. The property sector was among the earliest to bear the brunt of the global economic slowdown as consumer sentiment and investor interest deteriorated. Even so, the Property Division performed creditably as it rose above the challenges to register solid growth for the year. Revenue totalled RM99.5 million while pre-tax profit totalled RM12.4 million, up 64% and 68% respectively from 2007. The Group's two projects in Johor, namely Asiatic Pura Kencana and Asiatic Indahpura, were the two biggest contributors, generating sales of RM47.3 million and RM44.5 million respectively.

FINANCIAL HIGHLIGHTS

Year Ended 31 December	2008 RM'000	2007 RM'000	Change %
Operating revenue	**1,036,003**	906,415	+14
Profit before taxation	**482,886**	451,158	+7
Profit for the financial year	**377,227**	348,056	+8
Profit attributable to equity holders of the Company	**373,252**	344,064	+8
Equity attributable to equity holders of the Company	**2,346,582**	2,064,309	+14
Total assets employed	**2,562,827**	2,280,920	+12
Basic earnings per share (sen)	**49.4**	45.7	+8
Net dividend per share (sen)	**7.5**	10.3	-27
Dividend cover (times)	**6.6**	4.4	+50
Net assets per share (sen)	**310.1**	273.4	+13
Return (after tax and minority interests) on average shareholders' equity (%)	**16.9**	18.0	-6

CORPORATE DEVELOPMENTS

In its continuous drive to be a leader in the plantation industry, the Group, during the year, embarked on several strategic initiatives to position itself for steady long-term growth.

On 11 June 2008, the Group entered into a joint venture to develop 45,000 hectares of oil palm plantation in Kabupaten Kapuas, Kalimantan Tengah, Indonesia. The joint venture agreement became unconditional in October 2008. The area to be developed is provisional under *Izin Lokasi* ("Location Permit") and is subject to the completion of a cadastral survey and issuance of *Hak Guna Usaha* ("HGU") ("Rights to Use") title. As at 31 December 2008, 308 hectares of land have been planted while land development works have commenced on nearly 2,850 hectares.

On 12 August 2008, the Group entered into yet another joint venture to develop 15,800 hectares of oil palm plantations in Kabupaten Ketapang, Kalimantan Barat, Indonesia. The joint venture agreement became unconditional on 6 March 2009 and HGU title has been applied for an area of 8,518 hectares pursuant to a cadastral survey and measurement of the land.

This expansion into new frontiers will complement the existing land areas in Kabupaten Ketapang that the Group has been developing through joint ventures and will put the Group firmly on track to establish a significant regional presence.

The Group has also moved one step closer to realising its vision of unlocking the full potential of the oil crops, particularly the oil palm through biotechnological innovations. In a major milestone for the plantation industry, Asiatic Centre for Genome Technology Sdn Bhd announced in May 2008 the completion of the first draft assembly of the oil palm genome and progress in the sequencing of the jatropha genome. These early accomplishments have given the Group greater impetus to continue with its work of harnessing scientific knowledge to develop solutions that will revolutionise crop productivity and value-creation.

DIVIDENDS

The enhancement of returns for shareholders has always been and remains a priority for the Group, as demonstrated by the steady increase in dividend payments over the years. Nevertheless, the Group is equally committed to ensuring that the solid growth track record achieved thus far is sustained for many more years to come.

In this connection, the Board of Directors has recommended a final dividend of 5 sen less 25% tax per ordinary share of 50 sen. If approved by shareholders at the forthcoming 31st Annual General Meeting, this final dividend, which comes on top of an interim dividend of 5 sen less 26% tax per ordinary share of 50 sen that was paid on 16 October 2008, takes the total dividends for the 2008 financial year to RM56 million.

FUTURE PROSPECTS

The global economic outlook for 2009 remains shrouded in uncertainty. Prognoses of the state of the economy are still inconclusive, with most experts unable to reach a consensus whether the worst is over or is yet to come.

The same can be said of the palm oil sector. The immediate direction of palm oil prices is a matter still very much open to debate in view of the opposing factors at work in the market. Signs of adverse weather in South American soybean growing areas, an expected slowdown in the growth of palm oil production, and palm oil's attractive discount to other competing oils are potentially favourable factors for palm oil prices. However, these factors are, to some extent, being counter-balanced by negative considerations such as concerns that the global economic downturn will take a toll on consumer demand. The Group, on its part, will continue to monitor developments closely and take proactive actions to be fully prepared to face any eventualities and to seize any opportunities that may arise.

CHAIRMAN'S STATEMENT

Still, near-term vagaries aside, palm oil's long-term prospects remain undeniably bright. The oil palm is by far the world's most productive oil crop and palm oil the most widely-consumed edible oil. Valued for its affordability, nutritional qualities and versatility, palm oil is poised to continue to be the leading edible oil, especially in emerging markets like China and India, where there are still plenty of room for per capita consumption to grow. The burgeoning biofuels market, powered by government mandates and incentives to boost renewable energy use, is set to be another key demand driver for palm oil going forward. The Group's confidence in the long-term future of the palm oil business is reflected in the expansion plans it has set in motion.

The Property Division, meanwhile, is expected to face further challenges and tough market conditions in the immediate future as the uncertain economic climate continues to suppress buyer sentiment. Given the severity of the prevailing economic turmoil, it may take the market longer to recover than in previous property down cycles. Yet, typical of any cyclical industry, the current soft market condition is but a temporary phase as the downturn and economic turmoil will not last forever. With the Malaysian economy expected to trend upwards in the long-run, the future for the property development business remains bright as properties, regarded as secure investments capable of generating stable and attractive long-term returns, will continue to be in demand.

The positive long-term outlook for the plantation and property sectors certainly augurs well for the Group. The Group will remain focused on its core competencies and build on its operational efficiencies to achieve greater success. In light of the prevailing global financial turmoil, the Group will continue to exercise prudence while working tirelessly to ensure the business remains resilient and emerges from these testing times in a solid growth position. Barring unforeseen circumstances, the Group's performance for the current year is expected to be reasonable, although it is not likely to match the record profit of 2008 due to anticipated softer commodity prices.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Throughout its corporate history, the Group has always strived, through the myriad programmes and initiatives undertaken over the years, to be a responsible corporate citizen by maximising the benefits of its business for all stakeholders while minimising any risks on the environment and society.

Corporate social responsibility defines the core values that dictate how the Group operates and makes decisions.

To enhance the effectiveness of putting these core values into action, the Group is taking a more strategic and systematic approach to CSR, a process that started with the creation of a 'Corporate Social Responsibility Committee' in 2008. It has also adopted a Corporate Social Responsibility Statement that sets out the Group's vision and commitment to the four focal areas of environment, community, workplace and marketplace.

ROUNDTABLE ON SUSTAINABLE PALM OIL ("RSPO")

As a member of the Roundtable on Sustainable Palm Oil, the Group is committed to complying with the principles of sustainable development. To bolster its continuing efforts towards obtaining RSPO certification, the Group set up a Sustainability Department and put in place various key initiatives in 2008.

APPRECIATION

On behalf of the Board, I wish to thank all shareholders for their support and for the trust they have placed in the Board to act in the best interest of the Group as a whole.

I am pleased to announce the re-designation of Mr Quah Chek Tin as Independent Non-Executive Director of the Company from Non-Independent Non-Executive Director with effect from 8 October 2008.

On 31 December 2008, Ms Cheah Ching Mooi, retired as the Chief Financial Officer. The Board would like to extend our thanks and appreciation to Ms Cheah, who has served the Group for over 27 years, for her valuable contributions and dedicated service. Following her retirement, Mr Tan Wee Kok has been promoted from Senior Vice President–Corporate to Chief Financial Officer. We wish to congratulate him and extend our best wishes to him on his new role.

The Board would also like to welcome Ms Elaine Loh Bee Hong who joined the Company as the Company Secretary on 1 May 2008. Ms Loh has had more than 18 years of secretarial experience.

I also wish to thank my fellow Board members for their services to the Group and for their wise counsel.

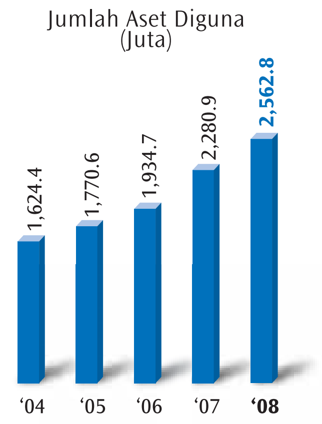
The successes achieved by the Group year after year would not have been possible if not for the dedication and loyalty of the entire team at Asiatic Development Berhad. On behalf of the Board, I would like to take this opportunity to record our sincere appreciation to all employees for their devotion, their commitment to their tasks and their contributions. Our appreciation also extends to our customers, business associates and governing authorities for their support.

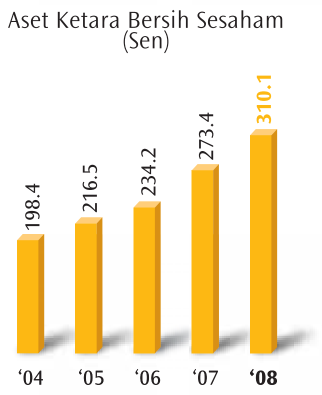
I look forward to all of us continuing to work together as a team to lead the Group towards achieving greater excellence.

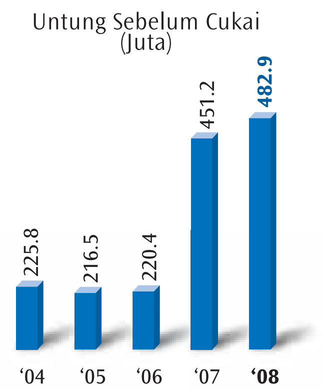
Thank you.

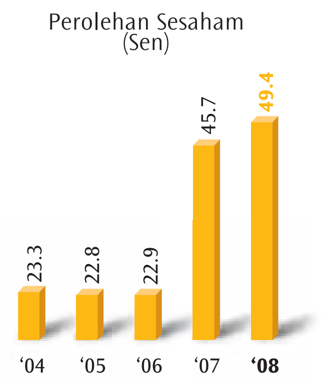
TAN SRI MOHD AMIN BIN OSMAN
Chairman
23 April 2009

PENYATA PENGERUSI









Bagi pihak Lembaga Pengarah dengan sukacitanya, saya membentangkan Laporan Tahunan dan Penyata Kewangan yang telah Diaudit bagi Asiatic Development Berhad ("Syarikat") dan anak-anak syarikat ("Kumpulan") bagi tahun berakhir 31 Disember 2008.

TINJAUAN PRESTASI

Tahun 2008 akan diingati sebagai tahun yang dicirikan oleh dua keadaan ekonomi dunia yang jauh berbeza. Permulaan tahun bermula dengan nada cemerlang, tetapi berakhir mendung dan diselubungi oleh ketidaktentuan.

Di awal tahun 2008, keyakinan terhadap prospek pasaran global dan pertumbuhan ekonomi adalah kukuh. Harga komoditi terus meningkat dengan pergerakan *'bull'*, di mana harga minyak sawit melambung tinggi ke tahap yang tidak pernah dialami. Pasaran ekuiti domestik juga mencecah rekod tertinggi baru.

Tetapi perubahan mendadak berlaku pada separuh kedua tahun tersebut, apabila keruntuhan akibat krisis gadai janji subprima Amerika Syarikat ("AS") dan tekanan kredit menjadi lebih buruk daripada yang dijangkakan. Apa yang bermula dengan kemerosotan sektor perumahan AS berlarutan menjadi kegawatan kewangan yang merebak dengan cepat ke kebanyakan negara maju, melembapkan aktiviti-aktiviti ekonomi dan menimbulkan kebimbangan bahawa kemelesetan teruk yang berpanjangan mungkin berlaku.

Pasaran komoditi, termasuk minyak sawit, tidak terlepas daripada kesan buruk akibat keadaan yang kian merosot. Kejatuhan harga minyak mentah dan jangkaan permintaan pengguna akan berkurangan adalah di antara faktor yang memberi tekanan terhadap harga minyak sawit. Oleh yang demikian, pada akhir tahun 2008, harga minyak sawit telah menurun kepada paras separuh berbanding harga di permulaan tahun. Akan tetapi, apa yang menggalakkan ialah wujudnya pemulihan sederhana baru-baru ini.

Walaupun berhadapan dengan pergolakan ekonomi, industri perladangan terus mencapai prestasi yang memuaskan pada tahun 2008, berdasarkan sebahagian besarnya didorong oleh persekitaran harga yang menggalakkan pada awal tahun. Sektor minyak sawit mengekalkan kedudukannya sebagai penyumbang kedua terbesar bagi perolehan eksport negara. Eksport bagi produk hasil minyak sawit telah menjanakan perolehan sebanyak RM65 bilion bagi negara pada tahun 2008, satu peningkatan yang mengkagumkan iaitu sebanyak 44% berbanding tahun 2007.

Sungguh memberangsangkan apabila mendapati bahawa pihak Kumpulan juga mencapai prestasi yang cemerlang pada tahun 2008 walaupun menghadapi keadaan ekonomi yang tidak menentu dan keadaan operasi yang mencabar. Malahan, Kumpulan telah berjaya mencapai keputusan yang paling baik. Perolehan meningkat kepada RM1.04 bilion, naik 14% dari tahun sebelumnya sementara keuntungan sebelum cukai meningkat sebanyak 7% dari tahun sebelumnya untuk mencecah rekod pada RM482.9 juta.

Bahagian Perladangan terus menjadi peneraju pertumbuhan utama bagi Kumpulan. Bahagian Perladangan mencatatkan perolehan sebanyak RM936.5 juta dan keuntungan sebelum cukai sebanyak RM455.9 juta pada tahun 2008, masing-masing dengan kenaikan sebanyak 11% dan 6% berbanding tahun sebelumnya. Prestasi positif telah dipacu oleh hasil tanaman yang mencatatkan rekod tertinggi dan peningkatan harga bagi produk sawit secara purata. Pengeluaran tandan buah segar meningkat kepada 1.23 juta tan metrik pada tahun 2008 daripada 1.21 juta tan metrik pada tahun 2007. Kumpulan berjaya mencapai harga minyak

PENYATA PENGERUSI

SOROTAN KEWANGAN

Tahun berakhir 31 Disember	2008 RM'000	2007 RM'000	Beza %
Perolehan operasi	**1,036,003**	906,415	+14
Untung sebelum cukai	**482,886**	451,158	+7
Untung untuk tahun kewangan	**377,227**	348,056	+8
Untung bagi pemegang ekuiti Syarikat	**373,252**	344,064	+8
Ekuiti bagi pemegang ekuiti Syarikat	**2,346,582**	2,064,309	+14
Jumlah aset diguna	**2,562,827**	2,280,920	+12
Perolehan asas sesaham (sen)	**49.4**	45.7	+8
Dividen bersih sesaham (sen)	**7.5**	10.3	-27
Liputan dividen (kali)	**6.6**	4.4	+50
Aset ketara bersih sesaham (sen)	**310.1**	273.4	+13
Pulangan (selepas cukai dan kepentingan minoriti) purata ekuiti pemegang saham (%)	**16.9**	18.0	-6

sawit mentah pada RM2,822 bagi setiap tan metrik secara purata dan harga isirung sawit pada RM1,595 bagi setiap tan metrik secara purata pada tahun 2008, kedua-duanya meningkat daripada RM2,500 dan RM1,445 pada tahun 2007.

Bagi Bahagian Hartanah, tahun 2008 adalah lebih sukar daripada tahun 2007. Sektor hartanah merupakan antara sektor yang menerima tamparan hebat terawal akibat kelembapan ekonomi global apabila sentimen pengguna dan minat pelabur merosot. Namun begitu, Bahagian Hartanah telah menunjukkan prestasi cemerlang apabila ia mampu mengatasi cabaran bagi mencatatkan pertumbuhan kukuh dalam tahun tersebut. Perolehan berjumlah RM99.5 juta sementara keuntungan sebelum cukai berjumlah RM12.4 juta, masing-masing melonjak sebanyak 64% dan 68% dari tahun 2007. Dua projek Kumpulan di Johor, iaitu Asiatic Pura Kencana dan Asiatic Indahpura, merupakan dua penyumbang terbesar, dengan masing-masing menjanakan jualan berjumlah RM47.3 juta dan RM44.5 juta.

PEMBANGUNAN KORPORAT

Pada tahun 2008, dalam usaha berterusan untuk menjadi peneraju dalam bidang industry perladangan, Kumpulan telah mengambil beberapa inisiatif strategik bagi membolehkan ia mencapai pertumbuhan jangka panjang yang mantap.

Pada 11 Jun 2008, Kumpulan telah menenterai satu usaha sama untuk membangunkan 45,000 hektar perladangan kelapa sawit di Kabupaten Kapuas, Kalimantan Tengah, Indonesia. Perjanjian usahasama itu telah menjadi tanpa syarat pada bulan Oktober 2008. Keluasan kawasan untuk dimajukan adalah sementara dibawah Izin Lokasi dan tertakluk kepada ukur kadaster serta pengeluaran Hak Guna Usaha ("HGU"). Pada 31 Disember 2008, 308 hektar tanah telah diusaha dan ditanam sementara kerja-kerja pembangunan tanah telah bermula bagi kira-kira 2,850 hektar.

Pada 12 Ogos 2008, Kumpulan telah mementerai satu lagi usaha sama untuk membangunkan 15,800 hektar perladangan kelapa sawit di Kabupaten Ketapang, Kalimantan Barat, Indonesia. Perjanjian usahasama ini menjadi tanpa syarat pada 6 March 2009 dan HGU telah dipohon untuk kawasan seluas 8,518 hektar selaras dengan ukur kadaster.

Perluasan ke dalam kawasan-kawasan baru akan melengkapi kawasan tanah sedia ada di Kabupaten Ketapang yang dimajukan oleh Kumpulan melalui usaha sama dan akan meletakkan Kumpulan di atas landasan yang kukuh untuk memastikan kedudukannya yang ketara di rantau itu.

Kumpulan juga telah mengorak langkah yang lebih dekat dalam mencapai visinya untuk menyerlahkan sepenuhnya potensi minyak hasil tanaman, terutamanya kelapa sawit melalui inovasi di bidang bioteknologi. Dalam satu pencapaian mercu tanda bagi industri perladangan, Asiatic Centre for Genome Technology Sdn Bhd telah mengumumkan pada Mei 2008 tentang kejayaannya menyiapkan draf himpunan pertama genom minyak sawit dan perkembangan dalam penjujukan genom 'jatropha'. Pencapaian-pencapaian awal ini telah memberikan dorongan yang besar kepada Kumpulan untuk meneruskan usahanya dalam memanfaatkan ilmu pengetahuan sains bagi membangunkan kaedah-kaedah yang akan merevolusikan tahap pengeluaran tanaman dan pewujudan nilai.

DIVIDEN

Peningkatan pulangan bagi para pemegang saham akan sentiasa dan tetap menjadi keutamaan bagi Kumpulan, sebagaimana dibuktikan oleh kenaikan dalam pembayaran dividen secara stabil beberapa tahun yang lalu. Walau bagaimanapun, Kumpulan turut komited dalam memastikan catatan prestasi pertumbuhan kukuh yang telah dicapai selama ini dapat dikekalkan bagi tahun-tahun yang akan datang.

Sehubungan ini, Lembaga Pengarah telah mengesyorkan dividen akhir sebanyak 5 sen ditolak cukai 25% sesaham biasa 50 sen. Sekiranya diluluskan oleh pemegang saham pada Mesyuarat Agung Tahunan Ke-31 yang akan datang, dividen akhir ini, termasuk dividen interim 5 sen ditolak cukai 26% sesaham biasa 50 sen yang telah dibayar pada 16 Oktober 2008, akan berjumlah RM56 juta bagi tahun kewangan 2008.

PROSPEK MASA DEPAN

Tinjauan ekonomi global bagi tahun 2009 masih diselubungi ketidaktentuan. Ramalan keadaan ekonomi masih tidak membawa kepada sebarang kesimpulan, dengan kebanyakan pakar tidak dapat mencapai konsensus sama ada kemelesetan paling buruk telah pun berlalu atau masih belum bermula.

Keadaan yang sama boleh diperkatakan mengenai sektor minyak sawit. Hala tuju terdekat bagi harga minyak sawit masih terbuka untuk perdebatan memandangkan adanya faktor-faktor yang bertentangan dalam pasaran. Petanda cuaca buruk di kawasan penanaman kacang soya Amerika Selatan, jangkaan kelembapan dalam peningkatan keluaran minyak sawit, dan harga minyak sawit yang lebih rendah berbanding minyak sayuran saingan yang lain berpotensi menjadi faktor-faktor yang menggalakkan bagi harga minyak sawit. Walau bagaimanapun, faktor-faktor ini, pada suatu tahap, telah diimbang balas oleh pertimbangan negatif seperti kebimbangan bahawa kemelesetan ekonomi global akan menjejaskan permintaan pengguna.

Kumpulan akan terus memantau pembangunan dengan teliti dan mengambil langkah proaktif sebagai persediaan diri untuk menghadapi sebarang kemungkinan di samping merebut sebarang peluang yang mungkin muncul.

Tanpa mengambil kira ketidaktentuan jangka pendek, prospek jangka panjang minyak sawit sememangnya kekal cerah. Setakat ini kelapa sawit merupakan tanaman hasil minyak yang paling produktif di dunia dan minyak sawit adalah minyak masak yang paling banyak digunakan. Bernilai kerana mampu dibeli, pemakanan bermutu dan serba guna, minyak sawit diyakini akan terus menjadi minyak masak terkemuka, terutamanya dalam pasaran yang sedang pesat membangun seperti China dan India, di mana masih banyak ruang pertumbuhan bagi penggunaan per kapita. Pasaran bahan bakar bio yang berkembang, berbekalkan mandat dan insentif kerajaan untuk merangsang penggunaan tenaga yang boleh diperbaharui, merupakan satu lagi pemacu penting dalam peningkatan permintaan minyak sawit di masa hadapan. Keyakinan Kumpulan terhadap masa depan jangka panjang perniagaan minyak sawit dapat dilihat dalam rancangan pengembangan yang telah digerakkan.

