

13.0 ADDITIONAL INFORMATION

13.1 Share Capital

- (i) No shares will be allotted on the basis of this Prospectus later than twelve (12) months after the date of issue of this Prospectus.
- (ii) There are no founder, management or deferred shares. As at the date of this Prospectus, there is only one class of shares in the Company, namely ordinary shares of RM1.00 each, all of which rank pari passu with one another.
- (iii) Save for the 4,000,000 Public Issue Shares reserved for the eligible Directors, employees and persons who have contributed to the success of the UDS Group, no other person has been or is entitled to be given an option to subscribe for any shares, stocks or debentures of the Company or its subsidiary companies.
- (iv) Save as disclosed in Sections 4.2 and 4.3 of this Prospectus, no shares or debentures of the Company or its subsidiary companies have been issued or are proposed to be issued as partly or as fully paid-up for cash or otherwise than for cash within the two (2) years immediately preceding the date of this Prospectus.
- (v) Save for the 4,000,000 Public Issue Shares reserved for eligible Directors, employees and persons who have contributed to the success of the UDS Group, there is currently no scheme involving the employee in the share capital of the Company or any of its subsidiary companies.
- (vi) Save as disclosed in Section 7.2 of this Prospectus, there is no restriction on the transfer of the securities of the Company, except as otherwise required by law.
- (vii) As at the date of this Prospectus, none of the share capital of the Company or any of its subsidiary companies is under any option or agreed conditionally or unconditionally to be put under any option.

13.2 Articles of Association

The following provisions are extracted from the Company's Articles of Association. The following capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Company's Articles of Association:-

<i>"Act"</i>	<i>The companies Act, 1965 and includes any statutory modification or re-enactment thereof.</i>
<i>"Approved Market Place"</i>	<i>A stock exchange which is specified to be an approved market place in the Securities Industry (Central Depositories) (Exemption) (No. 2) Order 1998.</i>
<i>"Articles"</i>	<i>These Articles of Association as originally framed or as from time to time altered by special resolution.</i>
<i>"Authorised Nominee"</i>	<i>A person who is authorised to act as nominee as specified under the Rules.</i>
<i>"Bankrupt"</i>	<i>Includes a person compounding or arranging with or making an assignment of all his property for the benefit of his creditors, and "Bankruptcy" shall have a corresponding meaning.</i>

13.0 ADDITIONAL INFORMATION (Cont'd)

“Beneficial Owner”	<i>In relation to Deposited Securities, the ultimate owner of the Deposited Securities who is entitled to all rights, benefits, powers and privileges and is subject to all liabilities, duties and obligations in respect of , or arising from, the Deposited Securities and does not include a nominee of any description.</i>
“Books Closing Date”	<i>The specified time and date set by the Company for the purpose of determining entitlements to dividends, interest, new securities or other distributions or rights of holders of its securities.</i>
“Central Depositories Act”	<i>Securities Industry (Central Depositories) Act 1991.</i>
“Central Depository”	<i>Malaysian Central Depository Sdn. Bhd.</i>
“Company”	<i>UDS Capital Berhad.</i>
“Deposited Security”	<i>A security standing to the credit of a Securities Account of the Depositor subject to the provisions of the Central Depositories Act and the Rules.</i>
“Depositor”	<i>A holder of Securities Account.</i>
“Directors”	<i>The Board of Directors for the time being of the Company.</i>
“Dividend”	<i>Includes bonus.</i>
“Exchange”	<i>Malaysia Securities Exchange Berhad.</i>
“In Writing and Written”	<i>Written, typewritten, lithographed, stamped or printed or partly in one of the said forms and partly in another.</i>
“Listing Requirements”	<i>The Listing Requirements of the Exchange including any amendment to the Listing Requirements that may be made from time to time.</i>
“Market Day”	<i>A day on which the stock market of the Exchange is open for trading in securities.</i>
“Member” or “Members”	<i>The shareholder or shareholders or any person or persons for the time being holding shares in the Company and whose name appears in the Register of Members (except the Malaysian Central Depository Nominees Sdn. Bhd.) including Depositors whose names appear on the Record of Depositors.</i>
“Month”	<i>Calendar month.</i>
“Office”	<i>The registered office for the time being of the Company.</i>
“Paid up”	<i>Includes credited as paid up.</i>
“Record of Depositors”	<i>A record provided by the Central Depository to the Company under Chapter 24.0 of the Rules of the Central Depository.</i>
“Register”	<i>The Register of Members to be kept pursuant to Section 158 of the Act.</i>

13.0 ADDITIONAL INFORMATION (Cont'd)

“Rules”	<i>The Rules of the Central Depository.</i>
“Seal”	<i>The common seal of the Company.</i>
“Secretary”	<i>Includes (subject to the provisions of the Act) an Assistant or Deputy Secretary and any person appointed by the Directors to perform any of the duties of the Secretary.</i>
“Securities Account”	<i>An account established by the Central Depository for a Depositor for the recording of deposits of securities and for dealings in such securities by the Depositor, as defined in the Central Depositories Act and/or the Rules.</i>
“Securities”	<i>Securities as defined in Section 2 of the Securities Commission Act 1993.</i>

13.2.1 Transfer Of Shares**Article 22**

Subject to these Articles, the Central Depositories Act and the Rules, any Member may transfer all or any of his shares but every transfer must be in writing in the form approved by the Exchange and the Act, and/or the Central Depositories Act as the case may be.

