

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Circular has been reviewed and approved by Mercury Securities Sdn Bhd, being the Approved Adviser to Uni Wall APS Holdings Berhad (“Uni Wall”) for the Proposed Bonus Issue (as defined herein).

This Circular has not been perused by Bursa Malaysia Securities Berhad. Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



UNI WALL APS HOLDINGS BERHAD
(Registration No. 201801007506 (1269520-X))
(Incorporated in Malaysia)

PROPOSED BONUS ISSUE OF 365,700,002 NEW ORDINARY SHARES IN UNI WALL (“UNI WALL SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING UNI WALL SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Approved Adviser



MERCURY SECURITIES SDN BHD
(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“EGM”) of the Company together with the Proxy Form are despatched together with this Circular. The EGM of the Company will be conducted virtually through live streaming from the broadcast venue at 15, Jalan Kesuma 2/3, Bandar Tasik Kesuma, 43700 Semenyih, Selangor. As no shareholders will be allowed to attend the EGM in person at the broadcast venue, you are advised to refer to the Administrative Guide which is despatched together with this Circular for the procedures to register and participate in the EGM.

If you decide to appoint a proxy or proxies to attend and vote at the EGM, you must complete, sign and return the Proxy Form and deposit it at the office of Share Registrar of the Company at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, on or before the date and time indicated below if you are not able to attend the EGM. The completion and lodging of the Proxy Form shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Proxy Form shall be deemed to have been revoked.

Last date and time for lodging the Proxy Form for the EGM : Sunday, 20 September 2020, at 2.30 p.m.

Date and time of the EGM : Tuesday, 22 September 2020 at 2.30 p.m. or at any adjournment thereof

This Circular is dated 28 August 2020

DEFINITIONS

The following definitions shall apply throughout this Circular unless the context requires otherwise or where otherwise defined herein:

Board	:	Board of Directors of Uni Wall
Bonus Shares	:	365,700,002 new Uni Wall Shares to be issued pursuant to the Proposed Bonus Issue
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
Circular	:	This circular to shareholders in relation to the Proposed Bonus Issue dated 28 August 2020
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders of our Company whose names appear in our Company's Record of Depositors at the close of business on the Entitlement Date
Entitlement Date	:	A date to be determined by our Board and announced later, on which the names of Uni Wall's shareholders must be registered in Uni Wall's Record of Depositors as at 5:00 p.m. in order to be entitled to the Proposed Bonus Issue
EPS	:	Earnings per Share
FYE	:	Financial year ended/ending, as the case may be
LPD	:	17 August 2020, being the latest practicable date prior to this Circular
Mercury Securities	:	Mercury Securities Sdn Bhd (198401000672 (113193-W))
NA	:	Net assets
Proposed Bonus Issue	:	Proposed bonus issue of 365,700,002 new Uni Wall Shares on the basis of 1 Bonus Share for every 1 existing Uni Wall Share held on the Entitlement Date
Record of Depositors	:	Record of securities holders established by Bursa Depository pursuant to Rules of Bursa Malaysia Depository Sdn Bhd as issued pursuant to the Securities Industry (Central Depositories) Act 1991
RM and sen	:	Ringgit Malaysia and sen, respectively
Uni Wall or our Company	:	Uni Wall APS Holdings Berhad (201801007506 (1269520-X))
Uni Wall Group or our Group	:	Collectively, Uni Wall and our subsidiaries
Uni Wall Shares or Shares	:	Ordinary shares in Uni Wall
VWAMP	:	Volume weighted average market price

All references to **"we"**, **"us"**, **"our"** and **"ourselves"** are to our Company, and where the context requires otherwise, shall include our subsidiaries.

All references to **"you"** in this Circular are to the shareholders of Uni Wall.

Words denoting the singular shall, where applicable, include the plural and *vice versa*. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and *vice versa*. References to persons shall include corporations, unless otherwise specified. Any reference to any enactment or guideline in this Circular is a reference to that enactment or guideline as for the time being amended or re-enacted.

