

General Announcement

Reference No **AC-070204-60914**

Company Name : **AIC CORPORATION BERHAD**

Stock Name : **AIC**

Date Announced : **02/04/2007**

Type : **Announcement**

Subject : **AIC CORPORATION BERHAD ("AIC" OR "COMPANY")
REDEMPTION OF PREFERENCE SHARES BY A SUBSIDIARY**

Contents :

On behalf of the Board of Directors of AIC, we wish to announce that AIC Technology Sdn Bhd ("AICT"), a 75% owned subsidiary of AIC, had on 2 April 2007 redeemed 1,500,000 of its convertible redeemable preference shares ("CRPS") of RM1.00 each ("Redemption") at a total cash redemption value of RM29.4 million pursuant to the terms of the CRPS and AICT's Articles of Association. The CRPS holders, AIC and Darulnas (M) Sdn Bhd received RM22.1 million and RM7.3 million for 1,125,000 and 375,000 of their CRPS redeemed, respectively.

The CRPS shall be redeemed out of the distributable reserves of AICT. The retained earnings of AICT as at 31 December 2006 amounted to RM1.7 million. The excess of the redemption value above the par value of the CRPS redeemed, amounting to RM27.9 million is provided for out of the premium account of the CRPS. The premium account of the CRPS amounts to RM58.1 million as at 31 December 2006.

The Redemption will not have any effect on the share capital and shareholding structure of the Company. The Redemption will also not have any effect on the consolidated net assets, earnings or gearing of AIC and its subsidiary companies.

This announcement is dated 2 April 2007.

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