

27/10/2009

PROPOSED SHAREHOLDING RESTRUCTURING IN OFFSHORE CONSTRUCTION SERVICES PTE LTD

1. INTRODUCTION

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, proposes to undertake an internal restructuring exercise, involving the transfer 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 in Offshore Construction Services Pte Ltd (“OCS”) to UMW Singapore Ventures Pte Ltd (“UMW SVPL”), a wholly-owned subsidiary of UMW Petropipe, for a total consideration of SGD4,987,524 (equivalent to approximately RM12.12 million) and SGD5,600,000 (equivalent to approximately RM13.61 million), respectively (“Proposed Internal Restructuring”).

Consequent to the above, the equity structure of OCS will be as reflected in Table 1 below.

The principal activity of both UMW Petropipe and UMW SVPL is investment holding.

The principal activities of Vina are investment holding and sale of supplies to the marine and offshore oil rig industry.

The principal activities of OCS are shipbuilding and repairing and marine construction and fabrication of onshore/offshore Oil & Gas structures and equipment.

2. RATIONALE

The purpose of the Proposed Internal Restructuring is to create a more efficient organisational structure aimed at increasing operational and financial efficiencies and ultimately enhancing UMW’s shareholder value.

3. APPROVALS

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

4. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

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

5. FINANCIAL EFFECTS OF THE PROPOSED INTERNAL RESTRUCTURING

The Proposed Internal Restructuring 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 Proposed Internal Restructuring is in the best interests of the UMW Group.

cc - Securities Commission
 (Issues & Investment Division)

Shareholder	Pre-Restructuring		Post-Restructuring	
	No. of Shares Held	Shareholding (%)	No. of Shares Held	Shareholding (%)
UMW Petropipe	175,000	35	-	-
Vina	125,000	25	-	-
Neo Teck Seng	200,000	40	200,000	40
UMW SVPL	-	-	300,000	60
TOTAL	500,000	100	500,000	100