Article 23

- (1) Unless otherwise required by the Central Depositories Act and the Rules, the instrument of transfer of a share shall be signed by or on behalf of both the transferor and the transferee, or by such other persons as may be required by the Exchange upon which such share is listed and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register and/or Record of Depositors in respect thereof. Provided that the Directors may dispense with the signature of the instrument of transfer by or on behalf of the transferee in any case in which they think fit in their discretion to do so.*
- (2) No share shall in circumstances be transferred to any infant, bankrupt or person of unsound mind. An instrument of transfer must be in respect of only one class of shares.*

Article 24

There shall be no restriction on the transfer of fully paid securities except where required by law. The Central Depository may, in their discretion and without assigning any reason therefore, decline to register any transfer of share that does not comply with the Central Depositories Act and the Rules.

Article 25

The transfer of any securities or class of securities of the Company, shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Section 103 and 104 of the Act, but subject to Section 107C (2) of the Act, and any exemption that may be made from compliance with Section 107C (1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

13.0 ADDITIONAL INFORMATION (Cont'd)**Article 26**

The transfer books and the Record of Depositors and debenture holders may be closed for such periods as the Directors think fit provided that twelve (12) clear market days, or such other period as may be prescribed by law or by the Exchange, notice of intention shall be published in a local daily newspaper circulating in Malaysia and any intention to fix a book closing date and the reasons therefore, stating the books closing date shall be at least twelve (12) clear market days, or such other period as may be prescribed by law or by the Exchange, after the date of the announcement to the Exchange and nor exceeding in the whole thirty (30) days, or such other period as may be prescribed by law or by the Exchange, in each year. The transfer books and Record of Depositors may be closed for the purpose of determining persons entitled to dividends, interest, or new securities, or rights to a priority of application for issue of securities. The Company shall request the Central Depository in accordance with the Rules to issue a Record of Depositors as at a date not less than three (3) market days or such other period prescribed by the Central Depositories Act and/or the Rules before the occurrence of the related event.

Article 27

The Company shall be entitled to charge a fee not exceeding RM5000-00 on the registration of every probate, letters of administration, certificate of death, marriage, power of attorney or other instrument.

Article 28

Nothing in these Articles shall preclude the Directors from recognising a renunciation of allotment of any share by the allottee in favour of some other person.

13.2.2 Remuneration of Directors**Article 81 (3)**

The remuneration of a Managing Director shall (subject to the provisions of any contract between him and the Company) from time to time be fixed by the Directors, and may be by way of fixed salary, or commission on dividends or profits of the Company or of any other company in which the Company is interested or by participation in any such profits or by any, or all of those modes but may not include a commission on or percentage of turnover.

Article 116

Each of the Directors shall be paid a fixed fee (which, for the avoidance of doubt, shall not be calculated by reference to a commission on or percentage of profits or turnover) at such rate as may from time to time be determined by the Board or such higher amount as may from time to time be decided by ordinary resolution of the Company passed in a general meeting where notice of the proposed increase of the aggregate of all fees so payable to each Director has been given in the notice convening such meeting. In addition to such fees, each Director shall be paid such reasonable travelling, hotel and other expenses as he shall incur in attending meetings of the Directors (including meetings of any committees set up by the Directors) or general meetings or which he may otherwise incur on or about the business of the Company.

13.2.3 Voting and Borrowing Powers of Directors**Article 82**

The Directors may exercise all the powers of the Company to borrow or secure money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities, whether outright or as a security for any debt, liability or obligation of the Company or as permitted by the Listing Requirements.

Article 87 (1)

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest at a meeting of the Directors in accordance with Section 131 of the Act.

13.0 ADDITIONAL INFORMATION (Cont'd)

Article 87(2)

A Director shall not vote in respect of any contract or proposed contract or arrangement in which he is directly or indirectly interested, and if he shall do so his vote shall not be counted but he may be counted in the quorum present at the meeting.

Article 87(3)

A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on terms (as to remuneration and otherwise) as the Director may determine. No Director or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any such other office or place of profit or as a vendor, purchaser or otherwise. Subject to the provisions of paragraphs (1) and (2) of this Article, no such contract, and no contract or arrangement entered into by or on behalf of the Company, in which any Director is in any way interested, shall be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Article 87(4)

A Director, notwithstanding his interest, may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are arranged and he may vote on any such appointment or arrangement other than his own appointment or the terms thereof.

Article 87(5)

Any Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, providing that nothing herein contained shall authorise a Director or his firm to act as auditor of the Company.

Article 87(6)

A general notice that a Director, Alternate Director or Executive Director is a member of or interested in any specified firm or corporation with whom any contract is proposed to be entered into in relation to the affairs of the Company and is to be regarded as interested in all transactions with such firm or corporation shall be a sufficient disclosure under this Article as regards such Director and the said transactions and after such general notice it shall not be necessary for such Director to give any special notice relating to any particular transaction with such firm or corporation.

Article 87(7)

A Director of the Company may be or become a director or other officer of, or otherwise interested in, any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation in such manner and in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them, directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in the manner aforesaid, notwithstanding that he may be, or be about to be, appointed a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in the manner aforesaid.

13.0 ADDITIONAL INFORMATION (Cont'd)**Article 101**

The Directors may meet together for the despatch of business, adjourn or otherwise regulate their meeting as they think fit. Questions arising at any meeting shall be decided by a majority of votes. The Chairman of the Board of Directors or any Director may, and the Secretary on the requisition of the Chairman or a Director shall, at any time summon a meeting of the Directors. It shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Malaysia.