Any reference to a date and time in this Circular is a reference to Malaysian date and time, unless otherwise specified. Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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Uni Wall APS Holdings Berhad
(Registration No. 201801007506 (1269520-X))
(Incorporated in Malaysia)

Registered Office:
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan

28 August 2020

Board of Directors

Siow Hon Yong (*Executive Chairman*)
Siow Hon Yuen (*Managing Director/Chief Executive Officer*)
Siew Choon Jern (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir/Madam,

PROPOSED BONUS ISSUE

1. INTRODUCTION

On 6 August 2020, Mercury Securities had, on behalf of our Board announced that Uni Wall proposes to undertake the Proposed Bonus Issue.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED BONUS ISSUE, TO SET OUT OUR BOARD'S RECOMMENDATION ON THE PROPOSED BONUS ISSUE AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE DESPATCHED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED BONUS ISSUE

2.1 Basis and Number of Bonus Shares to be Issued

As at the LPD, the issued share capital of our Company is RM15,056,793 comprising 365,700,002 Uni Wall Shares and there are no treasury shares held by our Company. For the avoidance of doubt, our Company does not have any outstanding convertible securities as at the LPD.

The Proposed Bonus Issue will entail the issuance of 365,700,002 Bonus Shares to be credited as fully paid-up on the basis of 1 Bonus Share for every 1 existing Uni Wall Share held by Entitled Shareholders on the Entitlement Date.

The basis of the Proposed Bonus Issue of 1 Bonus Share for every 1 existing Uni Wall Share was arrived at after taking into consideration for the potential adjustments to the share price of Uni Wall Shares arising from the Proposed Bonus Issue.

The Proposed Bonus Issue will not be implemented on a staggered basis over a period of time.

For illustration purposes, based on the 5-day and 3-month daily VWAMP of Uni Wall Shares of RM1.3523 up to the LPD, the theoretical ex-bonus share price of Uni Wall Shares is RM0.6762 per Share after the Proposed Bonus Issue. Our Company will ensure that the share price adjusted for the Proposed Bonus Issue is not less than RM0.20 based on the daily VWAMP during the 3-month period before the implementation of the Proposed Bonus Issue.

2.2 No Capitalisation of Reserves

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of our Company's reserves. Hence, Uni Wall will not receive any proceeds from the Proposed Bonus Issue.

For the avoidance of doubt, the Proposed Bonus Issue will increase the number of Uni Wall Shares but will not increase the value of issued share capital of Uni Wall.

2.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank *pari passu* in all respects with the existing Uni Wall Shares.

2.4 Listing of and Quotation for the Bonus Shares

An application will be made to Bursa Securities for the listing of and quotation for the Bonus Shares on the LEAP Market of Bursa Securities.

3. RATIONALE AND BENEFITS OF THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue would enable our Company to achieve the following:

- (i) to increase the number of Uni Wall Shares held by our Company's shareholders while maintaining their equity interest held in our Company; and
- (ii) to enhance marketability and trading liquidity of our Shares on Bursa Securities by way of larger capital base.

4. EFFECTS OF THE PROPOSED BONUS ISSUE

The pro forma effects of the Proposed Bonus Issue are set out below.

4.1 Issued Share Capital

	<u>No. of Shares</u>	<u>RM</u>
Issued share capital as at the LPD	365,700,002	15,056,793
To be issued pursuant to the Proposed Bonus Issue	365,700,002	-
Enlarged issued share capital	<u>731,400,004</u>	<u>15,056,793</u>

4.2 Substantial Shareholders' Shareholdings

The Proposed Bonus Issue will not have any effect on the percentage shareholdings of the substantial shareholders of Uni Wall as the Bonus Shares will be allotted on a *pro-rata* basis to all the shareholders of our Company. However, the number of Uni Wall Shares held by the substantial shareholders will increase proportionately pursuant to the Proposed Bonus Issue as illustrated below.

Substantial shareholder	As at the LPD				After the Proposed Bonus Issue			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
	'000		'000		'000		'000	
Hysiow Holdings Sdn Bhd	320,000	87.5	-	-	640,000	87.5	-	-
Siow Hon Yong	-	-	(1)320,000	87.5	-	-	(1)640,000	87.5
Siow Hon Yuen	-	-	(1)320,000	87.5	-	-	(1)640,000	87.5

Note:

(1) Deemed interested by virtue of his substantial shareholding held through Hysiow Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

4.3 Earnings and EPS

Save for the dilution in the EPS of our Group as a result of the increase in the number of Uni Wall Shares in issue pursuant to the Proposed Bonus Issue, the Proposed Bonus Issue is not expected to have any material effect on the earnings of our Group for the FYE 31 December 2020.

