

29/11/2010

EXECUTION OF TWO SEPARATE SHARE SALE AGREEMENTS BETWEEN PENNZOIL-QUAKER STATE COMPANY AND UMW AUTO PARTS SDN BHD

1. INTRODUCTION

We wish to announce that UMW Auto Parts Sdn Bhd (“UAP”), a wholly-owned subsidiary in the UMW Group, has today entered into two separate Share Sale Agreements (“SSAs”) with Pennzoil-Quaker State Company (“PQSC”), for the acquisition of the remaining 30% of the issued and paid-up share capital of Lubetech Sdn Bhd (“LSB”) and the remaining 50% of the issued and paid-up share capital of UMW-Pennzoil Distributors Sdn Bhd (“UPD”), from PQSC (“the Acquisitions”). The Acquisitions will enable us to strengthen our Pennzoil lubricant distribution business and is part of our strategy to establish ourselves in the international lubricant arena.

Under the SSAs, UAP will acquire 324,000 ordinary shares of par value RM1.00 each, representing 30% of the issued and paid-up share capital of LSB, at a purchase consideration of RM5,898,058.25, and 500,000 ordinary shares of par value RM1.00 each, representing 50% of the issued and paid-up share capital of UPD, at a purchase consideration of RM9,101,941.75, from PQSC. Upon completion of the Acquisitions, both LSB and UPD will become wholly-owned subsidiaries of UAP.

The purchase consideration of the Acquisitions was arrived at on a “willing-buyer willing-seller” basis.

2. INFORMATION ON PARTIES OF THE ACQUISITIONS

2.1 Information on UAP

UAP is a company incorporated under the Companies Act, 1965 on 11th July 1969 and has its registered office at 3rd Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan.

The issued and paid-up share capital of UAP is RM2,400,000 divided into 2,400,000 ordinary shares of par value RM1.00 each. The principal activity of UAP is investment holding.

The Directors of UAP are Suseela Menon a/p T.A.S Menon and Azhar bin Harun.

2.2 Information on PQSC

PQSC is a leading worldwide automotive consumer products company formed in the United States of America in 1998 and has its registered office at 700 Milam Street, Houston, TX 77002, USA.

The principal activities of PQSC are manufacturing and marketing of lubricants and car care products.

PQSC has leading brands in motor oils, appearance products, glass treatments, maintenance chemicals, engine treatments, tire and wheel cleaners, tire sealants, automotive organisers, air fresheners, and sunshades. Its Pennzoil and Quaker State brand motor oils are the number one and two selling motor oils in the United States of America.

2.3 Information on LSB

LSB is a company incorporated under the Companies Act, 1965 on 13th January 1983 and has its registered office at 3rd Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan.

The issued and paid-up share capital of LSB is RM1,080,000 divided into 1,080,000 ordinary shares of par value RM1.00 each. The principal activities of LSB are blending and packaging of lubricants.

The Directors of LSB are Dennis Ong Lee Khian, Zulkifly bin Zakaria and Azhar bin Harun.

2.4 Information on UPD

UPD is a company incorporated under the Companies Act, 1965 on 11th September 1990 and has its registered office at 3rd Floor, The Corporate, No. 10, Jalan Utas (15/7), Batu Tiga Industrial Estate, 40200 Shah Alam, Selangor Darul Ehsan.

The issued and paid-up share capital of UPD is RM1,000,000 divided into 1,000,000 ordinary shares of par value RM1.00 each. The principal activities of UPD are marketing, selling and distribution of "Pennzoil" branded lubricants.

The Directors of UPD are Dennis Ong Lee Khian, Ommar Hannan, Zulkifly bin Zakaria, Azhar bin Harun and Vanessa Rae Montgomerie.

3. RATIONALE

The Acquisitions would enable UAP to consolidate its lubricant business and provide a foundation for growth and expansion.

4. SOURCE OF FUNDING

The Acquisitions will be funded by internally-generated funds.

5. APPROVALS

The Acquisitions are not subject to the approval of the shareholders of UMW.

6. 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 Acquisitions.

7. FINANCIAL EFFECTS OF THE ACQUISITIONS

The Acquisitions are expected to contribute positively to the earnings and net assets of UMW Group for the financial year ending 31st December 2011.

8. STATEMENT BY DIRECTORS

The Board of Directors of UMW is of the opinion that the Acquisitions are in the best interests of the UMW Group.

9. DOCUMENTS FOR INSPECTION

Copies of the SSAs 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 30th November 2010 to 6th December 2010.

cc - Securities Commission
(Issues & Investment Division)