Article 107

In cases of equality of votes, the Chairman of the meeting shall have a second or casting vote. Where two (2) Directors form a quorum, the Chairman of a meeting at which only such a quorum is present or at which only two (2) Directors are competent to vote on the questions in issue, shall not have a second or casting vote.

Article 114

A Director may from time to time and at any time appoint any person (approved by a majority of the other Directors) to be an alternate Director of the Company, to act for him while he is absent from Malaysia or while he is otherwise unable for any time to act as Director, and such appointment shall have effect, and such appointee while he holds office as an alternate Director shall be entitled to notice of meetings of the Directors, and to attend such meetings and to vote thereat. An alternate Director shall not be entitled to remuneration as a Director, which shall continue to be payable to his appointor as if no such appointment has been made. Any fee paid by the Company to the alternate Director shall be deducted from the appointor's remuneration. As alternate Director, he shall ipso facto vacate office as a Director, or when he is removed by his appointor from office. Any appointment and removal under this Article shall be effected by notice in writing under the hand of the Director making the same; any such notice shall be left at the Office. The nomination of an alternate Director shall be valid if made by cable or by telegram, provided that such nomination shall be confirmed by a written nomination complying with the abovementioned requirements, and any act done by the alternate Director nominated in such cable or telegram between the date thereof and the date of the receipt by the Company of the written nomination, shall be as a valid and effectual as if such alternate Director had been duly appointed in the first instance. When any Director of the Company has appointed an alternate Director under the provisions of this Article, he shall be entitled to cast a vote as such alternate in addition to his own vote, and may likewise sign any resolution under the provisions of Article 113.

13.2.4 Changes in the Capital and Variation of Class Rights

The provisions in the Articles as to changes in the share capital and variation of class rights, which are as stringent as those provided in the Act, are as follows:-

Article 5

If at any time the capital by reason of the issue of preference shares or otherwise is divided into different classes the repayment of such preferred capital or all or any of the rights and privileges attached to each class may be subject to the provisions of Section 65 of the Act be varied, modified, commuted, affected, abrogated or dealt with by special resolution passed at a separate general meeting of the holders of the shares of the class and all the provisions hereinafter contained as to general meetings shall mutatis mutandis apply to every such meeting except that the quorum thereof shall be two (2) Members holding or representing by proxy at least one-tenth of the issued shares of the class. Provided however that in the event of the necessary majority for such a special resolution not having been obtained in the manner aforesaid consent in writing may be secured from Members holding at least three-fourths of the issued shares of the class and such consent if obtained in writing within two (2) months from the date of the separate general meeting shall have the force and validity of a resolution duly carried by a vote in person or by proxy.

13.0 ADDITIONAL INFORMATION (Cont'd)**Article 46**

- (1) *The Company may from time to time by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.*
- (2) *Subject to the provision on the allotment of shares to Directors and notwithstanding the existence of a resolution pursuant to Section 132D of the Act, the Company must ensure that it shall not issue any shares or convertible securities if the nominal value of those shares or convertible securities, when aggregated with the nominal value of any such shares or convertible securities issued during the preceding twelve (12) months, exceeds ten per centum (10%) of the nominal value of the issued and paid-up capital of the Company, except where the shares or convertible securities are issued with the prior approval of the shareholders in general meeting of the precise terms and conditions of the issue.*
- (3) *In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each such security is counted as the maximum number of shares into which it can be converted or exercised.*

Article 49

- (1) *The Company may by ordinary resolution:-*
- (a) *consolidate and divide its capital into shares of a larger amount than its existing shares; or*
- (b) *sub-divide its existing shares, or any of them, into shares of a smaller amount than is fixed by the Memorandum of Association subject, nevertheless, to the provisions of Section 62(1) (d) of the Act; or*
- (c) *cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled;*

The resolutions whereby any share is sub-divided may determine that as between the holders of the shares resulting from such sub-division one or more of such shares may have some preference or special privilege or advantage as to dividend, capital, voting or otherwise, over or may have such deferred rights or may be subject to such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares.

Article 50

- (1) *The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account, in any manner and with, and subject to any incident authorised and consent required by law.*
- (2) *Anything done in pursuance of this Article shall be done in the manner provided and subject to any conditions imposed by the Act, so far as they shall be applicable, and, so far as they shall not be applicable, in accordance with the terms of the resolution authorising the same, and, so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.*

13.0 ADDITIONAL INFORMATION (Cont'd)**13.3 Directors and Substantial Shareholders**

- (i) The names, addresses and occupations of the Directors of UDS are set out in the “Corporate Information” of this Prospectus.
- (ii) A Director is not required to hold any qualification share in the Company or its subsidiary companies unless otherwise so fixed by the Company in general meeting.
- (iii) None of the Directors, senior executive officers or persons nominated to become a Director or senior executive officer of the Company or its subsidiary companies is or was involved in the following events: -
- (a) a petition under any bankruptcy laws filed against such person or any partnership in which he was a partner or any corporation of which he was a Director or senior executive officer;
- (b) convicted in a criminal proceeding or is a named subject of a pending criminal proceeding; or
- (c) that subject of any order, judgement or ruling of any court, tribunal or governmental body of competent jurisdiction permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, Director or employee of a financial institution and engaging in any type of business practice or activity.
- (iv) None of the Directors of the Company has any existing or proposed service agreements with the Company or any of its subsidiary companies which cannot be determined or terminated without payment or compensation other than statutory compensation or salary in lieu of notice.
- (v) Save as disclosed in Section 5.7 and Section 6.1 of this Prospectus, no amount or benefit has been paid or given by the Company within the two years preceding the date of this Prospectus, nor it is intended to be so paid or given to any promoter, Director or substantial shareholder.
- (vi) Save as disclosed below and in Section 6.1, none of the Directors and/or substantial shareholders of UDS has any interest, direct or indirect, in the promotion of or in any assets which have been acquired or proposed to be acquired or assets disposed or proposed to be disposed of by or leased or proposed to be leased to the Company or its subsidiary company within the two (2) years immediately preceding the date of this Prospectus or in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to the business of the Company and its subsidiary companies.

