

## **AIC Corporation Berhad**

### **Reply to Bursa Malaysia Securities Berhad: Proposed Acquisition of a piece of Land**

Further to our announcement dated 21 December 2009 (“Announcement”) and Bursa Malaysia Securities Berhad’s letter dated 22 December 2009, we furnish herewith the following additional information for public release. Unless otherwise defined, the definitions set out in the Announcement shall apply herein.

1. The net book value of the Land at the latest audited financial statements of SHSB.

SHSB does not have any audited financial statements as at the date of this announcement as SHSB was only incorporated on 19 March 2009. Hence, the net book value of the Land based on the latest audited financial statements of SHSB is not available.

2. The salient features of the valuation report and the time and place where it may be inspected.

The salient features of the valuation report dated 8 October 2009 by Henry Butcher Malaysia (Sabah) Sdn Bhd are as follows:-

- i) The Land has a market value of RM11.224 million and was arrived at using the Comparison Method of valuation.
- ii) The valuation report has been prepared in compliance with the Malaysian Valuation Standards issued by the Board of Valuers, Appraisers and Estate Agents Malaysia;
- iii) The Land was inspected on 8 October 2009;
- iv) The Land area is 3.159 hectares (7.808 acres);
- v) The Land is a leasehold land with a lease tenure of 999 years effective from 14 October 1925 to 13 October 2924, with an unexpired lease tenure of 915 years; and
- vi) The Land is designated within an area zoned for “*High Density Residential Use*” under the Kuala Menggatal Local Plan.

Copies of the independent valuation report are available for inspection at the Registered Office of AIC at Wisma AIC, Lot 3, Persiaran Kemajuan, Seksyen 16, 40200, Shah Alam Selangor Darul Ehsan during normal business hours

3. The contingent liabilities and guarantees to be assumed by AIC or AICP arising from the Proposed Acquisition.

Neither AICP nor AIC Group is expected to assume any contingent liabilities and guarantees arising from the Proposed Acquisition.

4. The breakdown of the sources of funding from the Proposed Acquisition.

The funding for the Proposed Acquisition is expected to be sourced in half from internally generated funds and another half from bank borrowings. The effect on the gearing of the AIC Group has been illustrated in Table 1 of the Announcement dated 21 December 2009.

5. The future usage of the Land

The Land will be held as an investment property in the short to medium term.

6. The estimated timeframe for submission of the application to Sabah Land Office.

The application to the Sabah Land Office (if any) is expected to be made within one (1) month from the date of the SPA.

7. The information as per Appendix 10A, Part C, (4) of the Main Market Listing Requirements.

As the Land will be held as an investment property, there is no information to be disclosed as per Appendix 10A, Part C, (4) of the Main Market Listing Requirements.

This announcement is dated 23 December 2009.