Sementara itu, Bahagian Hartanah dijangka terus menghadapi cabaran dan keadaan pasaran yang sukar pada masa terdekat apabila ketidaktentuan suasana ekonomi terus mempengaruhi sentimen pembeli. Memandangkan kegawatan ekonomi semasa yang teruk, pemulihan pasaran dijangkakan mengambil masa lebih lama berbanding kitaran pasaran hartanah yang lepas. Tetapi, bagi industri kitaran, suasana pasaran lembap biasanya hanya merupakan fasa sementara kerana kemerosotan dan kegawatan ekonomi tidak akan berlanjutan selama-lamanya. Memandangkan unjuran menaik arah aliran ekonomi Malaysia pada jangka panjang, masa depan perniagaan pembangunan hartanah adalah cerah ekoran permintaan hartanah yang berterusan.

Tinjauan jangka panjang yang positif bagi sektor perladangan dan hartanah sudah pasti merupakan petanda baik kepada Kumpulan. Kumpulan akan terus menumpukan perhatian kepada keupayaan teras dan kecekapan operasinya untuk mencapai kejayaan cemerlang. Memandangkan kewujudan kegawatan kewangan global, Kumpulan akan terus bersikap berhati-hati sementara berusaha tanpa mengenal penat lelah bagi memastikan perniagaan kekal teguh dan segar dalam saat-saat yang menduga ini dengan kedudukan pertumbuhan yang kukuh. Dengan keadaan tidak terduga dikecualikan, prestasi Kumpulan bagi tahun semasa dijangka wajar walaupun tidak mungkin menandingi keuntungan rekod tinggi pada tahun 2008 ekoran harga komoditi diramalkan menurun.

TANGGUNGJAWAB SOSIAL KORPORAT ("CSR")

Sepanjang sejarah korporatnya, Kumpulan selalu berusaha, melalui banyak program dan inisiatif yang telah dilaksanakan selama beberapa tahun, untuk menjadi warga korporat bertanggungjawab dengan memaksimumkan manfaat perniagaannya kepada semua *"stakeholder"* sementara meminimumkan sebarang risiko terhadap alam sekitar dan masyarakat.

Tanggungjawab sosial korporat membentuk nilai-nilai teras untuk menetapkan cara-cara Kumpulan beroperasi dan membuat keputusan.

Bagi mempertingkatkan keberkesanan dalam menerapkan nilai-nilai teras ini, Kumpulan mengambil pendekatan yang lebih strategik dan sistematik terhadap CSR, satu proses yang bermula dengan penubuhan sebuah 'Jawatankuasa Tanggungjawab Sosial' pada tahun 2008. Ia juga telah terima pakai Penyataan Tanggungjawab Sosial yang menetapkan visi dan komitmen Kumpulan terhadap empat perkara penting iaitu alam sekitar, komuniti, tempat kerja dan persekitaran pasaran.

RUNDINGAN MEJA BULAT MINYAK SAWIT MAPAN ("RSPO")

Sebagai anggota Rundingan Meja Bulat Minyak Sawit Mapan, Kumpulan amat komited dalam mematuhi dasar pembangunan yang mampan. Bagi meneguhkan usaha berterusan dalam memperoleh pensijilan RSPO, Kumpulan telah menubuhkan

PENYATA PENGERUSI

Jabatan Pembangunan Lestari *("Sustainability Department")* dan telah melaksanakan pelbagai inisiatif penting pada tahun 2008.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin mengucapkan terima kasih kepada semua pemegang saham atas sokongan dan kepercayaan yang diberikan kepada Lembaga untuk berusaha demi kepentingan yang terbaik kepada Kumpulan.

Saya, dengan sukacitanya, mengumumkan penjawatan-semula Encik Quah Chek Tin sebagai Pengarah Bukan-Eksekutif Bebas Syarikat daripada Pengarah Bukan-Eksekutif Bukan-Bebas bermula dari 8 Oktober 2008.

Cik Cheah Ching Mooi telah bersara sebagai Ketua Pegawai Kewangan pada 31 Disember 2008. Lembaga ingin merakamkan terima kasih dan penghargaan kepada Cik Cheah, yang telah berkhidmat dalam Kumpulan lebih daripada 27 tahun, atas sumbangan berharga dan perkhidmatan dedikasi beliau. Berikutan persaraan beliau, Encik Tan Wee Kok telah dinaikkan jawatan daripada Timbalan Presiden Kanan–Korporat kepada Ketua Pegawai Kewangan. Kami ingin mengucapkan tahniah kepada beliau dan semoga beliau berjaya dalam peranan baru ini.

Pihak Lembaga Pengarah ingin mengalu-alukan Cik Elaine Loh Bee Hong yang menyertai Syarikat sebagai Setiausaha Syarikat pada 1 Mei 2008. Cik Loh mempunyai lebih daripada 18 tahun pengalaman dalam bidang kesetiausahaan.

Saya juga ingin mengucapkan terima kasih kepada rakan-rakan ahli Lembaga Pengarah atas khidmat yang telah diberikan kepada Kumpulan dan atas nasihat mereka yang arif.

Kejayaan yang telah dicapai oleh Kumpulan tahun demi tahun tidak mungkin terjadi jika bukan kerana dedikasi dan kesetiaan seluruh pasukan di Asiatic Development Berhad. Bagi pihak Lembaga Pengarah, saya ingin mengambil peluang ini, untuk merakamkan penghargaan kepada semua kakitangan atas tumpuan dan komitmen terhadap tugas serta sumbangan mereka. Penghargaan kami juga dirakamkan kepada para pelanggan, sekutu niaga dan pihak berkuasa Kerajaan atas sokongan yang diberikan.

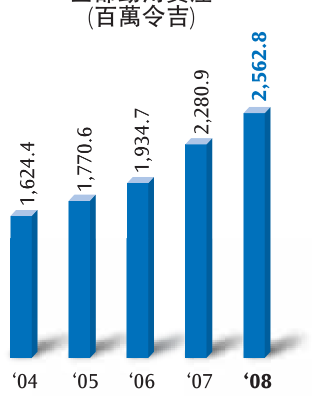
Saya berharap supaya kita dapat terus bekerja bersama sebagai satu pasukan untuk membawa Kumpulan ke arah mencapai kecemerlangan yang unggul.

Terima kasih.

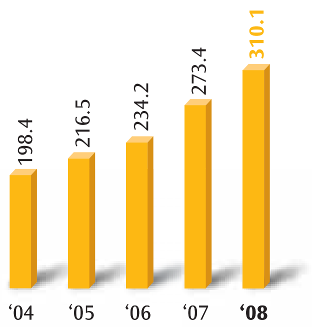
TAN SRI MOHD AMIN BIN OSMAN
Pengerusi
23 April 2009

主席文告

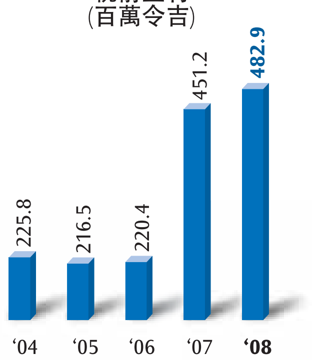
全部動用資產
(百萬令吉)



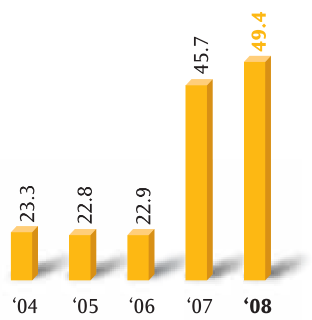
每股淨資產
(百萬令吉)



稅前盈利
(百萬令吉)



每股基本收益
(仙)



本人谨代表董事部欣然提呈亚地种植（简称‘本公司’）及其子公司（统称‘本集团’）截至2008年12月31日的年度报告及已审核的财政报告。

业绩回顾

世界经济在2008年经历了南辕北辙的命运。从一年伊始的风光好景，到了年终时却阴霾密布，前路未定。

在2008年初，一般上都对全球市场充满信心及相信经济将会持续成长。商品期货价格持续气势如虹，棕油价格更屡创新高。本地股市也一再攀升至历史新高水平。

然而步入下半年时，随著美国次级房贷违约事件与信贷紧缩情况比原先预期来得严重，整体局势开始急转直下。美国房屋领域掀起的雪球效应越滚越大，进而爆发殃及大部分先进国家的全面性金融危机，拖慢经济活动，并引起经济可能自此进入寒冬的忧虑。

在日趋恶劣的局势下，商品期货市场无法独善其身，原棕油也不例外。原油价格掉头滑落，市场预料消费需求将趋软，是加剧棕油价格压力的因素之一。因此，到了2008年杪，棕油价格只有年初水平的一半，然而值得庆幸的是，最近的走势已出现适度的反弹。

在动荡不定局势之际，种植业凭著2008年初价格高企的有利环境，而在全年取得不俗的表现。棕油领域为我国赚取大量外汇，是第二大的贡献者。棕油产品在2008年带来650亿令吉出口收益，比2007年激增了44%。

值得欣慰的是，尽管面对不稳定的经济局势与充满挑战的营运环境，本集团仍然在2008年取得相当不俗的表现。实际上这是本集团有史以来最卓越的业绩。营运收入比前一年增长14%至10亿4千万令吉，而税前盈利则上扬7%，创下4亿8千290万令吉的新高记录。

种植组是继续引领本集团成长的主要动力。这个组别在2008年的营运收入达到九亿三千六百五十万令吉，而税前盈利达到四亿五千五百九十万令吉，分别比前一年提高了11%与6%。出色的业绩得归功于棕油产量创新高，以及棕油产品的平均成交价格也有所提高。新鲜棕榈果串的产量，从2007年的一百二十一万公吨，增加至2008年的一百二十三万公吨。本集团所成交的原棕油每公吨平均价格为二千八百二十二令吉，高过前一年的二千五百令吉，而棕仁每公吨平均价格也从2007年的一千四百四十五令吉增加至一千五百九十五令吉。

在产业组方面，2008年是比2007年更为举步维艰的一年。由于消费者情绪与投资者购兴恶化，产业领域在全球经济走下坡之际首当其冲。即使如此，产业组逆流而上，取得可圈可点的表现，营运收入达到九千九百五十万令吉，而税前盈利为一千二百四十万令吉，分别比2007年增长64%与68%。本集团在柔佛州的两项计划，即Asiatic旺金城（Asiatic Pura Kencana）与Asiatic古来优美城（Asiatic Indahpura）是两大贡献者，分别带来四千七百三十万令吉与四千四百五十万令吉的销售额。

主席文告

财政重点

截至12月31日	2008年 令吉'000	2007年 令吉'000	相差 %
营运收入	**1,036,003**	906,415	+14
税前盈利	**482,886**	451,158	+7
年度盈利	**377,227**	348,056	+8
归股东盈利	**373,252**	344,064	+8
归股东利益	**2,346,582**	2,064,309	+14
全部动用资产	**2,562,827**	2,280,920	+12
每股基本收益(仙)	**49.4**	45.7	+8
每股净股息(仙)	**7.5**	10.3	-27
每息支付率(倍)	**6.6**	4.4	+50
每股净资产(令吉)	**310.1**	273.4	+13
平均股东股权(在扣税及扣除少数股东利益后)的回酬(%)	**16.9**	18.0	-6

企业发展

在持续竭尽所能成为业界佼佼者的过程中，本集团在这一年间著手推行多项倡议，以谋求长期稳定成长。

在2008年6月11日，本集团签署联营协议以在印尼加里曼丹中部Kabupaten Kapuas开发四万五千公顷的油棕园。这项联营协议已于2008年10月份符合所有的附带条件。此发展面积是依据土地许可证的暂定条款以待土地堪测的完成及土地发展权的签发。截至2008年12月31日，共有三百零八公顷已栽种了油棕，而将近二千八百五十公顷地段已展开土地开发工作。

在2008年8月12日，本集团签署另一项联营协议，以开发印尼加里曼丹西部Kabupaten Ketapang的一万五千八百公顷油棕园。此联营协议已于2009年3月6日符合所有的附带条件，而且已依据土地堪测及测量申请了八千五百一十八公顷的土地发展权。

这些扩充行动，将可与本集团现有的Kabupaten Ketapang地段联营发展计划相辅相成，而在此区域建立起强稳的业务据点。

本集团透过创新的生物科技，更接近实现全面地发挥可榨油农作物潜能的宏愿，尤其是在棕油方面。亚地种植基因科技中心私人有限公司 (Asiatic Centre for Genome Technology Sdn Bhd) 于2008年5月完成首个油棕基因的组合草图，以及在痲疯树基因定序取得重大进展，这是种植业在生物科技上的重大里程碑。这些初步成就激励了本集团继续努力汲取科学知识来开发出解决方案，以彻底地变革农作物生产力与价值创造。

股息

提高股东回酬，始终都是本集团的优先事项，多年来稳定增加的派息可看出一斑。虽然如此，本集团也致力于确保至今为止的坚稳业绩记录，得以持续下去。

有鉴于此，董事部建议每一50仙普通股享有5仙（须扣除25%所得税）的终期股息。若获得来临的第31届股东大会批准，这项终期股息，再加上已在2008年10月16日支付的每一50仙普通股享有5仙（须扣除26%所得税）中期股息，2008年财政年度的股息总额为五千六百万令吉。

未来展望

全球经济前景在2009年继续阴霾密布。未来的经济情况仍然前途未卜，大部分专家都无法对经济是否已触底达致共识。

棕油领域的情况也大致如此。由于市场上同时存在著正负面因素，因此棕油价格的短期走向仍未明朗化。在有利因素方面，南美洲大豆种植区出现恶劣气候的徵兆、棕油种植的成长预料会放慢，再加上棕油价格大幅低过其他食油都可能有利于棕油价格。然而，有些负面因素则在一定程度上抵销了这些有利因素的效应，例如全球经济衰退将打压消费者的需求。在本集团方面，我们会继续密切观察局势演变，并采取积极主动的步骤来全面装备，以应对任何可能发生的情况，并抓紧任何可能涌现的契机。

撇开短期内难以预测的情况不说，棕油的长期前景仍然一片亮丽。棕油是世上最高效的可榨油农作物，而且棕油也是用途最广泛的食油。凭著能力可及的价格、营养价值与多功能性，棕油有望继续成为首屈一指的食油，尤其是在新兴市场如中国与印度，这些地区的人均消费尚大有成长空间。迅速成长的生物燃料市场，在政府委托与推动使用再生能源的奖励下，有望崛起成为推动棕油未来需求成长的另一股主要动力。本集团对棕油业长期前景的信心，可从我们所部署的扩充计划看出一斑。

与此同时，产业组在经济氛围有欠明朗将会继续困扰买家的情绪下，短期内预料将面对更严峻挑战与举步维艰的市场状况。有鉴于这次经济风暴之严重性，市场预料需要比上一个产业周期更漫长的时间来复苏。然而，就与任何周期性行业一样，目前的低迷市况只是暂时的现象，因为衰退与经济风暴不会永远存在。马来西亚经济长期走势将会向上扬升，产业发展业务的前景也会看俏，因为通常被认为可带来稳定与诱人长期回酬安全投资的房产业将会继续需求不断。

种植与产业领域的长期前景看俏，无疑地将有利于本集团之未来表现。本集团继续专注于核心竞争力，并提升营运效率来达致更卓越的成就。在考虑到当前全球金融市场的动荡局势，本集团将继续审慎行事的作风，同时孜孜不倦地确保业务保持韧力，以确保在艰难时刻过后益发茁壮成长。 撇开未可预见之因素不谈，本集团现财政年的表现预料保持合理，然而随著商期货品价格趋软，我们预料无法延续2008年创新高的盈利记录。

企业社会责任

翻开本集团的企业史，不难发现我们多年来都竭尽所能地透过无数计划与倡议来成为深具社会责任感的企业，在尽量扩大所有业务上利益相关者的利益的同时也降低其业务对环境与社会之任何风险。

企业社会责任界定了我们的核心价值，以引领本集团各方面的营运与决策方向。

为了提升效率，以把这些核心价值付诸行动，本集团正采取更策略性与系统化方法来履行企业社会责任，这个过程正是由2008年成立的“企业责任委员会”作为开端。这个委员会采用了企业责任声明，以阐明集团在四大领域，即环境、社区、工作场所与市场所立定的宏愿与承诺。

可持续发展棕榈油圆桌会议 (ROUNDTABLE ON SUSTAINABLE PALM OIL ，简称“RSPO”)

身为可持续发展棕榈油圆桌会议成员之一，本集团承诺将致力符合持续发展而不破坏生态平衡的原则。为了再接再厉以取得RSPO之认证，本集团已成立可持续发展部门，并在2008年制定了各项主要倡议。

致谢

本人谨代表董事部衷心感谢股东持续给予董事部的支持与信任，以代表全体股东致力争取本集团的利益。

本人欣然宣布柯建伯先生自2008年10月8日起，从本公司非独立非执行董事调任为独立非执行董事。

谢清梅女士于2008年12月31日退休，卸下首席财务长的职务。董事部谨此感谢谢女士二十七年来的宝贵贡献与献身服务。继她退休之后，陈为国先生已从企业事务高级副总裁擢升为首席财务长。我们谨此恭贺他，并祝愿他在新岗位上胜任愉快。

董事部欢迎卢美风女士于2008年5月1日加盟本公司成为公司秘书。卢女士拥有逾十八年的秘书行政经验。

同时，本人也对董事同仁所给予的宝贵意见和精明指点致以万分谢意。

本集团年复一年的业绩成就，是亚地种植全体同仁努力的成果。本人谨代表董事部衷心感谢管理层与员工的辛勤苦干与献身的工作精神。我们也对客户、商业伙伴与相关政府当局的支持深表感激。

本人期待整个团队将继续携手向前，引领本集团迈向更高峰！

谢谢您！

TAN SRI MOHD AMIN BIN OSMAN
主席
2009年4月23日

REVIEW OF OPERATIONS

Evacuation of FFB by barge from Asiatic Jambongan Estate, Sabah

Aerial view of Asiatic Jambongan Estate

PLANTATION

Malaysia

The plantation industry experienced mixed fortunes in 2008, tugged both ways by the unpredictable ebb and flow of the palm oil market. Yet, taken as a whole, the year was still positive, if not rewarding, for the plantation sector.

The uptrend in crude palm oil ("CPO") prices that prevailed in 2007 continued to gain momentum at the start of 2008 as underlying market fundamentals remained favourable. A surge in crude oil prices to record highs, renewed interest in biofuels, robust oils and fats demand from China and India, and concerns of a shortfall in global edible oil supply due to competition for acreages were among the central themes that fueled a rally in CPO prices in early 2008, with the benchmark CPO futures contract on Bursa Malaysia Derivatives Exchange hitting an all time high at RM4,486 per metric tonne in March.

However, CPO prices struggled to sustain their highs and by the second half of the year, began falling off rapidly in tandem with the deterioration in world markets across various asset classes in the wake of the global credit crisis. Fears that the economic slowdown would sap consumer demand, a build-up in palm oil inventories, a sharp decline in crude oil prices and reports of importers defaulting on palm oil contracts all weighed on the palm oil market, dragging CPO futures down to a low of RM1,358 per metric tonne in late October.

Still, the buoyant market conditions in the first half of the year was enough to offset the weakness of the second half, resulting in an overall improvement in the performance of the Malaysian palm oil industry for the year. The country's total earnings from exports of oil palm products rose 44% to RM65 billion from RM45 billion in 2007, on the back of an increase in production and higher average CPO price for the year.

Despite having to contend with volatile market conditions, high fertiliser prices and other challenges, the Group's performance in 2008, reached new heights, breaking the previous records achieved in 2007. The Plantation Division had its best year ever, with total revenue rising 11% to reach RM936.5 million and pre-tax profit up by 6% to RM455.9 million. The Division remained the Group's leading contributor, accounting for 90% of the Group's total revenue.

The growth was bolstered by stronger achieved palm product prices and higher crop production. The Group achieved an average CPO price of RM2,822 per metric tonne in 2008, an increase over the 2007 average of RM2,500. Palm kernel ("PK") prices were also higher during the year as a result of firmer lauric prices in the world market. The Group's achieved average PK selling price rose to RM1,595 per metric tonne in 2008 from RM1,445 in the previous year.

Asiatic Indah Oil Mill, Sabah - (clockwise) overview, 15 metric tonne FFB cages, advance waste water treatment plant, staff quarters

Production of fresh fruit bunches ("FFB") rose to 1.23 million metric tonnes in 2008 from 1.21 million metric tonnes in the previous year, boosted by a strengthening of yields and an increase in harvesting area. Yield per mature hectare improved to 22.6 metric tonnes compared to 22.4 metric tonnes in 2007. Harvested area also continued to increase as more young areas in Sabah, particularly in the Asiatic Indah and Asiatic Permai estates, came into maturity.

The performance of the Group's oil mills were affected by a disruption in crop evacuation amid unfavourable weather conditions in the early months of 2008. Total FFB intake, including purchases from external sources, declined to 1.22 million metric tonnes in 2008 from 1.28 million metric tonnes in the previous year. Oil extraction rate was marginally lower at 20.63% in 2008 compared with 20.70% in the preceding year, while kernel extraction rate was at 4.92%, down from 4.98%. Consequently, CPO and PK production for the year were slightly weaker at 252,609 metric tonnes and 60,273 metric tonnes respectively, compared with 264,914 metric tonnes and 63,745 metric tonnes in 2007.

In an important step towards greater sustainability, the Group unveiled key initiatives during the year. In June, a partnership was formed with DuPont Malaysia Sdn Bhd for the recycling of used High Density Polyethylene containers, a project that involves all the Group's estates in Peninsular Malaysia. The Group has also initiated potential collaborations towards the implementation of Clean Development Mechanism projects at its mills.

As part of continuing efforts to enhance operating efficiency at the estate level, the Group further expanded the adoption of mechanisation such as the use of Huka bins, mechanically-assisted collection and mechanically-assisted sprayings.

In 2008, the Group also applied to participate in the Oil Palm Replanting Incentive Scheme initiated by the government in the wake of the decline in palm oil prices. The government has allocated RM200 million for the scheme to encourage planters to replant oil palms above 25 years of age.

