



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

ANNOUNCEMENT TO BURSA MALAYSIA

Control No:MGB/A/1/2008

SUBJECT MATTER:

METRONIC GLOBAL BERHAD (“MGB” or “Company”)

SHARES SALE AGREEMENT WITH GOLDIS BERHAD

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1. INTRODUCTION

The Board of Directors (“Board”) of MGB wishes to announce that on 30 January 2008, MGB had entered into a Shares Sale Agreement (“SSA”) with Goldis Berhad (“Goldis or “Vendor”) for the acquisition of the following shares in IPanel Malaysia Sdn Bhd (“IPM”) and IPanel Pte Ltd (“IPS”) (“Proposed Acquisition”) from Goldis for a total cash consideration of RM1,200,000.00 (inclusive of inter-co balances) (“purchase consideration”):-

<u>Particulars of Sale Shares</u>	<u>Effective equity interest held</u>	<u>Purchase consideration (RM)</u>
750,000 ordinary shares of RM1.00 each in IPM and inter-co balances	75%	1,055,103.00
136,500 ordinary shares of S\$1.00 each in IPS	30%	10,197.00
60,000 preference shares of S\$1.00 each in IPS	Not Applicable	134,700.00
		<u>1,200,000.00</u>

The proposed acquisition shall be financed by internally generated funds.

2. INFORMATION ON THE VENDOR

Goldis was incorporated in Malaysia on 1 June 2000 as a private company under the name of Dimensi Subuh Sdn Bhd and was converted to a public company on 23 November 2000. It was renamed Gold IS Berhad on 31 January 2001 and subsequently renamed as Goldis Berhad on 8 July 2005. Goldis assumed the listing status of Tan & Tan Developments Berhad ("Tan & Tan") following the implementation of the merger exercise between Tan & Tan and its associated company, IGB Corporation Berhad ("IGB"). As a result of the

merger, IGB emerged as one of the largest mega property corporations in Malaysia and Goldis became the major substantial shareholder of IGB. Goldis is an investment company with private equity investments in Malaysia and China. Goldis focuses in Life Sciences, Water/wastewater treatment, Information Communications Technology (ICT) and Organic Aquaculture.

Goldis has an authorised capital of RM1,000,000,000 comprising of 1,000,000,000 ordinary shares of RM1.00 each with an issued and paid-up capital of 323,333,830 ordinary shares of RM1.00 each.

3. INFORMATION ON IPANEL MALAYSIA SDN BHD

IPM was registered in Malaysia on 22 August 2002 under the name Zeal Empire Sdn Bhd and subsequently changed to its current name on 9 November 2002. IPM has an authorised capital of RM1,000,000.00 comprising of 1,000,000 ordinary shares of RM1.00 each with an issued and paid-up capital of RM1,000,000.00 ordinary shares of RM1.00 each. The principal activity of IPM is research, development, manufacturing, sale and distribution of electronic products and intelligent facilities management system.

4. INFORMATION ON IPANEL PTE LTD

IPS was incorporated in Singapore on 21 July 2000 and has an issued and paid-up capital of S\$515,000.00 comprising of 455,000 ordinary shares of S\$1.00 each and 60,000 preference shares of S\$1.00 each. The principal activity of IPS is sale of electronic products and intelligent facilities management system.

IPS is the registered and beneficial owner of 250,000 ordinary shares of RM1.00 each or twenty five percent in IPM.

5. BASIS OF ARRIVING AT THE PURCHASE CONSIDERATION

The purchase consideration of RM1,200,000.00 for the Proposed Acquisition was arrived at on a willing-buyer willing-seller basis after taking into consideration the technology and business owned by IPM and IPS.

6. SALIENT TERMS AND CONDITIONS OF THE SSA

- 6.1 The sale shares shall be sold free from all liens, claims, equities, charges, encumbrances or third party rights of whatsoever nature and with all rights now or hereafter becoming attached thereto.
- 6.2 MGB shall immediately pay ten percent of the purchase consideration upon signing the SSA and the balance of the purchase consideration by instalments as set out in the SSA. If MGB fail to pay any instalment, Goldis shall be entitled to call on the Bank Guarantee to cover the balance of the purchase consideration.
- 6.3 The SSA is conditional upon the Foreign Investment Committee (“FIC”) approval being obtained by MGB within three months from the date of the SSA or such date may be agreed in writing between the parties.
- 6.4 In the event that the FIC approval is not obtained or the terms and conditions imposed in the FIC approval are not acceptable to MGB and Goldis, either party may terminate the SSA by giving a fourteen (14) Business Days’ notice in writing to the other party.
- 6.5 Simultaneously with the execution of the SSA, MGB shall execute the IPM Deed of Adherence and the IPS Deed of Adherence.

7. LIABILITIES TO BE ASSUMED

Notwithstanding completion, Goldis shall be fully liable for defects appearing in the Mid Valley project and the MAS Hanger project during the defects liability period of one (1) year up to a sum of not exceeding 10% of the value of each contract.

8. ORIGINAL COST OF INVESTMENT AND DATE OF INVESTMENT

The original cost of investment and the audited net book value of IPM and IPS as at 31 January 2007 were RM750,000.00 and RM882,679.00 respectively. Goldis purchased IPM's ordinary shares on 1 November 2004 and 7 July 2005. Goldis purchased IPS's ordinary shares and preference shares on 17 March 2005 and 30 September 2005 respectively.

9. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition are as follows:-

9.1 Share Capital and Net Assets

The Proposed Acquisition will not have any effect on the share capital and net assets of MGB.

9.2 Gearing

The Proposed Acquisition will not have any effect on the gearing of MGB Group.

9.3 Earnings

The Proposed Acquisition is not expected to have a material impact on the earnings of the MGB Group for the financial year ending 31 December 2008.

10. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed within thirty days from the unconditional date or such other date as may be agreed in writing between the parties.

11. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition shall diversify the product range currently offered by MGB Group and the new technology acquired shall enhance MGB Group's competitiveness to secure additional contracts in local and oversea markets.

12. APPROVAL REQUIRED FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is not subject to the approval of the shareholders of MGB but is subject to the approval of the FIC being obtained within three months from the date of the SSA or such date may be agreed in writing between the parties.

13. APPLICATION TO THE AUTHORITY

Application to the FIC is expected to be submitted within one month from the date of SSA.

14. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTEREST

None of the Directors and/or substantial shareholders of MGB, and/or person(s) connected to them, have any interest, direct or indirect, in the Proposed Acquisition.

15. STATEMENT BY DIRECTORS

The Board of MGB, after careful deliberation, is of the opinion that the Proposed Acquisition is in the best interest of MGB Group.

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

To the best knowledge of the Board, the Proposed Acquisition does not depart from the Securities Commissions policies and guidelines on issue/offer of securities.

17. DOCUMENTS FOR INSPECTION

The SSA is available for inspection at the registered office of MGB at 650, Block A, Kelana Centre Point, No. 3, Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 30 January 2008.