

## Business News

### Sumatec To Dispose Of Shipping Units For RM77 Million

**Bernama : 04 September, 2009**

KUALA LUMPUR, Sept 4 (Bernama) -- Sumatec Resources Bhd has proposed to dispose of its shipping related subsidiaries to a newly incorporated company (Newco) for RM77 million.

The subsidiaries involved are Semado Maritime Sdn Bhd, Semua Shipping Sdn Bhd, Semua Chemical Shipping Sdn Bhd and Mini Tanker Chartering Sdn Bhd (collectively referred to as Semua Group), said AmInvestment Bank Bhd in a statement to Bursa Malaysia.

It said Sumatec today entered into a heads of agreement with Ethos Capital One Sdn Bhd (ECO), Employees Provident Fund (EPF) and an MBO team comprising Bong Siet Fah, Captain Teng Keng Han and Captain Hu Tai Hui to effect the transaction.

Pursuant to the terms of subscription agreements to be executed at a later date, ECO, EPF, MBO Team and Sumatec will become direct/indirect shareholders of Newco.

"ECO, EPF and MBO Team will provide their expertise to improve the operational and financial capabilities as well as the prospects of Semua Group with the intention of eventually positioning Newco for listing in the future," AmInvestment Bank said.

The disposal consideration includes RM65 million in cash which will be entirely utilised to pare down Sumatec's existing borrowings as well as for working capital purposes.

AmInvestment said Sumatec and MBO Team had also agreed to make a submission to list Newco by June 30, 2011, and failing to do so, they would cause Newco to have a trade sale of their shares in the company.

Pursuant to EPF's commitment to subscribe 25 million redeemable convertible cumulative preference shares (RCCPS) credited as fully paid-up in Newco at RM1 each, Semua Group will be able to utilise the funds for the fleet expansion and to finance its working capital requirements whilst being able to phase out its single hull tankers.

Newco will thereafter be able to position itself for its intended regional expansion in anticipation of the increase in demand for the transportation of refined petroleum products.

"Barring any unforeseen circumstances, the proposed disposal is expected to be completed latest by fourth quarter of 2009," AmInvestment Bank said.

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