

06/06/2008

EXECUTION OF A SALE AND PURCHASE AGREEMENT BETWEEN UMW PETROPIPE (L) LTD AND UMW AUSTRALIA VENTURES (L) LTD IN RELATION TO THE SHAREHOLDING IN PFP HOLDINGS PROPRIETARY LIMITED AND CLADTEK INTERNATIONAL PTY LTD

Announcement Details :

1. INTRODUCTION

UMW wishes to announce that UMW Petropipe (L) Ltd ("UMW Petropipe"), a wholly-owned subsidiary of UMW, has today entered into a Sale and Purchase Agreement ("SPA") with UMW Australia Ventures (L) Ltd ("UAVL"), a wholly-owned subsidiary of UMW, in respect of the disposal of 1,728 ordinary shares, representing 60% of the total issued and paid-up capital of PFP Holdings Proprietary Limited ("PFP") and 18 ordinary shares, representing 9% of the total issued and paid-up capital of Cladtek International Pty Ltd ("CIPL") to UAVL, at a total consideration of AUD5,400,000, which was arrived at on a willing-buyer willing-seller basis ("Proposed Disposal").

PFP, a company limited by shares, was incorporated in Australia on 23rd January 1990 and has its registered office at Level 2, 62, Colin Street, West Perth, WA 6005. The principal activity of PFP is investment holding. The issued and paid-up share capital of PFP is AUD288 comprising 2,880 ordinary shares. The shareholders of PFP are UMW Petropipe (60%) and Montague Holdings (Int) Pty Ltd ("Montague") (40%). The directors of PFP are Y Bhg Dato' Abdul Halim bin Harun, Encik Zulkifly bin Zakaria and Mr Paul Anthony Montague.

CIPL, a company limited by shares, was incorporated in Australia on 11th April 2003 and has its registered office at Level 2, 62, Colin Street, West Perth, WA 6005. The principal activity of CIPL is manufacture of clad pipes for the oil and gas industry. The issued and paid-up share capital of CIPL is AUD200 comprising 200 ordinary shares. The shareholders of CIPL are PFP Tech Holdings Pty Ltd (70%), which is in turn a wholly-owned subsidiary of PFP, Montague (21%) and UMW Petropipe (9%). The directors of CIPL are Y Bhg Dato' Abdul Halim bin Harun, Encik Zulkifly bin Zakaria and Mr Paul Anthony Montague.

2. DETAILS OF PARTIES TO THE SPA

2.1 Information on UAVL

UAVL, a company limited by shares, was incorporated in the Federal Territory of Labuan, Malaysia, on 6th May 2008 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Labuan, Federal Territory of Labuan, Malaysia.

The principal activity of UAVL is investment holding.

The issued and paid-up share capital of UAVL comprises 1 ordinary share of par value USD1.00.

UAVL is a wholly-owned subsidiary of UMW.

The directors of UAVL are Y Bhg Dato' Abdul Halim bin Harun and Encik Zulkifly bin Zakaria.

2.2 Information on UMW Petropipe

UMW Petropipe, was incorporated in the Federal Territory of Labuan on 21st May 2003 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The principal activity of UMW Petropipe is investment holding.

The issued and paid-up share capital of UMW Petropipe is USD84,353,407 divided into 84,353,407 ordinary shares of par value USD1.00 each.

The directors of UMW Petropipe are Y Bhg Dato' Abdul Halim bin Harun, Y Bhg Tan Sri Dato' Mohamed Noordin bin Hassan, Encik Zulkifly bin Zakaria and Encik Meor Mohar Azhar bin Abd Ghani.

3. RATIONALE

The purpose of the Proposed Disposal is to create a more efficient organisational structure and to establish a platform for UMW's future growth opportunities which can ultimately enhance UMW's shareholder value.

4. APPROVALS

The Proposed Disposal is not subject to the approval of the shareholders of UMW.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors or substantial shareholders of UMW and/or persons connected with the Directors and/or substantial shareholders, has any interest, direct or indirect, in the Proposed Disposal.

6. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The Proposed Disposal is not expected to have any material impact on the earnings and net assets of the UMW Group.

7. STATEMENT BY DIRECTORS

The Board of Directors of UMW is of the opinion that the Proposed Disposal is in the best interests of the UMW Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be available for inspection, in accordance with UMW's Documents Inspection Policy, at the registered office of UMW Holdings Berhad at 3rd Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan, during normal office hours (8.00 a.m. to 5.30 p.m.) on any weekday (except public holidays) from 9th to 19th June 2008.

cc-Securities Commission
(Issues & Investment Division)

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