

Type : **ANNOUNCEMENT**
Subject : **OTHERS**
Description : **UNI WALL APS HOLDINGS BERHAD (“UNI WALL” OR “THE COMPANY”)**
A. JOINT VENTURE AGREEMENT; AND
B. SUBSCRIPTION AND SHAREHOLDERS’ AGREEMENT
BETWEEN THE COMPANY AND NS CORPORATION

1. INTRODUCTION

Reference is made to the Company’s announcements dated 16 December 2020 and 8 March 2021 respectively in relation to the Memorandum of Collaboration entered into between the Company with NS Corporation (“**NS Corp**”) (collectively referred to as the “**Parties**”).

The Board of Directors of Uni Wall (“**Board**”) wishes to announce that the Company had on 18 November 2021 entered into a joint venture agreement (“**JVA**”) and a subscription and shareholders’ agreement (“**SSA**”) (collectively referred to as the “**Agreements**”) with NS Corp for the collaboration in a joint venture company, NS Aero City Sdn Bhd (“**NS Aero City**”) to carry out property development projects (“**Development Projects**”) on the development lands (“**Development Lands**”) (“**Proposed Joint Venture**”).

2. DETAILS OF THE PROPOSED JOINT VENTURE

2.1 INFORMATION ON NS CORP

NS Corp is a body corporate established under the laws of the state of Negeri Sembilan, Enactment 14 - NS Corporation Enactment 2018, with its business address at Aras 7, Sayap Utara, Menara Mains, Jalan Taman Bunga, 70100 Seremban, Negeri Sembilan Darul Khusus.

NS Corp is incorporated to promote, stimulate, manage, coordinate investment and economic sectors in the state of Negeri Sembilan and all matters relating thereto and to carry out any functions and powers given by the state government to NS Corp.

2.2 INFORMATION ON NS AERO CITY

NS Aero City is a private limited company incorporated in Malaysia under the Companies Act 2016 on 7 April 2020 and is intended to undertake property development.

2.3 SALIENT TERMS OF THE AGREEMENTS

2.3.1 RESPONSIBILITIES OF UNI WALL

Uni Wall will primarily and solely be responsible for:

- (i) funding/financing of the acquisition of the Development Lands (“**Acquisition**”) and to procure NS Aero City to undertake and complete the Acquisition within the prescribed period;
- (ii) funding/financing for the Development Projects within the prescribed period following the completion of the Acquisition;
- (iii) arranging for the preparation of the proposed layout plan of the Development Projects (“**Development Plan**”), the cost and expenses of which shall be funded by Uni Wall;
- (iv) managing and overseeing the carrying out of the Development Projects in accordance with the Development Plan or a development plan to be mutually agreed between the parties and ensuring that the Development Projects shall be completed within the prescribed period;
- (v) managing the assets and/or properties (including the individual unit(s) of real property/properties to be constructed and erected on the Development Lands (“**Project Units**”)) developed following completion of the Development Projects, including but not limited to managing the selling or renting/leasing of such assets and/or properties and Project Units; and
- (vi) procuring NS Aero City to comply with the Negeri Sembilan Housing Policy at all material times and to construct the required amount of affordable housing as part of the Development Projects.

2.3.2 RESPONSIBILITIES OF NS CORP

Subject to the approval of the state government, NS Corp will primarily and solely be responsible for:

- (i) procuring approvals required for the transfer and charge of the Development Lands pursuant to the Acquisition;
- (ii) procuring the conversion of the Development Lands from agricultural to residential, commercial and/or industrial status;
- (iii) procuring the subdivision of the Development Lands into separate lots in accordance with the Development Plan and the issuance of the respective land titles for such sub-divided residential/commercial lots;
- (iv) procuring the layout and building plan approvals, Development Plan approvals, local authority approvals and licences and all other construction and development approvals required for the construction/development of the Development Lands;
- (v) procuring 50% rebate of (a) the conversion premium (which shall only be payable 5 years after the date the rebate is granted), (b) the development charges payable in respect of the Development Lands, and (c) the quit rent payable for each of the Development Lands, or based on agriculture status; and
- (vi) promoting and facilitating the Development Projects as a state-led private sector-driven development in the state of Negeri Sembilan including the development of the Development Lands and the NS Aerospace Valley, as part of the Malaysia Vision Valley 2.0.

2.3.3 NON-DEVELOPMENT OF THE DEVELOPMENT LANDS

In the event that no development works have been carried out on the Development Lands (“**Undeveloped Land**”) by the last day of the first 13 years from the 2 years from the date of the JVA i.e. 18 November 2021 (“**Development Period**”), NS Corp shall be entitled to:

- (i) impose on NS Aero City a tax/penalty equivalent to 10% of the original purchase price of the land under the Acquisition on an annual basis commencing on the 14th year of the Development Period subject however to a maximum tax/penalty amount equivalent to 30% of the original purchase price of the land under the Acquisition; or
- (ii) in lieu of the payment of such tax or penalty, require the ownership of such Undeveloped Land to be transferred to NS Corp or its nominee(s) if no development has been carried out by the Company on such Undeveloped Land by the last day of the 16th year of the Development Period.

2.3.4 BOARD OF DIRECTORS

NS Aero City shall be managed by the board of directors of NS Aero City and the number of directors shall not be more than 7. Each of Uni Wall and NS Corp, while still remains as shareholder of NS Aero City will be entitled to appoint the representatives as below:

- (i) Uni Wall will be entitled to nominate and appoint 5 directors; and
- (ii) NS Corp will be entitled to nominate and appoint 2 directors.

Each director will be entitled to appoint an alternate director to attend and vote at any board meeting. The board of directors of NS Aero City shall be responsible to approve the overall policies and objectives of NS Aero City.

