

General Announcement

Reference No EH-090325-45594

Company Name : EMICO HOLDINGS BERHAD

Stock Name : EMICO

Date Announced : 25/03/2009

Type : Reply to query

Reply to Bursa Malaysia's

Query Letter - Reference ID : NE-090324-43834

Subject : EMICO HOLDINGS BERHAD ("Emico")

- TERMINATION OF PROPOSED DISPOSAL OF 80% EQUITY INTEREST
IN PKB-OPERASI TEMBAGA SDN BHD

Contents : We refer to Bursa's Letter dated 24 March 2009 in reply to queries in relation to the announcement on 23 March 2009 pertaining to the termination of proposed disposal of 80% equity interest in PKB-OPerasi Tembaga Sdn Bhd.

Query Letter

content : We refer to your announcement dated 23 March 2009 in respect of the above

matter.

In this connection, kindly furnish Bursa Malaysia Securities Berhad ("Bursa

Securities") with the following additional information for public release:-

Detailed reasons for the termination of the Sale and Purchase Agreement ("SPA");

Whether there is any legal recourse available to the parties involved. If yes,
to provide details thereof; and

The financial impact, in terms of effect on earnings per share and net assets
per share, pursuant to the termination of the SPA to EMICO.

Please furnish Bursa Securities with your reply within one (1) market day from
the date hereof.

Yours faithfully

CHONG FUI TZY

Head, Issuers

Listing Division

Regulation

CFT/NAE

c.c. Head, Market Surveillance, Securities Commission (via fax)

Announcement Details :

1) Full details of the reason that lead to the termination of the SPA dated 22nd May 2008.

The Proposed Disposal is conditional upon the fulfillment of several conditions precedent as follows:-

- a) Approval of revised plan by the competent authorities
- b) Approval of shareholders of Emico at an EGM to be convened;
- c) Approval of shareholders of Operasi Tembaga Sdn Bhd at an EGM to be convened;
- d) Approval of any other relevant authorities,if required.

The SPA was terminated by the Purchaser as the above condition precedent in particularly Condition (a), approval of revised plan have not been approved by the relevant authorities until todate.(10 months since the signing of SPA). Since Condition (a) was not fulfilled, condition (b) ,(c) and (d) was not carried out.

2) Whether there is any legal recourse available to the parties involved pursuant to the termination of the SPA. If yes, to provide the details thereof.

Yes. In accordance with the terms of the SPA, Purchaser had paid a deposit of RM1,000,000 to the Vendor's solicitor upon the execution of the SPA. Under the term of the SPA, Vendor shall refund the above deposit within 2 weeks from the date of notification and the SPA shall be rendered null and void and neither party shall have any claim(s) against the other in respect of the Proposed Disposal, save and except for the antedent breach.

3) The financial impact,in terms of effects on the earnings per share and net assets per share, pursuant to the termination of the SPA to EMICO.

The termination of the SPA is not expected to have any material financial impact to EMICO.

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