

08/07/2009

RESTRUCTURING OF EQUITY HOLDING IN MK AUTOMOTIVE INDUSTRIES LIMITED AND DONGSHIN MOTECH PRIVATE LIMITED

Announcement Details:

1. INTRODUCTION

We refer to our announcement dated 22nd April 2008 in respect of the execution of two separate Share Sale Agreements ("SSAs") between UMW Corporation Sdn Bhd ("UMWC"), a wholly-owned subsidiary of UMW, and Dato' Muthukumar a/l Ayarpadde ("DMK") for the acquisition of 51% of the issued and paid-up share capital in MK Autocomponents Limited and 50% of the issued and paid-up share capital in MK Automotive Industries Limited ("MKAIL") from DMK.

MKAIL owns 50% equity interest in Dongshin Motech Private Limited ("DMPL"), a company incorporated under the laws of India. DMPL is the major original equipment manufacturer ("OEM") for stamped automotive body parts for Korean car manufacturers.

DMPL intends to increase its paid-up capital, for working capital purposes, by allotting 6,126,720 ordinary shares of par value INR10.00 each to MKAIL for a total consideration of INR61,267,200. Subsequent to the allotment of shares, MKAIL's equity interest in DMPL will be increased to 60%. DMPL will become a subsidiary of MKAIL upon completion of the share allotment.

2. SUBSCRIPTION OF SHARES

The shareholders of MKAIL have agreed to subscribe for the additional shares in MKAIL to fund the subscription in DMPL, as reflected in Table 1 below.

Pursuant to the above, we wish to announce that UMWC has today been allotted 852,020 ordinary shares of par value USD1.00 each in MKAIL for a total cash consideration of USD852,020. MKAIL has today also been allotted 6,126,720 equity interest in DMPL.

Following the above allotment, MKAIL has become a 55%-owned subsidiary of UMWC.

The equity structure of MKAIL and DMPL are now as reflected in Tables 2 and 3, below.

3. APPROVALS

The subscription of shares in MKAIL and Dongshin are not subject to the approval of the shareholders of UMW.

4. 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 subscription of shares.

5. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The subscription of shares is not expected to have any material impact on the earnings and net assets of the UMW Group.

6. STATEMENT BY DIRECTORS

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

cc - Securities Commission
(Issues & Investment Division)

Table 1 - Subscription of Shares in MKAIL

Name of Shareholder	No. of Shares
UMWC	852,020
DMK	424,380
Total	1,276,400

Table 2 - Equity Structure of MKAIL

Name of Shareholder	Equity Interest (%)
UMWC	55
DMK	45

Table 3 - Equity Structure of DMPL

Name of Shareholder	Equity Interest (%)
MKAIL	60
Dongshin Motech Pvt Ltd (Korea)	40