4.4 NA and Gearing

The pro forma effects of the Proposed Bonus Issue on our Group's NA and gearing, based on its audited consolidated statement of financial position as at 31 December 2019, are as follows:

	<u>As at 31 Dec 2019</u>	<u>After the Proposed Bonus Issue</u>
	RM'000	RM'000
Share capital	15,057	15,057
Merger reserve	(6,000)	(6,000)
Retained earnings	17,655	⁽¹⁾ 17,614
NA/Total equity	26,712	26,671
No. of Shares ('000)	365,700	731,400
NA per Share (RM)	0.07	0.04
Total borrowings (RM'000)	7,383	7,383
Gearing ratio (times)	0.28	0.28

Note:

(1) After deducting the estimated expenses in relation to the Proposed Bonus Issue of approximately RM41,000.

4.5 Convertible Securities

As at the LPD, our Company does not have any outstanding convertible securities.

5. APPROVALS REQUIRED

The Proposed Bonus Issue is subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares on the LEAP Market of Bursa Securities;
- (ii) our shareholders at an EGM to be convened; and
- (iii) any other relevant regulatory authorities and/or parties, if required.

The Proposed Bonus Issue is not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders of Uni Wall, chief executive of Uni Wall and/or persons connected with them has any interest, direct or indirect, in the Proposed Bonus Issue, apart from their respective entitlements as shareholders pursuant to the Proposed Bonus Issue, which are also available to all other Entitled Shareholders.

7. DIRECTORS' STATEMENT

Our Board, after having considered all aspects of the Proposed Bonus Issue (including but not limited to the rationale and benefits of the Proposed Bonus Issue) and after careful deliberation, is of the opinion that the Proposed Bonus Issue is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution to give effect to the Proposed Bonus Issue to be tabled at the forthcoming EGM.

8. OTHER CORPORATE PROPOSALS

Save for the Proposed Bonus Issue, there are no other corporate exercises which have been announced by our Company but have yet to be completed prior to the printing of this Circular.

The Proposed Bonus Issue is not conditional or inter-conditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Bonus Issue is expected to be completed by the fourth quarter of 2020.

The tentative timeline for the implementation of the Proposed Bonus Issue is as follows:

Event	Tentative Timeline
EGM	22 September 2020
Announcement of Entitlement Date	End September 2020
Entitlement Date	Mid October 2020
Listing date of the Bonus Shares	Mid October 2020

10. EGM

The EGM, the notice of which is despatched together with this Circular, will be held virtually through live streaming from the broadcast venue at 15, Jalan Kesuma 2/3, Bandar Tasik Kesuma, 43700 Semenyih, Selangor on Tuesday, 22 September 2020 at 2.30 p.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution so as to give effect to the Proposed Bonus Issue.

If you are unable to attend, participate, speak or vote in person at the EGM and wish to appoint a proxy or proxies, you are requested to complete, sign and deposit the Proxy Form in accordance with the instructions contained therein, so as to arrive at our Share Registrar's office at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time and date stipulated for the EGM or at any adjournment thereof. The lodging of the Proxy Form will not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently decide to do so.

11. FURTHER INFORMATION

You are advised to refer to the ensuing appendix set out in this Circular for further information.

Yours faithfully
For and on behalf of the Board of
UNI WALL APS HOLDINGS BERHAD

SIOW HON YUEN
Managing Director/Chief Executive Officer

FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors of our Company have seen and approved this Circular and they, individually and collectively, accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND CONFLICT OF INTEREST

Mercury Securities, being the Approved Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Mercury Securities is also not aware of any conflict of interest which exists or is likely to exist in its capacity as the Approved Adviser for the Proposed Bonus Issue.

3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**(i) Material Commitments**

Save as disclosed below, as at the LPD, there are no material commitments incurred or known to be incurred by our Group which, upon becoming enforceable may have a material impact on the financial results or business of our Group.

	<u>RM'000</u>
Approved but not contracted for	
Purchase of property, plant and equipment	1,773

(ii) Contingent Liabilities

As at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable may have a material impact on the financial results or business of our Group.

4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

Save for the below, as at the LPD, our Group is not engaged in any material litigation, claims and/or arbitration either as plaintiff or defendant which may have a material effect on the financial position or business of our Group, and our Board is not aware of any proceedings, pending or threatened, or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of our Group.

