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General Announcement

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* **Main Board/ Second Board Company
New Announcement**

Submitting Merchant Bank :
(if applicable)

Submitting Secretarial Firm Name :
(if applicable)

* Company name : **ASIATIC DEVELOPMENT BERHAD**
* Stock name : **ASIATIC**
* Stock code : **2291**
* Contact person : **MR TAN WOUI MENG**
* Designation : **GROUP COMPANY SECRETARY**
* Contact number : **03-23336120**
E-mail address :
* Type : **Announcement**

* Subject :

**RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE
FOR 2007**

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**RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR
TRADING NATURE FOR 2007**

1. INTRODUCTION

The Board of Directors of Asiatic Development Berhad (“Asiatic”) wishes to announce that Asiatic Centre for Genome Technology Sdn Bhd (formerly known as Cosmo-Lotus Sdn Bhd) (“ACGT”), a wholly owned subsidiary of Asiatic, will enter into a recurrent related party transaction of a revenue or

trading nature, which is necessary for its day-to-day operations with SGSI-Asiatic Limited, a related party of Asiatic (“Recurrent Transaction”).

2. DETAILS OF THE RECURRENT TRANSACTION

ACGT is set up as a centre of excellence in genomic science that focuses on the application of genome technology for the improvement of oil palm and other crops.

ACGT in its ordinary course of business, enters into recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations with certain related parties of the Asiatic Group. The Recurrent Transaction will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public and which will not be detrimental to the minority shareholders of the Company. The Recurrent Transaction is disclosed in Table 1.

3. RATIONALE FOR THE RECURRENT TRANSACTION

SGSI-Asiatic Limited (“SGSI-Asiatic”) is an equally owned joint venture entity by ACGT and Synthetic Genomic Solutions Inc (formerly known as Synthetic Genomics Inc) (“SGSI”).

SGSI-Asiatic is principally engaged in research and development activities on the use of genomics-based techniques and other methods or tools to increase the yield and profit stream principally from oil palm and other crops.

The Recurrent Transaction is in line with Asiatic Group’s long term strategy for sustaining profit in oil palm business. ACGT would focus its research and development activities to develop and commercialise genomics-based solutions to produce improved planting materials that would increase yield and enhance value creation from oil palm. This would also contribute to the growth in the agriculture sector through innovations in biotechnology.

As stated under Section 2 above, the Recurrent Transaction will be carried out on an arm's length basis and on commercial terms which are not more favourable to the related parties than those generally available to the public and which will not be detrimental to the minority shareholders of the Company.

4. FINANCIAL EFFECTS OF THE RECURRENT TRANSACTION

The Recurrent Transaction will not have any effect on the issued and paid-up share capital and substantial shareholders' shareholdings of Asiatic, and is not expected to have a material effect on the net assets per share, earnings per share and gearing of the Asiatic Group.

5. DIRECTORS' AND MAJOR SHAREHOLDER'S INTERESTS

The interests of the Directors and major shareholders of Asiatic in the Recurrent Transaction are set out in Table 1. Save as disclosed in Table 1 and as far as the Directors are aware, none of the other Directors or major shareholders of Asiatic or persons connected to them has any interest, direct or indirect, in the Recurrent Transaction.

6. DIRECTORS' RECOMMENDATION

The Directors, excluding Tan Sri Lim Kok Thay who abstained due to his interest in the Recurrent Transaction, after due consideration of all aspects of the Recurrent Transactions, are of the opinion that the Recurrent Transaction are in the best interests of the Company.

7. COMPLIANCE WITH SECURITIES COMMISSION (“SC”) GUIDELINES

The Recurrent Transaction is in compliance with and there has been no departure from the Policies and Guidelines on Issue/Offer of Securities by the SC.

8. APPROVALS REQUIRED

The Recurrent Transaction is not subject to any approvals including approval from shareholders of the Company.

LT. GEN. (B) DATO' HAJI ABDUL JAMIL BIN HAJI AHMAD
Director
Asiatic Development Berhad

Details of Recurrent Related Party Transactions

Table 1

Item No.	Asiatic Development Bhd & or its subsidiaries	Transacting Party	Nature of Relationship	Nature of Transaction	Estimated Value for 2007
1.	ACGT	SGSI-Asiatic	Tan Sri Lim Kok Thay -Director, shareholder and share option holder of Asiatic and Genting Berhad -Beneficiary of a trust which has 15% equity interest in SGSI, which in turn has 50% interest in SGSI-Asiatic	Provision of genomic research services by SGSI-Asiatic to ACGT for year 2007	USD12 million or RM41.4 million equivalent *
				Total value of transaction with SGSI-Asiatic	RM41.4 million

* Exchange rate at USD 1 : RM3.45