Construction of Asiatic Indah Oil Mill in Tongod, Sabah, which commenced in March 2007, progressed smoothly over the course of 2008, keeping the project well on track for commissioning in April 2009. Located on the site of the Asiatic Indah Estate in Tongod, the 30-metric tonne-per-hour facility will be the Group's sixth mill in Malaysia.

Meanwhile, the Group achieved a favourable outcome in the lawsuit instituted by certain individuals claiming native customary rights over some 2,634 hectares in Asiatic Permai Estate. In June 2008, the High Court upheld the Defendants' preliminary objection with costs awarded to the Defendants. The Group's solicitors have maintained their opinion that the suit is misconceived and unsustainable.

REVIEW OF OPERATIONS

Mulia Estate, Kalimantan Barat

PLANTATION

Indonesia

To better manage the Group's increasingly sizeable presence in Indonesia, PT Asiatic Nusantara was established on 26 June 2008. Based in Jakarta, it serves as the regional office and management company to spearhead the Group's plantation expansion in Indonesia as well as to provide support services for the existing plantation operations.

2008 marked the third year of operations for PT Sepanjang Intisurya Mulia ("PT SISM"), the Group's joint venture with its Indonesian partner in Kabupaten Ketapang, Kalimantan Barat. Planting activities continued to gather pace, with total planted area reaching 6,148 hectares at the end of 2008. This represents a sharp increase over the 1,716 hectares that was planted at the end of 2007.

To cater to future planting needs, the nursery was expanded during the year to a size of 134 hectares with 1.74 million seedlings, up from 102 hectares in 2007.

Plans for the setting up of the Group's first mill in Indonesia, which will have a capacity of 60 metric tonnes per hour, are also progressing well. The site for the project has been identified and the process of applying for the required approvals has started. Barring unforeseen circumstances, the mill is targeted to be completed in 2011.

In line with an increase in the level of activity, PT SISM's workforce rose to 1,346 in 2008 from 933 in the previous year. To support the growing labour population and logistics requirement, additional 24 blocks of worker quarters, one executive mess and six units of stores were constructed during the year.

The Group has strengthened its presence in Kabupaten Ketapang further by entering into a joint venture agreement on 12 August 2008 with its Indonesian partner to develop approximately 15,800 hectares through PT Sawit Mitra Abadi. The joint venture agreement became unconditional on 6 March 2009 and *Hak Guna Usaha* ("HGU") title has been applied for an area of 8,518 hectares pursuant to a cadastral survey and measurement of the land.

With the *Izin Lokasi* ("Location Permit") and *Izin Usaha Perkebunan* ("Plantation Business Licence") for the land having been secured, a ground breaking ceremony is being planned in January 2009 and this will be followed immediately by the commencement of works for the establishment of a nursery. As the area to be developed is located within the vicinity of the Group's earlier project under PT SISM, this new joint venture will bring synergistic benefits such as logistic cost savings and improved economies of scale to the Group.

In another major expansionary move, the Group treaded new ground on 11 June 2008 by entering into a proposed joint venture to develop some 45,000 hectares for oil palm cultivation in Kabupaten Kapuas, Kalimantan Tengah. The joint venture was completed and became unconditional in October, paving the way for development works to start in earnest. The area to be developed is provisional under *Izin Lokasi* and is subject to the completion of a cadastral survey and issuance of HGU title.

Even as the expansion programme in Indonesia moves forward, the Group is committed, at the same time, to fulfilling its responsibilities to the local communities. In 2008, the Group commenced work on the Plasma scheme, a government programme requiring oil palm companies to assist local smallholders develop new plantations. This included taking initial steps to identify the suitable location for the scheme and carrying out preliminary socialisation activities jointly with local authorities. To ensure the success of the scheme, a steering committee has been formed to coordinate all relevant matters.

Double-storey shop offices, Asiatic Indahpura

Lakeview Residency, Type B - Asiatic Indahpura

Lakeview Residency, Type C - Asiatic Indahpura

Commercial and residential properties

Single-storey semi-detached houses - Asiatic Pura Kencana

PROPERTY

The deteriorating global economic landscape meant that 2008 was another trying period for the property sector as consumer confidence waned. In general, the sale of properties across all three major sub-sectors of the market, namely residential, commercial and industrial, were adversely affected. Steep and often volatile increases in the prices of building materials further exacerbated the already tough operating conditions confronting property developers.

Still, despite difficult circumstances, the Group's Property Division surmounted the challenges to register positive growth in 2008. Revenue increased by 64% from the preceding year to reach RM99.5 million while pre-tax profit was 68% higher at RM12.4 million.

Asiatic Pura Kencana in Sri Gading, Batu Pahat, Johor, the Group's fourth property project, was the leading revenue contributor, achieving total sales of RM47.3 million for the year. About 63% of the total sales value was derived from new launchings of single- and double-storey terrace and semi-detached houses. The rest came from the sale of double-storey shop offices which were launched in the previous year.

Asiatic Indahpura in Kulai, Johor came in a close second in terms of revenue contribution. The project achieved total sales value of RM44.5 million, of which more than 50% was from the sale of single and double-storey terrace houses.

The Group's maiden project – Asiatic Cheng Perdana in Melaka, which has reached the tail-end of its development, generated RM2.8 million in sales.

For Asiatic Permaipura in Kedah, the focus remained on the clearing of inventories as market conditions were still not conducive to new launches. The Permaipura Golf and Country Club, meanwhile, maintained a reasonable level of performance during the year considering the stiff competition from other clubs. Various marketing activities were organised to boost visits by golfers, both local and foreign, to the club.

During the year, the government acquired a total of 79 acres of the Group's estate land to undertake various public and infrastructure projects.

Lakeview Residency, Type A - Asiatic Indahpura

REVIEW OF OPERATIONS

Signing of MOU with MPOB

Jatropha curcas

ACGT Jatropha Experimental Station, Sepang

BIOTECHNOLOGY

Asiatic Centre for Genome Technology ("ACGT") aims to develop and commercialise genomics-based solutions that can enhance crop productivity and value. Having set its sights firmly on the improvement of the oil palm and jatropha, ACGT is currently focused on research and development ("R&D") in genome sequencing, biomarker discovery and metagenomics.

In 2008, ACGT achieved a major milestone, one that would potentially have a far reaching impact on the future of the palm oil industry. On 21 May 2008, at the World Congress of Information Technology 2008 held in Kuala Lumpur, ACGT, along with its partner and collaborator Synthetic Genomics, Inc., announced the completion of the first draft assembly of the oil palm genome. This breakthrough is testament to the speedy progress ACGT is making in its effort towards developing higher yielding oil palms that will be invaluable to the industry in light of the increasing scarcity of arable land.

During the year, ACGT also made headway in researching the jatropha genome. In January 2008, it commenced its jatropha whole genome sequencing project and completed the setting up of ACGT Jatropha Experimental Station ("AJES") in Sepang. AJES is established to explore commercial applications of jatropha as an economic plantation crop, complementing the genomics R&D being carried out. The briefing centre hosted many distinguished visitors during the year, including the then Minister of Plantation Industries and Commodities, YB Datuk Peter Chin Fah Kui.

ACGT recognises that scientific collaborations are important in enabling results to be achieved in a shorter time thus reducing the cost of R&D. As such, it has been in strategic partnership with Synthetic Genomics, Inc. since 2007 and has also established a technical partnership with the J. Craig Venter Institute ("JCVI"), through which its scientists receive training and technical assistance. In a move that will further strengthen Malaysia's position as a world leader in oil palm research, ACGT signed a Memorandum of Understanding with the Malaysian Palm Oil Board on 24 July 2008 to collaborate on oil palm genomics research.

In 2008, ACGT participated in two major exhibitions. It was the pinnacle partner sponsor of the World Congress on Information Technology 2008 held in May. Its exhibition booth, which featured a suspended oil palm, drew many illustrious visitors including Yang di-Pertuan Agong Tuanku Mizan Zainal Abidin, the then Prime Minister YAB Dato' Seri Abdullah Ahmad Badawi and Minister of Science, Technology and Innovation YB Datuk Dr Maximus Ongkili. ACGT's efforts to educate the public on oil palm through its innovative exhibits and creative booth design

Announcing the completion of the first draft assembly of oil palm genome

Participation at WCIT 2008 (above) and at BioMalaysia 2008 (bottom, right)

were recognised when it won the "Most Outstanding Booth Award" at the event.

ACGT also participated in BioMalaysia 2008 held in October, where it also received an award for its booth design. The event, organised by Malaysian Biotechnology Corporation Sdn Bhd is touted as Malaysia's premier and largest biotechnology conference and exhibition. ACGT's Chief Scientific Officer, Dr Cheah Suan Choo, was invited to speak at the conference on the topic "Creating New Crops for Food & Fuel".

The year saw ACGT's R&D team expanding to 31 scientific managers and executives, and also three consultants. Three scientists received training in DNA sequencing and bioinformatics at JCVI in Rockville, Maryland, USA this year. ACGT's laboratory is also undergoing an expansion to include a High Performance Computing Cluster (HPCC) while a new DNA resequencing laboratory will be established with the assistance of JCVI.

CORPORATE SOCIAL RESPONSIBILITY

For Asiatic, corporate social responsibility ("CSR") is more than just a buzz word. CSR is fundamental to how we conduct business and make decisions.

We seek to operate in a way that is beneficial for all stakeholders while minimising any potential negative effects. This commitment to CSR is underpinned by the belief that sustainability and business success are not mutually exclusive, but positively complementary. By making ethical, accountable and responsible corporate behaviour a primary guiding principle for our business, the Group stands to gain a competitive advantage and attain sustainable long-term growth.

While we have always strived to uphold the highest standards of conduct, we are now taking a more strategic and systematic approach to CSR to ensure all initiatives are carried out more effectively for the maximum benefit of all stakeholders.

In 2008, a Corporate Social Responsibility Committee comprising the senior management was set up to spearhead and drive forward the Group's CSR agenda.

Following on from that, the Group has adopted a Corporate Social Responsibility Statement which underlines the Group's core values and its four areas of focus – environment, community, workplace and marketplace.

Our CSR vision is to achieve a balanced integration of ethical, social, environmental and economic considerations in the way we do business to create sustainable long-term value for all stakeholders.


1

ROUNDTABLE ON SUSTAINABLE PALM OIL ("RSPO")

The Group fully supports the RSPO's objective of promoting the growth and use of sustainable palm oil through co-operation within the supply chain and open dialogue between its stakeholders. The Group's commitment to this initiative is demonstrated by its participation in the RSPO as one of its earliest members since 2004.


2


3

The Group has stepped up efforts towards obtaining RSPO certification for the sustainable production of palm oil by establishing a Sustainability Department in October 2008. The department is spearheaded by a team of highly-experienced staff, including a former director of research and development and RSPO at the Malaysian Palm Oil Association who is an active alternate member on the Executive Board of RSPO and who played a leading role in the coordination of the Malaysia National Interpretation of the RSPO Principles and Criteria.

4

Various plans are being put in place to meet the challenges of complying with the rigorous standards of the RSPO Principles and Criteria. These include the setting up of the RSPO management framework at headquarters and operating units and the adoption of group policies on sustainability-related issues, together with action plans. It is anticipated that a time frame of up to 5 years will be required for the entire Asiatic Group, including the Indonesian operations, to achieve RSPO certification.

Recycling of by-products from oil mill
1. Effluent as organic fertiliser
2-3. Empty fruit bunches for mulching in fields
4. Palm fibre and shells as feedstock for power generation

Environment

As our business activities are closely associated with natural resources, we recognise the importance of practising responsible stewardship of the environment and strive to adhere to the principles of sustainable development for the benefit of current and future generations.

The Group seeks to ensure its activities do not result in any adverse long-term impact on the environment by observing good agricultural practices, including maintaining a strict zero-burning policy in land clearing.

For new plantation projects, the Group avoids development in high conservation value forest areas, preferring to utilise previously cleared or degraded land.

Organic soil improvement methods are practised as these can help reduce the use of chemical products and minimise the risk of soil erosion. Leguminuous cover crops are planted as means of weed control and soil enhancement, while waste material like empty fruit bunches and palm oil mill effluents are recycled and used as organic fertiliser. The big hole planting method, which has proven to be effective in conserving soil moisture besides reducing topsoil erosion, is also being widely adopted.

Integrated pest management techniques are also practised, such as the use of barn owl as a biological rat control agent and the use of pheromone traps to control the rhinoceros beetle population.

To further enhance its waste management, the Group entered into a collaboration with DuPont Malaysia Sdn Bhd in June 2008 for the recycling of used High Density Polyethylene ("HDPE") containers. The project provides the Group's estates with an environment-friendly and systematic method of disposing empty, used HDPE containers as the containers would be collected by DuPont to be recycled into end-products such as nursery planting trays and baskets for loose fruit collection that will be of practical use to the plantation industry. All the Group's estates in West Malaysia are participating in the project, which would involve the recycling of close to 25,000 containers a year.

Leveraging on its experience and expertise in plantation development, the Group has sought to raise public awareness about forest management. In 2008, a forest fire-prevention and control programme was jointly conducted with local authorities in Indonesia to educate the communities in areas where it operates.

1. ***Signing of MOU with DuPont Malaysia Sdn Bhd for HDPE Containers Recycling Project***

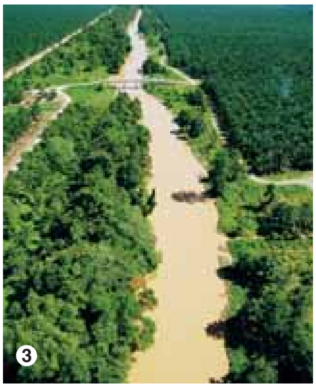
Good agricultural practices to reduce soil erosion

2. ***Planting of trees along buffer zones***
3. ***Planting of cover crops***
4. ***Terracing at slopes***

CORPORATE SOCIAL RESPONSIBILITY

The Group's commitment to improving its environmental performance and fostering responsible environment management goes beyond the estate-level and extends to the palm oil mills. Palm oil wastes are used as biomass to generate power for the mills and surrounding amenities, thus, contributing to improved energy efficiency. In the construction of new mills, comprehensive environmental and socio-economic impact assessments are completed prior to project commencement, followed by regular environmental monitoring and compliance audits throughout the various stages of development.

The Group intends to participate in global carbon emission reduction efforts via collaborations in Clean Development Mechanism projects to mitigate the emission of methane gas from the mill's anaerobic lagoons.



We value the preservation of biodiversity and believe that long-term needs should not be neglected for the sake of short-term gains. The Group continually strives to achieve a sustainable balance between development and conservation.

The Group was notably the first plantation company to participate in the World Wide Fund for Nature (WWF) Malaysia's "Partners for Wetlands" programme in 1999 and continues to be actively involved till this day. The project is aimed at protecting the lower basin of Sabah's Kinabatangan River, one of the largest remaining forest-covered floodplains in Malaysia and home to one of the richest ecosystems on the planet. The Group has dedicated an

area of 86.5 hectares of riparian reserves along the Tenegang Besar River, one of the Kinabatangan's main tributaries, for rehabilitation and reforestation. As at the end of 2008, some 11,300 trees have been planted, covering an area of 22 hectares. We will continue with our efforts to support the restoration of the region's rainforests, which are an important habitat for indigenous animal species including the orang utan, proboscis monkey and hornbill.

Conservation efforts at Lower Kinabatangan, Sabah
1-3. " Partners for Wetlands" programme with WWF
4-6. Various indigenous wildlife

In the Tenegang Group of Estates in Sabah, the Group has also taken the initiative to contribute to the conservation of biodiversity by setting aside a total area of 175 hectares, which has been preserved in their natural state as wildlife sanctuaries, named the Baha and Bahagia sanctuaries.

The Group has also taken a keen interest in the rehabilitation of the Malayan Sun Bear, the world's smallest bear, which is under increasing threat of habitat loss. In 2008, the Group contributed through a donation to the setting up of the Bornean Sun Bear Conservation Centre in Sepilok, Sabah.

In the development of properties, the Group adheres to the guidelines of the Draft Stormwater Management Manual (MASMA), utilising the control-at-source approach, which covers detention/retention, infiltration and purification processes, to enable the quality and quantity of stormwater runoff to be maintained at pre-development conditions. Through this method, environment-friendly drainage infrastructures such as detention ponds can be aesthetically integrated into the broader landscape, enhancing the value of surrounding properties.

Community

We seek to build mutually beneficial relationships with the communities where we operate and with society at large through active engagement.

The wellbeing of the local communities is of utmost importance to the Group. We see the creation of job opportunities as an effective way of uplifting the socio-economic standards of the local communities. Towards this end, the Group adheres to a policy of filling its manpower requirements by hiring, where possible, from within the vicinity of its operations.

To promote greater interaction and rapport with the locals, the Group frequently organises social activities such as festival celebrations and sporting events. Besides free medical services, infrastructure such as roads and bridges as well as ferry and speedboat services are also provided at no charge to the residents of villages surrounding the Group's estates. Places of worship in estate areas also receive support in cash and kind from the Group.

At the Property Division level, the Group also seeks to encourage healthy, balanced living among the residents of its townships by organising sports tournaments as well as sponsoring sporting and cultural events held by various government and semi-government bodies.

CORPORATE SOCIAL RESPONSIBILITY

As an ardent advocate of innovation and progress, the Group places strong emphasis on education, an area that is central to the country's development and the fulfillment of the nation's aspirations. Through our CSR initiatives, we have been consistently supporting the advancement of education in Malaysia at all levels.

The Group has been regularly rendering its assistance to the setting-up and maintenance of national and vernacular national-type schools in its estate areas, including making donations in cash and kind and supplying various amenities. In Peninsular Malaysia, we have contributed estate land as sites for the building of 5 schools. Schools located in the Group's township developments, such as Asiatic Indahpura in Kulai, Johor, have also received donations in the form of cash and land.

In Sabah, the Group is supporting the advancement of underprivileged children through a partnership with the Borneo Child Aid Society ("Humana"), a not-for-profit organisation that provides primary education to poor children in remote areas who would otherwise have no access to basic education. So far, the Group has set up and is funding eight Humana learning centres in its estates.

In memory of the Group's late founder, we established the Tan Sri (Dr.) Lim Goh Tong Endowment Fund in 2008, contributing a sum of RM1.0 million to support Universiti Putra Malaysia ("UPM"). The Fund, jointly managed and administered by the Group and UPM, will be used specifically for the granting of scholarships to deserving UPM students, the funding of research programmes and the funding of other educational activities.

The Group is equally committed to community development in Indonesia. We have been actively contributing towards the improvement of the well-being of the local communities by providing infrastructure such as roads and bridges and basic medical care. In our continual support for education, we regularly render assistance to local schools and students through various means, including carrying out repair works, sponsoring sporting activities and providing scholarships.

1-4. Community and staff interaction activities

Philanthropy has an important role to play as part of our broader CSR framework. The Group continues to invest in Community by supporting various charitable causes, both through direct contributions as well as through participation in corporate fund raising events such as the annual The Edge-Bursa Malaysia Kuala Lumpur Rat Race.

Asiatic's team for Kuala Lumpur Rat Race 2008

Workplace

Our people are our most important asset.

We value diversity in our workforce and promote ethical behavior through our code of conduct while striving to provide a working environment that is safe, healthy and conducive to continuous employee development.

We strive to create a workplace that is free of any form of discrimination and harassment where all employees have equal opportunity to realise their full potential. We advocate an inclusive work environment that encourages open communication and the exchange of ideas.

As at 31 December 2008, the Group had a total workforce of 9,328, covering both its Malaysian and Indonesian operations.

As our people are essential to the success of the Group, we aim to attract and retain the best talents by providing compelling career opportunities. The Group works with local institutions of higher learning through career fairs and recruitment drives to recruit suitable candidates to participate in its Structured Training Programmes and for permanent employment. We are committed to helping our people chart successful career progression paths by aligning their skills and goals with the objectives of the Group.

The development of a competent and knowledgeable workforce prepared to face future challenges is a priority. Training and capacity building programmes, including courses on leadership, team building and problem solving, are routinely held as part of our employee development programme. At the operating units, the Group provides regular field training to upgrade the skills of workers.

In July 2008, the Group held its 28th Management Conference in Bangkok, Thailand. Themed "Sustainability: The Way Forward", the Conference served as a useful platform for in-depth discussion on the key issues relating to sustainable palm oil production. This was followed by a conference for Assistant Managers held in Penang in October that sought to examine ways to enhance the Group's operational efficiencies to achieve greater productivity.

To promote a healthy work-life balance and better camaraderie among employees, the Group organised a trip to Awana Porto Malai, Langkawi in December 2008.

During the year, a total of 28 employees received Long Service Awards in recognition of their loyalty, dedication and invaluable service to the Group.

The Group cares about the welfare of its workers and their families and seeks to provide them with a comfortable environment to work and live in. Various facilities and

Participants at the 28th Management Conference

CORPORATE SOCIAL RESPONSIBILITY

amenities, including workers quarters, clinics, places of worship, sports facilities, crèche, electricity and treated water, are provided and maintained by the Group at the operating units.

We believe that workplace safety and health standards must never be compromised. The Group has put in place a comprehensive occupational health and safety policy, which it will continue to strictly implement. In 2008, the Group became one of the first plantation companies to complete a generic Chemical Hazard Risk Assessment ("CHRA"), an exercise which covered all estates in Peninsular Malaysia. The CHRA serves as a basis for the evaluation of the degree of exposure of workers to chemicals that may be hazardous to health as well as for the continuous monitoring of the adequacy of appropriate control measures.

Marketplace

Our business conduct shall be guided by honesty, integrity and a commitment to excellence. We are committed to fostering responsible conduct among our business partners, caring for the well-being of our customers and upholding good corporate governance to meet the expectations of our investors.

In the governing, managing and administering of the Group, we strive to adhere to the highest standards of corporate governance by operating with integrity, transparency and accountability.

We abide by the principles of honesty and professionalism in all our business dealings. The Group's oil mills, for example, practise fairness in the grading and pricing of fruits received from smallholders, strictly adhering to the Malaysian Palm Oil Board's guidelines.