The UDT Acquisition and the SWS Acquisition are disclosed in Section 4.3 of this Prospectus.

The Directors or substantial shareholders of UDS deemed materially interested in the aforesaid transactions are as follows:-

	Person Interested	Nature of Relationship
UDT Acquisition	Koh Low @ Koh Kim Toon	(i) Director of UDI, UDP, UDW, EGT and DA (ii) Director and substantial shareholder of UDT
	Dato' Tan King Tai @ Tan Khoon Hai	Directors and shareholder of UDT
	Ng Sey Wee @ Ang Seh Wee	(i) Director of UDI, UDP, UDW, EGT and DA (ii) Director and substantial shareholder of UDT
	Koh Chon Chai	(i) Director of UDP, UDW and EGT (ii) Shareholder of UDT
	Kenanga Arif Sdn Bhd	Substantial shareholder of UDT

13.0 ADDITIONAL INFORMATION (Cont'd)

	Person Interested	Nature of Relationship
SWS Acquisition	Neo Chee Kiat	(i) Director and substantial shareholder of SWS (ii) Director of ORI and SI
	Neo Tiam Hock	(i) Director and substantial shareholder of SWS (ii) Director of ORI and SI
	Dato' Tan King Tai @ Tan Khoon Hai	Director and shareholder of SWS
	Impresif Irama Sdn Bhd	Substantial shareholder of SWS

- (vii) Save as disclosed in Section 6.2 of this Prospectus, none of the Directors and/or substantial shareholders of the Company has any interest, direct or indirect, in any business carrying on a similar trade as the Company and its subsidiary companies and which is not quoted on a recognised stock exchange.
- (viii) Save as disclosed in Section 13.3 (vi) above, there are no contracts or arrangement subsisting at the date of this Prospectus in which the Directors or substantial shareholders of the Company are materially interested and which is significant in relation to the business of the Company and its subsidiary companies.
- (ix) Save as disclosed in Sections 13.3 (x) and (xi) below, none of the Directors or expert has any interest in the promotion of the Public Issue.
- (x) Based on the Register of Substantial Shareholders as at 6 February 2004 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the substantial shareholders (with not less than 5% shareholding) in the issued and paid-up share capital of the Company before and after the Public Issue are as follows:-

Substantial Shareholder	<--- Before the Public Issue --->				<--- After the Public Issue --->			
	<--- Direct --->		<--- Indirect --->		<--- Direct --->		<--- Indirect --->	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Koh Low @ Koh Kim Toon	16,996,508	26.23	-	-	17,056,508 [^]	21.32	-	-
Neo Tiam Hock	3,964,598	6.12	-	-	4,024,598 [^]	5.03	-	-
Kenanga Arif Sdn Bhd	8,989,100	13.87	-	-	8,989,100	11.24	-	-
Impresif Irama Sdn Bhd	7,598,246	11.73	-	-	7,598,246	9.50	-	-

Note:-

- [^] Inclusive of their respective entitlements of 60,000 shares each pursuant to the allocation of shares to eligible Directors and employees of the UDS Group and assuming they subscribe in full for their allocations.

13.0 ADDITIONAL INFORMATION (Cont'd)

- (xi) Based on the Register of Directors' Shareholdings as at 6 February 2004 (being the latest practicable date prior to the printing of this Prospectus), the direct and indirect interests of the Directors in the issued and paid-up share capital of the Company before and after the Public Issue are set out below:-

Director	← Before the Public Issue →				← After the Public Issue →			
	← Direct →		← Indirect →		← Direct →		← Indirect →	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Koh Low @ Koh Kim Toon	16,996,508	26.23	-	-	17,056,508 #	21.32	-	-
Neo Chee Kiat	2,265,474	3.50	-	-	2,325,474 #	2.91	-	-
Dato' Tan King Tai @ Tan Khoon Hai	1,223,814	1.89	-	-	1,283,814 #	1.60	-	-
Neo Tiam Hock	3,964,598	6.12	-	-	4,024,598 #	5.03	-	-
Ng Sey Wee @ Ang Seh Wee	2,506,340	3.87	-	-	2,566,340 #	3.21	-	-
Koh Chon Chai	1,036,048	1.60	-	-	1,096,048 #	1.37	-	-
Teh Eng Aun	-	-	-	-	60,000 ^	0.08	-	-
Kairilnual Bin Abdul Rahman	-	-	-	-	60,000 ^	0.08	-	-
Hj Ismail Bin Tunggak	-	-	-	-	60,000 ^	0.08	-	-

Notes:-

Inclusive of their respective entitlements of 60,000 shares each pursuant to the allocation of shares to eligible Directors and employees of the UDS Group and assuming they subscribe in full for their allocations.

