

29/11/2010

**EXECUTION OF PRINCIPAL AGENCY AGREEMENT AND TWO SEPARATE SUBSIDIARY AGREEMENTS BETWEEN REPSOL YPF LUBRICANTES Y ESPECIALIDADES, S.A. AND UMW LUBRICANT INTERNATIONAL SDN BHD**

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## **1. INTRODUCTION**

We wish to announce that UMW Lubricant International Sdn Bhd ("ULI"), a wholly-owned subsidiary in the UMW Group, had on 6<sup>th</sup> November 2010 entered into a Principal Agency Agreement and two separate Subsidiary Agreements (collectively known as "the REPSOL Agreements") with Repsol YPF Lubricantes Y Especialidades, S.A. ("REPSOL") for the appointment of ULI as the exclusive Principal Agent/Agent of REPSOL branded automotive, motorcycle and industrial lubricating oils and ancillary products, excluding marine oils, manufactured or sold by REPSOL. The said appointment shall include the importation, marketing, sale, distribution, manufacturing and/or toll blending of REPSOL products by the Company within the territories specified in the REPSOL Agreements. The above are in accordance with the terms and conditions of the REPSOL Agreements, for an initial term of five (5) years and two (2) months, commencing 6<sup>th</sup> November 2010 and expiring 31<sup>st</sup> December 2015, with options for further extensions to be agreed by the partners.

The abovementioned two separate Subsidiary Agreements cover the territories stated below -

### **First Subsidiary Agreement**

The Federation of Malaysia  
Republic of Singapore  
State of Brunei Darussalam  
Independent State of Papua New Guinea  
Union of Myanmar

### **Second Subsidiary Agreement**

People's Republic of China

UMW, with its strong presence in Asia, extensive experience in managing partners and financial stability, has found a world class brand and committed partner in REPSOL. REPSOL, on the other hand, has found the perfect strategic partner in UMW to help its market penetration into Asia as part of its international expansion plan.

## **2. INFORMATION ON ULI AND REPSOL**

### **2.1 Information on ULI**

ULI is a company incorporated under the Companies Act, 1965 on 25<sup>th</sup> January 1972 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 activities of ULI are to carry on business of an investment holding company and trading, marketing and blending of lubricants.

The issued and paid-up share capital of ULI is RM250,000 divided into 250,000 ordinary shares of par value RM1.00 each.

The Directors of ULI are Datuk Syed Hisham bin Syed Wazir and Azhar bin Harun.

### **2.2 Information on REPSOL**

REPSOL is a company incorporated in Spain and has its registered office in Madrid, Edificio Tucumán, Glorieta Mar Caribe, 1, Spain.

REPSOL is a leading company and expert in energy and is currently present in over thirty (30) countries throughout the world. Its business activities cover the upstream division which includes oil and

natural gas exploration and production activities outside Argentina; the downstream business which is made up of supply and trading, refining, marketing, and the transport of oil and oil products, chemicals and LPG; the Liquefied Natural Gas ("LNG") activities which include liquefaction, transport, marketing, and regasification of LNG, in addition to power generation activities in Spain not carried out by Gas Natural SDG and natural gas marketing in North America.

### **3. RATIONALE**

REPSOL is a reputable global brand and will provide UMW with a new and exciting lubricant business expansion programme in Asia. REPSOL's involvement in other upstream and downstream businesses offers future opportunities for UMW to collaborate with REPSOL in these areas.

### **4. APPROVALS**

These transactions are not subject to the approval of the shareholders of UMW.

### **5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

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

### **6. FINANCIAL EFFECTS**

The REPSOL Agreements are expected to contribute positively to the earnings and net assets of the UMW Group for the financial year ending 31<sup>st</sup> December 2011.

### **7. STATEMENT BY DIRECTORS**

The Board of Directors of UMW is of the opinion that the execution of REPSOL Agreements are in the best interests of the UMW Group.

### **8. DOCUMENTS FOR INSPECTION**

Copies of the REPSOL Agreements 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 (8.00 a.m. to 5.30 p.m.) on any weekday (except public holidays) from 30<sup>th</sup> November 2010 to 6<sup>th</sup> December 2010.

cc - Securities Commission  
(Issues & Investment Division)