To support the advancement of the industries in which it is involved, the Group works in close cooperation with its peers and actively participates in related trade associations' activities.

Through continual engagement, open communication, and timely and accurate disclosure of information, we seek to safeguard the best interests of all stakeholders -- be they investors, shareholders, the media, policy makers, business associates or the general public.

Various training courses were held during the year, among them were
1-2. Forest fire-fighting drill
3-4. First Aid training

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, five meetings of the Board were held and all Directors have complied with the requirement in respect of board meeting attendance as provided in the Listing Requirements of Bursa Malaysia Securities Berhad.

The details of Directors' attendances are set out below:

Name of Directors	Number of Meetings Attended
Tan Sri Mohd Amin bin Osman	5 out of 5
Tan Sri Lim Kok Thay	5 out of 5
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	5 out of 5
Encik Mohd Din Jusoh	5 out of 5
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	5 out of 5
Mr Quah Chek Tin	5 out of 5
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	5 out of 5

(ii) Board Balance

The Board has seven members, comprising one executive Director and six non-executive Directors. Five of the six non-executive Directors are independent non-executive Directors. The Directors have wide ranging experience and all have occupied or are currently occupying 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 five 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 5 and 6 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.

The Nomination Committee has reviewed the membership of the Board, the professional qualifications and experience of the Directors and was satisfied that the Board composition in terms of size, the balance between executive, non-executive and independent Directors and mix of skills is adequate.

The process of assessing the Directors is an on-going responsibility of the entire Board.

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.

CORPORATE GOVERNANCE (CONT'D)

A. DIRECTORS (Cont'd)

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

The following are the courses and training programmes attended by the Directors in 2008:

COURSES	NAMES OF DIRECTORS	Tan Sri Mohd Amin bin Osman	Tan Sri Lim Kok Thay	Lt. Gen. (B) Dato' Hj Abdul Jamil bin Hj 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
Governance and Board Effectiveness by Malaysian Institute of Corporate Governance						•		
Prevention of Fraud, Anti Money Laundering and Board Effectiveness by KPMG								•
Board Remuneration on the Upswing - A foreseeable trend? by Dato' Johan Raslan				•		•		
World Congress on Information Technology - Genomics From Human Health to the Environment by Dr. J. Craig Venter		•	•	•	•	•	•	
G2E Asia 2008 - Successful Strategies in Partnering with Government - Integrated Resorts Driving Tourism and Growth			•					
Islam and The Future on Inter-Ethnic Relations in Malaysia by Dr. Chandra Muzaffar		•						
28th Management Conference (Plantation Division) Sustainability - The Way Forward		•		•	•	•	•	•
- General Outlook on "Soft" Commodities and the Distortion of Funds on the Fundamentals of Supply and Demand by Anil Shamdasani - Importance of IT Security by David Rajoo - Latest Development on Tax Audits and Tax Investigations by SM Thanneermalai and Christopher Low		•						
The 2009 Budget by Deloitte KassimChan Tax Services Sdn Bhd				•	•	•		•
The Essentials of Upstream Oil and Gas - Delivering Commercial Insight to the Global Energy Industry by Wood Mackenzie		•	•				•	
Strategy Execution & Leadership in Today's Uncertain Times by Prof. Paul Tiffany							•	

(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.

The Remuneration Committee met once during the financial year.

Details of the Directors' remuneration are set out on pages 69 and 70 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 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 Malaysian Accounting Standards Board Approved Accounting Standards for Entities other than Private Entities in Malaysia 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 ended on that date.

A statement by the Board of its responsibilities for preparing the financial statements is set out on page 99 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 41 to the financial statements under "Significant Related Party Disclosures" on pages 94 and 95 of this Annual Report.

This Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors.

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

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2008

The Committee held a total of seven (7) 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	7 out of 7
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	7 out of 7
Encik Mohd Din Jusoh	7 out of 7
Mr Quah Chek Tin	7 out of 7
Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	7 out of 7

* The total number of meetings is inclusive of the special meetings 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 2008

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 of 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 2007; and

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

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.

During the financial year ended 31 December 2008, the Internal Audit Department carried out its duties covering operation audit, information system audit and compliance audit.

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

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 Committee is governed by the following terms of reference:

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 Malaysia Securities Berhad ("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.

AUDIT COMMITTEE REPORT (CONT'D)

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.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors.

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 Executive Committee is presented on a quarterly basis with 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 and Internal Audit 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.

STATEMENT ON INTERNAL CONTROL (CONT'D)

THE INTERNAL CONTROL PROCESSES (Cont'd)

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. Internal Audit functions independently of the activities audited.

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.

This Statement on Internal Control is made in accordance with the resolution of the Board of Directors.

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 2008.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. During the financial year, the Company also became involved in plantation activities with the acquisition of plantation assets from its subsidiary as part of the Group's rationalisation exercise.

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 42 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	482,886	461,839
Taxation	(105,659)	(16,345)
Profit for the financial year	377,227	445,494

DIVIDENDS

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

(i) a special dividend of 6 sen less 26% tax per ordinary share of 50 sen each amounting to RM33,573,015 in respect of the financial year ended 31 December 2007 and was paid on 27 March 2008;

(ii) a final dividend of 4.75 sen less 26% tax per ordinary share of 50 sen each amounting to RM26,583,413 in respect of the financial year ended 31 December 2007 and was paid on 15 July 2008; and

(iii) an interim dividend of 5 sen less 26% tax per ordinary share of 50 sen each amounting to RM27,996,605 in respect of the financial year ended 31 December 2008 and was paid on 16 October 2008.

The Directors recommend payment of a final dividend of 5 sen less 25% tax per ordinary share of 50 sen each in respect of the financial year ended 31 December 2008 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 RM28,382,550.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS

During the financial year, the Company issued a total of 1,617,000 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 ("the Scheme") to take up unissued shares of the Company:

Price per Share (sen)	No. of Ordinary Shares
92	5,000
145	69,000
165	1,167,000
183	376,000
	1,617,000

All the abovementioned new ordinary shares rank pari passu with the then existing issued ordinary shares of the Company. These options were granted prior to the current financial year.

There were no issue of debentures during the financial year.

The following Options to take up unissued ordinary shares in the Company, which have been granted to executive employees of the Group as specified in the Scheme, were outstanding as at 31 December 2008:

Option Number	Option Expiry Date	Subscription Price per Share (sen)	No. of Unissued Shares
1/2000	31 August 2010	92	2,000
2/2002	31 August 2010	145	148,000
3/2003	31 August 2010	165	609,000
4/2005	31 August 2010	183	1,385,000
			2,144,000

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

ISSUE OF SHARES, DEBENTURES AND SHARE OPTIONS (Cont'd)

(a) The expiry date of the Options on 31 August 2010 shall apply unless the Options have ceased by reason of non compliance by the Grantee with the terms and conditions under which the Options were granted pursuant to the Scheme.

(b) (i) The Options granted can only be exercised by the Grantee in the fourth year from the Date of Offer and the number of new Shares comprised in the Options which a Grantee can subscribe for from the fourth year onwards shall at all times be subject to the following maximum:

Number of new Shares comprised in the Options granted	Percentage of new Shares comprised in the Options 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.*

(ii) Any new Shares comprised in an Option which is exercisable in a particular year but has not been exercised in that year, can be exercised in subsequent years within the Option Period, subject to the Scheme remaining in force.

(iii) In the event that an Eligible Executive becomes a Grantee after the first year of the Scheme, the Grantee shall always observe the three-year incubation period and the Options granted can only be exercised in the fourth year from the Date of Offer subject to the maximum percentage of new Shares comprised in the Options exercisable as stipulated above.

(c) 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.

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 *

* *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 54.73% equity interest in the Company as at 31 December 2008; Resorts World Bhd, a company which is 48.43% 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 which the Directors have direct interests

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	865,000	124,000	989,000
Tan Sri Lim Kok Thay	369,000	-	369,000
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	10,000	-	10,000
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	-	20,000	20,000

Interest of spouse/child of a Director*

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	80,000	-	80,000

Share Option in the name of a Director

	1.1.2008	Offered/(Exercised)	31.12.2008
		(Number of unissued ordinary shares of 50 sen each)	
Tan Sri Mohd Amin bin Osman	124,000	(124,000)	-

INTEREST IN GENTING BERHAD

Shareholdings in which the Directors have direct interests

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of 10 sen each)	
Tan Sri Mohd Amin bin Osman	1,204,600	-	1,204,600
Tan Sri Lim Kok Thay	10,369,000	-	10,369,000
Mr Quah Chek Tin	5,000	-	5,000

Interest of spouse/child of Directors*

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of 10 sen each)	
Tan Sri Mohd Amin bin Osman	60,000	-	60,000
Mr Quah Chek Tin	630,000	-	630,000

Share Option in the names of Directors

	1.1.2008	Offered/(Exercised)	31.12.2008
		(Number of unissued ordinary shares of 10 sen each)	
Tan Sri Mohd Amin bin Osman	1,240,000	-	1,240,000
Tan Sri Lim Kok Thay	2,500,000	-	2,500,000
Mr Quah Chek Tin	1,240,000	-	1,240,000

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

INTEREST IN RESORTS WORLD BHD

Shareholdings in which the Directors have direct interests

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of 10 sen each)	
Tan Sri Mohd Amin bin Osman	540,000	-	540,000
Tan Sri Lim Kok Thay	1,660,000	-	1,660,000
Mr Quah Chek Tin	5,000	-	5,000

Interest of spouse/child of a Director*

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of 10 sen each)	
Tan Sri Mohd Amin bin Osman	180,000	-	180,000

Share Option in the name of a Director

	1.1.2008	Offered/(Exercised)	31.12.2008
		(Number of unissued ordinary shares of 10 sen each)	
Tan Sri Lim Kok Thay	2,340,000	-	2,340,000

INTEREST IN GENTING INTERNATIONAL P.L.C. ("GIPLC")

Shareholdings in which the Directors have direct interests

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of US$0.10 each)	
Tan Sri Mohd Amin bin Osman	-	196,000	196,000
Tan Sri Lim Kok Thay	32,000	166,000	198,000

Interest of spouse/child of a Director*

	1.1.2008	Acquired/(Disposed)	31.12.2008
		(Number of ordinary shares of US$0.10 each)	
Tan Sri Mohd Amin bin Osman	400	8,000	8,400

Share Option in the names of Directors

	1.1.2008	Offered/(Exercised)	31.12.2008
		(Number of unissued ordinary shares of US$0.10 each)	
Tan Sri Mohd Amin bin Osman	1,131,707	(142,000)	989,707
Tan Sri Lim Kok Thay	5,658,536	-	5,658,536
Mr Quah Chek Tin	1,697,560	-	1,697,560
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	1,131,707	-	1,131,707

Performance Shares in the name of a Director

	Awarded on 15.9.2008	Vested/(Cancelled)	31.12.2008
		(Number of unissued ordinary shares of US$0.10 each)	
Tan Sri Lim Kok Thay	750,000#	-	750,000

Legend:

* *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.*

\# *Represents the right of the participant to receive ordinary shares at par value of US$0.10 per share, upon the participant satisfying the criteria set out in the Performance Share Scheme of GIPLC and upon satisfying such conditions as may be imposed.*

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 48.43% owned by Genting Berhad ("GB"), to provide advisory services.

(ii) A company in which Tan Sri Lim Kok Thay is a director and a substantial shareholder has appointed Asiatic Plantations (WM) Sdn Bhd, a wholly-owned subsidiary of the Company, to provide plantation advisory services.

(iii) 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.

(iv) 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.

(v) Transactions made by the Company or its related corporations with certain corporations referred to in Note 41 in which the nature of relationships of Tan Sri Lim Kok Thay are disclosed therein.

Encik Mohd Din Jusoh and Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah 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 45 to 98, 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 2008 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 Malaysian Accounting Standards Board 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
24 February 2009

Financial Statements

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2008	2007	**2008**	2007
Revenue	5&6	**1,036,003**	906,415	**506,853**	494,516
Cost of sales	7	**(473,587)**	(395,686)	**(31,920)**	-
Gross profit		**562,416**	510,729	**474,933**	494,516
Other income		**28,122**	18,743	**19,134**	11,823
Selling and distribution costs		**(43,681)**	(37,770)	**(5,761)**	-
Administration expenses		**(43,310)**	(29,063)	**(24,168)**	(18,737)
Other expenses		**(23,440)**	(15,133)	**(2,299)**	(511)
		480,107	447,506	**461,839**	487,091
Share of results in a jointly controlled entity		**(36)**	-	**-**	-
Share of results in associates		**2,815**	3,652	**-**	-
Profit before taxation	5&8	**482,886**	451,158	**461,839**	487,091
Taxation	12	**(105,659)**	(103,102)	**(16,345)**	(118,490)
Profit for the financial year		**377,227**	348,056	**445,494**	368,601
Attributable to:					
Equity holders of the Company		**373,252**	344,064	**445,494**	368,601
Minority interests		**3,975**	3,992	**-**	-
		377,227	348,056	**445,494**	368,601
Earnings per share for profit attributable to the equity holders of the Company:					
- basic (sen)	13	**49.35**	45.72		
- diluted (sen)	13	**49.24**	45.47		
Gross dividends per share (sen)	14	**10.00**	14.00		

The notes set out on pages 54 to 98 form part of these financial statements.

BALANCE SHEETS
AS AT 31 DECEMBER 2008

Amounts in RM'OOO unless otherwise stated

	Note	Group		Company	
		2008	2007	**2008**	2007
ASSETS					
Non-current assets					
Property, plant and equipment	15	**437,031**	384,239	**34,993**	8,551
Land held for property development	16	**317,334**	232,765	**-**	-
Investment properties	17	**11,807**	10,594	**-**	-
Plantation development	18	**518,312**	469,510	**284,237**	-
Leasehold land use rights	19	**270,624**	249,180	**162,376**	-
Intangible asset	20	**81,118**	16,955	**-**	-
Subsidiaries	21	**-**	-	**306,187**	242,187
Jointly controlled entity	22	**1,940**	1,901	**-**	-
Associates	23	**12,547**	11,291	**2,123**	2,123
Long term investments	24	**32,118**	32,718	**-**	-
Amounts due from subsidiaries	21	**-**	-	**1,556,038**	1,539,377
Deferred tax assets	25	**7,856**	6,871	**-**	167
Current assets					
Property development costs	16	**53,986**	111,150	**-**	-
Land held for sale	26	**-**	-	**-**	1,290
Inventories	27	**139,927**	119,500	**7,044**	13
Tax recoverable		**45,257**	23,645	**33,494**	23,428
Trade and other receivables	28	**99,719**	114,700	**7,231**	7,213
Amounts due from subsidiaries	21	**-**	-	**118,311**	394,352
Amounts due from other related companies	29	**43**	4	**-**	-
Amount due from a jointly controlled entity	22	**83**	-	**-**	-
Amounts due from associates	23	**632**	803	**632**	656
Short term investments	30	**303,959**	204,234	**283,472**	187,163
Bank balances and deposits	31	**228,534**	290,860	**195,061**	248,901
		872,140	864,896	**645,245**	863,016
Total assets		**2,562,827**	2,280,920	**2,991,199**	2,655,421
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	32	**378,377**	377,569	**378,377**	377,569
Reserves	33	**1,968,205**	1,686,740	**2,521,249**	2,161,793
		2,346,582	2,064,309	**2,899,626**	2,539,362
Minority interests		**32,551**	11,549	**-**	-
Total equity		**2,379,133**	2,075,858	**2,899,626**	2,539,362
Non-current liabilities					
Long term borrowings	36	**1,225**	-	**-**	-
Other payables	34	**15,592**	15,592	**-**	-
Provision for directors' retirement gratuities	35	**2,643**	2,331	**1,129**	928
Deferred tax liabilities	25	**36,972**	40,613	**4,540**	-
		56,432	58,536	**5,669**	928
Current liabilities					
Trade and other payables	34	**103,942**	119,220	**9,030**	8,377
Amounts due to ultimate holding company	29	**2,924**	876	**2,924**	876
Amounts due to subsidiaries	21	**-**	-	**73,299**	105,390
Amounts due to other related companies	29	**651**	488	**651**	488
Short term borrowings	36	**19,017**	-	**-**	-
Taxation		**728**	25,942	**-**	-
		127,262	146,526	**85,904**	115,131
Total liabilities		**183,694**	205,062	**91,573**	116,059
Total equity and liabilities		**2,562,827**	2,280,920	**2,991,199**	2,655,421
NET ASSETS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (RM)		**3.10**	2.73		

The notes set out on pages 54 to 98 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

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 2008	**377,569**	**37,933**	**18,063**	**(3,868)**	**653**	**1,633,959**	**2,064,309**	**11,549**	**2,075,858**
Net loss not recognised in income statement - exchange differences	-	-	-	(5,749)	-	-	(5,749)	-	(5,749)
Net expense recognised directly in equity	-	-	-	(5,749)	-	-	(5,749)	-	(5,749)
Profit for the financial year	-	-	-	-	-	373,252	373,252	3,975	377,227
Total recognised income and expense for the financial year	-	-	-	(5,749)	-	373,252	367,503	3,975	371,478
Asiatic Executive Share Option Scheme									
- Shares issued (see Note 32)	808	1,910	-	-	-	-	2,718	-	2,718
- Fair value of employees' services (see Note 9)	-	184	-	-	21	-	205	-	205
Dividends paid to minority shareholders	-	-	-	-	-	-	-	(4,963)	(4,963)
Minority interests arising on business combination	-	-	-	-	-	-	-	21,990	21,990
Appropriation:									
- Special dividend paid for the financial year ended 31 December 2007 *(6 sen less 26% tax) (See Note 14)*	-	-	-	-	-	(33,573)	(33,573)	-	(33,573)
- Final dividend paid for financial year ended 31 December 2007 *(4.75 sen less 26% tax) (See Note 14)*	-	-	-	-	-	(26,583)	(26,583)	-	(26,583)
- Interim dividend paid for financial year ended 31 December 2008 *(5 sen less 26% tax) (See Note 14)*	-	-	-	-	-	(27,997)	(27,997)	-	(27,997)
	-	-	-	-	-	(88,153)	(88,153)	-	(88,153)
Balance at 31 December 2008	**378,377**	**40,027**	**18,063**	**(9,617)**	**674**	**1,919,058**	**2,346,582**	**32,551**	**2,379,133**

The notes set out on pages 54 to 98 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONT'D)

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 financial year	-	-	(12)	(3,513)	-	344,076	340,551	3,992	344,543
Asiatic Executive Share Option Scheme									
- *Shares issued (see Note 32)*	2,358	4,985	-	-	-	-	7,343	-	7,343
- *Fair value of employees' services (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)*	-	-	-	-	-	(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 54 to 98 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (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 2008	**377,569**	**37,933**	**104**	**653**	**2,123,103**	**2,539,362**
Profit for the financial year	-	-	-	-	445,494	445,494
Total recognised income for the financial year	-	-	-	-	445,494	445,494
Asiatic Executive Share Option Scheme						
- Shares issued (see Note 32)	808	1,910	-	-	-	2,718
- Fair value of employees' services	-	184	-	21	-	205
Appropriation:						
- Special dividend paid for the financial year ended 31 December 2007 *(6 sen less 26% tax)* *(See Note 14)*	-	-	-	-	(33,573)	(33,573)
- Final dividend paid for financial year ended 31 December 2007 *(4.75 sen less 26% tax)* *(See Note 14)*	-	-	-	-	(26,583)	(26,583)
- Interim dividend paid for financial year ended 31 December 2008 *(5 sen less 26% tax)* *(See Note 14)*	-	-	-	-	(27,997)	(27,997)
	-	-	-	-	(88,153)	(88,153)
Balance at 31 December 2008	**378,377**	**40,027**	**104**	**674**	**2,480,444**	**2,899,626**

The notes set out on pages 54 to 98 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (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 for the financial year	-	-	-	-	368,601	368,601
Asiatic Executive Share Option Scheme						
- Shares issued (see Note 32)	2,358	4,985	-	-	-	7,343
- Fair value of employees' services	-	-	-	274	-	274
Appropriation:						
- Final dividend paid for financial year ended 31 December 2006 *(4.25 sen less 27% tax)*	-	-	-	-	(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)
	-	-	-	-	(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 54 to 98 form part of these financial statements.

