



METRONIC GLOBAL BERHAD

(Company No.: 632068-V)

(Incorporated in Malaysia under the Companies Act, 1965)

ANNOUNCEMENT TO BURSA MALAYSIA

Control No:MGB/A/3/2009

Subject: CONDITIONAL SHARE SALE AGREEMENT IN RELATION TO THE DISPOSAL OF 1,000,000 ORDINARY SHARES OF RM1.00 EACH IN ARIANTEC SDN BHD, AN ASSOCIATED COMPANY OF METRONIC GLOBAL BERHAD

Contents: The Board of Directors of Metronic Global Berhad is pleased to announce that Metronic had on 6 March 2009 entered into a Conditional Share Sale Agreement with Global Soft (MSC) Bhd for the disposal by Metronic of 1,000,000 ordinary shares of RM1.00 each representing 25.27% equity interest in Ariantec Sdn Bhd for a total disposal consideration of RM9.666 million to be fully satisfied via the issuance of 96,657,750 new ordinary shares of RM0.10 each Global Soft shares at an issue price of RM0.10 per share.

Announcement Details :

1. INTRODUCTION

The Board of Directors of Metronic Global Berhad ("Metronic") is pleased to announce that Metronic had on 6 March 2009 entered into a Conditional Shares Sale Agreement ("SSA") with Global Soft (MSC) Berhad ("GSB") for the disposal by Metronic of 1,000,000 ordinary shares in Ariantec Sdn Bhd ("Ariantec") of RM1.00 each representing 25.27% equity interest in Ariantec ("Sale Shares") for a total disposal consideration of RM9.666 million to be fully satisfied by the issuance of 96,657,750 new ordinary shares of RM0.10 each at an issue price of RM0.10 per GS Share ("Consideration Shares").

Upon the completion of the Proposed Disposal, Ariantec will cease to be an associated company of Metronic, in which Metronic will become one of the substantial shareholders in GS, holding approximately 17.02% equity interest in GS.

2.0 DETAILS OF THE PROPOSED DISPOSAL

2.1 BASIS OF DISPOSAL CONSIDERATION

On 6 March 2009, Metronic entered into the SSA with GS for the proposed disposal of 1,000,000 ordinary shares in Ariantec of RM1.00 each representing 25.27% equity interest in Ariantec for a total disposal consideration of RM9.666 million to be fully satisfied by the Consideration Shares upon completion of the Proposed Disposal.

The disposal consideration of RM9.666 million for the Proposed Disposal was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, a Price Earnings (P/E) multiple of 8.5 times based on the profit guarantee given by the management and substantial shareholders of Ariantec, namely Mr. Vincent Loy Ghee Yaw ("VL") and Mr. Alex Chen Kong Kheng ("AC") for financial year ended 31 December 2009 and the growth and future prospects of Ariantec in the enterprise and telecommunication network infrastructure and managed securities business domestically and regionally in conjunction with the merger with GS's existing businesses.

The issue price of RM0.10 for the Consideration Shares was arrived at after taking into consideration the five (5) days volume weighted average market price of GS shares up to 5 March 2009 preceding the date of the SSA of RM0.035 and the par value of GS shares of RM0.10. The Consideration Shares shall be listed on the MESDAQ Market of Bursa Securities.

2.2 INFORMATION ON ARIANTEC

Ariantec was incorporated in Malaysia as a private limited company on 8 May 2000 under the Companies Act, 1965 ("Act") under the name of CFB Technologies Sdn Bhd. The company changed its name to Niagara Technologies Sdn Bhd, Niagara Ventures Sdn Bhd and to its present name on 8 November 2001, 6 June 2003 and 13 August 2003 respectively. The authorised share capital of Ariantec is RM5.00 million comprising 5,000,000 Ariantec Shares and the issued and fully paid-up share capital is RM3,957,196 million comprising of 3,957,196 ordinary shares of RM1.00 each. The principal activity of Ariantec is the technology provider of network infrastructure, managed security systems and channel bonding solutions.

Metronic completed the acquisition of 1,000,000 ordinary shares or 40% equity interest in Ariantec on 27 August 2007. Ariantec is currently a 25.27% associated company of Metronic. The shareholding of Metronic in Ariantec has been diluted from 40% to 25.27% pursuant to the proposed special issue to the existing management of Ariantec, namely VL and AC as part of the incentives in kind for their performance contribution to Ariantec for financial year ended 31 December 2008.