^ Based on the assumption they subscribe in full for their allocations under the Public Issue Shares reserved for eligible Directors and employees of the UDS Group.

- (xii) No Director was granted or had exercised any option to subscribe for securities of the Company or any of its subsidiary companies during the last financial year ended 31 August 2003.
- (xiii) All the Public Issue Shares being issued by the Company are subject to the terms and conditions of this Prospectus.

13.4 General Information

- (i) The nature of the Company's business and the names of all corporations which are deemed to be related to the Company by virtue of Section 6 of the Companies Act, 1965 is disclosed in Section 4.0 of this Prospectus.
- (ii) The time of the opening and closing of the Application Lists is set out in Section 2.1 of this Prospectus.
- (iii) The amount payable in full on application for the Public Issue is RM0.88 per share.
- (iv) As at the date of this Prospectus, the Company and its subsidiary companies do not have any convertible debt securities.

13.0 ADDITIONAL INFORMATION (Cont'd)

- (v) The expenses and commission payable by the Company are as follows:-
- (a) Underwriting commission is payable by the Company to the Managing Underwriter and the several Underwriters mentioned herein at a rate of 1.75% of the issue price of RM0.88 per share on the total number of shares underwritten as stated in Section 2.10 of this Prospectus. In addition, the Managing Underwriter will receive a managing underwriter fee of RM20,000 payable by the Company
 - (b) Placement fees shall be payable by the Company to the Placement Agent at the rate of 1.75% of the Public Issue price of RM0.88 per share on the total number of 2,000,000 Public Issue Shares which are placed out to identified investors.
 - (c) Brokerage is payable by the Company at the rate of 1.00% of the issue price of RM0.88 per share in respect of successful applications bearing the stamp of MIMB, member companies of the MSEB, members of the Association of Merchant Banks in Malaysia, members of the Association of Banks in Malaysia or MIDFCCS.
 - (d) Save for paragraphs (a) and (b) above, there is no amount paid within the two (2) years immediately preceding the date hereof or is payable by the Company or its subsidiary companies as commission, discount, brokerage or other special terms for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or its subsidiary companies and no Director, proposed Director, promoter or expert is entitled to receive any such commission.
 - (e) Save as disclosed above, no commission, discount, brokerage or other special terms have been granted within the two (2) preceding years immediately preceding the date of this Prospectus in connection with the sale or issue of any shares of the Company or its subsidiary companies.
- (vi) Estimated expenses incidental to the listing of and quotation for the entire issued and paid-up share capital of the Company on the Second Board of the MSEB amounting to approximately RM1,600,000 shall be borne by the Company.
- (vii) Save for the Directors' remuneration paid to a Promoter as a Director and other related-party transactions as disclosed in Section 6.1.3 in this Prospectus, no amount or benefit has been paid or given within the two (2) years immediately preceding the date hereof, nor is it intended to be so paid or given, to any promoter.
- (viii) The name and address of the Auditors are set out under "Corporate Information" of this Prospectus.
- (ix) The Company has not established a place of business outside Malaysia.
- (x) No property has been acquired or is proposed to be acquired by the Company or any of its subsidiary companies in contemplation of the Public Issue.
- (xi) Save for the 6,000,000 Public Issue Shares each reserved for the eligible Directors, employees and persons who contributed to the success of the UDS Group, there is presently no other schemes for or involving the employees in the share capital of the Company or its subsidiary companies.
- (xii) Save for the Public Issue pursuant to this Prospectus, there is no present intention on the part of the Directors of the Company to issue any part of the authorised but unissued share capital of the Company.
- (xiii) The manner in which copies of this Prospectus together with the official Application Forms and envelopes may be obtained is set out in Section 14.2 of this Prospectus.

13.0 ADDITIONAL INFORMATION (Cont'd)

13.5 Financial Conditions and Operations

- (i) Save as disclosed in the consolidated profit forecast and assumptions of the Group in Section 8.5 of this Prospectus, the Directors are not aware of any material information including trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of the Company or its subsidiary companies.
- (ii) The Directors of the Company are not aware of any specific factors or events, which could result in the vulnerability of the operations of the Group.
- (iii) Save as disclosed in this Prospectus, the financial conditions and operations of the Company and its subsidiary companies are not affected by any of the following:-
 - (a) known trends or known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's or the Group's liquidity increasing or decreasing in any material way;
 - (b) unusual or infrequent events or transactions or any significant economic changes that materially affected the amount of reported income from the operations of the Company or the Group;
 - (c) known trends or uncertainties that have or that the Company or the Group reasonably expects to have a material favourable or unfavourable impact on the revenue or operating income of the Company or the Group; and
 - (d) material commitments for any capital expenditure.