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2008	2007	**2008**	2007
Cash flows from operating activities				
Profit before taxation	**482,886**	451,158	**461,839**	487,091
Adjustments for:				
Depreciation of property, plant and equipment	**18,456**	20,567	**2,706**	462
Depreciation of investment properties	**341**	389	**-**	-
Amortisation of leasehold land use rights	**2,630**	2,878	**1,404**	-
Amortisation of plantation development	**7**	7	**-**	-
Property, plant and equipment written off	**585**	568	**20**	1
Bad debts written off	**224**	446	**-**	-
Provision for Directors' retirement gratuities	**198**	475	**87**	335
Provision for retirement benefits	**1,771**	-	**2**	-
Allowance for doubtful debts	**1,031**	336	**-**	-
(Gain)/loss on disposal of property, plant and equipment	**(306)**	442	**(53)**	(98)
Share-based payment expenses	**205**	274	**91**	96
Share of results in jointly controlled entity	**36**	-	**-**	-
Share of results in associates	**(2,815)**	(3,652)	**-**	-
Interest income	**(19,137)**	(12,201)	**(16,960)**	(10,214)
Net unrealised exchange loss	**1,765**	-	**-**	-
Net surplus arising from compensation in respect of land acquired by the Government	**(2,505)**	(27)	**(97)**	-
Dividend income	**-**	-	**(351,882)**	(474,180)
Other non-cash items	**363**	-	**114**	-
	2,849	10,502	**(364,568)**	(483,598)
Operating profit before changes in working capital	**485,735**	461,660	**97,271**	3,493
Property development costs	**(23,076)**	4,194	**-**	-
Inventories	**(18,470)**	(4,574)	**(7,032)**	2
Receivables	**17,879**	(26,475)	**(18)**	8,757
Amounts due from jointly controlled entity	**(83)**	-	**-**	-
Amounts due from associates	**(476)**	273	**24**	9
Payables	**(20,425)**	14,204	**(103)**	(1,194)
Amounts due to ultimate holding company	**2,048**	238	**2,048**	238
Amounts due to other related companies	**771**	(743)	**163**	(761)
Amounts due from subsidiaries	**-**	-	**(20,611)**	(20,159)
	(41,832)	(12,883)	**(25,529)**	(13,108)
Cash generated from/(used in) operations	**443,903**	448,777	**71,742**	(9,615)
Tax paid (net of tax refund)	**(157,113)**	(94,364)	**(21,152)**	(1,628)
Retirement gratuities paid	**-**	(3,710)	**-**	(3,710)
	(157,113)	(98,074)	**(21,152)**	(5,338)
Net cash generated from/(used in) operating activities	**286,790**	350,703	**50,590**	(14,953)

The notes set out on pages 54 to 98 form part of these financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONT'D)

Amounts in RM'000 unless otherwise stated

		Group		Company	
	Note	**2008**	2007	**2008**	2007
Cash flows from investing activities					
Proceeds received from Government in respect of acquisition of land		**3,044**	49	**258**	-
Interest received		**19,137**	12,201	**16,960**	10,215
Dividends received from:					
- subsidiaries		**-**	-	**349,760**	340,830
- associates		**1,571**	5,322	**1,571**	5,322
Proceeds from disposal of property, plant and equipment		**359**	788	**85**	147
Land held for property development		**(2,837)**	(7,105)	**-**	-
Purchase of property, plant and equipment		**(68,170)**	(44,646)	**(27,920)**	(2,784)
Leasehold land use rights		**(6,194)**	(3,580)	**(163,780)**	-
Investment properties		**(66)**	(109)	**-**	-
Intangible assets		**(64,163)**	(16,955)	**-**	-
Acquisition of subsidiaries	(a)	**(16,960)**	-	**-**	-
Investment in subsidiaries	40(C)(c)	**-**	-	**(64,000)**	(50,000)
Investment in jointly controlled entity		**(78)**	(1,901)	**-**	-
Investment in associates		**(10)**	-	**-**	-
Purchase of long term investments		**-**	(65)	**-**	-
Plantation development		**(42,754)**	(23,257)	**(283,635)**	-
Repayment from/(advances to) subsidiaries		**-**	-	**248,015**	(32,268)
Net cash (used in)/generated from investing activities		**(177,121)**	(79,258)	**77,314**	271,462
Cash flows from financing activities					
Proceeds from issue of shares *(see Note 32)*		**2,718**	7,343	**2,718**	7,343
Proceeds from bank borrowings		**18,328**	-	**-**	-
Dividends paid		**(88,153)**	(41,222)	**(88,153)**	(41,222)
Dividends paid to minority shareholders		**(4,963)**	(3,835)	**-**	-
Net cash used in financing activities		**(72,070)**	(37,714)	**(85,435)**	(33,879)
Net increase in cash and cash equivalents		**37,599**	233,731	**42,469**	222,630
Cash and cash equivalents at beginning of the financial year		**495,094**	261,363	**436,064**	213,434
Effects of currency translation		**(200)**	-	**-**	-
Cash and cash equivalents at end of the financial year	(b)	**532,493**	495,094	**478,533**	436,064

The notes set out on pages 54 to 98 form part of these financial statements.

CASH FLOW STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONT'D)

Amounts in RM'000 unless otherwise stated

Notes

(a) Analysis of the acquisition of subsidiaries

Details of the assets, liabilities and net cash outflow arising from the acquisition of subsidiaries as disclosed in Note 40 (C) (a) (i) are as follows:-

	Group	
	Book Value	**Fair Value**
Net assets acquired at the date of acquisition:		
Property, plant and equipment *(See Note 15)*	**(4,993)**	**(4,993)**
Plantation development *(See Note 18)*	**(8,359)**	**(8,359)**
Leasehold land use rights *(See Note 19)*	**(782)**	**(23,574)**
Trade and other receivables	**(4,154)**	**(4,154)**
Inventories	**(1,957)**	**(1,957)**
Deferred taxation	**(2)**	**(2)**
Bank balances and deposits	**(14,176)**	**(14,176)**
Trade and other payables	**2,489**	**2,489**
Borrowings	**1,600**	**1,600**
Minority interests	**12,189**	**21,990**
Net assets/Total purchase consideration discharged by cash	**(18,145)**	**(31,136)**
Less : Bank balances and deposits of subsidiaries acquired		**14,176**
Net cash outflow on acquisition of subsidiaries		**(16,960)**

The Group has completed its purchase price allocation exercise on the acquisition of the above subsidiaries and has accounted for the fair value adjustments on 3 October 2008 accordingly.

The revenue and net loss of the acquired subsidiaries included in the consolidated income statement of the Group for the period from 3 October 2008 to 31 December 2008 amounted to nil and RM1.8 million respectively. Had the acquisition taken effect on 1 January 2008, the revenue and net loss of the acquired subsidiaries included in the consolidated income statement of the Group would have been nil and RM3.6 million respectively. These amounts have been calculated using the Group's accounting policies.

(b) Analysis of cash and cash equivalents

	Group		Company	
	2008	2007	**2008**	2007
Short term investments (see Note 30)	**303,959**	204,234	**283,472**	187,163
Bank balances and deposits (see Note 31)	**228,534**	290,860	**195,061**	248,901
	532,493	495,094	**478,533**	436,064

Included in the above bank balances and deposits for the Group is an amount of RM8.2 million *(2007 : RM14.7 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 2008

Amounts in RM'000 unless otherwise stated

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. During the financial year, the Company also became involved in plantation activities with the acquisition of plantation assets from its subsidiary as part of the Group's rationalisation exercise.

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 42 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 ("FRS"), the 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 FRS 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 judgment in the process of applying the Company's accounting policies. Although these judgments 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:

a) 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.

b) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised.

c) Internally generated development costs

The Group recognises costs incurred on development projects as intangible assets to the extent that the capitalisation criteria in FRS138 - Intangible Assets are met. The Group uses its judgment in determining whether the milestones payments for research and development expertise and capacity in genomics meet the capitalisation criteria so as to enable the amount to be capitalised. The future commercial viability of these intangible assets is assessed by using discounted cash flow valuation technique, which requires the Group to use estimates and assumptions concerning the future.

2. BASIS OF PREPARATION (Cont'd)

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 FRSs that are relevant to the Group have been adopted during the financial year:

- FRS 107_{2007} Cash Flow Statements
- FRS 112_{2007} Income Taxes
- FRS 118_{2007} Revenue
- Amendment to FRS 121_{2007} The Effects of Changes in Foreign Exchange Rates – Net Investment in Foreign Operation
- FRS 134_{2007} Interim Financial Reporting
- FRS 137_{2007} Provision, Contingent Liabilities and Contingent Assets
- IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IC Interpretation 8 Scope of FRS 2

The adoption of the above FRSs and IC interpretation did not result in substantial changes to the Group's accounting policies and have no significant financial impact on the Group's result and financial position for the financial year ended 31 December 2008. In respect of FRS 112, the Group will continue to recognise in the income statement, the tax impact arising from the investment tax allowances as and when it is utilised.

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

The new standards and IC Interpretations that are applicable to the Group and the Company, but which the Group and the Company have not early adopted, are as follows:

- FRS 8 Operating Segments (effective for annual period beginning on or after 1 July 2009). FRS 8 replaces FRS 114_{2004} Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from financial periods beginning on 1 January 2010. This standard is not expected to have any material impact to the Group and Company.

- IC Interpretation 9 Reassessment of Embedded Derivatives (effective for annual period beginning on or after 1 January 2010). IC Interpretation 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group will apply this standard from financial periods beginning on 1 January 2010. This standard is not expected to have any material impact to the Group and Company.

- IC Interpretation 10 Interim Financial Reporting and Impairment (effective for annual period beginning on or after 1 January 2010). IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply this standard from financial periods beginning on 1 January 2010. This standard is not expected to have any material impact to the Group and Company.

The following standards will be effective for annual period beginning on or after 1 January 2010. The Group has applied the transitional provision in the respective standards which exempts entities from disclosing the possible impact arising from the initial application of the standard on the financial statements of the Group and Company.

- FRS 139 Financial Instruments: Recognition and Measurement
- FRS 7 Financial Instruments: Disclosures

3. SIGNIFICANT ACCOUNTING POLICIES

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.

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 values 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 investments 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.

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, 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.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period that they are incurred.

Freehold land and property, plant and equipment which are under construction are not depreciated. Depreciation on assets under construction commences when the assets are ready for their intended use. The Group depreciates other assets based on their consumption pattern and is applied separately to each significant component.

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 was already of the age and in the condition expected at the end of its useful life.

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

	Years
Land improvements	25
Buildings and improvements	10 - 50
Plant and machinery	4 - 10
Motor vehicles	5 - 8
Furniture, fittings and equipment	3 - 10

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

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, Plant and Equipment (Cont'd)

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 less accumulated impairment losses. 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 comprises 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.

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 remaining lease period ranging from 14 to 879 years in accordance with the pattern of benefits provided.

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 of 2 to 3 years.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property Development Activities (Cont'd)

b) Property Development Costs and Revenue Recognition (Cont'd)

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.

Investments in subsidiaries, jointly controlled entities and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of assets.

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

Money market instruments are stated at the lower of cost and net realisable value.

Intangible Assets

a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's share of the fair values 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. See accounting policy note on impairment of assets.

Goodwill on acquisition of jointly controlled entity and associates occurring on or after 1 January 1995 is included in investments in jointly controlled entity and associates respectively. Such goodwill is tested for impairment as part of the overall balance.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible Assets (Cont'd)

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. Judgment is involved in determining whether the 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.

Receivables

Receivables are carried at estimated realisable values. In estimating the 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, 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. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Share Capital (Cont'd)

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 options are exercised.

Borrowings

Borrowings are recognised initially based on the proceeds received, net of transaction costs incurred.

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.

Finance Leases – Accounting by Lessee

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge incurred on qualifying assets are capitalised until the assets are ready for their intended use after which such expense is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the estimated useful life of the asset and the lease period.

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.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset unless the asset is carried at revalued amount, in which case the reversal is treated as an increase to revaluation reserve. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

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 values 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 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 includes 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 asset 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 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 and golf club membership fees are recognised on an accrual basis. Dividend income is recognised when the right to receive payment is established.

b) Other income

Other income comprising interest income and rental income are recognised on an 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 values 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) Financial instruments not recognised on balance sheet

The Group is a party to a put and call option agreement as disclosed in Note 37 to the financial statements. The instrument is not recognised in the financial statements on inception.

c) 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 and geographical segment analysis as its secondary reporting format.

Segment revenue and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exist. 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's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure which arises from the Group's borrowings is managed through the use of fixed and floating rate debts.

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. The Group's cash and cash equivalents and short term deposits are placed with creditworthy financial institutions and the risks arising therefrom are minimised in view of the financial strength of these financial institutions.

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.

The Group is also exposed to foreign currency translation risk arising from its net investments in foreign subsidiaries, which is not hedged due to the long term nature of those investments.

5. SEGMENT ANALYSIS

a) Primary reporting format – business segments

	Plantation		Property		Others		Total	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
Revenue – external	**936,524**	845,701	**99,479**	60,714	**-**	-	**1,036,003**	906,415
Segment profit/(loss)	**455,888**	428,892	**12,421**	7,389	**(9,844)**	(1,003)	**458,465**	435,278
Interest income							**19,137**	12,201
Net surplus arising from compensation in respect of land acquired by the Government	**2,505**	27	**-**	-	**-**	-	**2,505**	27
Share of results in a jointly controlled entity	**-**	-	**-**	-	**(36)**	-	**(36)**	-
Share of results in associates	**2,790**	3,549	**21**	132	**4**	(29)	**2,815**	3,652
Profit before taxation							**482,886**	451,158
Taxation							**(105,659)**	(103,102)
Profit for the financial year							**377,227**	348,056
Other information:								
i) Assets								
a) Segment assets	**1,286,427**	1,162,407	**539,962**	507,927	**150,604**	82,648	**1,976,993**	1,752,982
b) Jointly controlled entity	**-**	-	**-**	-	**1,940**	1,901	**1,940**	1,901
c) Associates	**10,007**	8,686	**2,590**	2,659	**(50)**	(54)	**12,547**	11,291
d) Interest bearing instruments							**518,191**	483,580
e) Unallocated corporate assets							**53,156**	31,166
Total assets							**2,562,827**	2,280,920
ii) Liabilities								
a) Segment liabilities	**94,656**	81,249	**47,431**	55,889	**332**	5	**142,419**	137,143
b) Unallocated corporate liabilities							**41,275**	67,919
Total liabilities							**183,694**	205,062
iii) Other disclosures								
a) Capital expenditure incurred *	**114,820**	61,282	**1,858**	3,177	**4,717**	4,100	**121,395**	68,559
b) Depreciation and amortisation charged *	**19,531**	22,513	**1,315**	1,227	**588**	101	**21,434**	23,841

* *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.

5. SEGMENT ANALYSIS (Cont'd)

b) Secondary reporting format – geographical segments

The Group's business segments operate in two main geographical areas:

- Malaysia# - mainly plantation, property development and genomics research and development
- Indonesia - plantation

Company's home country

	Revenue		Assets		Capital Expenditure	
	2008	2007	**2008**	2007	**2008**	2007
Malaysia	**1,036,003**	906,415	**2,422,595**	2,221,237	**90,008**	49,967
Indonesia	**-**	-	**125,745**	46,491	**31,387**	18,592
	1,036,003	906,415	**2,548,340**	2,267,728	**121,395**	68,559
Jointly controlled entity	**-**	-	**1,940**	1,901	**-**	-
Associates	**-**	-	**12,547**	11,291	**-**	-
	1,036,003	906,415	**2,562,827**	2,280,920	**121,395**	68,559

In determining the geographical segments of the Group, sales are based on the country in which the customer is located. There are no sales between the segments. Total assets and capital expenditure are determined based on where the assets are located.

6. REVENUE

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

	Group		Company	
	2008	2007	**2008**	2007
Sale of goods:				
Sale of plantation produce	**936,524**	845,701	**134,246**	-
Sale of development properties	**98,185**	59,501	**-**	-
Rendering of services:				
Revenue from golf course operations	**1,294**	1,213	**-**	-
Fee from management services	**-**	-	**20,725**	20,336
Dividend income	**-**	-	**351,882**	474,180
	1,036,003	906,415	**506,853**	494,516

7. COST OF SALES

	Group		Company	
	2008	2007	**2008**	2007
Cost of inventories recognised as an expense				
- Plantation produce	**399,293**	354,397	**31,920**	-
- Development properties	**72,682**	39,775	**-**	-
Cost of services recognised as an expense	**1,612**	1,514	**-**	-
	473,587	395,686	**31,920**	-

8. PROFIT BEFORE TAXATION

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

	Group		Company	
	2008	2007	**2008**	2007
Charges:				
Depreciation of property, plant and equipment	**18,456**	20,567	**2,706**	462
Depreciation of investment properties	**341**	389	**-**	-
Amortisation of leasehold land use rights	**2,630**	2,878	**1,404**	-
Amortisation of plantation development	**7**	7	**-**	-
Replanting expenditure	**6,718**	5,378	**1,170**	-
Directors' remuneration excluding estimated money value of benefits-in-kind *(see Note 10)*	**1,453**	2,514	**914**	1,915
Charges payable to related companies:				
- Rental of premises	**1,157**	1,138	**876**	840
- Shared services fee	**981**	572	**882**	572
- Hire of equipment	**712**	148	**455**	148
Property, plant and equipment written off	**585**	568	**20**	1
Shared services fee payable to ultimate holding company	**2,417**	718	**2,417**	662
Bad debts written off	**224**	446	-	-
Allowance for doubtful debts	**1,031**	336	**-**	-
Auditors' remuneration *(See Note 11)*				
- current year	**613**	290	**55**	53
- prior year	**-**	52	**-**	-
Non-statutory audit fee payable to auditors *(See Note 11)*	**238**	138	**160**	75
Employee benefits expense *(see Note 9)*	**97,922**	82,318	**26,574**	14,492
Research and development expenditure	**192**	572	**-**	-
Repairs and maintenance				
- property, plant and equipment	**10,221**	8,774	**46**	153
- investment properties	**36**	38	**-**	-
Transportation costs	**38,825**	34,263	**6,197**	258
Utilities	**4,641**	3,540	**49**	-
Raw materials and consumables	**186,042**	177,967	**-**	-
Oil palm cess and levy	**27,031**	19,703	**4,803**	-
Net unrealised exchange loss	**1,765**	-	**-**	-
Credits:				
Net surplus arising from compensation in respect of land acquired by the Government	**2,505**	27	**97**	-
Interest income	**19,137**	12,201	**16,960**	10,214
Income from associates				
- Gross dividend	**-**	-	**2,122**	7,290
- Management fee	**-**	613	**-**	-
Rental income	**2,204**	1,987	**351**	331
Gain/(loss) on disposal of property, plant and equipment	**306**	(442)	**53**	98
Rental income from related companies	**63**	67	**14**	-
Income from subsidiaries				
- Gross dividend	**-**	-	**349,760**	466,890
- Management fee	**-**	-	**20,725**	20,336

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2008	2007	**2008**	2007
Wages, salaries and bonuses	**82,975**	75,319	**21,005**	11,174
Defined contribution plans	**4,657**	2,547	**1,633**	1,358
Provision for retirement gratuities	**198**	475	**87**	383
Share-based payments	**205**	274	**91**	96
Other short term employee benefits	**9,887**	3,703	**3,758**	1,481
	97,922	82,318	**26,574**	14,492

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

10. DIRECTORS' REMUNERATION

	Group		Company	
	2008	2007	**2008**	2007
Non-Executive Directors *				
Fees	**441**	406	**441**	406
Salaries and bonuses	**382**	410	**-**	-
Defined contribution plan	**46**	49	**-**	-
Provision for retirement gratuities	**111**	140	**-**	-
	980	1,005	**441**	406
Executive Directors				
Fees	**51**	76	**51**	76
Salaries and bonuses	**291**	952	**291**	952
Defined contribution plan	**44**	146	**44**	146
Provision for retirement gratuities	**87**	335	**87**	335
	473	1,509	**473**	1,509
Directors' remuneration excluding estimated money value of benefits-in-kind *(see Note 8)*	**1,453**	2,514	**914**	1,915
Estimated money value of benefits-in-kind (not charged to the income statements):				
Non- Executive Directors	**16**	10	**-**	-
Executive Directors	**-**	10	**-**	10
	16	20	**-**	10
	1,469	2,534	**914**	1,925

** 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:

	2008	2007
Amounts in RM'000	Number	
Non-Executive Directors		
0 – 50	**-**	**1**
50 – 100	**5**	**4**
600 – 650	**1**	**-**
650 – 700	**-**	**1**

10. DIRECTORS' REMUNERATION (Cont'd)

Amounts in RM'000	2008	2007
	Number	
Executive Directors		
450 – 500	1	-
500 – 550	-	1
950 – 1,000	-	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 31.12.2008:						
1.12.2003	1.12.2006 - 31.8.2010	165	124	-	(124)	-
			124	-	(124)	-
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

	2008 '000	2007 '000
Number of share options vested at balance sheet date	-	124

Details relating to options exercised by the 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 2008 '000	2007 '000
January	905	165	124	-
May	580	145	-	577
August	555	165	-	124
December	775 - 780	165	-	372
			124	1,073

	2008	2007
Ordinary share capital – at par	62	536
Share premium	143	1,119
Proceeds received on exercise of share options	205	1,655
Fair value at exercise date of shares issued	1,122	6,924

11. AUDITORS' REMUNERATION

	Group		Company	
	2008	2007	**2008**	2007
Statutory audit fees payable to:				
PricewaterhouseCoopers Malaysia*	**258**	213	**55**	53
Other member firms of PricewaterhouseCoopers International Limited*	**355**	77	**-**	-
Total statutory audit fees *(See Note 8)*	**613**	290	**55**	53
Underprovision in prior year:				
Paid to other member firms of PricewaterhouseCoopers International Limited*	**-**	52	**-**	-
Fees for other audit related services payable to:				
PricewaterhouseCoopers Malaysia*	**238**	138	**160**	75
Total remuneration	**851**	480	**215**	128

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

12. TAXATION

	Group		Company	
	2008	2007	**2008**	2007
Current taxation charge:				
Malaysian income tax charge	**109,991**	104,663	**11,612**	117,544
Deferred tax (reversal)/charge *(See Note 25)*	**(7,750)**	(1,677)	**4,707**	861
	102,241	102,986	**16,319**	118,405
Prior years' taxation:				
Income tax under provided	**294**	116	**26**	85
Deferred tax under provided *(See Note 25)*	**3,124**	-	**-**	-
	105,659	103,102	**16,345**	118,490

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

	Group		Company	
	2008	2007	**2008**	2007
	%	%	**%**	%
Malaysian tax rate	**26.0**	27.0	**26.0**	27.0
Tax effects of:				
- expenses not deductible for tax purposes	**0.1**	-	**0.9**	0.2
- income not subject to tax	**(0.2)**	(0.1)	**(19.7)**	-
- tax incentives	**(4.0)**	(4.1)	**(3.7)**	(2.8)
- under provision in prior years	**0.7**	-	**-**	-
- others	**(0.7)**	0.1	**-**	-
Average effective tax rate	**21.9**	22.9	**3.5**	24.4

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	
	2008	2007
a) Basic earnings per share		
Profit for the financial year *(RM'000)*	**373,252**	344,064
Weighted number of ordinary shares in issue	**756,295,536**	752,492,455
Basic earnings per share *(sen)*	**49.35**	45.72
b) Diluted earnings per share		
Profit for the financial year *(RM'000)*	**373,252**	344,064
Adjusted weighted average number of ordinary shares in issue:		
Weighted number of ordinary shares in issue	**756,295,536**	752,492,455
Adjustment for share options granted under the Asiatic Executive Share Option Scheme	**1,788,736**	4,176,233
	758,084,272	756,668,688
Diluted earnings per share *(sen)*	**49.24**	45.47

