

UNI WALL APS HOLDINGS BERHAD (“UNI WALL” OR THE “COMPANY”)

PROPOSED PLACEMENT OF UP TO 10% OF UNI WALL’S TOTAL NUMBER OF ISSUED SHARES (“PROPOSED PLACEMENT”)

Unless otherwise defined herein, the abbreviations used in this announcement are the same as those previously defined in the Company’s announcement dated 14 January 2022 in relation to the Proposed Placement (“**Announcement**”).

Further to the Announcement, Mercury Securities, on behalf of the Board, wishes to announce the following additional information in relation to the Proposed Placement, which has been underlined for ease of reference.

2.6 Utilisation of Proceeds

For illustrative purposes, the Proposed Placement is expected to raise gross proceeds of up to RM52.7 million based on the illustrative Issue Price of RM0.72, which are intended to be utilised in the following manner:

<u>Purpose</u>	<u>Note</u>	<u>RM’000</u>	<u>Estimated timeframe for utilisation of proceeds (from date of listing of the Placement Shares)</u>
Land costs	(1)	27,500	Within 24 months
Development costs	(1)	14,961	Within 24 months
Investment in new business	(2)	10,000	Within 24 months
Estimated expenses	(3)	200	Within 1 month
Total		52,661	

Notes:

- (1) On 18 November 2021, the Company announced that it had on even date entered into a joint venture agreement (“JVA”), and a subscription and shareholders’ agreement (“SSA”) with NS Corporation for collaboration via a joint venture company, NS Aero City Sdn Bhd (“NS Aero City”) to carry out property development projects (“Development Projects”) (“Proposed Joint Venture”). Pursuant thereto, the parties have subscribed for shares in NS Aero City as follows:

	<u>No. of shares subscribed</u>	<u>Issue price per share</u>	<u>% shareholding</u>
<u>Uni Wall</u>	<u>8,000</u>	<u>RM1.00</u>	<u>80%</u>
<u>NS Corporation</u>	<u>2,000</u>	<u>RM1.00</u>	<u>20%</u>
	<u>10,000</u>		<u>100%</u>

The Proposed Joint Venture is to develop a portion of the land in an economic growth corridor initiated by the Negeri Sembilan state government known as “Malaysia Vision Valley 2.0 or MVV 2.0”. Thus, the Uni Wall group of companies (“Group”) intends to kick-start the Development Projects via the acquisition of parcel(s) of development land in MVV 2.0, Negeri Sembilan (“MVV2.0 Land”) by NS Aero City or its subsidiaries or joint venture companies. The Group is currently in discussions with potential vendors of the MVV 2.0 Land but has not finalised anything at this juncture. The Company will make the requisite announcements for such acquisition(s) when confirmed and seek shareholders’ approval for the same if required in accordance with the LEAP Market Listing Requirements of Bursa Securities (“Listing Requirements”).

Pursuant thereto, the Company intends to utilise approximately RM27.5 million of the proceeds raised from the Proposed Placement to fund the deposits for the potential MVV 2.0 Land acquisitions. In addition, the Company intends to utilise approximately RM15.0 million of the said proceeds to fund the preliminary development costs for the Development Projects on the MVV 2.0 Land such as architect and design fees, authorities' fees and fees for land preparation. The expected costs of each component of the Development Projects, i.e. the land and development costs, as well as the breakdown of proceeds to be utilised for each component of the preliminary development costs cannot be determined at this juncture as it will depend on the size, type and progress of the Development Projects. The Group intends to fund the Development Projects through internally generated funds, bank borrowings, issuance of debt and/or equity securities, including the Proposed Placement, and/or 3rd party(ies) financing via joint venture(s).

For information purposes, the Company is in discussion with a potential joint venture partner and has, on 4 February 2022, announced that NS Aero City has entered into a Memorandum of Collaboration with Sun Solutino Pte Ltd in relation to the development of certain parts of the MVV 2.0 Land, such as the development of new data centres, solar farm developments/investments in renewable solar energy that power up battery technology and others developments on the MVV 2.0 Land.

