

**General Announcement**Reference No **AC-071203-63023**

Company Name : **AIC CORPORATION BERHAD**  
Stock Name : **AIC**  
Date Announced : **03/12/2007**

Type : **Announcement**  
Subject : **Manufacture And Delivery Agreement Entered Into By A Subsidiary**  
Contents :

On behalf of the Board of Directors of AIC, we are pleased to announce that AIC Display Sdn. Bhd. ("AICD"), a wholly owned subsidiary of AIC has on 3 December 2007 entered into a manufacture and delivery agreement ("MDA") with Billion Dynamic Sdn Bhd ("Billion").

Billion is a company incorporated in Malaysia and is a wholly owned subsidiary of Kenmark Industrial Co. (M) Berhad, a company listed on the Main Board of Bursa Malaysia Securities Berhad. Billion is engaged in the business of sales and marketing of liquid crystal display ("LCD") televisions ("TVs").

AICD is incorporated in Malaysia and is principally involved in the manufacturing, marketing and sales of multimedia displays, LCD and plasma TVs and monitors and multimedia products and all related peripherals.

The MDA entails AICD to assemble and manufacture LCD TVs for Billion for a period of three (3) years from 3 December 2007 and shall automatically be extended on a year-to-year basis unless or until either party hereto gives the other, six (6) months written notice stating its intention not to renew the MDA.

The MDA represents a major milestone for our display division and also marks the beginning of a long-term relationship with a renowned public company involved in the export and distribution of LCD TVs which will mutually benefit the parties as the purchase and supply commitment will provide stability to business and improve time-to-market of the LCD TVs.

In view of the termination of the sale and purchase agreement for the proposed divestment of AICD and the management agreement between AIC and FTEC Resources Berhad, as announced on 29 November 2007, this MDA represents our effort to improve sales and bring profitability to our display division.

The MDA is expected to enhance the overall business, earnings potential and cash flow position of AIC's display division as well as of AIC and its subsidiaries ("AIC Group").

The MDA will not have any effect:

- i) on the share capital and substantial shareholding of the Company; and
  - ii) to the consolidated net assets of the AIC Group for the financial year ending 31 December 2007.
- The MDA will also not have any material effect to the earnings of the AIC Group for the financial year ending 31 December 2007. However, the MDA is expected to contribute positively to the future earnings of the AIC Group.

None of the Directors and substantial shareholders of AIC has any interest, direct or indirect, in the MDA. The MDA is not subject to the approval of shareholders of AIC or any regulatory authorities.

The Board of Directors of AIC is of the opinion that the MDA is in the best interest of the AIC Group.

This announcement is dated 3 December 2007.

Announcement Details :