

29/10/2008

**EXECUTION OF A JOINT VENTURE AND SHAREHOLDERS' AGREEMENT BETWEEN UMW CORPORATION SDN BHD, TITANIUM ASSETS HOLDINGS SDN BHD, R. REMAKANTAN A/L RAMACHANDRAN AND MOHAN KRISHNA A/L KUNANAYAGAM**

Announcement Details :

**1. INTRODUCTION**

UMW wishes to announce that its wholly-owned subsidiary, UMW Corporation Sdn Bhd ("UMWC"), has today entered into a Joint Venture and Shareholders' Agreement with Titanium Assets Holdings Sdn Bhd ("TAH"), R. Remakantan a/l Ramachandran ("R. Remakantan") and Mohan Krishna a/l Kunanayagam ("Mohan Krishna") for the establishment of a joint venture in Coldfusion Engineering Sdn Bhd ("CFE") to undertake the business of research, development, manufacturing and supply of Advanced Micro Electronics products and services known as "Low Temperature Co-Fired Ceramic" or "LTCC" and its related technology ("Products and its technology"), and to formalise the conduct of their participation in CFE ("Proposed Joint Venture").

**2. DETAILS OF THE PROPOSED JOINT VENTURE**

**2.1 Proposed Joint Venture**

Under the Joint Venture and Shareholders' Agreement, UMWC will acquire the existing 60,000 ordinary shares of par value RM1.00 each in CFE, representing 60% of the existing issued and paid-up share capital of CFE, from the existing shareholder of CFE, namely TAH, for a cash consideration of RM2.36 million ("the Acquisition"). UMWC will also subscribe to 3,540,000 new ordinary shares of par value RM1.00 each in CFE, representing 60% of the enlarged issued and paid-up share capital in CFE, at par, in cash ("the Subscription"). The cash consideration for the Acquisition and Subscription will be financed by internally-generated funds.

TAH will subscribe to 2,360,000 new ordinary shares of par value RM1.00 each in CFE, representing the remaining 40% of the enlarged issued and paid-up share capital of CFE, at par, in cash.

The eventual and enlarged share capital of CFE will be RM6,000,000 divided into 6,000,000 ordinary shares of par value RM1.00 each.

The cash consideration for the Acquisition was arrived at on a willing-buyer willing-seller basis.

**2.2 Brief Information on CFE**

CFE is a company incorporated under the Companies Act, 1965 on 1<sup>st</sup> April 2003 and has its registered office at No. 2-12, Jalan PJU 8/3, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of CFE is to provide complete turnkey solutions (from design to manufacturing) of LTCC and Thick Film Technology products for the electronics industry.

CFE has been licensed by the Ministry of International Trade and Industry, Malaysia as a manufacturing company.

The existing issued and paid-up share capital of CFE of RM100,000 divided into 100,000 ordinary shares of par value RM1.00 each, is wholly-owned by TAH.

### **3. DETAILS OF THE JOINT VENTURE PARTNERS**

#### **3.1 Information on UMWC**

UMWC is a company incorporated under the Companies Act, 1965 on 8<sup>th</sup> August 1970 and has its registered office at 3<sup>rd</sup> Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan.

The principal activity of UMWC is the provision of full corporate, administrative, professional, security services and financial support to its subsidiaries and associated companies. UMWC also trades in a range of light and heavy equipment.

The issued and paid-up share capital of UMWC is RM238,503,375 divided into 238,503,375 ordinary shares of par value RM1.00 each.

#### **3.2 Information on TAH**

TAH is a company incorporated under the Companies Act, 1965 on 10<sup>th</sup> October 2008 and has its registered office at No. 2-12, Jalan PJU 8/3, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of TAH is investment holding.

The issued and paid-up share capital of TAH is RM100,000 divided into 100,000 ordinary shares of par value RM1.00 each. The present shareholders of TAH are R. Remakantan and Mohan Krishna, each holding 50,000 ordinary shares in TAH.

#### **3.3 Information on R. Remakantan and Mohan Krishna**

R. Remakantan, a Malaysian aged 34, has more than 9 years' experience in managing technology start-ups and consulting. In 2000, R. Remakantan co-founded SiRES Labs Sdn Bhd and was its Chief Operations Officer with responsibility for private equity and the overall operations. In 2005, he moved on to providing consulting services, which included an entrepreneurship development programme promoting Telekom Malaysia Berhad's products and services solutions. He also worked for an India-based project with the Malaysian Palm Oil Board.

Mohan Krishna, a Malaysian aged 31, has 7 years' experience in the area of technical electronics, of which 4 years was spent in specialising in multi-layer ceramics design to manufacturing. He has provided consulting services for companies in the United States, European Union and Malaysia, primarily in the area of advanced packaging, testing and failure analysis, design of manufacturing process as well as 0.18 micrommeter Complementary Metal Oxide Semiconductor design and layout.

The Proposed Joint Venture requires R. Remakantan and Mohan Krishna to transfer their skills, expertise and knowledge of the Products and its technology into CFE.

### **4. RATIONALE**

The Proposed Joint Venture is part of UMW's Manufacturing & Engineering Division's expansion plan to tap into the global electronics and semiconductor industry.

### **5. APPROVALS**

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

### **6. 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 Joint Venture.

### **7. FINANCIAL EFFECTS OF THE PROPOSED JOINT VENTURE**

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

#### **8. STATEMENT BY DIRECTORS**

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

#### **9. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the Joint Venture and Shareholders' Agreement will be available for inspection, in accordance with UMW's Documents Inspection Policy, at the registered office of UMW Holdings Berhad at 3<sup>rd</sup> Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan, during normal office hours from 9.00 a.m. to 5.00 p.m. on any weekday (except public holidays) from 30<sup>th</sup> October 2008 to 5<sup>th</sup> November 2008.

cc-Securities Commission  
(Issues & Investment Division)  
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