



**METRONIC GLOBAL BERHAD**

*(Company No.: 632068-V)*

*(Incorporated in Malaysia under the Companies Act, 1965)*

**ANNOUNCEMENT TO BURSA MALAYSIA**

**Control No:MGB/A/41/2007**

**SUBJECT MATTER:**

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

**• Call Option Arrangement to acquire an additional 25% interest in Unilink Development Limited (“Call Option”)**

**CONTENTS:**

**1. Introduction**

We refer to the announcements dated 14 August 2006, 6 November 2006 and 23 April 2007, 11 May 2007. For consistency, the abbreviations used throughout this announcement in respect of the Call Option are the same as those previously defined in the Company’s announcement dated 14 August 2006.

The Board of Directors (“Board”) of MGB wishes to announce that on **27 December 2007**, MGB had entered into the Second Supplemental Call Option Agreement with Zonemax Holdings Limited (British Virgin Islands) (“Zonemax”) (“Second Variation to Call Option”) to vary the Call Option Agreement entered into between MGB and Zonemax dated 14 August 2006 and the First Supplemental Call Option Agreement dated 10 May 2007 (“First Variation to Call Option”).

**2. Second Variation to Call Option**

The existing term of the Call Option is as follows:

“Call option arrangement between MGB and Zonemax whereby Zonemax has granted MGB a call option to acquire 250 Unilink Shares representing 25% equity interest in Unilink for a cash consideration of RMB30,000,000 (equivalent to approximately RM13,274,336 based on an exchange rate of RM1.00 : RMB2.26 as at 10 May 2007).” (“Varied Call Option”)

The Board of MGB proposes to vary the abovementioned terms by inserting a new clause as follows:

“In the event that the Option Exercise Price is not paid in full upon the exercise by MGB, interest shall be chargeable and payable on any outstanding amount of the Option Exercise Price as yet unpaid at the rate of 6.75% per annum commencing from the period beginning thirty (30) days from the date whereupon the Option Shares are transferred to MGB and ending on the date upon which full settlement of the Option

Exercise Price is being made by MGB to Zonemax. MGB shall in any event pay the Option Exercise Price in full together with any interests accruing thereon to Zonemax not later than 31 December 2008.”

MGB intends to fund the cash consideration for the exercise of the Varied Call Option via bank borrowings.

All other terms and conditions of the Call Option as set out in the circular to shareholders dated 2 April 2007 and approved by the shareholders at the extraordinary general meeting (“EGM”) held on 23 April 2007 and 27 June 2007 are unchanged.

### **3. Rationale**

MGB has decided to exercise 25% equity interest in Unilink in the current financial year in order to have an effective equity interest of 40% in both Newtronics Hangzhou Co, Ltd (“Newtronics”) and Hangzhou Heng-Ai Electronics Co, Ltd (“Heng-Ai”) in order to be able to consolidate higher contribution from Newtronics and Heng-Ai for future financial years.

### **4. Financial Effects**

#### **4.1 Share capital and Net Assets**

The Second Variation to Call Option will not have any effect on the share capital and net assets of MGB.

#### **4.2 Earnings / earnings per share**

The Second Variation to Call Option is not expected to have a material impact on the earnings of the MGB Group for the financial year ending (“FYE”) 31 December 2008.

#### **4.3 Gearing**

The Second Variation to Call Option will not have any effect on the gearing of MGB Group.

### **5. Approvals Required**

The Second Variation to Call Option is not subject to the approval of the shareholders of MGB.

### **6. Directors and substantial shareholders’ interests**

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 Second Variation to Call Option.

### **7. Directors’ statement**

The Board of MGB, after careful deliberation, is of the opinion that the Second Variation to Call Option is in the best interest of the MGB Group.

### **8. Documents for inspection**

The Second Supplemental Call Option Agreement 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 27 December 2007