On 9 March 2020, a supplier of our wholly-owned subsidiary, Uni Wall Architectural Products & Services Sdn Bhd ("**Uni Wall Architectural**" or "**Defendant**"), Ajiya Safety Glass Sdn Bhd ("**Ajiya**" or "**Plaintiff**") had served a writ of summons in the High Court of Shah Alam bearing civil action no. BA-22NCVC-96-03/2020 against the Defendant in respect of alleged claim of RM1,711,311 from the Defendant being the outstanding payment due for glasses already sold and delivered to the Defendant's façade construction works together with an interest rate of 8% per annum. The Defendant disputed the claim as the Plaintiff had sold sub-standard glasses to the Defendant, which does not fit for purpose and not in accordance with the glasses ordered by the Defendant in the quotation.

FURTHER INFORMATION (Cont'd)

On 28 May 2020, the Defendant had filed a Defence and Counter Claim against the Plaintiff for a sum of approximately RM1,300,000 together with the interest rate of 5% per annum for the damages and also further damages to be assessed as the façade construction works are still on-going. On 11 June 2020, the Plaintiff had filed a reply to the Defence and Counter Claim made by the Defendant and the Defendant had then filed a reply on the Defence made by Ajiya on 2 July 2020.

On 30 July 2020, court was fixed for case management by way of an e-review. As both Ajiya and Uni Wall Architectural (the "**Parties**") have informed the Court that pleadings are closed, the Learned Registrar then informed the Parties to file their Bundle of Pleadings by 14 August 2020, Agreed Facts and Issues by 4 September 2020 and Common Bundle of Documents by 18 September 2020. A case management before the Learned Registrar has been fixed on 22 September 2020 for the Parties to comply with the filing and marking of the aforementioned documents. Subsequently, the Parties shall file their respective Witness Statement by 23 October 2020 and a further case management date before the Judge is scheduled on 26 October 2020 at 2.30 p.m. to fix the trial dates.

Our Board is of the view that Uni Wall Architectural has a good defence to Ajiya's claims, and that Uni Wall Architectural's counter claim is likely to succeed. Hence, there will not be any material adverse impact to our Group's financial position after taking into consideration that the claim had already been recorded in our Group's trade payables as at FYE 31 December 2019.

5. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of Uni Wall Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular are as follows:

	<u>High</u>	<u>Low</u>
	RM	RM
2019		
August	0.878	0.728
September	0.888	0.888
October	0.923	0.888
November	1.047	0.928
December	1.200	1.057
2020		
January	1.210	1.200
February	1.220	1.220
March	1.350	1.300
April	-	-
May	-	-
June	-	-
July	-	-

The last transacted market price of our Shares on 4 March 2020 (being the last trading date prior to the announcement of the Proposed Bonus Issue) was RM1.35.

The last transacted market price of our Shares on the LPD was RM1.36.

(Source: Bloomberg)

FURTHER INFORMATION *(Cont'd)*

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at Uni Wall's Registered Office during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) Constitution of Uni Wall;
- (ii) audited consolidated financial statements of Uni Wall for the FYE 31 December 2019 and FYE 31 December 2018 as well as unaudited consolidated financial statements for the financial period ended 30 June 2020;
- (iii) letter of consent and conflict of interest as referred to in Section 2 of this Appendix I; and
- (iv) relevant cause paper in respect of the material litigation as referred to in Section 4 of this Appendix I.

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EXTRACT OF NOTICE OF THE EGM

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF 365,700,002 NEW ORDINARY SHARES IN UNI WALL (“UNI WALL SHARES”) (“BONUS SHARES”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING UNI WALL SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“PROPOSED BONUS ISSUE”)

“**THAT** subject to the approvals of all relevant regulatory authorities for the listing of and quotation for 365,700,002 Bonus Shares on the LEAP Market of Bursa Malaysia Securities Berhad, the Board of Directors of the Company (“**Board**”) be and is hereby authorised to issue 365,700,002 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Uni Wall Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company (“**Entitled Shareholders**”) at the close of business on the date to be determined and announced later by the Board (“**Entitlement Date**”);

THAT such Bonus Shares shall, upon allotment and issuance, rank *pari passu* in all respect with the existing Uni Wall Shares;

AND THAT the Board be and is hereby authorised and empowered to do or procure to be done all such acts, deeds and things and to execute, sign and deliver, on behalf of the Company, all such documents to give effect to and complete the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments as may be required or imposed by any relevant authorities and/or parties and as the Board may deem necessary and expedient to finalise, implement and give full effect to the Proposed Bonus Issue.”