The managing and deputy managing director of NS Aero City shall be nominated and appointed by Uni Wall, while the Chairman of the board of directors of NS Aero City and any shareholders’ meetings will be the Chairman of NS Corp at every material time.

2.3.5 RESTRICTIONS ON TRANSFERS

No Shareholder may during the term of the SSA sell, transfer, assign, charge, mortgage, lien over, pledge, encumber, grant options over or otherwise dispose of or encumber any of its shares without:

- (i) the prior written consent of the other shareholder; or
- (ii) complying with the provisions of the SSA.

Any sale, transfer or disposal of shares that is not made in compliance with the provisions of clauses in the SSA shall require the prior written consent of the other shareholder and in the absence of such consent, such sale, transfer or disposal shall be null and void.

No shares may in any way be transferred during a period of 5 years following the date of the SSA.

2.3.6 SHAREHOLDINGS STRUCTURE

The shareholdings structure of NS Aero City shall be as below:

Shareholders	Shareholding Proportions
Uni Wall	80%
NS Corp	20%
Total	100%

2.3.7 DIVIDENDS AND DISTRIBUTION OF PROFITS

The profits of NS Aero City available for distribution, shall be distributed by way of dividend in full to the Parties in proportion to their shareholding proportions as set out in Section 2.3.6 above.

2.3.8 DURATION AND TERMINATION

The Agreements shall be deemed terminated upon occurrence of any of the following events:

- (i) the expiry of the Agreements, being a period of 15 years from the date of the respective Agreements, with an automatic extension of the JVA for another 5 years thereafter;
- (ii) the termination of the Agreements by mutual written consent of the Parties;
- (iii) the winding-up of NS Aero City;
- (iv) all shares being held by one party;
- (v) the Agreements being terminated or deemed terminated in accordance with its terms for any reason whatsoever; or
- (vi) NS Aero City undertakes an initial public offering or the sale by all shareholders (on a proportionate basis) of a majority of the shares of NS Aero City by mutual agreement of the Parties.

The Parties may also at any time mutually agree to terminate the Agreements as of a date certain to be established by the Parties. In the event that the Agreements are terminated upon voluntary basis, the following shall apply:

- (i) save and except for the Development Lands, the ownership of all moveable assets held by NS Aero City shall be transferred to Uni Wall and the ownership of all immovable assets held by NS Aero City shall be transferred to NS Corp; and
- (ii) the Development Lands shall be disposed to NS Corp in consideration of 25% discount from the actual purchase price of the Development Lands paid by Uni Wall, which shall be payable by NS Corp to Uni Wall on its sole discretion without any limitation of time.

3.0 RATIONALE AND BENEFITS OF THE PROPOSED JOINT VENTURE

The Proposed Joint Venture will enable an official collaboration between Uni Wall and NS Corp to ensure a state-led private sector-driven development envisioned to be a world class metropolis that delivers economic impact to the state of Negeri Sembilan.

4.0 RISK FACTORS

The risk factors associated with the Proposed Joint Venture, which may not be exhaustive, are as follows:

4.1 Industry Risk

Through the Proposed Joint Venture, Uni Wall is subject to risks inherent to delay in project execution, dependency on necessary operation permit and licenses, certificates and/or regulatory approval, labour shortage, project defects, fluctuation in the prices of raw materials, adverse weather conditions as well as any changes in the regulatory framework governing the development of the Development Lands.

The Board will adopt prudent management and efficient operating procedures to adapt to any adverse situations in the development of the Development Lands. However, no assurance that any adverse events in the development of the Development Lands will not have any material adverse effect on the Group.

4.2 Financing Risk

Uni Wall may finance the Acquisition and development of the Development Lands through a combination of internally generated funds, bank borrowings and/or other funding alternatives which may include equity fundraising exercises to be undertaken by the Company after taking into consideration the development project cash flows of the Development Lands as well as Group's future gearing level and working capital requirements.

The Company's ability to arrange for bank borrowings and the cost of such financing is dependent on several factors which include, amongst others, general economic and capital market conditions, interest rate and investors' confidence.

If a bank borrowing is secured, Uni Wall could potentially be exposed to fluctuations in interest rates on such financing obtained, leading to higher borrowing costs which may adversely affect the Group's future results of operations and financial performance as well as the Group's ability to service future loan repayment obligations.

Nevertheless, Uni Wall will continuously monitor and review its debt portfolio and development project cash flows of the Development Lands, which includes taking into consideration the Group's gearing level, interest costs and cash flows.

5.0 EFFECTS OF THE PROPOSED JOINT VENTURE

The Proposed Joint Venture will not have any effect on the issued share capital of Uni Wall, substantial shareholders' shareholdings of Uni Wall as well as the net assets per share, earnings per share and gearing of the Uni Wall Group for the financial year ending 2021.

Nonetheless, the Proposed Joint Venture is expected to contribute positively to the future earnings of Uni Wall Group arising from the undertaking of the Development Projects. Any profit attributable would be realised in stages over the tenure of the Development Projects based on the progress.

6.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED WITH THEM

None of the Directors, substantial shareholders of Uni Wall, chief executive of Uni Wall or persons connected with them has any interest, direct or indirect, in the Proposed Joint Venture.

7.0 APPROVAL REQUIRED

The Proposed Joint Venture is not subject to the approval of the shareholders of Uni Wall.

8.0 DIRECTORS' STATEMENT

Having considered all aspects of the Proposed Joint Venture, including the rationale and effect of the Proposed Joint Venture, the Board is of the opinion that the Proposed Joint Venture is in the best interest of Uni Wall.

9.0 DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Agreements are available for inspection at Uni Wall's registered office at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor Darul Ehsan during normal business hours from Monday to Friday (except public holidays) for a period of 3 months from the date of this announcement.

This announcement is dated 18 November 2021.