

30/01/2008

ACQUISITION OF 60% OF THE PAID-UP SHARE CAPITAL IN OFFSHORE CONSTRUCTION SERVICES PTE LTD

UMW wishes to announce that its wholly-owned subsidiary, UMW Petropipe (L) Ltd ("UMW Petropipe"), together with Vina Offshore Holdings Pte Ltd ("VINA"), a 70%-owned subsidiary of UMW Petropipe, has today entered into a Sale and Purchase Agreement ("SPA") with Neo Teck Seng and Goh Mary (collectively known as "the sellers") for the acquisition of 175,000 ordinary shares by UMW Petropipe and 125,000 ordinary shares by VINA, representing 35% and 25%, respectively, of the issued and paid-up share capital of Offshore Construction Services Pte Ltd (Registration No. 199106444W) ("OCS"), a company incorporated under the laws of Singapore, from the sellers, for a total cash consideration of SGD5.6 million (equivalent to approximately RM12.77 million) and SGD4 million (equivalent to approximately RM9.12 million), respectively ("Proposed Acquisition").

Consequent to the Proposed Acquisition, the shareholding structure of OCS will be as reflected in Annexure A.

UMW Petropipe, VINA and Neo Teck Seng will, in due course, enter into a Shareholders' Agreement ("SA") to give effect to the intentions of the parties in the smooth running of the business operations of OCS.

2. DETAILS OF THE PROPOSED ACQUISITION

2.1 Information on UMW Petropipe

UMW Petropipe is a company incorporated in the Federal Territory of Labuan on 21st May 2003 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The principal activity of UMW Petropipe is investment holding.

The issued and paid-up share capital of UMW Petropipe is USD75,519,807 divided into 75,519,807 ordinary shares of par value USD1.00 each.

2.2 Information on VINA

VINA is a company limited by shares incorporated in Singapore on 27th May 2004 and has its registered office at 2 Havelock Road #07-12, Apollo Centre, Singapore 059763.

The principal activity of VINA is investment holding and sale of supplies used in the marine and offshore oil rig industry.

The issued and paid-up share capital of VINA is SGD300,000. The shareholders of VINA are UMW Petropipe, Chua Tee Tee and ACE Technologies (L) Ltd, in the proportion of 70%, 20% and 10%, respectively.

2.3 Information on OCS

OCS is a company incorporated in Singapore on 26th December 1991 and has its registered office at 31, Benoi Lane, Singapore 627817.

The principal activity of OCS is shipbuilding and repairing and marine construction (including harbours, piers, docks, wharves) and offshore equipment.

The issued and paid-up share capital of OCS is SGD500,000 divided into 500,000 ordinary shares.

The shareholders of OCS are Neo Teck Seng (89%) and Goh Mary (11%).

2.4 Purchase Consideration

The total consideration of SGD9.6 million for the acquisition of 60% equity interest in OCS by UMW Petropipe and VINA, from the sellers was arrived at on a willing-buyer willing-seller basis.

3. RATIONALE

The Proposed Acquisition of OCS would be a strategic fit that would provide synergy to the current structure of UMW's Oil & Gas Division and strengthen its fabrication business.

4. APPROVALS

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

5. 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 Acquisition.

6. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The Proposed Acquisition 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 Acquisition is in the best interests of the UMW Group.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA 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 31st January 2008 to 14th February 2008.

Annexure A

Shareholder	Pre-Acquisition		Post-Acquisition	
	No. of Shares Held	Shareholding (%)	No. of Shares Held	Shareholding (%)
UMW Petropipe	-	-	175,000	35
VINA	-	-	125,000	25
Neo Teck Seng	455,000	89	200,000	40
Goh Mary	55,000	11	-	-
TOTAL:	500,000	100	500,000	100

cc-Securities Commission
(Issues & Investment Division)
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