

General Announcement

Reference No EH-090525-56033

Company Name : EMICO HOLDINGS BERHAD

Stock Name : EMICO

Date Announced : 25/05/2009

Type : Announcement

Subject : EMICO HOLDINGS BERHAD ("Emico" or "Issuer")

REDEEMABLE SECURED LOAN STOCKS OF AN AGGREGATE  
NOMINAL VALUE OF RM84,000,100 ("RSLs")- EXTENSION OF TIME

Contents : The Board of Directors of Emico wishes to announce that on 22 May 2009, Emico has received Resolution in writing from the RSLs holders holding or representing in aggregate not less than the requisite seventy five percent (75%) of the Nominal Value of the Outstanding RSLs.

The summarised Resolution are as follows:-

1) That approval be and hereby given to the Issuer for extension of time to redeem the RSLs, 94,101 units of

which, having previously expired the 26th of May 2008 and extension of time was sought and granted to 20th March 2009

subject to payment of an Extension Fee of 4% per annum for a period of 63 days from 20th March 2009 to 22 May 2009.

(The Extension Fee was paid on 22 May 2009 by the Issuer to the RSLs holders.)

2) That approval be and hereby granted to the Issuer to extend the tenure for the redemption of the RSLs, 94,101 units of

which previously expired on 4th Anniversary and the 272,015 units of which be

due on 22 May 2009 as per redemption  
dates specified in Schedule A attached herewith, the last tranche of which will be  
not later than 31 December 2010, on  
payment of interest by the Issuer at the rate of 4% per annum as listed in the said  
Schedule A and an Extension Fee of  
0.5% on the outstanding RSLs payable on or before 22 May 2009. (The  
Extension Fee of 0.5% of the outstanding RSLs was  
paid on 22 May 2009.)

In consideration of the RSLs holders granting their approval, the Issuer hereby  
agreed as follows:-

- a) to furnish a Power of Attorney to the Trustee, to enable the trustee to be  
appointed as Attorney to facilitate the  
disposal of the Identified Assets as listed in Schedule B hereto;
- b) the tenure of the Monitoring Accountants which shall be expiring on 22 May  
2009 be extended accordingly until 31  
December 2010.

That the approvals granted to the Issuer herein is subject to the Issuer having to  
obtain the consents of all relevant parties, in particular the consent of Securities  
Commission ("SC") in accordance with the provisions of the Trust Deed and the  
rules and regulations of the SC governing the issuance of the RSLs.

Attachments : [RSLs Resolution dated 22 May 2009.doc](#)

**EMICO HOLDINGS BERHAD**  
(Company No. 230326-D)

**366,116 UNITS OF REDEEMABLE SECURED LOAN STOCKS WITH AN AGGREGATE NOMINAL VALUE OF RM36,611,600 (“THE RSLs”)**

**RSLs HOLDERS’ RESOLUTION IN WRITING PURSUANT TO PARAGRAPH 22 OF SCHEDULE 5 OF THE RSLs TRUST DEED (“THE TRUST DEED”) BETWEEN EMICO HOLDINGS BERHAD (“THE ISSUER”) AND MALAYSIAN TRUSTEES BERHAD (“THE TRUSTEE”) DATED 21<sup>ST</sup> APRIL, 2004**

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**WHEREAS:**

- (1) Pursuant to a meeting held on the 12<sup>th</sup> of March, 2009, between the Issuer and the RSLs Holders and having considered the Written Proposal dated 12<sup>th</sup> March, 2009 (“the Proposal”) put forth by the Issuer to the RSLs Holders requesting for, *inter alia*:
- (a) the RSLs Holders’ approval for an extension of time by the Issuer to redeem the RSLs, 94,101 units of which have been due on the 20<sup>th</sup> of March, 2009; the aforesaid 94,101 units of the RSLs, having previously expired on the 26<sup>th</sup> of May, 2008 (“the 4<sup>th</sup> Anniversary”) and extension of time was sought from the RSLs Holders by the Issuer and granted by the RSLs Holders to the 20<sup>th</sup> of March, 2009, subject to the payment of an Extension Fee of 4% per annum for a period of sixty-three (63) days from the 20<sup>th</sup> of March, 2009 to the 22<sup>nd</sup> of May, 2009 (exclusive);
  - (b) the RSLs Holders’ approval for the Issuer to extend the tenure of the following RSLs:
    - (i) The 94,101 units of RSLs (having previously expired on the 4<sup>th</sup> Anniversary) for a further duration of five (5) years until 22<sup>nd</sup> of May, 2013; and
    - (ii) The 272,015 units of RSLs which will be due on the 22<sup>nd</sup> of May, 2009 (“the 5<sup>th</sup> Anniversary”) for a further duration of four (4) years to expire on the 22<sup>nd</sup> of May, 2013

on payment of interest by the Issuer at the rate of 4% per annum pursuant to the schedule of redemption as listed in Schedule A attached hereto and an extension fee of 0.5% on the outstanding RSLs payable on or before 22<sup>nd</sup> of May 2009;

AND in addition, after taking into consideration the special circumstances of one of the RSLs Holders, namely Prokhas Sdn. Bhd., who have specifically requested for a shorter tenure renewal of the above mentioned units of RSLs, to expire on the 31<sup>st</sup> of December, 2010 respectively, instead of the 22<sup>nd</sup> of May, 2013 respectively as originally proposed by the Issuer in recital (1)(b) above.

