



**METRONIC GLOBAL BERHAD**  
(Company No.: 632068-V)  
(Incorporated in Malaysia under the Companies Act, 1965)

**ANNOUNCEMENT TO BURSA MALAYSIA**

**Control No:MGB/A/10/2006**

**SUBJECT MATTER:**

**METRONIC GLOBAL BERHAD (“MGB” OR “COMPANY”)**

**DEED OF PARTNERSHIP IN THE EMIRATE OF DUBAI, UNITED ARABIC EMIRATES (“UAE”)**

**CONTENTS:**

MGB wishes to announce that on 11 June 2006, the Company has entered into a deed of partnership (“Partnership” or “the Deed”) with Tariq Mohammed Saeed Abdulla Al Jassmi, a UAE national (“Tariq”) and Khalid Abdul Karim Faris, a Jordanian national (“Khalid”) (collectively known as the Party or the Parties) for the purpose of carrying out the business of trading in technical building management software, security software, electronic enterprise management services and other related activities in the entire Middle-East and North Africa region.

The salient terms of the Deed are as follows:-

**1 Incorporation of company**

For the purpose of the Partnership, the Parties intend to incorporate a company with limited liability in the Emirate of Dubai under the proposed name of “Metronic Global Berhad LLC” (“the JVC”) subject to the approvals of the relevant authorities. In the event the name of the JVC is not approved by the relevant authorities, a new name shall be chosen with the mutual consent of all the Parties.

**2 Shareholding**

The Parties shall subscribe for ordinary shares of United Arab Emirates Dirham (“AED”) 1.00 each in the JVC in the following proportion:-

<b>Parties</b>	<b>Number of shares subscribed @ AED1.00 each</b>	<b>% of issued and paid-up share capital</b>
MGB	200,000	50%
Tariq	100,000	25%
Khalid	100,000	25%
Total	400,000	100%

3.1 The Parties shall be bound to pay for the respective shareholding into the JVC's bank account to be opened in Dubai and the authorised representative of MGB shall be a joint signatory for the all the cheques to be issued from the said bank account.

### **3. Duration of Partnership**

The Partnership between the Parties shall be limited to a duration of twenty (20) years ("Partnership Term"), unless extended by mutual agreement between the Parties and shall commence from the date of issuance of the company license from the Economic Development Department in Dubai.

In the event that two Parties ("Majority") agree to extend the Partnership Term but one remaining party ("Minority") refuses to agree:-

3.1 The Majority may appoint an independent and established accounting firm of international repute to assess the market value of the shares of the JVC;

3.2 The valuation report shall be served by the Majority on the Minority within sixty (60) days of receipt thereof from the accounting firm;

3.3 In the event that the Minority accepts the valuation therein, the Majority shall be bound to purchase and the Minority shall be bound to sell its shares in the JVC at the value as so assessed;

3.4 In the event that the Minority disagrees with the valuation thereof, the Minority shall be entitled to seek for a valuation of the JVC's shares from another independent accounting firm of international repute and submit a copy of the valuation report to the Majority within sixty (60) days of receipt thereof from the accounting firm; and

3.5 In the event that the Majority does not agree with valuation report by the accounting firm appointed by the Minority, the parties shall be entitled to resort to arbitration to select individual arbitrator for resolution of their dispute, in case of disagreement, the arbitrator shall be selected by the Dubai Courts.

### **4. Board of Directors**

The JVC's Board of Directors shall comprise Tariq, Khalid and a representative of MGB. For the purpose of management of the JVC, the following rules shall apply:-

4.1 All regular meetings of the JVC's Board of Directors shall require the presence of all Parties in order to constitute a quorum for the meeting. No Board meeting shall be held in the absence of such a quorum; and

4.2 The JVC's Board of Directors shall be solely responsible for the management of the JVC and all strategic decisions made by the Board of Directors (including but not limited to the

appointment of the Chairman and Managing Director) shall be unanimous (apart from the day to day management).

## **5 Dividend**

Any dividend declared by the JVC shall be distributed to each of the Parties in proportion to their respective shareholdings in the JVC as stated in item 2 above.

## **6 Management**

The Parties agree to appoint Khalid to be the chief executive officer for the JVC for a period of two years, commencing from the date of issuance of the company license.

## **7 Dissolution**

Unless otherwise agreed in writing between the Parties and without prejudice to the Parties' shareholdings in the JVC and the continued existence of the JVC, the Partnership shall dissolve and be deemed dissolved on the occurrence of any of the following events:-

- 7.1 On the death of either Tariq or Khalid, unless the remaining parties and the heirs agree that the JVC shall continue to exist; or
- 7.2 On the date when receiving the final order and adjudicating final order are made by a Court of competent jurisdiction against MGB, or in case of bankruptcy of the JVC or its termination thereof; or
- 7.3 On the date when a Court of competent jurisdiction makes a final order or final decree for the dissolution of the Partnership on any ground, in addition to that any case provided in the Memorandum of Association which shall be authenticated before the notary public in Dubai.

## **8 MGB's branch office in the Dubai Airport Free Zone, Dubai, ("DAFZA") UAE**

MGB will not at any time during the subsistence of the Deed and under any circumstance use its office or license to conduct business which is similar to or in any material way related to business carried by the JVC or any of its subsidiaries within Middle-East and North Africa region. The object of the MGB's office in DAFZA is just for following up and shall not be invited to tender for any works that contradict the works of the JVC. This restriction shall continue for a period of five (5) years commencing from the date of withdrawing, assigning or ousting MGB from the JVC.

The Partnership shall be financed through internally generated funds of MGB.

The Partnership is not expected to have a material effect on the earnings or net tangible assets of MGB for the financial year ending 31 December 2006.

None of the Directors or substantial shareholders of MGB or persons connected to them has any interest, direct or indirect, in the Partnership or the JVC to be incorporated.

This announcement is dated 14 June 2006