

<b>Type</b>	Announcement
<b>Subject</b>	OTHERS
<b>Description</b>	UNI WALL APS HOLDINGS BERHAD (“UNI WALL” or THE “COMPANY”) - BUILD, OPERATE & TRANSFER AGREEMENTS WITH PERMODALAN KEDAH BHD FOR 2 PROJECTS PARTICULARLY KNOWN AS “DESASISWA@USM” AND “GERBANG@USM”

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## A. INTRODUCTION

The Board of Directors of Uni Wall is pleased to announce that its wholly-owned subsidiary, Uni Wall Properties Sdn Bhd (“**Uni Wall Properties**”) had on 12 December 2024 entered into two (2) Build, Operate & Transfer Agreements (“**Agreements**”) with Permodalan Kedah Berhad (“**PKB**”) to jointly undertake the development, design, finance, construction, operation and maintenance of two (2) projects which known as “Desasiswa@USM” and “Gerbang@USM” on the identified pieces of Universiti Sains Malaysia (“**USM**”) lands (the “**Project Land**”) at USM Engineering Campus (both “Desasiswa @ USM” and “Gerbang @ USM” may hereinafter individually referred as the “**Project**” and collectively referred as the “**Projects**”), subject to the terms and conditions in the Agreements.

(Uni Wall Properties and PKB may hereinafter individually be referred as the “**Party**” and collectively referred to as the “**Parties**”).)

## B. INFORMATION OF THE PARTIES

PKB is a company incorporated in Malaysia under the Companies Act 2016 and having its registered office address at Lot 25, Tingkat 1, Wisma PKNK, Jalan Sultan Badlishah, 05000 Alor Setar, Kedah Darul Aman and its business address at Tingkat 8, Wisma PKNK, Jalan Sultan Badlishah, 05000 Alor Setar, Kedah.

PKB is a wholly owned company by Menteri Besar Kedah Incorporated. PKB is primarily involved in the development of Kedah in various fields including real estate development, construction, hospitality and mining.

Meanwhile, USM is the registered proprietor of the Project Land.

## C. SALIENT TERMS OF THE AGREEMENTS

The salient terms of the Agreements include, amongst others, the following:

### Desasiswa@USM

- (i) Subject to the terms and conditions of the Agreement, Uni Wall Properties shall own, design, construct, landscape, equip, install, complete, commission, operate and maintain Desasiswa@USM at its own cost and expense for a period of twenty-one (21) years subject to extension for a further period of nine (9) years upon the agreement of the Parties, commencing on the first day of students’ enrolment or three (3) months from the date of the Certificate of Completion and Compliance, whichever later, and expires on the twenty-first (21<sup>st</sup>) anniversary of that date (the “**Joint Development & Maintenance Period**”).
- (ii) The Gross Development Value is anticipated to be RM85,000,000.00 in future 30 years.

- (iii) The component of the Desasiswa@USM shall include of the following, and subject to any amendments, modification, variation or alteration thereto:-
- a) Bilik standard – 200 units
  - b) Bilik eksekutif – 156 units
  - c) Bilik en-suite – 44 units
  - d) Rumah kelamin – 20 units
  - e) Kiosk – 8 units
- (iv) Subject to the terms and conditions of the Agreement, PKB has agreed that Uni Wall Properties shall have the rights to receive the Guaranteed Rental Proceeds collected by USM less PKB's Entitlement as stipulated in the Agreement.
- (v) Obligations of Uni Wall Properties consists of the following:-
- a) carry out and complete Desasiswa@USM on the Project Land;
  - b) submit a quarterly progress report of the construction works to PKB throughout the construction period;
  - c) own, manage and operate all the common properties in Desasiswa@USM including public amenities and promenade (including surau).
- (vi) Obligations of PKB consists of the following:-
- a) signing of all applications (including procure USM's representative to sign as the case may be);
  - b) signing of all documentation (including procure USM's representative to sign as the case may be);
  - c) providing assistance;
  - d) PKB shall guarantee to Uni Wall Properties that the monthly rental receivable by Uni Wall Properties for Desasiswa@USM during the Joint Development & Management Period shall not be less than the amounts as stipulated in the Agreement.

