

## GENERAL ANNOUNCEMENT

Reference No **CC-080630-43785**

Company Name	: <b>UDS CAPITAL BERHAD</b>
Stock Name	: UDSCAP
Date Announced	: 30/06/2008

Type : **Announcement**  
Subject : **Disposal of two (2) plots of freehold 1 ½ storey shophouse situated at No. 28 & 30, Jalan Nilam 1/3, Subang Hi-Tech Industrial Park, 40000 Shah Alam, Selangor by a wholly owned subsidiary, Syarikat U.D. Trading Sdn. Bhd.**

The Board of the Directors of UDS CAPITAL BERHAD ("UDS" or "the Company") wishes to announce the following:-

### 1. Introduction

On 30 June 2008, Syarikat U.D. Trading Sdn. Bhd. (85023-X)("UDT"), a wholly owned subsidiary of the Company, entered into Sale and Purchase Agreement ("SPA") with NKT & Associates Sdn. Bhd. (645016-D)("NKT") to dispose of two (2) plots of freehold shophouse held under land title HS(M) 7979 & 7980, PT 14874 & 14875, Mukim Damansara, Daerah Petaling Jaya, Negeri Selangor, known as No.28 & 30,Jalan Nilam 1/3, Subang Hi-Tech Industrial Park, Shah Alam, Selangor ("Subject Properties"), free from any encumbrances with a Novation Agreement to enable NKT to take over the existing tenancy agreements, for total cash consideration of RM800,000/- only ("the Disposal").

### 2. Detail of the Subject Properties

UDT acquired the Subject Properties on 1 9 August 1996 at the cost of RM950,000/- only, with net book value of RM710,000 as at 31 August 2007.

The expected gain to the Group arising from the Disposal is approximately RM90,000/-. There was no valuation done on the Subject Properties and has no liability to be assumed by NKT arising from the Disposal.

### 3. Information of NKT

NKT was incorporated in Malaysia under the Companies Act, 1965 as a private limited company having its business office at 902, Executive Suite, Block B, Kelana Business Centre, No.97, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor.

### 4. Consideration and Terms of Payment

The consideration for the Disposal was arrived at willing buyer and willing seller basis based on the current market value estimated by the management of the Company with term of each payments as follows:-

- i. A 10% deposit amounting to RM80,000/- (Ringgit Malaysia Eighty Thousand) only was received on the date of execution of the SPA;
- ii. The balance sum of the Disposal Price of RM720,000/- (Ringgit Malaysia Seven Hundred Twenty Thousand) only is to be paid on or before the Completion Date.

### 5. Completion Date

The SPA is expected to be completed in the period of three (3) months from the date of the SPA with an extension of time for completion by two (2) months chargeable interest at a rate of 8% per annum.

### 6. Rationale for the Disposal

It is in the best interest of the Group to dispose the Subject Properties to realize the non core properties into cash.

### 7. Financial Effect of the Disposal

Disposal has no material effect on the net tangible assets and earnings per share of the Company for the financial year ending 31 August 2008 except that the Disposal will result a reduce of loss by approximately RM90,000.

The Disposal does not have any effect on the issued and paid-up share capital of the Company.

The Disposal will not have any effect on the shareholdings of the major shareholders of the Company.

#### **8. Utilisation of Proceeds**

The Company intends to utilise the entire Disposal Consideration as working capital of the UDT.

#### **9. Directors and Major Shareholders' Interest**

None of the directors and major shareholders of UDS or its subsidiaries or persons connected to them have any direct and/or indirect interests in the Disposal.

#### **10. Statement by the Board of Directors of UDS**

In view of the rationale as stated under paragraph 6 above, the Board of Directors of UDS is of the opinion that the Disposal is in the best interest of and not to the detriment of the Company and the Group

The Board of Directors of UDS is of the opinion that to their best knowledge and belief, the Disposal is not subject to the approval of shareholders and the relevant government authorities.

#### **11. Documents for Inspection**

The SPA is available for inspection at the registered office of UDS at 67, 2nd Floor, Room B, Jalan Ali, 84000 Muar, Johor between 9.00 a.m. to 5.00 p.m. from Mondays to Fridays (except for public holidays) for a period of three months from date of this announcement