



METRONIC GLOBAL BERHAD

(Company No.: 632068-V)

(Incorporated in Malaysia under the Companies Act, 1965)

ANNOUNCEMENT TO BURSA MALAYSIA

Control No:MGB/A/40/2007

SUBJECT MATTER:

**METRONIC GLOBAL BERHAD (MGB)
INCORPORATION OF A FOREIGN SUBSIDIARY IN KINGDOM OF SAUDI
ARABIA**

CONTENTS:

The Board of Directors of MGB is pleased to announce that MGB has incorporated a foreign subsidiary on 3 December 2007 in Kingdom of Saudi Arabia vide a subscription of 450,000 shares of Saudi Arabian Riyal (“SAR”) 1.00 each representing 90% equity interest in Metronic Saudi Arabia LLC (“MSA” or “the Company”) for a total cash consideration of SAR450,000 only. The remaining 10% is held by a local partner, Close Deal (ITMAM AL-ITIFAKIA).

MSA is a private company limited by shares and is registered under the Saudi Companies Law and the Foreign Investment Law of the Kingdom of Saudi Arabia with an authorised capital of 500,000 of SAR1.00 each of which all are fully paid up.

The principal activities of MSA are intended to be design, production and sale of engineered systems for the Information, Communication and Technology industry in Kingdom of Saudi Arabia, specialising in intelligent building management system and integrated security management system.

The investment shall be financed through internally generated funds.

The investment is not expected to have a material effect on the earnings or net tangible assets of MGB for the financial year ending 31 December 2007.

None of the directors or substantial shareholders of MGB or persons connected to them has any interest, direct or indirect, in the investment.

This announcement is dated 12 December 2007