13.6 Material Contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by the Company and/or its subsidiary companies during the two (2) years immediately preceding the date of this Prospectus:-

- (i) Several Sale and Purchase Agreements dated 9 August 2002 between UDT and Peck Seong Reality Sdn Bhd for the acquisition of land at EMR 1935, Lot 2312/ GM348, Lot 1794/ GM 1142 Lot 1789 Mukim Sungai Raya, District of Muar, Johor for a total purchase consideration of RM3,000,000 satisfied by way of bank borrowing of RM2.4 million and the balance by cash.
- (ii) An agreement dated 18 December 2002 between UDP and Hock Heng Creations Engineering Sdn Bhd for the proposed construction of factory building located at the piece of land known as Lot PTD 5994 and Lot PTD 6001, H.S. (D) 21087, Kawasan Perindustrian Bukit Bakri, Mukim Bakri, Daerah Muar, Johor for a total contract sum of RM3,080,000 satisfied by way of bank borrowing of RM2.0 million and the balance by cash.
- (iii) A Sale and Purchase Agreement dated 27 January 2003 between UDS and Koh Low @ Koh Kim Toon, Pi Siu Chan @ Pee Koon Fook, Ng Ah Leet @ Ah Heet, Tan Ah Ba @ Tan Choon Heng, Ng Sey Wee @ Ang Seh Wee, Tee Chap, Koh Chon Chai, Koh Choon Seng, Koh Kim Chiu, Tsai Ming Fang, Koh Ah Kee, Koh Ken, Koh Kek, Dato' Tan King Tai @ Tan Khoon Hai, Kenanga Arif Sdn Bhd and Orchid City Sdn Bhd for the acquisition of the entire issued and paid-up share capital of UDT comprising 1,300,000 ordinary shares of RM1.00 each by UDS for a purchase consideration of RM23,134,129 based on the audited consolidated NTA of UDT as at 31 August 2002 to be satisfied by the issuance of 21,722,187 new ordinary shares of RM1.00 each in UDS at an issue price of approximately RM1.07 per ordinary share.

13.0 ADDITIONAL INFORMATION (Cont'd)

- (iv) A Sale and Purchase Agreement dated 27 January 2003 between UDS and Neo Tiam Hock, Neo Chee Kiat, Neo Chee How, Neo Chee Hsian, Dato' Tan King Tai @ Tan Khoo Hai, Impresif Irama Sdn Bhd and Irama Jiwa Sdn Bhd for the acquisition of the entire issued and paid-up share capital of SWS comprising 750,000 ordinary shares RM1.00 each by UDS for a purchase consideration of RM5,676,258 based on the audited consolidated NTA of SWS as at 31 August 2002 to be satisfied by the issuance of 5,329,820 new ordinary shares of RM1.00 each in UDS at an issue price of approximately RM1.07 per ordinary share.
- (v) A Sale and Purchase Agreement dated 1 December 2003 between UDS and UDT for the acquisition of 99.42% of the issued and paid-up share capital of UDI comprising 2,719,238 ordinary shares of RM1.00 each by UDS for a purchase consideration of RM6,432,163 based on the audited NTA value as at 31 August 2002 by cash.
- (vi) A Sale and Purchase Agreement dated 1 December 2003 between UDS and UDT for the acquisition of entire issued and paid-up share capital of UDP comprising 1,000,000 ordinary shares of RM1.00 each by UDS for a purchase consideration of RM2,432,555 based on the consolidated NTA value as at 31 August 2002 by cash.
- (vii) Underwriting Agreement dated 15 January 2004 between UDS and the Managing Underwriters and Underwriters for the underwriting of Public Issue Shares for an underwriting commission of 1.75% of the Public Issue price of RM0.88 per share.

13.7 Material Litigation

Save as disclosed below, as at 6 February 2004 (being the latest practicable date prior to the printing of this Prospectus), neither the Company nor any of its subsidiary companies are engaged in any material litigation either as plaintiff or defendant and the Directors of UDS are not aware of any proceedings pending or threatened against the Company or its subsidiary companies or of any fact likely to give rise to any proceedings which might materially or adversely affect the position or business of the Company or its subsidiary companies.

- (a) UDT had sold goods to Chuan Lai Furniture ("CLF") amounting to RM142,548.50 and obtained a guarantee dated 24 June 2000 from the partners of CLF, i.e. Goo Chuan Huat and Goo Chuan Lai. UDT is suing CLF as a firm together with the partners of CLF. UDT had via Messrs Ti-Hazalan & Co, sent a letter of demand dated 22 April 2002 and 6 June 2002 to CLF and the said partners as guarantors respectively. UDT had filed in a Summons and Statement of Claim in the Session Court of Batu Pahat **Summons No. 52-637-02** on 25 June 2002 and obtained judgement in default on 2 October 2002. As CLF still failed to pay, UDT proceeded with a Writ of Seizure and Sale proceedings ("WSS") against CLF. CLF tried to set aside the said judgement and the said WSS in the Session Court of Batu Pahat on 26 March 2003 via their application dated 21 March 2003 but failed. Further, as CLF had taken out the goods and/or part of the goods that were seized by the Sessions Court Bailiff of Batu Pahat, UDT then filed an application for committal and was successful.

CLF tried to set aside all the decisions above but failed and then appealed to the High Court of Muar on 19 September 2003 but was not successful and they finally appealed the said decisions to the Court of Appeal of which is still pending. UDT had been served with an unsealed copy of an undated Writ of Summons and Statement of Claim dated 16 December 2003 ("the said Writ") on 19 January 2004 from CLF.

CLF is also suing the Bailiff of the Sessions Court of Batu Pahat as the second Defendant and seeking the following orders:-

- (i) a declaration that the writ of seizure and sale commenced against CLF is void and illegal;
- (ii) UDT is restrained from proceeding with the said writ of seizure and sale action;
- (iii) that costs of the said action shall be paid by UDT and the Bailiff of the Sessions Court of Batu Pahat; and
- (iv) damages to be assessed by the High Court of Muar.