- (2) Pursuant to paragraph 1.3 of the Proposal by the Issuer, the proceeds for the redemption of the RSLs is to be generated from the disposal of certain identified assets ("the Identified Assets"), as listed in Schedule B attached hereto.
- (3) In consideration of the RSLs Holders granting their approval and consent to the Issuer's requests, the RSLs Holders have requested that:
  - (a) the Issuer furnish a Power of Attorney (in a form and substance acceptable to the RSLs holders) to the Trustee, (to act on behalf of the RSLs Holders) so as to enable the Trustee to facilitate the disposal of the Identified Assets upon terms and conditions to be agreed upon by the RSLs holders and the Trustee in their absolute discretion, and
  - (b) that the tenure of the Monitoring Accountants which will be expiring on the 22nd of May, 2009 be extended accordingly until the 31st of December, 2010 by the Issuer upon the same terms and conditions and pursuant to the same scope of works as originally agreed between the parties herein.
- (4) The approval granted to the Issuer for an extension of the time to redeem the RSLs and the extension of the tenure of the RSLs is subject to the Issuer having to obtain the consents of all relevant parties, in particular the consent of the Securities Commission ("the SC") in accordance with the provisions of the Trust Deed and the rules and regulations of the SC governing the issuance thereof.

**PURSUANT TO THE TERMS OF THE TRUST DEED, WE, THE RSLs HOLDERS OF EMICO HOLDINGS BERHAD HAVING CONSIDERED AND THOUGHT FIT, HEREBY RESOLVE BY WAY OF SPECIAL RESOLUTION AS FOLLOWS:**

- 1) THAT approval be and is hereby given to the Issuer for an extension of time to redeem the RSLs, 94,101 units of which, having previously expired on the 26<sup>th</sup> of May, 2008 ("the 4<sup>th</sup> Anniversary") and extension of time was sought from the RSLs Holders by the Issuer and granted by the RSLs Holders to the 20<sup>th</sup> of March, 2009, subject to the payment of an Extension Fee of 4% per annum for a period of sixty-three (63) days from the 20<sup>th</sup> of March, 2009 to the 22<sup>nd</sup> of May, 2009 (exclusive) pursuant to the schedule of redemption as listed in Schedule A attached hereto;
- 2) THAT approval be and is hereby granted to the Issuer to extend the tenure for the redemption of the RSLs, 94,101 units of which having previously expired on the 4<sup>th</sup> Anniversary, and the 272,015 units of which be due on the 22<sup>nd</sup> of May, 2009 ("the 5<sup>th</sup> Anniversary") as per the redemption dates specified in Schedule A attached hereto, the last tranche of which will be not later than the 31<sup>st</sup> of December, 2010, on payment of interest by the Issuer at the rate of 4% per annum as listed in the said Schedule A and

an extension fee of 0.5% on the outstanding RSLs payable on or before 22<sup>nd</sup> of May 2009.

- 3) In consideration of the RSLs Holders granting their approval and consent to the Issuer pursuant to paragraphs 1) and 2) above, the Issuer hereby agrees to furnish a Power of Attorney to the Trustee, to enable the Trustee to be appointed as Attorney to facilitate the disposal of the Identified Assets as listed in the Schedule B hereto, **provided that:**
- (a) in cases where the owner of the Identified Asset is not the Issuer, but is a subsidiary of the Issuer, the Issuer hereby undertakes to procure the execution of the Power of Attorney by the subsidiary in question, appointing the Trustee as Attorney in respect of the disposal;
  - (b) that the Power of Attorney to be furnished herein by the Issuer or its subsidiary in favour of the Trustee, shall be executed by the Issuer or its subsidiary within seven (7) days of the receipt of the respective fair copies thereof;
  - (c) that any failure on the part of the Issuer or its subsidiary to execute the Power of Attorney within the timeframe as stipulated in (b) above shall render the extension of time granted by the RSLs Holders herein to redeem the RSLs ineffective and RSLs Holders shall be entitled to call an Event of Default pursuant to the provisions of the RSLs Trust Deed.
  - (d) that the minimum price of disposal of the respective Identified Assets listed in the Schedule by the Trustee shall not vary more than ten percent (10%) from the open market value of the respective assets. For this purpose, the Issuer is to appoint a valuer acceptable to the Trustee within a week from the date of these resolutions, to commence valuation of the Identified Assets for disposal. For avoidance of doubt, the disposal of the Identified Assets can be done at any time, notwithstanding the dates of disposal listed in Schedule B hereto, provided that the offer price is within the 10% tolerance range.

