

EONMETALL GROUP BERHAD (631617D)

Stock Name : EMETALL
Type : GENERAL ANNOUNCEMENT
Subject : Supplemental Sale and Purchase Agreement between Eonmetall Industries Sdn. Bhd (“Vendor”). and Jinfast Industries Sdn. Bhd. (“Purchaser”) in relation to the Disposal of all that piece of freehold industrial land known as Lot No. 385, Mukim 12, Daerah Seberang Perai Selatan, Penang comprised in Geran No. 33124 together with a three storey office building annexed with a single storey factory building erected thereon bearing assessment address Lot No. 385, Mukim 12, Kawasan Perusahaan Valdor, 14200 Sungai Bakap, Seberang Perai Selatan, Penang (collectively referred to as “the Property”)

This announcement should be read in conjunction with the earlier announcements made on 7 May 2012 and 10 May 2012 together with the replies to queries from Bursa Malaysia Securities Berhad (“Bursa Securities”) of 9 May 2012

The terms used herein, unless the context otherwise states, shall bear the same meaning as those defined in the announcements and replies afore-mentioned.

1. INTRODUCTION

The Board of Directors of Eonmetall Group Berhad (“Eonmetall” or “the Company”) wishes to announce that the Vendor had, on 29 May 2013, entered into Supplemental Sale and Purchase Agreement (“SA”) with the Purchaser to vary the terms of the Agreement dated 7 May 2012 in relation to the Condition Precedent (“Variation”).

2. SALIENT TERM OF THE SA

The SA waived the Clause 2B.1(a)(ii) as part of the Conditions Precedent of the Agreement with Clause 3 of the SA. The extracted salient terms of the SA are as set out below. All definitions in this section have the same meaning as in the SA.

“3. CONDITIONS SUBSEQUENT TO THE SALE AND PURCHASE AGREEMENT

3.1 Obligations of the vendor subsequent to the Completion Date:-

- (i) *the Vendor at its own costs and expense completing the construction of the Building and obtaining the Certificate of Completion and Compliance (“CCC”) for the Building within twelve (12) months from the Completion Date (as defined under Clause 5 herein) (hereinafter defined as the “CCC Issuance Conditional Period”), failing which the Vendor shall pay to the Purchaser an interest at the rate of 8% per annum on the Retention Sum (hereinafter defined in Clause 4.3) calculated on daily basis from the next day after the expiry of the CCC Issuance Conditional Period until the actual date of the Purchaser’s receipt of CCC for the Building from the Vendor (hereinafter defined as the “Penalty Interest”).*
- (ii) *The Vendor shall at their own costs and expenses make such payments and take all necessary steps and do all the necessary things and acts as may be required to fulfil the condition as set out in Clause 3.1(i) above expeditiously within the CCC Issuance Conditional Period.*
- (iii) *This clause shall survive the Completion of the SPA.*

4. CONSIDERATION AND PAYMENT

4.1 *The parties hereto hereby agree that the Balance Purchase Price of Ringgit Malaysia Twenty Two Million One Hundred Thousand (RM22,100,000.00) only shall be paid by the Purchaser to the Vendor’s Solicitors within three (3) months from the date of this Supplemental Agreement (hereinafter referred to as the “Completion Period”) failing which in consideration of the Vendor granting an automatic extension of 1 (one) month for the completion of the purchase of the Property (hereinafter referred to as the “Extended Completion Period”).*

4.2 *If the Purchaser shall fail to pay the Balance Purchase Price or any part thereof pursuant to Clause 4.1 above or if the Purchaser shall neglect or fail to perform any of the terms conditions and stipulations on the Purchaser’s part to be performed under the SPA or this Supplemental Agreement, the deposit amount stipulated in Section 10 of the First Schedule of the SPA amounting to Ringgit Malaysia Three Million Nine Hundred Thousand (RM3,900,000.00) paid by the Purchaser to the Vendor shall be forfeited absolutely to the Vendor as agreed liquidated damages and the Vendor shall thereupon refund to the Purchaser all other sum or sums paid by the Purchaser towards account of the purchase price of the Property free of interest. Upon such refund being made the SPA and this Supplemental Agreement shall come to an end and become null and void and of no further effect and neither party shall have any claim whatsoever against the other under or in respect of the SPA and this Supplemental Agreement (save the return of any documents belonging to the Vendor and the withdrawal of any private caveat lodged by the Purchaser) and the Vendor shall have the right to resell the Property to such*

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person in such manner at such price and on such terms as the Vendor may think fit and the Purchaser shall have no right to any part of the purchase money thereby arising.

4.3 *Upon the Balance Purchase Price is paid to the Vendor's Solicitors in the manner as provided in Clauses 4.1 above, the parties further agree that the Vendor's Solicitors shall forward five per-centum (5%) of the Balance Purchase Price amounting to Ringgit Malaysia One Million One Hundred and Five Thousand (RM1,105,000.00) only to the Purchaser's Solicitors whom shall retain the same for the due performance by the Vendor of Clause 3.1(i) above stated (hereinafter referred to as the "Retention Sum"). The Retention Sum shall be placed in an interest bearing account where the interest shall belong to the Vendor (hereinafter referred to as the "Interest").*

4.4 *The Retention Sum together with the Interest (less any Penalty Interest charged) shall be released by the Purchaser's Solicitors to the Vendor upon the Vendor's fulfilment of Clause 3.1 above stated.*

5. *COMPLETION OF SALE*

5.1 *Completion of the sale and purchase shall take place at the office of the Vendor's Solicitors on the day the Balance Purchase Price is paid to the Vendor's Solicitors in the manner provided in Clauses 4.1 above and such date shall be deemed as the 'Completion Date'."*

2. RATIONALE OF THE VARIATION

The rationale for the Vendor and the Purchase to enter into the SA is to amend the Conditions Precedent of the Agreement which reflects the Completion Date as well as the interest rate on the Retention Sum in the Agreement.

3. OTHER MATTERS

Subject to the amendments and variations contained in the SA and such other alterations (if any) as may be necessary to make the Agreement consistent with the SA, the Agreement shall remain in full force and effect and shall be read and construed and to be enforceable as if the terms of the SA were inserted by way of addition or substitution as the case may be.

4. DOCUMENT FOR INSPECTION

The SA will be made available for inspection at the Registered Office of the Company at Suite 2-1, 2nd Floor, Menara Penang Garden, 42A Jalan Sultan Ahmad Shah 10050 Penang during normal working 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 29 May 2013.