

**18/09/2009**

## **ACQUISITION OF SHARES IN UMW INDIA VENTURES (L) LTD**

### **1. INTRODUCTION**

UMW wishes to announce that its wholly-owned subsidiary, UMW Petropipe (L) Ltd (“UMW Petropipe”), has today entered into a Share Sale Agreement (“SSA”) with MK India Ventures (Labuan) Pte Ltd (“MKIV”) for the acquisition of 2,691,000 ordinary shares of USD1.00 each, representing 10% of the total issued and paid-up share capital in UMW India Ventures (L) Ltd (“UMWIV”), for a total cash consideration of USD18.20 million (equivalent to approximately RM63.16 million) (“Proposed Acquisition”).

Consequent to the Proposed Acquisition, the shareholding of UMW Petropipe in UMWIV will increase from 65% to 75%. The equity structure of UMWIV upon completion of the Proposed Acquisition, is reflected in Table 1 below.

### **2. DETAILS OF THE PROPOSED ACQUISITION**

Pursuant to the SSA, UMW Petropipe will acquire 2,691,000 ordinary shares of USD1.00 each in UMWIV from MKIV in two stages, i.e., 1,345,500 shares at a consideration of USD8.95 million to be completed by 18th September 2009 and 1,345,500 shares at a consideration of USD9.25 million to be completed by 31st March 2010, or such other dates as may be mutually agreed by the parties.

#### **2.1 Information on UMW Petropipe**

UMW Petropipe is a company incorporated under the Offshore Companies Act, 1990 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.

#### **2.2 Information on MKIV**

MKIV is a company incorporated under the Offshore Companies Act, 1990 in the Federal Territory of Labuan on 6th July 2007 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The principal activity of MKIV is investment holding.

Dato’ Muthukumar a/l Ayarpadde is the sole beneficial shareholder of MKIV.

#### **2.3 Information on UMWIV**

UMWIV is a company incorporated under the Offshore Companies Act, 1990 in the Federal Territory of Labuan on 12th June 2007 and has its registered office at Brumby House, Jalan Bahasa, P.O. Box 80148, 87011 Federal Territory of Labuan.

The principal activity of UMWIV is investment holding.

The issued and paid-up share capital of UMWIV is USD26,910,000 divided into 26,910,000 ordinary shares of par value USD1.00 each.

As at today, the shareholders of UMWIV are UMW Petropipe (65%) and MKIV (35%).

#### **2.4 Purchase Consideration**

The total purchase consideration of USD18.20 million for the Proposed Acquisition was arrived at on a willing-buyer willing-seller basis.

### 3. SOURCE OF FUNDING

The Proposed Acquisition will be financed via internally-generated funds and bank borrowings.

### 4. RATIONALE

The Proposed Acquisition will increase UMW's shareholding in UMWIV that would translate into potential value creation opportunities in the future.

### 5. APPROVALS

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

### 6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders of UMW and/or persons connected with the Directors and/or major shareholders, has any interest, direct or indirect, in the Proposed Acquisition.

### 7. 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.

### 8. 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.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SSA 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 (9.00 a.m. to 5.00 p.m.) on any weekday (except public holidays) from 28th September 2009 to 8th October 2009.

cc - Securities Commission  
(Issues & Investment Division)

Table 1

Shareholder	Before Proposed Acquisition		After Proposed Acquisition	
	No. of Shares Held	Shareholding (%)	No. of Shares Held	Shareholding (%)
UMW Petropipe	17,491,500	65	20,182,500	75
MKIV	9,418,500	35	6,727,500	25
TOTAL:	26,910,000	100	26,910,000	100