14. DIVIDENDS

	Group and Company	
	2008	2007
Interim paid – 5 sen less 26% tax *(2007 : 3.25 sen less 27% tax)* per ordinary share of 50 sen each.	**27,997**	17,865
Special dividend paid – Nil *(2007 : 6 sen less 26% tax per ordinary share of 50 sen each).*	**-**	33,561
Proposed final – 5 sen less 25% tax *(2007 : 4.75 sen less 26% tax)* per ordinary share of 50 sen each.	**28,383**	26,569
Additional special and final dividends paid in respect of previous financial year due to issue of shares pursuant to the Asiatic Executive Share Option Scheme	**-**	26
	28,383	60,156
	56,380	78,021

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2008 of 5 sen less 25% tax *(2007 : 4.75 sen less 26% tax)* per ordinary share of 50 sen each amounting to RM28.4 million *(2007 : RM26.6 million)* will be proposed for shareholders' approval. The financial statements did not reflect this final dividend which will be accrued as a liability upon the approval by shareholders.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and improvements	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2008							
Group							
Net book value:							
At 1 January	249,584	61,659	45,320	4,864	4,365	18,447	384,239
Additions	10,947	3,229	12,442	6,929	2,971	33,226	69,744
Disposals	(538)	(29)	-	(24)	-	-	(591)
Written off	(142)	(163)	(253)	(9)	(18)	-	(585)
Assets of subsidiaries acquired	1,126	268	2,471	650	275	203	4,993
Depreciation:							
- charged to income statement	(3,067)	(2,633)	(10,537)	(753)	(1,466)	-	(18,456)
- capitalised under plantation development	(1,265)	(153)	(638)	(272)	(266)	-	(2,594)
Reclassifications	2,925	3,115	2,755	-	5,883	(14,678)	-
Reclassification to investment properties *(See Note 17)*	-	-	-	-	-	(1,502)	(1,502)
Reclassification from leasehold land use rights *(See Note 19)*	3,352	-	-	-	-	-	3,352
Currency fluctuations	(638)	(99)	(186)	(337)	(105)	(204)	(1,569)
At 31 December	262,284	65,194	51,374	11,048	11,639	35,492	437,031
At 31 December							
Cost	228,738	104,670	155,616	16,426	21,326	35,492	562,268
At 1981 valuation	46,613	-	-	-	-	-	46,613
Accumulated depreciation	(13,067)	(39,476)	(104,242)	(5,378)	(9,687)	-	(171,850)
Net book value	262,284	65,194	51,374	11,048	11,639	35,492	437,031

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							
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 *(See Note 18)*	(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)

	Freehold land and improvements	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Construction in progress	Total
2008							
Company							
Net book value:							
At 1 January	**949**	**226**	**205**	**1,245**	**764**	**5,162**	**8,551**
Additions	**13,104**	**7,235**	**2,709**	**1,426**	**1,057**	**2,981**	**28,512**
Disposals	**-**	**-**	**(3)**	**(22)**	**(7)**	**-**	**(32)**
Written off	**-**	**-**	**(8)**	**(9)**	**(3)**	**-**	**(20)**
Depreciation	**(559)**	**(365)**	**(644)**	**(262)**	**(876)**	**-**	**(2,706)**
Reclassification	**1,175**	**357**	**225**	**-**	**5,793**	**(7,550)**	**-**
Reclassification from land held for sale *(See Note 26)*	**688**	**-**	**-**	**-**	**-**	**-**	**688**
At 31 December	**15,357**	**7,453**	**2,484**	**2,378**	**6,728**	**593**	**34,993**
At 31 December							
Cost	**15,916**	**8,058**	**3,255**	**3,567**	**10,692**	**593**	**42,081**
Accumulated depreciation	**(559)**	**(605)**	**(771)**	**(1,189)**	**(3,964)**	**-**	**(7,088)**
Net book value	**15,357**	**7,453**	**2,484**	**2,378**	**6,728**	**593**	**34,993**
2007							
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

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 would have amounted to RM45.6 million *(2007 : RM45.6 million)* had it been stated in the financial statements at cost.

During the financial year, the Group acquired plant and machinery and motor vehicle of RM2.4 million *(2007 : RMNil)* and RM0.1 million *(2007 : RMNil)* respectively by means of finance leases. The net book value of plant and machinery and motor vehicle under finance leases at 31 December 2008 were RM2.3 million *(2007 : RMNil)* and RM0.1 million *(2007 : RMNil)* respectively.

16. PROPERTY DEVELOPMENT ACTIVITIES

	Group 2008		2007	
(a) Land held for property development:				
Freehold land		**111,122**		89,718
Development costs		**206,212**		143,047
		317,334		232,765
At the beginning of the financial year				
- freehold land	**89,718**		91,766	
- development costs	**143,047**	**232,765**	134,487	226,253
Costs incurred during the financial year				
- freehold land	**888**		2,185	
- development costs	**3,441**	**4,329**	15,444	17,629
Costs transferred from/(to) property development costs *(see Note 16(b))*				
- freehold land	**20,516**		(4,233)	
- development costs	**59,724**	**80,240**	(6,884)	(11,117)
At the end of the financial year		**317,334**		232,765
(b) Property development costs:				
Freehold land		**4,468**		30,999
Development costs		**103,537**		116,877
Accumulated costs charged to income statement		**(54,019)**		(36,726)
		53,986		111,150
At the beginning of the financial year				
- freehold land	**30,999**		31,182	
- development costs	**116,877**		152,521	
- accumulated costs charged to income statement	**(36,726)**	**111,150**	(79,569)	104,134
Costs incurred during the financial year				
- freehold land	**-**		81	
- development costs	**90,860**	**90,860**	33,784	33,865
Costs charged to income statement		**(67,303)**		(28,574)
Costs transferred (to)/from land held for property development *(see Note 16(a))*		**(80,240)**		11,117
Costs transferred to inventories				
- freehold land	**(6,015)**		(4,497)	
- development costs	**(42,799)**		(76,312)	
- accumulated costs charged to income statement	**48,333**	**(481)**	71,417	(9,392)
At the end of the financial year		**53,986**		111,150

17. INVESTMENT PROPERTIES

	Group	
	2008	2007
Net book value:		
At 1 January	**10,594**	10,874
Additions	**66**	109
Reclassification from property, plant and equipment *(See Note 15)*	**1,502**	-
Depreciation	**(341)**	(389)
Written off	**(14)**	-
At 31 December	**11,807**	10,594
At 31 December		
Cost	**15,462**	13,931
Accumulated depreciation	**(3,655)**	(3,337)
Net book value at end of the financial year	**11,807**	10,594
Fair value at end of the financial year	**22,020**	18,820

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 RM1,925,000 and RM827,000 respectively *(2007 : RM1,869,000 and RM972,000)*.

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	
	2008	2007	**2008**	2007
Net book value				
At 1 January	**469,510**	445,512	**-**	-
Additions	**45,391**	23,489	**283,635**	-
Assets of subsidiaries acquired	**8,359**	-	**-**	-
Disposals	**(739)**	(57)	**-**	-
Written back	**376**	-	**-**	-
Amortisation	**(7)**	(7)	**-**	-
Reclassification from property, plant and equipment *(See Note 15)*	**-**	573	**-**	-
Reclassification from land held for sale *(See Note 26)*	**-**	-	**602**	-
Currency fluctuations	**(4,578)**	-	**-**	-
At 31 December	**518,312**	469,510	**284,237**	-
At 31 December				
Cost	**518,344**	469,535	**284,237**	-
Accumulated amortisation	**(32)**	(25)	**-**	-
Net book value at end of the financial year	**518,312**	469,510	**284,237**	-

19. LEASEHOLD LAND USE RIGHTS

	Group		Company	
	2008	2007	**2008**	2007
Net book value				
At 1 January	**249,180**	249,226	**-**	-
Additions	**6,194**	3,580	**163,780**	-
Assets of subsidiaries acquired	**23,574**	-	**-**	-
Reclassification to property, plant and equipment *(See Note 15)*	**(3,352)**	-	**-**	-
Amortisation charged to income statement	**(2,630)**	(2,878)	**(1,404)**	-
Amortisation capitalised under plantation development	**(791)**	(748)	**-**	-
Currency fluctuations	**(1,551)**	-	**-**	-
At 31 December	**270,624**	249,180	**162,376**	-
At 31 December				
Cost	**296,120**	271,633	**163,780**	-
Accumulated amortisation	**(25,496)**	(22,453)	**(1,404)**	-
Net book value	**270,624**	249,180	**162,376**	-
Analysed by:				
- unexpired period more than 50 years	**229,785**	229,857	**162,376**	-
- unexpired period less than 50 years	**40,839**	19,323	**-**	-
	270,624	249,180	**162,376**	-

20. INTANGIBLE ASSET

	Group	
Internally generated development cost	**2008**	2007
Cost		
At 1 January	**16,955**	-
Additions	**64,163**	16,955
At 31 December	**81,118**	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 2008, the expenditure incurred represents mainly payments made in respect of the oil palm and jatropha genome sequencing data *(2007 : oil palm genome sequencing data only)* received to date.

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

21. SUBSIDIARIES

	Company 2008	2007
Unquoted shares - at cost	**309,822**	245,822
Less : Amounts written down	**(3,635)**	(3,635)
	306,187	242,187
Amounts due from subsidiaries		
- Non-current	**1,556,038**	1,539,377
- Current	**118,311**	394,352
	1,674,349	1,933,729
Amounts due to subsidiaries		
- Current	**73,299**	105,390

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 assets, are interest free, unsecured and repayable after 12 months. The carrying values of the outstanding amounts which are more than one year approximate their fair values.

The subsidiaries are listed in Note 42.

22. JOINTLY CONTROLLED ENTITY

	Group 2008	2007
Unquoted – at cost:		
Shares in foreign corporation	**1,976**	1,901
Group's share of post acquisition reserves	**(36)**	-
	1,940	1,901
Amount due from a jointly controlled entity	**83**	-
Less : Balance included in current assets	**(83)**	-
	-	-
	1,940	1,901

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

	2008	2007
Income	**6**	-
Expenses	**(42)**	-
	(36)	-
Current assets	**180**	171
Current liabilities	**(44)**	-
Net assets	**136**	171

There are no capital commitments or contingent liabilities relating to the Group's interest in the jointly controlled entity at the financial year end *(2007 : Nil)*.

22. JOINTLY CONTROLLED ENTITY (Cont'd)

Details of the jointly controlled entity are as follows:

Name of jointly controlled entity	Effective percentage of ownership		Country of incorporation	Principal activities
	2008	2007		
SGSI-Asiatic Limited	**50**	50	British Virgin Islands	Genomics research and development

23. ASSOCIATES

	Group		Company	
	2008	2007	**2008**	2007
Unquoted shares - at cost	**2,133**	2,123	**2,123**	2,123
Group's share of post-acquisition reserves	**10,414**	9,168	**-**	-
Share of net assets, other than goodwill	**12,547**	11,291	**2,123**	2,123
Amounts due from associates	**632**	803	**632**	656
Less : Balance included in current assets	**(632)**	(803)	**(632)**	(656)
	-	-	**-**	-
	12,547	11,291	**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	
	2008	2007
Revenue	**62,606**	57,281
Net profit	**2,815**	3,652
Total assets	**21,358**	24,246
Total liabilities	**(8,811)**	(12,955)
Share of net assets	**12,547**	11,291

The associates are listed in Note 42.

There are no contingent liabilities relating to the Group's interest in associates at the financial year end *(2007 : Nil)*.

24. LONG TERM INVESTMENTS

	Group	
	2008	2007
Unquoted shares in a foreign corporation, at cost	**32,118**	32,718
Fair value of the unquoted shares in a foreign corporation	**60,113**	32,718

The fair value of the unquoted shares in a foreign corporation was derived based on the recent shares transaction during the financial year 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 taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the balance sheet:

	Group		Company	
	2008	2007	**2008**	2007
Deferred tax assets	**7,856**	6,871	**-**	167
Deferred tax liabilities	**(36,972)**	(40,613)	**(4,540)**	-
	(29,116)	(33,742)	**(4,540)**	167
At 1 January	**(33,742)**	(35,419)	**167**	1,028
(Charged)/credited to income statement *(see Note 12):*				
- Property, plant and equipment	**636**	(2,664)	**(4,566)**	(78)
- Provision for Directors' retirement gratuities	**168**	(830)	**20**	(857)
- Land held for property development	**600**	1,962	**-**	-
- Property development costs	**3,290**	203	**-**	-
- Inventories	**(644)**	738	**-**	-
- Accruals	**1,106**	687	**(77)**	(10)
- Other temporary differences	**(530)**	1,581	**(84)**	84
	4,626	1,677	**(4,707)**	(861)
At 31 December	**(29,116)**	(33,742)	**(4,540)**	167
i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**1,021**	1,035	**-**	-
- Provision for Directors' retirement gratuities	**785**	617	**282**	262
- Land held for property development	**3,715**	2,766	**-**	-
- Inventories	**697**	1,362	**-**	-
- Accruals	**3,857**	2,751	**192**	269
- Other temporary differences	**1,032**	1,562	**-**	84
	11,107	10,093	**474**	615
- Offsetting	**(3,251)**	(3,222)	**(474)**	(448)
Deferred tax assets (after offsetting)	**7,856**	6,871	**-**	167

25. DEFERRED TAXATION (Cont'd)

	Group		Company	
	2008	2007	**2008**	2007
ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(38,753)**	(39,403)	**(5,014)**	(448)
- Land held for property development	**(694)**	(345)	**-**	-
- Property development costs	**(223)**	(3,513)	**-**	-
- Inventories	**(552)**	(573)	**-**	-
- Other temporary differences	**(1)**	(1)	**-**	-
	(40,223)	(43,835)	**(5,014)**	(448)
- Offsetting	**3,251**	3,222	**474**	448
Deferred tax liabilities (after offsetting)	**(36,972)**	(40,613)	**(4,540)**	-

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

	Group	
	2008	2007
Unutilised tax losses	**378**	378
Property, plant and equipment	**426**	858
	804	1,236

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 RM144,000 *(2007 : RM95,000)* and RM16.6 million *(2007 : RM13.5 million)* respectively.

26. LAND HELD FOR SALE

	Company	
	2008	2007
At 1 January	**1,290**	1,290
Less : Reclassification to property, plant and equipment *(See Note 15)*	**(688)**	-
Reclassification to plantation development *(See Note 18)*	**(602)**	-
At 31 December	**-**	1,290

The land held for sale comprised freehold land measuring approximately 242 acres and the plantation development 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 property development project had been postponed to a later date and hence, the land held for sale had been reclassified to freehold land and plantation development accordingly.

27. INVENTORIES

	Group		Company	
	2008	2007	**2008**	2007
At cost:				
Produce stocks	**4,468**	4,208	**-**	-
Stores and spares	**33,489**	10,031	**7,044**	13
Completed development properties	**101,970**	105,261	**-**	-
	139,927	119,500	**7,044**	13

28. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	**2008**	2007
Current :				
Trade receivables	**41,478**	67,913	**-**	-
Less : Allowance for bad and doubtful debts	**(2,126)**	(1,099)	**-**	-
	39,352	66,814	**-**	-
Accrued billings in respect of property development	**8,980**	7,626	**-**	-
Deposits	**2,192**	2,418	**736**	614
Prepayments*	**30,977**	24,828	**433**	145
Other receivables	**18,218**	13,014	**6,062**	6,454
	99,719	114,700	**7,231**	7,213

* *Included in prepayments of the Group was an advance payment on provision of genomics research services of RM27.6 million (2007 : RM24.1 million) made by Asiatic Centre for Genome Technology Sdn Bhd to SGSI-Asiatic Limited.*

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

	Group		Company	
	2008	2007	**2008**	2007
Ringgit Malaysia	**58,216**	88,708	**6,798**	7,068
Indonesia Rupiah	**8,936**	1,164	**-**	-
US Dollar	**1,542**	-	**-**	-
Singapore Dollar	**48**	-	**-**	-
	68,742	89,872	**6,798**	7,068

Credit terms offered by the Group range from 7 to 14 days *(2007 : 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 RM4,900 *(2007 : RM71,000).*

The carrying amounts of the Group's and the Company's trade and other receivables approximate their fair values.

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	
	2008	2007	**2008**	2007
Amount due to ultimate holding company	**2,924**	876	**2,924**	876
Amounts due to other related companies	**651**	488	**651**	488
	3,575	1,364	**3,575**	1,364
Amounts due from other related companies	**(43)**	(4)	**-**	-
	3,532	1,360	**3,575**	1,364

The amounts due to and from holding company and other related companies are unsecured, interest free and are repayable 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 2008 have maturity periods ranging between overnight and one month *(2007 : between overnight and one month).*

Short term investments of the Group and of the Company as at 31 December 2008 are deriving interest at weighted average interest rate of 3.23% per annum *(2007 : 3.28% per annum)* at the end of the financial year.

31. CASH AND CASH EQUIVALENTS

	Group		Company	
	2008	2007	**2008**	2007
Deposits with licensed banks	**214,232**	279,346	**192,136**	241,408
Cash and bank balances	**14,302**	11,514	**2,925**	7,493
	228,534	290,860	**195,061**	248,901
Add:				
Money market instruments (See Note 30)	**303,959**	204,234	**283,472**	187,163
Cash and cash equivalents	**532,493**	495,094	**478,533**	436,064

The currency profile and weighted average interest rates of the cash and cash equivalents as at the financial year end are as follows:

	Group				Company			
	Currency profile		Interest rate per annum (%)		Currency profile		Interest rate per annum (%)	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
Ringgit Malaysia	**521,677**	491,929	**3.10**	3.22	**478,533**	436,064	**3.10**	3.27
Indonesia Rupiah	**4,175**	3,165	**0.50**	-	**-**	-	**-**	-
US Dollar	**6,516**	-	**0.04**	-	**-**	-	**-**	-
Singapore Dollar	**125**	-	**-**	-	**-**	-	**-**	-
	532,493	495,094			**478,533**	436,064		

The deposits of the Group and of the Company as at 31 December 2008 have maturity period of one month *(2007 : one month)*. Bank balances of the Group and of the Company are held at call.

32. SHARE CAPITAL

	Group and Company	
	2008	2007
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		
- 755,138,000 *(2007 : 750,422,000)*	**377,569**	375,211
Issue of shares		
- 1,617,000 *(2007 : 4,716,000)*	**808**	2,358
At end of the financial year		
- 756,755,000 *(2007 : 755,138,000)*	**378,377**	377,569

During the financial year, 5,000 ordinary shares of 50 sen each fully-paid at the subscription price of 92 sen per share, 69,000 ordinary shares of 50 sen each fully-paid at the subscription price of 145 sen per share, 1,167,000 ordinary shares of 50 sen each fully-paid at the subscription price of 165 sen per share and 376,000 ordinary shares of 50 sen each fully-paid at the subscription price of 183 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 Options granted	**Percentage of new Shares comprised in the Options 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 31.12.2008:							
11.11.2000	**11.11.2003 - 31.8.2010**	**92**	**7,000**	**-**	**(5,000)**	**-**	**2,000**
2.9.2002	**2.9.2005 - 31.8.2010**	**145**	**217,000**	**-**	**(69,000)**	**-**	**148,000**
1.12.2003	**1.12.2006 - 31.8.2010**	**165**	**1,776,000**	**-**	**(1,167,000)**	**-**	**609,000**
29.8.2005	**29.8.2008 - 31.8.2010**	**183**	**1,836,000**	**-**	**(376,000)**	**(75,000)**	**1,385,000**
			3,836,000	**-**	**(1,617,000)**	**(75,000)**	**2,144,000**

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 31.12.2007:							
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

	2008	2007
Number of share options vested at balance sheet date	**1,401,000**	2,000,000

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 2008	2007
January – March	**734 – 905** / 442 - 545	**92 – 165** / 92 – 165	**1,021,000**	1,290,000
April – June	**780 – 843** / 580 – 675	**92 – 165** / 92 – 165	**126,000**	1,159,000
July – September	**447 – 813** / 525 – 635	**165 – 183** / 145 – 165	**380,000**	151,000
October – December	**270 – 451** / 590 – 815	**145 – 183** / 92 – 165	**90,000**	2,116,000
			1,617,000	4,716,000

	2008	2007
Ordinary share capital – at par	**808**	2,358
Share premium	**1,910**	4,985
Proceeds received on exercise of share options	**2,718**	7,343
Fair value at exercise date of shares issued	**11,887**	29,939

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 2008	Group 2007	Company 2008	Company 2007
Share premium	**40,027**	37,933	**40,027**	37,933
Option reserve	**674**	653	**674**	653
Revaluation reserve	**18,063**	18,063	**104**	104
Exchange differences	**(9,617)**	(3,868)	**-**	-
	49,147	52,781	**40,805**	38,690
Retained earnings	**1,919,058**	1,633,959	**2,480,444**	2,123,103
	1,968,205	1,686,740	**2,521,249**	2,161,793

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. The single tier dividend is not taxable 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 2008. As at 31 December 2008, the Company has sufficient Section 108 tax credits and tax exempt income to pay up to RM713.7 million *(2007 : RM770.6 million)* of the retained earnings of the Company as franked and exempt dividends.

34. TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	**2008**	2007
Current:				
Trade payables	**37,618**	42,194	**2,574**	2,490
Accrual of property development expenditure	**19,819**	18,833	**-**	-
Deposits	**2,273**	14,839	**420**	281
Accrued expenses	**32,733**	35,817	**5,916**	5,591
Retention monies	**11,169**	6,463	**120**	15
Amounts due to related companies	**-**	8	**-**	-
Other payables	**330**	1,066	**-**	-
	103,942	119,220	**9,030**	8,377
Non-current:				
Amount due to shareholders of a subsidiary	**15,592**	15,592	**-**	-
	119,534	134,812	**9,030**	8,377
The maturity profile for non-current payables is as follows:				
More than one year and less than two years	**15,592**	15,592	**-**	-
Fair value of non-current other payables	**14,278**	14,457	**-**	-

The carrying amounts of the Group's and Company's trade and other payables approximate their fair values.