2.3 SALIENT TERMS AND CONDITIONS OF THE SSA

- (i) The Sale Shares shall be sold free from all liens, claims, charges, mortgages and other encumbrances whatsoever, but with all rights and advantages attaching thereto or accruing thereon together with all dividends (including dividends declared and but not paid) as at the completion date of the SSA.
- (ii) The SSA shall be subject to the following conditions precedent being fulfilled or complied with not later than by nine (9) months after the execution of the SSA, or such extended date as may be agreed in writing by GS and Metronic:-
 - (a) GS being satisfied with the reports by a firm of auditors and a firm of solicitors, appointed by GS in respect of their due diligence audit of Ariantec and its subsidiaries ("**Ariantec Group**") and their respective assets and businesses;
 - (b) The approval of the Securities Commission ("**SC**") and the Equity Compliance Unit of the SC ("**SC (ECU)**") by GS for the Proposed Disposal;
 - (c) The approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing and quotation of the Consideration Shares;
 - (d) The approval of GS's shareholders at a general meeting to be convened;

- (e) The approval of Metronic's shareholders in a general meeting to be convened for the Proposed Disposal of the Sale Shares (if required);
 - (f) Metronic being satisfied that no adverse change or any development or circumstances reasonably likely to involve an adverse change in the financial condition of GS which is material to the Metronic in the context of the sale and purchase herein has occurred or is likely to occur;
 - (g) Receipt of all such approvals from the relevant government and regulatory authorities, if any.
- (iii) The completion of the Proposed Disposal shall take place thirty (30) days after the conditions precedent as set out in Clause 4 of the SSA are fulfilled and/or complied with or such earlier date as may be mutually agreed by all parties ("Completion Date").

2.4 ORIGINAL COSTS AND DATE OF INVESTMENT

The total cost of investment of Metronic in Ariantec was RM5.85 million (inclusive of incidental expenses) via the Share Sale Agreement dated 17 April 2007.

2.5 LIABILITIES TO BE ASSUMED

Save for the liabilities in the accounts of Ariantec which are in the normal course of business of Ariantec, there are no other liabilities including contingent liabilities and guarantees to be assumed by GS pursuant to the Proposed Disposal.

3.0 INFORMATION ON THE PURCHASER

GS was converted as a public limited company in Malaysia on 22 October 2001 under the Companies Act, 1965. GS was listed on the Mesdaq Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 15 April 2003. GS has an authorised capital of RM25,000,000.00 comprising of 250,000,000 ordinary shares of RM0.10 each with an issued and paid-up capital of 185,408,533 ordinary shares of RM0.10 each at as 31 December 2007. GS is principally involved in the research and development of software, system design, integration and installation and provision of information technology services.

4.0 RATIONAL FOR THE PROPOSED DISPOSAL

The Proposed Disposal is consistent with Metronic's corporate strategy to unlock its investment in Ariantec to convert illiquid investment to more liquid investment in the form of Consideration Shares which are to be listed on MESDAQ. The Board of Directors of Metronic is of the view that the Proposed Disposal will allow Metronic to unlock its investment in Ariantec into liquid investment. In addition, due to the complementary nature of the business of Ariantec and GS, the Board of Directors envisages that Ariantec will be to be in a better position to further expand the businesses of Ariantec Group going-forward.

5.0 EFFECTS OF THE PROPOSED DISPOSAL

The effects of the Proposed Disposal on the share capital, substantial shareholders, shareholdings, earnings, net assets and gearing are set out below:-

5.1 Share Capital and Substantial Shareholders' Shareholding

The Proposed Disposal will not have any effect on the share capital and substantial shareholders' shareholding of Metronic.

5.2 Net Assets and Gearing

The Proposed Disposal will have no material effect on the net assets and gearing of Metronic for the financial year ending 31 December 2009.

5.3 Earnings

If the Proposed Disposal is to be completed by 31 December 2009, the Proposed Disposal is expected to have a material effect on the earnings of Metronic for the financial year ending 31 December 2009. Based on the audited accounts for Ariantec as at financial year ended 31 December 2008 and taking into account the special dividend declared by Ariantec for financial year ended 31 December 2008, the proforma gain arising from the Proposed Disposal is approximately RM3.80 million.

6.0 APPROVALS REQUIRED

The Proposed Disposal is subject to the approval of the shareholders of Metronic (if required).

7.0 INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the directors and/or major shareholders of Metronic and/or persons connected to them have any interest, direct or indirect in the Proposed Disposal.

8.0 DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Disposal, is of the opinion that the Proposed Disposal is fair, reasonable and in the best interests of the Group and its shareholders. The Proposed Disposal allows Metronic to unlock its investment in Ariantec in the form of liquid investment in the Consideration Shares.

9.0 ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the disposal is expected to be completed by the fourth (4th) quarter of 2009.

10.0 COMPLIANCE WITH SECURITIES COMMISSION'S POLICIES AND GUIDELINES ON ISSUE/OFFER OF SECURITIES

To the best knowledge of the Board, the Proposed Disposal does not depart from the Securities Commissions' Guidelines on the Offering of Equity and Equity-linked Securities.

11.0 DOCUMENTS FOR INSPECTION

The SSA will be available for inspection during normal business hours on Mondays to Fridays (except Public Holidays) at the Registered Office of Metronic at No. 4, Tingkat 2, Jalan 3/27F, Desa Setapak, Wangsa Maju, 53300 Kuala Lumpur from the date of this announcement.

This announcement is dated 6 March 2009.