

**AIC Corporation Berhad (“AIC” or the “Company”)  
Fire incident in the factory premises of a subsidiary**

We refer to our announcement dated 16 January 2011 (“Announcement”). Unless otherwise defined, definitions in the Announcement shall apply herein.

From the initial investigation, the cause of the Fire was the result of an electrical short circuit occurring in one of the equipment located in the plating department of Prodelcon. The management of Prodelcon is in the midst of compiling the documents and information in order to submit an insurance claim for losses related to the Fire. Prodelcon has sub-contracted out the plating work to third party vendor since 18 January 2011.

The Fire has resulted in damages in certain plant and equipment and inventories of Prodelcon. The total cost and net book value of this plant and equipment amounted to RM1.0 million and RM0.7 million respectively whereas the carrying value of the damaged inventories totalled RM0.1 million.

Hence, the financial impact to AIC group is estimated at RM0.8 million less any insurance claim to be received from Prodelcon’s insurer.

This announcement is dated 25 January 2011.