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General Announcement

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* Type : **Announcement**

* Subject :

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

* **Contents :-**

We refer to our announcements dated 8 June 2005 and 22 May 2006 in respect of the Proposed Joint Venture for oil palm cultivation of approximately 98,300 hectares in Kabupaten Ketapang, Provinsi Kalimantan Barat, Republic of Indonesia.

The Board of Directors of Asiatic Development Berhad ("Asiatic") is pleased to announce that one of the five subsidiaries of Asiatic for the Proposed Joint Venture, namely, Sri Nangatayap Pte. Ltd., had, on 23 November 2006, subscribed for 700 shares of Rp1,000,000 each for a consideration of Rp700,000,000 representing 70% of the enlarged issued and paid-up share capital of PT. Sepanjang Intisurya Mulia ("Intisurya Mulia"), a corporation incorporated in the Republic of Indonesia. Accordingly, Intisurya Mulia became an indirect subsidiary of the Company on the same date.

None of the Directors and substantial shareholders of the Company has any interest in the subscription of shares in Intisurya Mulia.

The inclusion of Intisurya Mulia as an indirect subsidiary of the Group is not expected to have any material effect on the Group's profit for the financial year ending 31 December 2006.

For and on behalf of Asiatic Development Berhad
TAN SRI MOHD AMIN BIN OSMAN
Chairman