13.0 ADDITIONAL INFORMATION

Messrs Ti-Hazalan & Co is in the opinion that the subject matter of the said Writ is similar to the appeal filed by CLF of which is pending disposal by the Court of Appeal. And as the said Writ served was not a seal copy, the said Writ is deemed not to be a proper court document served on UDT of which is a mere notice until and unless the said Writ is sealed by the High Court of Muar.

Notwithstanding the abovementioned appeals, the said judgement is a valid executable court judgement. Two (2) different courts have upheld the validity of the said judgement until now together with the WSS order and committal order. The reason that the said Writ was filed in the High Court of Muar is because the said Writ is seeking a declaration and not because a sum of more than RM250,000.00 is being claimed against UDT. Since the appeals as stated above have not been heard and disposed of yet, the said Writ action by CLF is premature and without any basis in law. UDT is confident that in the likely event that the appeals of CLF are dismissed by the Court of Appeal, the said Writ action shall fail automatically. UDT is also confident that after the said appeals are dismissed by the same, they shall proceed further with the WSS proceedings against CLF.

According to Messrs Ti-Hazalan & Co, the unsealed copy of writ serves to UDT claiming, inter-alia, the damages to be assessed and any other relief deemed fit and proper by the honourable court of which in the unlikely event UDT fail in defending any counter-sued, the damages awarded would not have any financial impact on UDT. Furthermore, the said trade debts (inclusive of interest and other charges) amounting to RM172,666.06 has been fully written-off by UDT in its financial statements for the financial year ended 31 August 2003.

13.8 Material Agreements

Saved for the subsisting material contracts as disclosed in Section 13.6 of the Prospectus and as disclosed below, there are no other subsisting material agreements as at the date of this Prospectus which have been entered into by the Company and its subsidiaries.

(i) Insurance Policies

- (a) UDT has purchased material insurance policies from Aviva Insurance Berhad dated 1 June 2003 and 1 July 2003 for the coverage period from 1 June 2003 to 31 May 2004 and 1 July 2003 to 30 June 2004 for an aggregate sum insured of RM7,840,001 for the insurance coverage of the following:
- (i) fire for machinery, fixtures, fittings and tools, forklifts, stock-in-trade, office building, factory building, office equipments, household furniture, personal effects, electrical appliances and removal of debris.
 - (ii) burglary for stock-in-trade and office equipment.
- (b) UDT has purchased material insurance policies from Lonpac Insurance Bhd dated 10/04/2003 for the coverage period from 10 April 2003 to 9 April 2004 for a sum insured of RM3,280,000 for the insurance coverage of fire for factory building
- (c) UDT has purchased material insurance policies from Berjaya General Insurance Berhad dated 16 June 2003, 26 June 2003 and 16 July 2003 for the coverage period from 1 June 2003 to 31 May 2004 and 1 June 2003 to 31 August 2004 for an aggregate sum insured of RM2,420,000 for the insurance coverage of the following:-
- (i) fire for office building, stock-in-trade, forklift, fixture, fittings, furniture, office equipment and removal of debris;
 - (ii) burglary for stock-in-trade, forklift and office equipment; and
 - (iii) public liability for bodily injury to or illness of any person and loss of or damage to business property.

13.0 ADDITIONAL INFORMATION

- (d) UDP has purchased material insurance policies from Lonpac Insurance Bhd dated 15 November 2003 for the coverage period from 15 November 2003 to 14 November 2004 for a sum insured of RM1,900,000 for the insurance coverage of fire for the office building cum warehouse at 171, Jalan Tiga, Kompleks Perabot Olak Lempit, Banting, 42700 Selangor.
- (e) UDP has purchased material insurance policies from Aviva Insurance Berhad dated 1 July 2003 for the coverage period from 1 July 2003 to 30 June 2004 for an aggregate sum insured of RM8,700,000 for the insurance coverage of fire for the building, stock-in-trade, and plant and machinery.
- (f) UDP has purchased material insurance policies from AmAssurance Berhad dated 10 January 2003 and 4 June 2003 for the coverage period from 9 January 2003 to 8 January 2004, 11 April 2003 to 10 April 2004 and 5 May 2003 to 4 May 2004 for an aggregate sum insured of RM1,600,600 for the insurance coverage of equipment all risk for the plant and machinery.
- (g) UDI has purchased material insurance policies from Aviva Insurance Berhad dated 6 January 2003 and 1 July 2003 for the coverage period from 6 January 2003 to 31 August 2004 and 1 July 2003 to 30 June 2004 for an aggregate sum insured of RM6,890,810 for the insurance coverage of the following:
- (i) fire for plant & machinery, fixtures, fittings, stock-in-trade, office building, factory building and office equipments.
 - (ii) machinery and equipment insurance policy for plant & machinery.
- (h) UDW has purchased material insurance policies from Aviva Insurance Berhad dated 1 July 2003 for the coverage period from 1 July 2003 to 30 June 2004 for an aggregate sum insured of RM2,650,000 for the insurance coverage of fire for the stock-in-trade, forklift, plant and machinery.
- (i) SWS has purchased material insurance policies from Overseas Assurance Corporation (Malaysia) Berhad (A Member of Great Eastern Holdings Limited) dated 8 December 2003 for the coverage period from 8 December 2003 to 7 December 2004 for an aggregate sum insured of RM5,120,100 for the insurance coverage of the following:-
- (i) fire for office cum factory building at LOT PTD 4085, Kawasan Perindustrian Parit Jamil, Parit Jawa, 84150 Muar Johor;
 - (ii) fire for plant and machinery, stock in-trade, office equipment, furniture, fixtures and fittings for SWS; and
 - (iii) burglary for group personal accident for office cum factory building at LOT PTD 4085, Kawasan Perindustrian Parit Jamil, Parit Jawa, 84150 Muar Johor.
- (j) SI has purchased material insurance policies from Overseas Assurance Corporation (Malaysia) Berhad (A Member of Great Eastern Holdings Limited) dated 1 October 2003 for the coverage period from 1 October 2003 to 30 September 2004 for an aggregate sum insured of RM5,000,000 for the insurance coverage of fire for Lot PTD 4085, Kawasan Perindustrian Parit Jamil, Mukim Sri Menanti, Daerah Muar, Johor.