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

	Group		Company	
	2008	2007	**2008**	2007
Ringgit Malaysia	**89,138**	114,119	**9,030**	8,377
Indonesia Rupiah	**25,936**	20,693	**-**	-
US Dollar	**4,217**	-	**-**	-
Singapore Dollar	**243**	-	**-**	-
	119,534	134,812	**9,030**	8,377

Credit terms available to the Group range from 30 to 90 days *(2007 : 30 to 90 days)* from date of invoice.

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

35. PROVISION FOR DIRECTORS' RETIREMENT GRATUITIES

	Group		Company	
	2008	2007	**2008**	2007
At 1 January	**2,331**	5,566	**928**	4,303
Charged to income statement:				
- current year	**198**	475	**87**	335
- underprovision in prior year	**114**	-	**114**	-
Paid to a former executive director of the Company	**-**	(3,710)	**-**	(3,710)
At 31 December	**2,643**	2,331	**1,129**	928

36. BORROWINGS

	Group 2008	Group 2007
Current		
Secured :		
Finance lease liabilities denominated in:		
US Dollar (USD151,782)	527	-
Indonesia Rupiah (IDR509,776,874)	162	-
	689	-
Unsecured :		
Bridging loan denominated in:		
Indonesia Rupiah (IDR57,828,436,052)	18,328	-
	19,017	-
Non-current		
Secured :		
Finance lease liabilities denominated in:		
US Dollar (USD296,566)	1,029	-
Indonesia Rupiah (IDR616,668,297)	196	-
	1,225	-
	20,242	-

a) Contractual terms of borrowings

	Contractual interest rate (per annum)	Total carrying amount	Maturity Profile < 1 year	Maturity Profile 1 - 2 years	Maturity Profile 2 - 5 years
Group					
At 31 December 2008					
Secured					
Finance lease liabilities	8% - 15%	1,914	689	740	485
Unsecured					
Bridging loan	11.1% - 14.9%	18,328	18,328	-	-
		20,242	19,017	740	485

Finance lease liabilities are secured over the leased assets.

The carrying amounts of short term borrowings approximate their fair values.

The minimum lease payments at the balance sheet date are as follows:-

	Group 2008	Group 2007
Not more than one year	839	-
More than one year and not more than five years	1,322	-
	2,161	-
Future finance charges	(247)	-
Present value	1,914	-

b) Undrawn committed borrowing facilities

	Group 2008	Group 2007
Floating rate:		
- expiring within one year	11,780	-

37. OFF BALANCE SHEET FINANCAL INSTRUMENTS

On 3 October 2008, Mediglove Sdn Bhd ("Mediglove"), a wholly-owned subsidiary of the Company, had entered into a Put and Call Option Agreement with Kara Agri Pte Ltd ("KARA") whereby KARA grants an option to Mediglove to purchase ("Call Option") and Mediglove grants an option to KARA to sell ("Put Option"), as the case may be, all ordinary shares legally and beneficially owned by KARA in AsianIndo Holdings Pte Ltd ("Option Shares"), a 60% owned subsidiary of Mediglove, exercisable during the period after the expiry of five years from 3 October 2008 at an exercise price which shall be the fair value of the Option Shares as determined by a valuer to be appointed by mutual agreement between Mediglove and KARA. In addition, Mediglove may at any time, exercise its Call Option in the event that the Kapuas JV fails to achieve any of the agreed development milestones within six months from the respective dates of completion specified for the agreed development milestones *(See Note 40 (C)(a)(i)).*

38. ON GOING LITIGATION

On the status of the legal Suit No. K22-245 of 2002 filed in the High Court of Sabah and Sarawak at Kota Kinabalu ("the High Court") wherein the Company and Asiatic Tanjung Bahagia Sdn Bhd ("ATBSB") were named as the Second and Third Defendants respectively ("the Defendants") ("the Suit"), the High Court had on 20 June 2008 upheld the Defendants' preliminary objection with costs awarded to the Defendants. 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 which was acquired by ATBSB from Hap Seng Consolidated Berhad.

The Defendants had raised a preliminary objection that the High Court has no original jurisdiction to hear the Suit and that this Suit will lead to multiplicity of action as the Plaintiffs had already made application to the Assistant Collector of Land Revenue for similar claims.

The Plaintiffs have filed a Notice of Appeal to the Court of Appeal on 7 July 2008 against the decision of the High Court made on 20 June 2008.

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

There have been no changes to the status of the aforesaid litigation as at the date of this report.

39. CAPITAL COMMITMENTS

	Group		Company	
	2008	2007	**2008**	2007
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**189,697**	92,109	**1,025**	184
- not contracted	**952,431**	305,459	**9,763**	4,318
	1,142,128	397,568	**10,788**	4,502
Analysed as follows:				
- Property, plant and equipment	**395,266**	243,883	**10,327**	4,502
- Intellectual property development	**35,823**	49,268	**-**	-
- Investment properties	**2,915**	25,645	**-**	-
- Plantation development	**694,122**	78,772	**356**	-
- Leasehold land use rights	**14,002**	-	**105**	-
	1,142,128	397,568	**10,788**	4,502

40. 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 five of its subsidiaries had entered into five separate Joint Venture Agreements for the cultivation of oil palm on approximately 98,300 hectares of land in Kabupaten Ketapang, Provinsi Kalimantan Barat, the Republic of 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 four 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 or Investment Coordinating Board of the Republic of 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) Proposed Joint Venture for oil palm cultivation of approximately 15,800 hectares in Kabupaten Ketapang, Provinsi Kalimantan Barat, Republic of Indonesia

On 13 August 2008, the Company announced that Ketapang Agri Holdings Pte Ltd, an indirect wholly-owned subsidiary of the Company, had on 12 August 2008 entered into a joint venture agreement with Palma Citra Investama Pte Ltd and PT Sawit Mandira to develop approximately 15,800 hectares of agricultural land into oil palm plantation in Kabupaten Ketapang, Provinsi Kalimantan Barat, the Republic of Indonesia ("the Land") ("the Proposed Joint Venture"). The Proposed Joint Venture will be undertaken by PT Sawit Mitra Abadi ("the Joint Venture Company"). The Proposed Joint Venture is subject to, inter-alia, the following conditions precedent being obtained no later than 31 December 2011:

i) the approval of Bank Negara Malaysia;

ii) the approval of Badan Koordinasi Penanaman Modal or Investment Coordinating Board of the Republic of Indonesia; and

iii) a due diligence study on the Land and the Joint Venture Company.

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

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Cont'd)

C) Acquisition and incorporation of subsidiaries during the financial year

(a) Acquisition of subsidiaries

(i) On 3 October 2008, Mediglove Sdn Bhd's ("Mediglove") proposed joint venture for the purpose of acquiring and developing approximately 45,000 hectares of oil palm plantation in Kabupaten Kapuas, Provinsi Kalimantan Tengah, the Republic of Indonesia ("the Kapuas JV") has been completed. Mediglove has thus subscribed for 6,000,000 ordinary shares representing 60% equity interest in AsianIndo Holdings Pte Ltd ("AIH") for a cash consideration of USD9.0 million (equivalent to RM31.1 million). The remaining 40% equity interest in AIH are held by Kara Agri Pte. Ltd. Arising therefrom, the wholly-owned subsidiaries of AIH, namely, Asian Palm Oil Pte Ltd (formerly known as GaiaAgri Pte Ltd), AsianIndo Palm Oil Pte Ltd and KARA Palm Oil Pte Ltd (collectively known as "SPV cos"), all incorporated in Singapore, have become indirect subsidiaries of the Company.

Each of the SPV cos holds 95% equity interest in each of the following Indonesian subsidiaries:-

SPV cos		Indonesian subsidiaries
1.	Asian Palm Oil Pte Ltd *(formerly known as GaiaAgri Pte Ltd)*	PT Dwie Warna Karya
2.	AsianIndo Palm Oil Pte Ltd	PT Susantri Permai
3.	KARA Palm Oil Pte Ltd	PT Kapuas Maju Jaya

The inclusion of AIH Group as indirect subsidiaries of the Company does not have any material effect on the Group's profit for the current financial year.

ii) During the financial year, the Group also acquired the following subsidiaries:-

	Date of Acquisition	Country of Incorporation	Purchase Consideration	Percentage of Equity Interest Acquired	Acquired by
i) Full East Enterprise Limited	4 April 2008	Hong Kong	HKD1	100	Mediglove Sdn Bhd
ii) Ketapang Agri Holdings Pte Ltd	6 August 2008	Singapore	S$1	100	Mediglove Sdn Bhd
iii) Chelsea Genting Limited	15 August 2008	Isle of Man	USD1	100	Azzon Limited
iv) Genting Chelsea Sdn Bhd	19 September 2008	Malaysia	RM2	100	Chelsea Genting Limited

The above acquired subsidiaries are newly set up companies and the acquisition does not have any material effect on the Group's profit for the current financial year.

(b) Incorporation of subsidiary

On 26 June 2008, PT Asiatic Nusantara has been incorporated in Indonesia with issued and paid-up capital of USD250,000 comprising 250,000 shares of USD1.00 each, of which 249,975 shares (99.99%) are held by Orbit Crescent Sdn Bhd and 25 shares (0.01%) are held by Mediglove Sdn Bhd, both of which are wholly-owned subsidiaries of the Company.

(c) Subscription of new shares in an existing subsidiary

During the financial year, the Company had subscribed for an additional 64 million *(2007 : 50 million)* ordinary shares of RM1 each in Asiatic Centre for Genome Technology Sdn Bhd, a wholly-owned subsidiary of the Company. There is no change in percentage of ownership after the additional subscription of shares.

41. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In the normal course of business, the Company and the Group undertake 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 transactions listed below were carried out on terms and conditions obtainable in transactions with unrelated parties:

	Group		Company	
	2008	2007	**2008**	2007
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	**2,417**	718	**2,417**	662
b) Transactions with subsidiaries				
i) Fees receivable from subsidiaries for the provision of management services	**-**	-	**20,725**	20,336
ii) Dividend income from subsidiaries	**-**	-	**349,760**	466,890
c) Transactions with associates				
i) 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	**-**	-
ii) Provision of management services to AsianIndo Holdings Pte Ltd, a 60% owned subsidiary of the Company, by GaiaAgri Services Limited, an associate of the Company	**650**	-	**-**	-
d) Transaction with other related parties				
i) 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.	**2,043**	1,438	**1,337**	720
ii) 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.	**1,157**	1,138	**876**	840
iii) Purchase of air-tickets, hotel accommodation and other related services from Resorts World Berhad, a company which is 48.43% owned by Genting Berhad, the Company's immediate and ultimate holding company.	**868**	703	**868**	703

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

	Group		Company	
	2008	2007	**2008**	2007
d) Transaction with other related parties (Cont'd)				
iv) Payment to SGSI-Asiatic Limited by Asiatic Centre for Genome Technology Sdn Bhd, 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 13.4% equity interest in Synthetic Genomics Inc., which in turn has 50% interest in SGSI-Asiatic Limited for the provision of genomics research services.	**66,676**	41,066	**-**	-
e) Directors and key management personnel				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries and bonuses	**4,029**	3,104	**2,549**	2,659
Defined contribution plan	**513**	385	**309**	330
Provision for retirement gratuities	**198**	475	**87**	335
Other short term employee benefits	**391**	2	**351**	1
Estimated money value of benefits-in-kind (not charged to the income statements)	**95**	60	**55**	50
	5,226	4,026	**3,351**	3,375

f) The significant outstanding balances with subsidiaries, a jointly controlled entity, associates and other related parties were shown in Note 21, Note 22, Note 23, Note 29 and Note 34 respectively.

42. SUBSIDIARIES AND ASSOCIATES

		Effective Percentage of Ownership 2008	2007	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	Fresh fruit bunches processing
	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
	Orbit Crescent Sdn Bhd	**100**	100	Malaysia	Investment holding
^	Azzon Limited	**100**	100	Isle of Man	Investment holding
	Asiatic Commodities Trading Sdn Bhd	**100**	100	Malaysia	Pre-operating
	Asiatic Vegetable Oils Refinery Sdn Bhd	**100**	100	Malaysia	Pre-operating
	Cosmo-Jupiter Berhad	**100**	100	Malaysia	Pre-operating
	ADB (Sarawak) Palm Oil Mill Management Sdn Bhd	**100**	100	Malaysia	Dormant
	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

8. PROFIT BEFORE TAXATION

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

	Group		Company	
	2008	2007	**2008**	2007
Charges:				
Depreciation of property, plant and equipment	**18,456**	20,567	**2,706**	462
Depreciation of investment properties	**341**	389	**-**	-
Amortisation of leasehold land use rights	**2,630**	2,878	**1,404**	-
Amortisation of plantation development	**7**	7	**-**	-
Replanting expenditure	**6,718**	5,378	**1,170**	-
Directors' remuneration excluding estimated money value of benefits-in-kind *(see Note 10)*	**1,453**	2,514	**914**	1,915
Charges payable to related companies:				
- Rental of premises	**1,157**	1,138	**876**	840
- Shared services fee	**981**	572	**882**	572
- Hire of equipment	**712**	148	**455**	148
Property, plant and equipment written off	**585**	568	**20**	1
Shared services fee payable to ultimate holding company	**2,417**	718	**2,417**	662
Bad debts written off	**224**	446	-	-
Allowance for doubtful debts	**1,031**	336	**-**	-
Auditors' remuneration *(See Note 11)*				
- current year	**613**	290	**55**	53
- prior year	**-**	52	**-**	-
Non-statutory audit fee payable to auditors *(See Note 11)*	**238**	138	**160**	75
Employee benefits expense *(see Note 9)*	**97,922**	82,318	**26,574**	14,492
Research and development expenditure	**192**	572	**-**	-
Repairs and maintenance				
- property, plant and equipment	**10,221**	8,774	**46**	153
- investment properties	**36**	38	**-**	-
Transportation costs	**38,825**	34,263	**6,197**	258
Utilities	**4,641**	3,540	**49**	-
Raw materials and consumables	**186,042**	177,967	**-**	-
Oil palm cess and levy	**27,031**	19,703	**4,803**	-
Net unrealised exchange loss	**1,765**	-	**-**	-
Credits:				
Net surplus arising from compensation in respect of land acquired by the Government	**2,505**	27	**97**	-
Interest income	**19,137**	12,201	**16,960**	10,214
Income from associates				
- Gross dividend	**-**	-	**2,122**	7,290
- Management fee	**-**	613	**-**	-
Rental income	**2,204**	1,987	**351**	331
Gain/(loss) on disposal of property, plant and equipment	**306**	(442)	**53**	98
Rental income from related companies	**63**	67	**14**	-
Income from subsidiaries				
- Gross dividend	**-**	-	**349,760**	466,890
- Management fee	**-**	-	**20,725**	20,336

42. SUBSIDIARIES AND ASSOCIATES (Cont'd)

		Effective Percentage of Ownership 2008	2007	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
µ	PT Sepanjang Intisurya Mulia	**70**	70	Indonesia	Plantation
µ*	PT Asiatic Nusantara	**100**	-	Indonesia	Provision of management services
	Asiatic Indahpura Development Sdn Bhd	**100**	100	Malaysia	Property development
	Asiatic Golf Course (Sg. Petani) Bhd	**100**	100	Malaysia	Golf course operation
µ	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
µ*	AsianIndo Holdings Pte Ltd	**60**	-	Singapore	Investment holding
µ*	Asian Palm Oil Pte Ltd *(formerly known as GaiaAgri Pte Ltd)*	**60**	-	Singapore	Investment holding
µ*	AsianIndo Palm Oil Pte Ltd	**60**	-	Singapore	Investment holding
µ*	Kara Palm Oil Pte Ltd	**60**	-	Singapore	Investment holding
µ*	PT Dwie Warna Karya	**57**	-	Indonesia	Plantation
µ*	PT Susantri Permai	**57**	-	Indonesia	Plantation
µ*	PT Kapuas Maju Jaya	**57**	-	Indonesia	Plantation
	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
µ*	Full East Enterprise Limited	**100**	-	Hong Kong	Pre-operating
^*	Ketapang Agri Holdings Pte Ltd	**100**	-	Singapore	Pre-operating
^*	Chelsea Genting Limited	**100**	-	Isle of Man	Investment holding
*	Genting Chelsea Sdn Bhd	**100**	-	Malaysia	Pre-operating

42. SUBSIDIARIES AND ASSOCIATES (Cont'd)

		Effective Percentage of Ownership 2008	2007	Country of Incorporation	Principal Activities
	Associates				
	Serian Palm Oil Mill Sdn Bhd	**40**	40	Malaysia	Fresh fruit bunches processing
@	Sri Gading Land Sdn Bhd	**49**	49	Malaysia	Property development
	Setiacahaya Sdn Bhd	**50**	50	Malaysia	Property investment
*	GaiaAgri Services Ltd	**30**	-	Mauritius	Provision of management services
@	Asiatic Ceramics Sdn Bhd *(In Liquidation)*	**49**	49	Malaysia	In Liquidation *(Receiver Appointed)*

* *Subsidiaries/associate acquired during the financial year (See Note 40 (C)).*

@ *The financial statements of these companies are audited by firms other than member firms of PricewaterhouseCoopers International Limited.*

µ *Subsidiaries/associates which are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers Malaysia.*

^ *These entities are subjected to limited review carried out by PricewaterhouseCoopers, Malaysia, although they are not subjected to statutory audit.*

43. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 February 2009.

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 Group and of the Company for the financial year ended 31 December 2008.

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 financial year. In cases where judgment 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 24 February 2009.

STATUTORY DECLARATION

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

I, **TAN WEE KOK,** 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 45 to 98, 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)
TAN WEE KOK, at KUALA LUMPUR on)
24 February 2009.) **TAN WEE KOK**

Before me,

DATO' NG MANN CHEONG
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASIATIC DEVELOPMENT BERHAD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Asiatic Development Berhad, which comprise the balance sheets of the Group and of the Company as at 31 December 2008, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 45 to 98.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act, 1965 and MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with 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 the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the financial year then ended.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ASIATIC DEVELOPMENT BERHAD (CONT'D)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditor's report of all subsidiaries of which we have not acted as auditors, which are indicated in Note 42 to the financial statements.

(c) 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 financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

LEE TUCK HENG
(No. 2092/09/10 (J))
Chartered Accountant

Kuala Lumpur
24 February 2009

TEN-YEAR SUMMARY

FINANCIAL RM'000	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue	1,036,003	906,415	576,578	522,720	514,667	490,818	296,099	199,863	230,783	446,811
Profit before taxation	482,886	451,158	220,425	216,456	225,847	210,281	129,700	86,525	69,167	272,850
Taxation	(105,659)	(103,102)	(47,207)	(44,610)	(50,328)	(63,774)	(28,872)	(14,418)	(13,522)	147
Profit for the financial year	377,227	348,056	173,218	171,846	175,519	146,507	100,828	72,107	55,645	272,997
Attributable to:-										
Equity holders of the Company	373,252	344,064	171,147	169,797	172,919	132,304	99,832	71,239	54,772	266,366
Minority interests	3,975	3,992	2,071	2,049	2,600	14,203	996	868	873	6,631
	377,227	348,056	173,218	171,846	175,519	146,507	100,828	72,107	55,645	272,997
Issued capital	378,377	377,569	375,211	372,779	371,252	370,862	370,668	370,668	370,668	370,668
Retained earnings	1,919,058	1,633,959	1,331,105	1,194,888	1,057,192	910,640	800,803	720,283	664,896	633,612
Other reserves	49,147	52,781	51,047	46,672	44,558	43,254	43,309	43,360	43,575	46,716
Equity attributable to equity holders of the Company	2,346,582	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
Minority interests	32,551	11,549	11,392	10,634	9,898	9,227	12,504	11,516	10,683	21,316
Total equity	2,379,133	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
Long term borrowings	1,225	-	-	-	-	-	5,388	5,388	5,388	5,388
Deferred tax liabilities	36,972	40,613	41,088	38,865	40,939	40,065	29,987	21,294	19,561	23,086
Provision for directors' retirement gratuities	2,643	2,331	5,566	5,312	5,218	4,378	6,529	5,577	5,485	5,091
Other payables	15,592	15,592	17,220	4,120	-	-	-	-	-	-
	2,435,565	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
Property, plant and equipment	437,031	384,239	367,644	350,408	327,540	287,526	282,727	238,419	236,801	254,068
Land held for property development	317,334	232,765	226,253	225,427	232,565	236,116	247,474	247,794	250,064	231,246
Investment properties	11,807	10,594	10,874	9,065	1,289	1,219	1,408	1,244	1,417	1,589
Plantation development	518,312	469,510	445,512	429,712	414,899	294,876	261,587	209,767	204,288	200,818
Leasehold land use rights	270,624	249,180	249,226	233,127	245,988	175,881	174,199	111,208	49,502	46,314
Intangible assets	81,118	16,955	-	-	-	-	-	-	-	-
Jointly controlled entity	1,940	1,901	-	-	-	-	-	-	-	-
Associates	12,547	11,291	12,961	12,864	11,919	11,672	9,810	9,671	1,199	2,184
Long term investments	32,118	32,718	32,653	-	-	653	289	289	289	638
Long term receivables	-	-	5,000	16,977	4,918	4,917	5,897	6,877	18,781	18,854
Deferred tax assets	7,856	6,871	5,669	6,250	1,788	2,011	3,432	-	-	-
	1,690,687	1,416,024	1,355,792	1,283,830	1,240,906	1,014,871	986,823	825,269	762,341	755,711
Net current assets	744,878	718,370	476,837	389,440	288,151	363,555	282,365	352,817	357,915	350,166
	2,435,565	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
Basic earnings per share (sen)	49.4	45.7	22.9	22.8	23.3	17.8	13.5	9.6	7.4	35.9
Net dividend per share (sen)	7.5	10.3	5.1	4.5	4.0	3.2	3.0	2.5	2.2	3.6
Dividend cover (times)	6.6	4.4	4.5	5.1	5.9	5.5	4.5	3.8	3.4	10.0
Current ratio	6.9	5.9	5.7	5.0	4.0	5.0	5.2	3.8	5.4	4.3
Net assets per share (sen)	310.1	273.4	234.2	216.5	198.4	178.6	163.9	153.0	145.6	141.8
Return (after tax and minority interests) on average shareholdings' equity (%)	16.9	18.0	10.2	11.0	12.4	10.4	8.5	6.4	5.1	28.6
Market share price										
- highest (RM)	9.10	8.65	4.32	2.49	2.28	1.97	1.61	1.28	1.52	1.60
- lowest (RM)	2.70	4.42	2.13	1.60	1.66	1.14	1.12	0.80	0.80	1.01

