



General Announcement

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Company Information

Main Board/ Second Board Company

New Announcement

Submitting Investment Bank/Advisor (if applicable)

Submitting Secretarial Firm (if applicable)

* Company name	ASIATIC DEVELOPMENT BERHAD
* Stock name	ASIATIC
* Stock code	2291
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Type *

Announcement

Subject **

PROPOSED JOINT VENTURE TO ACQUIRE AND DEVELOP APPROXIMATELY 45,000 HECTARES OF OIL PALM PLANTATION AT KABUPATEN KAPUAS, PROVINSI KALIMANTAN TENGAH, REPUBLIC OF INDONESIA

Note: If the announcement is a long announcement, please summarize the announcement in the contents and enter the details of the announcement in the Announcement Details or attached the full details of the announcement as attachment.

Contents *:-

(This field is to be used for the summary of the announcement)

Announcement Details :-

(This field is for the details of the announcement, if applicable)

We refer to the announcements made on 11 June 2008 and 5 September 2008 in respect of the proposed joint venture for the acquisition and development of approximately 45,000 hectares of oil palm plantation in Kabupaten Kapuas, Provinsi Kalimantan Tengah, Republic of Indonesia ("Proposed JV").

The Board of Directors of Asiatic Development Berhad ("Asiatic" or "the Company") is pleased to announce that the Proposed JV has been completed on 3 October 2008 ("Completion Date"). Mediglove Sdn Bhd ("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 USD 9.0 million and 3,000 ordinary shares representing 30% equity interest in GaiaAgri Services Limited ("GAS") for a cash consideration of USD 3,000. The remaining 40% equity interest in AIH and 70% equity interest in GAS are held by Kara Agri Pte Ltd ("KARA") and GaiaAgri Holdings Limited respectively.

Arising therefrom, the wholly-owned subsidiaries of AIH, namely, Asian Palm Oil Pte Ltd (formerly known as GaiaAgri Palm Oil Pte Ltd), AsianIndo Palm Oil Pte Ltd and Kara Palm Oil Pte Ltd (collectively known as "SPVcos"), all incorporated in Singapore have become indirect subsidiaries of the Company.

Each of the SPVcos holds 95% equity interest in each of the following Indonesian joint venture companies ("Indonesian JVs"): -

SPVcos	Indonesian JVs
Asian Palm Oil Pte Ltd (formerly known as GaiaAgri Palm Oil Pte Ltd)	PT Dwie Warna Karya
AsianIndo Palm Oil Pte Ltd	PT Susantri Permai
Kara Palm Oil Pte Ltd	PT Kapuas Maju Jaya

AIH together with the SPVcos and the Indonesian JVs are hereinafter collectively referred to as "AIH Group".

On the Completion Date, Mediglove and Kara Agri Pte Ltd ("KARA") entered into a Put and Call Option Agreement 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 AIH ("Option Shares") exercisable during the period after the expiry of five (5) years from the Completion Date 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 any of the agreed development milestones is not achieved within 6 months from the respective dates of completion specified for the agreed development milestones.

None of the Directors and major shareholders of the Company and/or persons connected with them, has any interest in the subscription of shares in AIH and GAS.

The inclusion of AIH Group as indirect subsidiaries of the Company and GAS as an associated company of the Company is not expected to have any material effect on the Group's profit for the financial year ending 31 December 2008.

**TAN SRI MOHD AMIN BIN OSMAN
CHAIRMAN
ASIATIC DEVELOPMENT BERHAD**

Attachment(s):- (please attach the attachments here)
- No Attachment Found -

Tables Section - This section is to be used to create and insert tables. Please make the appropriate reference to the table(s) in the Contents of the Announcement:

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