13.9 Public Take-Overs

None of the following has occurred in the last financial year and during the current financial year up to 6 February 2004, (being the latest practicable date prior to the printing of this Prospectus):-

- (i) public take-over offers by third parties in respect of the Company's shares; or
- (ii) public take-over offers by the Company in respect of other companies' shares.

13.0 ADDITIONAL INFORMATION (Cont'd)

13.10 Consents

- (i) The written consents of the Adviser, Managing Underwriter and Placement Agent, Company Secretaries, Underwriters, Principal Bankers, Solicitors for the Adviser, Solicitors for the Due Diligence Exercise, Share Registrars and the Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (ii) The written consents of the Auditors and Reporting Accountants to the inclusion in this Prospectus of their name, Accountants' Report and letters relating to the consolidated profit forecast for the year ending 31 August 2004 and proforma consolidated balance sheets as at 31 August 2003 in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iii) The written consent of the Valuers to the inclusion in this Prospectus of their names and letters relating to the valuation of the UDS Group's properties in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not subsequently been withdrawn.
- (iv) The written consent of the Independent Market Consultant to the inclusion in this Prospectus of its name in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and has not subsequently been withdrawn.

13.11 Documents for Inspection

Copies of the following documents are available for inspection at the Registered Office of the Company during normal business hours for a period of 12 months from the date of this Prospectus: -

- (i) Memorandum and Articles of Association of the Company and its subsidiary companies;
- (ii) The Reporting Accountants' Letters relating to the consolidated profit forecast for the financial year ending 31 August 2004 and the proforma consolidated balance sheets as at 31 August 2003 included in Sections 8.5 and 8.9 respectively of this Prospectus;
- (iii) The Accountants' Report and Directors' Report included in Sections 9.0 and 12.0 respectively of this Prospectus;
- (iv) The audited accounts/ financial statements of:-
 - (a) UDS for the financial period from 28 December 1999 (Date of incorporation) to 31 December 2000, the financial year ended 31 December 2001, the eight (8) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
 - (b) UDT for the three (3) financial years ended 31 May 1999 to 2001, the fifteen (15) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
 - (c) SWS for the three (3) financial years ended 30 June 1999 to 2001, the fourteen (14) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
 - (d) UDI for the financial year ended 31 March 1999, fourteen (14) months period ended 31 May 2000, the financial year ended 31 May 2001, the fifteen (15) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
 - (e) UDP for the two (2) financial years ended 31 July 1998 to 1999, the ten (10) months financial period ended 31 May 2000, the financial year ended 31 May 2001, the fifteen (15) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;

13.0 ADDITIONAL INFORMATION (Cont'd)

- (f) DA for the financial period from 16 September 1998 (Date of incorporation) to 31 March 1999, the three (3) financial years ended 31 March 2000 to 2002, the five (5) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
- (g) EGT for the financial period from 14 September 1999 (Date of incorporation) to 31 January 2001, the financial year ended 31 January 2002, the seven (7) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
- (h) UDW for the financial year ended 31 January 1999, the sixteen (16) months financial period year ended 31 May 2000, the financial year ended 31 May 2001, the fifteen (15) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
- (i) ORI for the four (4) financial years ended 30 June 1999 to 2002, the two (2) months financial period ended 31 August 2002 and the financial year ended 31 August 2003;
- (j) SI for the four (4) financial years ended 30 June 1999 to 2002, the two (2) months financial period ended 31 August 2002 and the financial year ended 31 August 2003.
- (v) The Valuation Certificate as included in Section 11.0 of this Prospectus together with the Valuation Reports as referred to herein;
- (vi) The summary Independent Market Report : An Assessment of the Furniture Market in Malaysia by Infocredit D&B dated 6 February 2004 as included in Section 10.0 of this Prospectus.
- (vii) The material contracts referred to in Section 13.6 of this Prospectus;
- (viii) Writ and relevant cause papers in relation to the material litigation referred to in Section 13.7 of this Prospectus;
- (ix) The material agreements referred under "Material Agreements" of Section 13.8 of this Prospectus; and
- (x) The letters of consent referred to under "Consents" of Section 13.10 of this Prospectus.

13.12 Responsibility Statements

- (i) MIMB acknowledges that based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts about the Public Issue and the UDS Group, and has satisfied itself that the consolidated profit forecast for the financial year ending 31 August 2004 (for which the Directors of UDS are solely responsible) prepared for inclusion in this Propsectus have been stated by the Directors of the Company after due and careful enquiry and have been duly reviewed by the Reporting Accountants.
- (ii) This Prospectus has been seen and approved by the Directors and Promoters of UDS and they collectively and individually accept full responsibility for the accuracy of all information given and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statement or other facts, the omission of which would make any statement herein false or misleading.