TEN-YEAR SUMMARY (CONT'D)

OPERATIONS

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
OIL PALM										
FFB Production (T)	1,233,048	1,208,140	1,132,026	1,099,285	978,693	864,603	707,863	700,275	655,366	574,359
Yield Per Mature Hectare (T)	22.6	22.4	21.4	22.1	21.7	22.5	20.9	21.4	20.2	18.5
Average Selling Prices										
Crude Palm Oil (RM/T)	2,822	2,500	1,520	1,398	1,600	1,568	1,352	883	1,000	1,445
Palm Kernel (RM/T)	1,595	1,445	897	1,017	1,068	748	665	438	703	1,071
RUBBER										
Production ('000 kg)	-	-	-	-	-	-	-	830	1,457	1,729
Yield Per Mature Hectare (kg)	-	-	-	-	-	-	-	1,526	1,591	1,420
Average Selling Prices of All Grades (Sen/kg)	-	-	-	-	-	-	-	182	223	209

LAND AREAS

HECTARES	2008			2007			2006			2005	2004	2003	2002	2001	2000	1999
	M'sia	Indon	Total	M'sia	Indon	Total	M'sia	Indon	Total							
Oil Palm																
Mature	54,379	-	54,379	54,104	-	54,104	53,968	-	53,968	51,068	48,630	38,816	37,145	32,683	32,605	31,625
Immature	5,322	6,455	11,777	5,594	1,716	7,310	5,566	-	5,566	7,250	7,951	9,894	9,139	6,076	4,765	4,331
	59,701	6,455	66,156	59,698	1,716	61,414	59,534	-	59,534	58,318	56,581	48,710	46,284	38,759	37,370	35,956
Other Crops																
Other Crops	-	-	-	-	-	-	-	-	-	-	-	-	10	760	1,301	1,592
	-	-	-	-	-	-	-	-	-	-	-	-	10	760	1,301	1,592
TOTAL PLANTED AREA	59,701	6,455	66,156	59,698	1,716	61,414	59,534	-	59,534	58,318	56,581	48,710	46,294	39,519	38,671	37,548
Unplanted Area	1,787	7,588	9,375	2,573	12,440	15,013	3,157	14,261	17,418	4,665	6,571	12,276	8,394	9,019	-	1,235
Buildings, Infrastructure, etc.	3,994	218	4,212	3,234	105	3,339	2,858	-	2,858	2,681	2,516	2,243	2,425	1,863	1,923	1,857
Property Development	366	-	366	426	-	426	415	-	415	340	348	359	364	364	407	412
	6,147	7,806	13,953	6,233	12,545	18,778	6,430	14,261	20,691	7,686	9,435	14,878	11,183	11,246	2,330	3,504
TOTAL TITLED AREA	65,848	14,261	80,109	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
Provisional Area under Izin Lokasi	-	45,000	45,000	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LAND AREA	65,848	59,261	125,109	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

LIST OF GROUP PROPERTIES
AS AT 31 DECEMBER 2008

Location	Tenure	Year Of Expiry	Hectares		Description	Age Of Buildings (years)	Year Of Acquisition/ Revaluation*	Net Book Value As At 31 Dec 2008 (RM'000)
			Plantation	Property Development				
PENINSULAR MALAYSIA								
A. NORTH								
1. ASIATIC Bukit Sembilan Estate, Baling/Sg. Petani/Jitra, Kedah	Freehold		1,314	147		13	1981*	58,757
2. ASIATIC Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold		1,830				1981*	24,446
B. CENTRAL								
3. ASIATIC Sepang Estate, Sepang & Ulu Langat, Selangor	Freehold		666				1981*	15,546
4. ASIATIC Tebong Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold		2,295				1981*	29,335
5. ASIATIC Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold		793	2			1981*	24,354
6. ASIATIC Tanah Merah Estate, Tangkak, Johor	Freehold		1,801				1981*	25,805
C. SOUTH								
7. ASIATIC Sri Gading Estate, Batu Pahat, Johor	Freehold		3,590	18			1983	90,673
8. ASIATIC Sungei Rayat Estate, Batu Pahat, Johor	Freehold		1,707				1983	29,668
9. ASIATIC Sing Mah Estate, Air Hitam, Johor	Freehold		669			28	1983	12,902
10. ASIATIC Kulai Besar Estate, Kulai/ Simpang Renggam, Johor	Freehold		2,754	101			1983	382,190
11. ASIATIC Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold		134	98			1996	58,288
SABAH								
12. ASIATIC Sabapalm Estate, Labuk Valley, Sandakan	Leasehold	2085,2887	4,360			38	1991	44,631
13. ASIATIC Tanjung Estate, Kinabatangan	Leasehold	2086, 2096	4,345			14	1988, 2001	43,698
14. ASIATIC Bahagia Estate, Kinabatangan	Leasehold	2085, 2086	4,548				1988, 2003	48,033
15. ASIATIC Tenegang Estate, Kinabatangan	Leasehold	2088	4,047				1990	33,850
16. ASIATIC Landworthy Estate, Kinabatangan	Leasehold	2083	4,039				1992	37,143
17. ASIATIC Layang Estate, Kinabatangan	Leasehold	2090	1,683				1993	19,909
18. ASIATIC Jambongan Estate, Beluran	Leasehold	2033 - 2100	3,711				2001 - 2004	71,715
19. ASIATIC Indah & ASIATIC Permai Estates, Kinabatangan	Leasehold	2096	8,830				2001	138,441
20. ASIATIC Mewah Estate, Kinabatangan	Leasehold	2083 - 2890	5,611			12	2002	118,283
21. ASIATIC Sekong & ASIATIC Suan Lamba Estates, Kinabatangan	Leasehold	2022 - 2098	6,755			12	2004	188,270
INDONESIA								
22. Ketapang, Kalimantan Barat	Leasehold	2037	14,261				2006	71,191
23. Kapuas, Kalimantan Tengah	Leasehold	*Note*	45,000				2008	40,263
OTHER PROPERTIES OWNED								
24. Bangi Factory, Selangor	Leasehold	2086	12,140 (sq.m)			27	1990	2,537
25. ASIATIC Regional Office, Wisma Asiatic, Sandakan, Sabah	Leasehold	2100	2,023 (sq.m)			6	2004	2,875
26. Residential Bungalows, Sandakan, Sabah	Leasehold	2887	1,206 (sq.m)			24	1991	159
27. ASIATIC Vegetable Oils Refinery, Sandakan,Sabah	Leasehold	2080	8				1992	2,139
PROPERTIES MANAGED								
28. Bundoora Estate, Ulu Yam, Selangor	Freehold		105			12		
29. 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
ACGT Jatropha Experimental Station

Note: Provisional area under Izin Lokasi

GROUP OFFICES AND OPERATING UNITS

PLANTATION DIVISION

West Malaysia

ASIATIC Bukit Sembilan Estate
Kuala Ketil
09300 Kedah
Tel/Fax : +604 4163214

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

ASIATIC Sepang Estate
Nilai
71809 Negeri Sembilan
Tel : +603 87061240
Fax : +603 87065602

ASIATIC Tebong Estate
Tebong P.O.
76460 Melaka
Tel : +606 4486226
Fax : +606 4486750

ASIATIC Cheng Estate
Alor Gajah
78000 Melaka
Tel : +606 5561216
Fax : +606 5581216

ASIATIC Tanah Merah Estate
P.O. Box 68
84907 Tangkak
Johor Darul Takzim
Tel : +606 9781310
Fax : +606 9799131

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

ASIATIC Sungei Rayat Estate
Batu Pahat
83009 Johor
Tel : +607 4558237
Fax : +607 4557931

ASIATIC Kulai Besar Estate
Batu 19, Kulai Besar
81000 Kulai
Johor Darul Takzim
Tel : +607 6840386
Fax : +607 6841184

ASIATIC Ayer Item Oil Mill
Batu 54 Jalan Johor
Air Hitam
86100 Johor
Tel/Fax : +607 7581998

Sabah

ASIATIC Regional Office, Sabah
Wisma Asiatic
KM 12, Labuk Road
90000 Sandakan, Sabah
Tel : +6089 672787 / 672767
Fax : +6089 673976

ASIATIC Sabapalm Estate
Tel : +6089 514794
Fax : +6089 514780

ASIATIC Tenegang Estate
Tel/Fax : +6089 567031

ASIATIC Bahagia Estate
Tel/Fax : +6089 821157

ASIATIC Tanjung Estate
Tel/Fax : +6089 568087

ASIATIC Landworthy Estate
Tel : +6089 568088
Fax : +6089 568087

ASIATIC Layang Estate
Tel/Fax : +6089 845102

ASIATIC Jambongan Estate
Tel/Fax : +6089 234300

ASIATIC Indah Estate
Tel : +6019 8928626

ASIATIC Permai Estate
Tel : +6087 307100
Fax : +6087 307101

ASIATIC Mewah Estate
Tel : +6089 565914
Fax : +6089 565286

ASIATIC Sekong Estate
Tel/Fax : +6089 677231

ASIATIC Suan Lamba Estate
Tel/Fax : +6089 623233

ASIATIC Sabapalm Oil Mill
Tel/Fax : +6089 518317

ASIATIC Tanjung Oil Mill
Tel : +6089 567288
Fax : +6089 791090

ASIATIC Mewah Oil Mill
Tel : +6089 565470
Fax : +6089 563068

ASIATIC Trushidup Oil Mill
Tel/Fax : +6089 677230

ASIATIC Indah Oil Mill
Tel : +6087 307112

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 : +6082 895264

Indonesia

Head Office
10th Floor Gedung Artha Graha
Sudirman Central Business District
Jl Jenderal Sudirman Kav.52-53
Jakarta 12190
Tel : +6221 5151938
Fax : +6221 5151917

Ketapang Office
Jalan D.I. Panjaitan
No. 63E Ketapang Kota
Kalimantan Barat 78851
Tel : +62534 3036856
Fax : +62534 3036319

SIS Mulia Estates 1 & 2
Tel : +62812 5657515
Fax : +62812 5628555

SIS Mulia Estates 3 & 4
Tel : +62815 22800280

PT Sawit Mitra Abadi
Tel : +62812 5627283

Kapuas Office
Jalan Kerinci
No. 56 Bukit Hindu
Kota Palangka Raya
Kalimantan Tengah
Tel : +62536 3242207
Fax : +62536 3221499

PROPERTY DIVISION

Asiatic Indahpura Sales Office
Batu 19, Kulai Besar
81000 Kulai, Johor
Tel : +607 6624652
Fax : +607 6624655

Asiatic Pura Kencana Sales Office
Batu 8, Jalan Kluang
83300 Sri Gading
Batu Pahat, Johor
Tel : +607 4558181
Fax : +607 4557171

Asiatic Cheng Perdana Sales Office
No. 32 Jalan Cheng Perdana 1/6
Desa Cheng Perdana 1
Cheng, 75250 Melaka
Tel : +606 3123548
Fax : +606 3123590

Asiatic Permaipura Golf & Country Club Sales Office
Riverside
01810 Bedong, Kedah
Tel : +604 4594000
Fax : +604 4594500

BIOTECHNOLOGY DIVISION
Asiatic Centre for Genome Technology Sdn Bhd

Head Office
25th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : +603 23332288
Fax : +603 21613621

Office & Laboratory
L3-I-1 Enterprise 4, Technology Park Malaysia
Lebuhraya Puchong-Sg Besi, Bukit Jalil
57000 Kuala Lumpur, Malaysia
Tel : +603 89969888
Fax : +603 89963388

ACGT Jatropha Experimental Station
Jalan Salak-KLIA
(Kuala Lumpur International Airport)
Cincang 43900 Sepang
Selangor, Malaysia
Tel : +6019 3859927

ANALYSIS OF SHAREHOLDINGS
AS AT 30 APRIL 2009

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	102	0.92	1,758	-
100 - 1,000	4,508	40.50	4,117,704	0.54
1,001 - 10,000	5,472	49.16	20,955,352	2.77
10,001 - 100,000	799	7.18	25,368,759	3.35
100,001 to less than 5% of issued shares	244	2.19	205,473,527	27.15
5% and above of issued shares	6	0.05	501,039,900	66.19
Total	**11,131**	**100.00**	**756,957,000**	**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. Employees Provident Fund Board	95,868,900	12.67
2. Genting Berhad	85,171,000	11.25
3. Genting Berhad	80,000,000	10.57
4. Genting Berhad	80,000,000	10.57
5. Genting Berhad	80,000,000	10.57
6. Genting Berhad	80,000,000	10.57
7. Lembaga Tabung Angkatan Tentera	19,999,300	2.64
8. Valuecap Sdn Bhd	17,947,000	2.37
9. Kumpulan Wang Persaraan (Diperbadankan)	17,500,600	2.31
10. Genting Equities (Hong Kong) Limited	7,139,000	0.94
11. Amanah Raya Nominees (Tempatan) Sdn Bhd *Amanah Saham Wawasan 2020*	6,586,600	0.87
12. Lembaga Tabung Haji	5,980,200	0.79
13. HSBC Nominees (Asing) Sdn Bhd *Exempt AN for JPMorgan Chase Bank, National Association (Norges Bank)*	5,117,400	0.68
14. Amanah Raya Nominees (Tempatan) Sdn Bhd *Amanah Saham Malaysia*	3,612,500	0.48
15. AMSEC Nominees (Tempatan) Sdn Bhd *AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)*	3,576,400	0.47
16. Amanah Raya Nominees (Tempatan) Sdn Bhd *Public Islamic Dividend Fund*	3,364,100	0.44
17. SBB Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	3,247,900	0.43
18. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for Prudential Fund Management Berhad*	3,070,900	0.41

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 Nominees (Tempatan) Sdn Bhd *Mayban Investment Management Sdn Bhd for Kumpulan Wang Simpanan Pekerja (N14011980810)*	2,885,900	0.38
20. Mah Hon Choon	2,759,000	0.36
21. Citigroup Nominees (Tempatan) Sdn Bhd *ING Insurance Berhad (INV-IL PAR)*	2,385,100	0.32
22. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for American International Assurance Berhad*	2,290,900	0.30
23. AllianceGroup Nominees (Tempatan) Sdn Bhd *PHEIM Asset Management Sdn Bhd for Employees Provident Fund*	2,125,700	0.28
24. SBB Nominees (Tempatan) Sdn Bhd *Kumpulan Wang Persaraan (Diperbadankan)*	2,060,100	0.27
25. Am Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (A/C1)*	2,060,000	0.27
26. HSBC Nominees (Asing) Sdn Bhd *BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund*	2,020,400	0.27
27. Amanah Raya Nominees (Tempatan) Sdn Bhd *Amanah Saham Didik*	1,974,600	0.26
28. Cartaban Nominees (Asing) Sdn Bhd *State Street Luxembourg Fund AD94 for Allianz RCM Global Agricultural Trends (Allianz GI FD)*	1,954,800	0.26
28. Citibank Nominees (Asing) Sdn Bhd *CBNY for DFA Emerging Markets Fund*	1,918,900	0.25
30. Genting Berhad	1,724,000	0.23
Total	**624,341,200**	**82.48**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2009

Name	No. of Shares			
	Direct Interest	% of Issued Capital	Indirect/ Deemed Interest	% of Issued Capital
Employees Provident Fund Board	114,278,600	15.10	-	-
Genting Berhad	406,895,000	53.75	7,249,000*	0.96
Kien Huat Realty Sdn Berhad	-	-	406,895,000^	53.75
Parkview Management Sdn Bhd	-	-	406,895,000^	53.75

Notes: * Deemed interest through direct and indirect subsidiaries of Genting Berhad
^ Deemed interest through Genting Berhad

ANALYSIS OF SHAREHOLDINGS
AS AT 30 APRIL 2009 (CONT'D)

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30 APRIL 2009

INTEREST IN THE COMPANY

	No. of Shares			
Name	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman[(1)]	989,000	0.1307	-	-
Tan Sri Lim Kok Thay	369,000	0.0487	-	-
Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	10,000	0.0013	-	-
Gen. (B) Tan Sri Mohd Zahidi bin Hj Zainuddin	20,000	0.0026	-	-

INTEREST IN GENTING BERHAD ("GB"), A COMPANY WHICH OWNS 54.71% EQUITY INTEREST IN THE COMPANY

	No. of Shares			
Name	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman[(2)]	1,204,600	0.0326	-	-
Tan Sri Lim Kok Thay	10,369,000	0.2806	-	-
Mr Quah Chek Tin[(3)]	5,000	0.0001	-	-

INTEREST IN RESORTS WORLD BHD ("RWB"), A COMPANY WHICH IS 48.43% OWNED BY GB

	No. of Shares			
Name	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	0.0290	-	-
Mr Quah Chek Tin	5,000	0.0001	-	-

INTEREST IN GENTING SINGAPORE PLC ("GSPLC") (FORMERLY KNOWN AS GENTING INTERNATIONAL P.L.C.), A SUBSIDIARY OF GB

	No. of Shares			
Name	Direct Interest	% of Issued Capital	Deemed Interest	% of Issued Capital
Tan Sri Mohd Amin bin Osman[(5)]	196,000	0.0020	-	-
Tan Sri Lim Kok Thay	198,000	0.0020	-	-

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 8,400 ordinary shares (negligible) in GSPLC.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-First Annual General Meeting of Asiatic Development Berhad ("the Company") will be held at 26th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur on Monday, 15 June 2009 at 10.00 a.m.

AS ORDINARY BUSINESSES

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2008 and the Directors' and Auditors' Reports thereon. **(Ordinary Resolution 1)**

2. To approve the declaration of a final dividend of 5.0 sen less 25% tax per ordinary share of 50 sen each for the financial year ended 31 December 2008 to be paid on 15 July 2009 to members registered in the Record of Depositors on 30 June 2009. **(Ordinary Resolution 2)**

3. To approve the payment of Directors' fees of RM491,900 for the financial year ended 31 December 2008 (2007: RM481,825). **(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) Encik Mohd Din Jusoh **(Ordinary Resolution 4)**
   (ii) Lt. Gen. (B) Dato' Abdul Ghani Bin Abdullah **(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 Change of Name of the Company to Genting Plantation Berhad.**

   "That the name of the Company be changed from Asiatic Development Berhad to Genting Plantation Berhad and that all references in the Memorandum and Articles of Association of the Company to the name Asiatic Development Berhad, wherever the same may appear, shall be deleted and subsituted with Genting Plantation Berhad ("Proposed Change of Name") AND THAT Tan Sri Mohd Amin Bin Osman, the Chairman of the Company or Tan Sri Lim Kok Thay, the Chief Executive and Director of the Company, be and is hereby authorised to give effect to the Proposed Change of Name with full power to assent to any condition, modification, variation and/or amendment (if any) as may be required by the relevant authorities." **(Special Resolution)**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 its own shares**

"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 numbers 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 2008, the Company's retained earnings and share premium accounts were approximately RM2,480.4 million and RM40.0 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

(d) 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) 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. **Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

"That approval and authority be and are hereby given for the Company and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature with the related parties as set out in Section 2.3 under Part B of the Document to Shareholders dated 22 May 2009 provided that such transactions are undertaken in the ordinary course of business, on arm's length basis and on commercial terms which are not more favourable to the related party than those generally available to/from the public and are not, in the Company's opinion, detrimental to the minority shareholders and that the breakdown of the aggregate value of the recurrent related party transactions conducted/to be conducted during the financial year, including the types of recurrent transactions made and the names of the related parties, will be disclosed in the Annual Report of the Company;

AND THAT such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following this AGM at which such Proposed Shareholders' Mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier." **(Ordinary Resolution 11)**

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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

FURTHER NOTICE IS HEREBY GIVEN that a depositor shall qualify for entitlement to the final dividend only in respect of:

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 30 June 2009 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

LOH BEE HONG
Secretary

Kuala Lumpur
22 May 2009

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 original 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 facilitate the proposed change of name of the Company.

Further information on the proposed change of name of the Company is set out under Part C of the Document to Shareholders dated 22 May 2009 which is despatched together with the Company's 2008 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. The authority under this resolution 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 22 May 2009 which is despatched together with the Company's 2008 Annual Report.

(4) Ordinary Resolution 11, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). 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 Shareholders' Mandate is set out under Part B of the Document to Shareholders dated 22 May 2009 which is despatched together with the Company's 2008 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 Thirty-First 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.:________________________
(FULL NAME)

(Note: 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.)

of____
(ADDRESS)

or failing him/her__________________________________ NRIC 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 Monday, 15 June 2009 at 10.00 a.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.:________________________
(FULL NAME)

(Note: 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.)

of____
(ADDRESS)

or failing him/her__________________________________ NRIC 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 Monday, 15 June 2009 at 10.00 a.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 approve the declaration of a final dividend of 5 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. Encik Mohd Din Jusoh ii. Lt. Gen. (B) Dato' Abdul Ghani bin Abdullah	**Ordinary Resolution 4** **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 ii. Lt. Gen. (B) Dato' Haji Abdul Jamil bin Haji Ahmad	**Ordinary Resolution 6** **Ordinary Resolution 7**				
To re-appoint Auditors	**Ordinary Resolution 8**				
To approve the proposed change of name of the Company to Genting Plantation Berhad	**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 its own shares	**Ordinary Resolution 10**				
To approve the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature	**Ordinary Resolution 11**				

(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 ________________ 2009

No. of Shares held	CDS Account No.	Shareholder's Contact 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 original 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 facilitate the proposed change of name of the Company.

Further information on the proposed change of name of the Company is set out under Part C of the Document to Shareholders dated 22 May 2009 which is despatched together with the Company's 2008 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. The authority under this resolution 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 22 May 2009 which is despatched together with the Company's 2008 Annual Report.

(4) Ordinary Resolution 11, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature pursuant to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). 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 Shareholders' Mandate is set out under Part B of the Document to Shareholders dated 22 May 2009 which is despatched together with the Company's 2008 Annual Report.