#### **Gerbang@USM**

- (i) Subject to the terms and conditions of the Agreement, Uni Wall Properties shall own, design, construct, landscape, equip, install, complete, commission, operate and maintain Gerbang@USM at its own cost and expense for a period of twenty-one (21) years subject to extension for a further period of nine (9) years upon the agreement of the Parties, commencing on the first day of students' enrolment or three (3) months from the date of the Certificate of Completion and Compliance, whichever later, and expires on the twenty-first (21<sup>st</sup>) anniversary of that date (the **"Joint Development & Maintenance Period"**).
- (ii) The Gross Development Value is anticipated to be RM213,000,00.00 in future 30 years.
- (iii) The component of the Gerbang@USM shall include of the following, and subject to any amendments, modification, variation or alteration thereto:-
- a) ten (10) units of double storey shop office;
  - b) the Active Mall complex;
  - c) the futsal sport complex;
  - d) the petrol pump station and the fast food restaurant therein; and

- e) all the common properties thereto including public amenities and promenade (including surau).
- (iv) Subject to the terms and conditions of the Agreement, PKB hereby appoints and authorises UWPSB and UWPSB shall be entitled and authorised, during the Joint Development & Management Period, to:-
  - a) own, manage, operate and/or rent out nine (9) units of double storey shop office. For the avoidance of doubt, USM shall be entitled to own, manage and operate one (1) unit of double storey shop office of its choice;
  - b) own, manage, operate and/or rent out the Active Mall complex save and except for a 250 square metre business lot in the Active Mall complex of USM's choice which shall be owned, managed and operated by USM;
  - c) own, manage, operate and/or rent out the futsal sport complex;
  - d) own, manage, operate and/or rent out the petrol pump station and the fast food restaurant therein; and
  - e) own, manage and operate all the common properties thereto including public amenities and promenade (including surau).
- (v) PKB hereby agrees to assign and transfer to Uni Wall Properties all of PKB's rights, title, interests and benefits in the rental proceeds pursuant to sub-item (a) to (d) above (hereinafter referred to as "**the Rental Proceeds**") less PKB's Entitlement as stipulated in the Agreement.
- (vi) Obligations of Uni Wall Properties consists of the following:-
  - a) carry out and complete Gerbang@USM on the Project Land;
  - b) submit a quarterly progress report of the construction works to PKB throughout the construction period.
- (vii) Obligations of PKB consists of the following:-
  - a) signing of all applications (including procure USM's representative to sign as the case may be);
  - b) signing of all documentation (including procure USM's representative to sign as the case may be);
  - c) providing assistance.

**General terms applicable to both Projects**

- (i) The Construction Commencement Date shall be within one (1) month from the date the Approval is obtained or the date of the fulfilment of the conditions precedent as stipulated in the Agreement whichever is later PROVIDED THAT all rights and licences to enter and occupy the Project Land is granted by USM and Uni Wall Properties shall have submitted to PKB the duplicate copies of insurance policies and together with the proof of payment of premium for such policies taken up for the construction works ("**Construction Commencement Date**").
- (ii) The Construction Period shall be twenty four (24) months from the Construction Commencement Date.

- (iii) In the events of delay in the construction works by Uni Wall Properties as stipulated in the Agreement, PKB shall depends on such events, grants Uni Wall Properties an extension of time and extend the Joint Development & Management Period or issue a notice to Uni Wall Properties to rectify the issue within three (3) months from the date of the notice issued or if Uni Wall Properties still fails to rectify the delay within the period, PKB shall have the rights to terminate the Agreement.
- (iv) Both the Parties shall have their rights to terminate the Agreement according to the termination clause as stated in the Agreement.

#### **D. RATIONALE**

Uni Wall and its group of companies (“Group”) are principally involved in the provision of building façade services and are currently focused on construction projects in Malaysia. The Project will facilitate the expansion of the Group’s business activities to broaden the Group’s future earnings as part of its initiatives to achieve improved financial performance.

The Board is of the view that the Group is expected to strengthen its business prospect and financial condition through its collaboration with PKB to develop the Project Land.

#### **E. SOURCE OF FUNDING**

The Group intends to fund the Projects via internally generated funds and external borrowings.

#### **F. RISK FACTORS**

Similar to all business entities, the risk factors affecting the execution of the Agreements, including but not limited to business risks such as prudent financial management, changes in political, economic and regulatory conditions. However, the Board will continue to exercise due care in considering the risks associated with the collaboration and will take appropriate measures in planning the successful execution of this collaboration.

#### **G. FINANCIAL EFFECT**

The Agreements is not expected to have any material effects on the share capital and shareholding structure of the Company. However, it is expected to have positive contribution to the earnings per share and net assets per share of the Group.

#### **H. INTERESTS OF DIRECTORS’ AND/OR MAJOR SHAREHOLDERS AND/OR PERSON CONNECTED TO THEM**

None of the Directors’ and major shareholders of UNI WALL and/or person connected to them has any interest, direct or indirect in the Agreements.

#### **I. APPROVAL REQUIRED**

The Agreements are being incurred in the ordinary course of business and is not subject to the approval of shareholders of the Company or any relevant government authorities.

**J. STATEMENT OF THE DIRECTORS**

The Board of Directors of UNI WALL, having taken into consideration all aspects of the Agreements are of the opinion that the Agreements are in the best interest of the Group.

**K. DOCUMENT AVAILABLE FOR INSPECTION**

The Agreements are available for inspection during normal office hours at the registered office of Uni Wall at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 12 December 2024.