

General Announcement

Reference No **CC-090603-43023**

Company Name : **CYMAO HOLDINGS BERHAD**
Stock Name : **CYMAO**
Date Announced : **04/06/2009**

Type : **Announcement**
Subject : **SUPPLEMENTARY AGREEMENT ON THE PROPOSED ACQUISITION OF POLY-PLY INDUSTRIES SDN. BHD.**

Contents :

Reference is made to the announcement dated 4 September 2008 pertaining Cymao Holdings Berhad ("Cymao" or "the Company") proposed to acquire the entire issued and paid-up share capital of Poly-Ply Industries Sdn Bhd for a total cash consideration of RM2,000,000 ("Proposed Acquisition"). On 31 March 2009, a further announcement notifying that Cymao and the Vendors to the sale of shares in Poly-Ply Industries Sdn Bhd were in negotiation and proposed to enter into a Supplementary Agreement to the earlier conditional Sale and Purchase Agreement subsequent to the proposed acquisition on the land and plymill factory had been aborted which was announced on even date.

The Board of Directors of Cymao is pleased to announce that Cymao has on 3 June 2009 entered into a Supplementary Agreement to finalise the terms and conditions for proposed acquisition of Poly-Ply Industries Sdn Bhd as stated in the earlier conditional Sale and Purchase Agreement and also to distinguish any and all clauses related to the agreement for land and plymill factory as both agreements are interconditional with each other.

Announcement Details :

1. The salient terms and conditions of the Supplementary Agreement
The parties to the Supplementary Agreement have mutually agreed to the following salient terms and conditions:
 - (a) The completion date shall take place on 3 June 2009 with the balance of purchase price shall be payable in full on completion date;
 - (b) The advances from the Vendors to Poly-Ply Industries Sdn Bhd amounting to RM1,101,901.82 shall be repayable by way of 6 post dated cheques within 6 months from the date of Supplementary Agreement;
 - (c) The original issue of document of title, the duplicate charge and discharge of charge in respect of the land, the original Letter of Guarantee and the proof of release of the Vendors as guarantors from the banking facilities granted to Poly-Ply Industries Sdn Bhd shall be delivered to the Vendors within 30 days from the completion date.
2. Financial Effects
 - (i) Share Capital and Substantial Shareholdings
The Supplementary Agreement will not have any effect on the share capital and substantial shareholding as it does not involve any issuance of new shares by Cymao.

(ii) Earnings

The Supplementary Agreement will not have any material effect on the earnings and earnings per share for the financial year ending 31 December 2009 as the Proposed Acquisition is expected to be completed towards the end of the year. However positive contributions are expected for future years.

(iii) Net Assets

The proforma effect of the Proposed Acquisition on the audited consolidated net assets of Cymao based on the assumption that the Proposed Acquisition had been effected on 31 December 2008 are set out below:

	Audited as at 31-12-2008 (RM'000)	After the Proposed Acquisition (RM'000)
Share capital	75,000	75,000
Share premium	17,374	17,374
Treasury shares, at cost	(31)	(31)
Foreign currency translation reserve	203	203
Retained earning	53,397	*54,086
	----- 145,943 =====	----- 146,632 =====
Net asset per share (RM)	1.95	1.96

- *Adjusted for a negative goodwill written off of RM689,417 arising from the proposed acquisition of Poly-Ply Industries Sdn Bhd.*

(iv) Gearing

The Supplementary Agreement will not have any material effect on the gearing for the financial year ending 31 December 2009 as the Proposed Acquisition is to be financed by internally generated fund.

3. Directors' and/or major shareholders' interest

None of the Directors, major shareholders of Cymao and/or persons connected with them have any interest, direct or indirect in the Supplementary Agreement.

4. Statement by the Board of Directors

The Directors of Cymao are of the opinion that the Supplementary Agreement is in the best interest of Cymao Group.

5. Document for inspection

Copy of the Supplementary Agreement will be available for inspection at the Company's registered office at MPT 4604, 3rd Floor, Lot 15-16, Block B, Bandaran Baru, Jalan Baru, 91000 Tawau, Sabah during normal office hours for a period of three (3) months from the date of this announcement.

This is announcement dated 4 June 2009.