In the event that the requisite approvals, if any, for the MVV 2.0 Land acquisitions are not obtained, the Company will utilise the above proceeds for working capital for the operations of the Group's building façade business, including but not limited to, staff related expenses, payments to suppliers, and trade creditors, and general expenses such as utilities charges, upkeep of office equipment and motor vehicles, and other administrative expenses such as rental and insurance costs. For information purposes, the Group's building façade business involves project design and development, fabrication and on-site installation of building façade components and systems which form a building's exterior and are crucial to the construction sector as they not only define the architectural design or aesthetic aspects of a building, but also determine the building's structural characteristics in terms of safety and serviceability, water resistance, greater comfort of air ventilation, healthier environment, and energy efficiency.

Please refer to Section 4.3 of this announcement for further details of the Proposed Joint Venture.

- (2) In conjunction with and to facilitate the Proposed Joint Venture, the Company intends to invest RM10 million of the proceeds raised from the Proposed Placement in complementary businesses. The Company is in the midst of discussions and has identified companies which are principally involved in construction, mechanical and electrical engineering and water treatment. The Company will make the requisite announcements for such investment(s) when confirmed and seek shareholders' approval for the same if required in accordance with the Listing Requirements. In the event that the requisite approvals, if any, for the investment(s) are not obtained, the Company will utilise the said proceeds for working capital for the operations of the Group's building façade business, including but not limited to, staff related expenses, payments to suppliers, trade creditors, and general expenses such as utilities charges, upkeep of office equipment and motor vehicles, and other administrative expenses such as rental and insurance costs.
- (3) Mainly comprises professional fees, fees payable to relevant authorities, placement fees, and other miscellaneous expenses in relation to the Proposed Placement as follows:

	<u>RM'000</u>
<u>Professional fees</u>	48
<u>Placement fee</u>	132
<u>Fees payable to authorities</u>	6
<u>Miscellaneous</u>	11
<u>Total</u>	<u>200</u>

The actual proceeds to be raised from the Proposed Placement are dependent on the actual Issue Price and number of Placement Shares successfully placed out to the investors. Any excess or shortfall in the actual proceeds raised from the above amount would be reallocated to/from the amount earmarked for development costs.

Pending the utilisation of proceeds from the Proposed Placement for the above purposes, the proceeds from the Proposed Placement will be placed in interest-bearing deposits with financial institutions and/or money market financial instruments as the Board in its absolute discretion deems fit and in the best interest of the Group. The interest derived from the deposits placed with the financial institutions and/or any gains arising from the money market financial instruments will be used for working capital for the operations of the Group's building façade business, including but not limited to, staff related expenses, payments to suppliers, trade creditors, and general expenses such as utilities charges, upkeep of office equipment and motor vehicles, and other administrative expenses such as rental and insurance costs.

3. RATIONALE FOR THE PROPOSED PLACEMENT

The Board intends to undertake the Proposed Placement in order to raise funds to fund the potential MVV 2.0 Land acquisitions and the Development Projects thereon as detailed in Section 2.6 of this announcement.

The Proposed Placement represents a fund-raising opportunity for the Group to raise additional funds without having to incur interest costs or service principal repayments for bank borrowings, thereby allowing the Group to preserve its cash flows for operational purposes.

After due consideration of the various methods of fund raising, the Board is of the view that the Proposed Placement is the most efficient avenue of fund raising at this juncture as opposed to other forms of equity fund raising such as rights issue which is generally more time consuming.

As mentioned in Section 1 of this announcement, the Proposed Placement will be undertaken pursuant to the shareholders' mandate for issuance of Uni Wall Shares under Sections 75 and 76 of the Act obtained at the Company's 3rd Annual General Meeting held on 28 May 2021. Uni Wall and Mercury Securities hereby confirm that the Company has not issued any Shares pursuant to the shareholders' mandate in the past 12 months.