

22/10/2009

EXECUTION OF AN EQUITY JOINT VENTURE CONTRACT BETWEEN UMW SINGAPORE VENTURES PTE LTD, SICHUAN JINYANG ANTISEPSIS ENGINEERING CO, LTD AND ELITE INTERNATIONAL INVESTMENT (HK) LIMITED

1. INTRODUCTION

We refer to our announcement dated 2nd September 2009 in respect of the execution of a Confidentiality, Commitment to Non-Competition and Goodwill Agreement (“CCGA”) between UMW Singapore Ventures Pte Ltd (“UMWSV”), a wholly-owned subsidiary of UMW Petropipe (L) Ltd, which is in turn wholly-owned by UMW, Mr Wu Xuewen, Sichuan Jinyang Antisepsis Engineering Co., Ltd (“SJCY”), Gangcheng International Oil & Gas Holdings Limited (“GCI”) and Elite International Investment (HK) Limited (“EII”) for the establishment of a Sino-Foreign Equity Joint Venture Company in Guanghan County, Sichuan Province, People’s Republic of China (“PRC”).

UMW wishes to announce that UMWSV has today entered into an Equity Joint Venture Contract (“EJV”) with SJCY and EII for the establishment of a joint venture company to be known as Sichuan Haihua Petroleum Steelpipe Co, Ltd, (“SHPS”) to undertake the business of steel pipe manufacturing, coating for pipes used in the transportation of oil, gas, water and other fluids, and supply of steel pipes, fittings and anti-corrosion & anti-sepsis technical services and sale of its manufactured products (“Proposed Joint Venture”).

Under the EJV, the registered capital of SHPS will be RMB30 million (equivalent to approximately RM14.90 million). UMWSV will contribute RMB12 million (equivalent to approximately RM5.96 million) to the registered capital, representing 40% of the equity of SHPS. The shareholding structure of SHPS is reflected in Table A below.

2. DETAILS OF THE JOINT VENTURE PARTNERS

2.1 Information on UMWSV

UMWSV is a limited liability company incorporated under the laws of the Republic of Singapore on 25th March 2009 and has its registered office at 1 North Bridge Road #17-02 High Street Centre Singapore 179094.

The principal activity of UMWSV is investment holding.

2.2 Information on SCJY

SCJY is a limited liability company duly registered under the laws of the PRC in Sichuan Province, Chengdu City and having its address at No. 10, Jiancaohe Village, Jinniu Town, Jinniu District, Chengdu City, Sichuan Province, PRC.

The principal activities of SCJY are carrying out anti-sepsis insulation construction (second level), producing and selling anti-sepsis materials, selling metallic materials, construction and other chemical materials and related businesses.

2.3 Information on EII

EII is a limited liability company incorporated under the laws of Hong Kong SAR and has its registered office at Room 1301, 13th Floor, Blissful Building, 243-247 Des Voeux Road Central, Hong Kong SAR.

The principal activity of EII is investment holding.

3. RATIONALE

The Proposed Joint Venture is to expand the Group’s market presence and coverage into the South West region of the PRC and expanding into the coating for sub pipelines of the natural gas and petrochemical sectors. These sub pipelines are for gas distribution for the commercial, industrial and residential sectors.

4. APPROVALS

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

5. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

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

6. FINANCIAL EFFECTS OF THE PROPOSED JOINT VENTURE

The Proposed Joint Venture 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 Joint Venture is in the best interests of the UMW Group.

8. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the EJV will be available for inspection, in accordance with UMW's Document 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 from 9.00 a.m. to 5.00 p.m. on any weekday (except public holidays) from 23rd October 2009 to 2nd November 2009.

Name of Shareholders	Registered Capital (RMB)	%
UMWSV	12,000,000	40
SJCY	12,000,000	40
EII	6,000,000	20
Total	30,000,000	100

cc - Securities Commission
(Issues & Investment Division)