AND the Issuer hereby also agrees that the tenure of the Monitoring Accountants which shall be expiring on the 22<sup>nd</sup> of May, 2009, be extended accordingly until the 31<sup>st</sup> of December, 2010, upon the same terms and conditions and pursuant to the same scope of works as originally agreed between the parties herein **provided that:**

- (a) the Issuer shall be entitled to either maintain the existing firm of accountants as the Monitoring Accountants or appoint a new firm in replacement as the case may be, subject to the payment of whatever fees, remuneration and charges of the Monitoring Accountants, which shall be agreed upon between the Issuer and the selected firm of Monitoring Accountants; and

- (b) if the Issuer shall fail to appoint the Monitoring Accountants due to any reason whatsoever by the 22nd of June, 2009, the Trustee shall have the discretion to appoint the Monitoring Accountants on behalf of the RSLs Holders and whatever fees, remuneration and charges of the Monitoring Accountants shall be agreed upon between the Trustee and the selected firm of Monitoring Accountants.
- 4) THAT the approvals granted to the Issuer herein is subject to the Issuer having to obtain the consents of all relevant parties, in particular the consent of the Securities Commission (“the SC”) in accordance with the provisions of the Trust Deed and the rules and regulations of the SC governing the issuance of the RSLs.
- 5) THAT the Trustee shall not be liable or held responsible to the RSLs Holders for any acts or omissions by the Trustee in order to give effect to the approvals and authorities conferred on the Trustee under the resolutions herein Provided That in so acting or omitting to act, the Trustee has not acted fraudulently, in gross negligence or in willful default, and the RSLs Holders shall fully indemnify and keep indemnified the Trustee against all proceedings, claims and demands to which the Trustee may thereby become liable, including any and all costs, charges, expenses, losses and damages whatsoever which may thereby be incurred or suffered by the Trustee howsoever.
- 6) THAT authority be and is hereby given to the Trustee to do all acts, deed and things and to execute, sign and deliver on behalf of the RSLs Holders, all documents and/or agreements as it shall deem fit and necessary to give full effect to the Special Resolutions herein mentioned and approved hereunder with full power to assent to any conditions, modifications, variations and/or amendments in and to the relevant documents and/or agreements, in the best interests of the RSLs Holders, in order to give full effect to the Special Resolutions herein mentioned and approved hereunder.

Dated:

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 Authorised Signatory  
 Name :  
 Designation :

NO. OF RSLs HELD

## SCHEDULE A

<u>Date</u>	<u>Principal (RM'000)</u>	<u>Repayment (RM'000)</u>	<u>Balance (RM'000)</u>	<u>Interest at 4% pa</u>	<u>Period</u>
By 22 May 2009	Extension fee for 94,101 units due on 20/3/09	64			30/3/09 to 22/5/09 (excl.)
By 22 May 2009	Extension fee at 0.5% for 366,116 units	183			
By 31-Jul-2009	36,612	900	35,712	-	
By 22-May-2010	35,712	2,565	33,147	1,428	24/5/09 to 23/5/10
By 31-Dec-2010	33,147	33,147	-	806	24/5/10 to 31/12/10
Total:		36,612		2,235	

**SCHEDULE B**  
**ASSETS IDENTIFIED FOR DISPOSAL**

	<b>Company</b>	<b>Description</b>	<b>Indicative Disposal Value (RM)</b>
	Emico Asia Sdn. Bhd.	2 parcels of land known as Geran 87069 & 87070 measuring approximately 3109 sq meters each situated in Daerah Kuala Muda, Bandar Sg. Petani, Kedah	2,700,000
	Emico Development Sdn. Bhd.	386,082 sq ft of vacant commercial land in Taman Batik designated for halal hub project valued at RM18 per sq ft	6,949,000
	Emico Holdings Berhad	Land for shopping complex known as Geran 84502 measuring approximately 14331 sq meters in Daerah Kuala Muda, Bandar Sg. Petani, Kedah	2,700,000
	Operasi Tembaga Sdn. Bhd.	80% shares in PKB Operasi Tembaga Sdn. Bhd. which has a mixed development project at Lot No. H.S. (M) 156-96, Mukim Kuah, Daerah Langkawi, Kedah measuring approximately 36.5 acres	10,000,000
	Emico Development Sdn. Bhd.	852,687 sq ft Taman Batik vacant land designated for for houses at RM8 per sq ft without subdivision of individual titles	6,821,000
	Emico Development Sdn. Bhd.	32 units of Taman Batik vacant shoplot land at RM40,000 per unit totalling approximately 44,800 sq ft	1,280,000
	Emico Development Sdn. Bhd.	259 units Taman Mutiara land meant for terrace houses at RM25,000 per unit totalling approximately 362,600 sq ft	6,475,000
	Northern Elevator Berhad	Office Unit - Unit M/0/04/02, Harbour Trade Centre, Lebuhr Macallum, Penang	to be determined
<b>TOTAL:</b>			<b>36,925,000</b>