

INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY



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

PROPOSED PLACEMENT OF 45,700,000 NEW ORDINARY SHARES IN UNI WALL APS HOLDINGS BERHAD AT AN INDICATIVE ISSUE PRICE OF RM0.16 PER SHARE IN CONJUNCTION WITH OUR PROPOSED LISTING ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD

APPROVED ADVISER AND PLACEMENT AGENT



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

THIS INFORMATION MEMORANDUM IS DATED 26 NOVEMBER 2018

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES"). IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY US. SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN US AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

IMPORTANT NOTICE

NO PERSON IS AUTHORISED IN CONNECTION WITH OUR EXCLUDED ISSUE (AS DEFINED HEREIN) AND LISTING (AS DEFINED HEREIN) TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN AS CONTAINED IN THIS INFORMATION MEMORANDUM, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY UNI WALL APS HOLDINGS BERHAD (“UNI WALL” OR “COMPANY”) OR MERCURY SECURITIES SDN BHD (“MERCURY SECURITIES”) AS OUR APPROVED ADVISER AND PLACEMENT AGENT.

THE PURPOSE OF THIS INFORMATION MEMORANDUM IS TO PROVIDE INFORMATION ON THE BUSINESS AND AFFAIRS OF OUR COMPANY AND SUBSIDIARY (COLLECTIVELY “GROUP”) ONLY. THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, OR SOLICITATION OF ANY OFFER TO SUBSCRIBE FOR OR PURCHASE OUR SHARES (AS DEFINED HEREIN), NOR IS IT INTENDED TO INVITE OR PERMIT THE MAKING OF OFFERS BY THE PUBLIC TO SUBSCRIBE FOR OR PURCHASE OUR SHARES.

THIS INFORMATION MEMORANDUM IS INTENDED FOR CIRCULATION ONLY TO PERSONS WHOM AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES OR AN ISSUE OF SECURITIES WOULD CONSTITUTE AN EXCLUDED ISSUE WITHIN THE MEANINGS OF SECTION 230 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”).

THE DISTRIBUTION OF THIS INFORMATION MEMORANDUM AND THE OFFERING OF OUR SHARES MAY, IN CERTAIN JURISDICTIONS, BE RESTRICTED BY LAW. WE REQUIRE PERSONS INTO WHOSE POSSESSION THIS INFORMATION MEMORANDUM COMES INTO, TO INFORM THEMSELVES OF AND OBSERVE ALL SUCH RESTRICTIONS.

Our Board of Directors and Promoters (as defined herein), having made all reasonable enquiries, accept responsibility for, and confirm that this Information Memorandum contains all relevant information with regards to our Group which is material in the context of our Excluded Issue and Listing as at the date hereof, that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading as at the date hereof and that there are no other facts the omission of which would, in the context of our Excluded Issue and Listing, make this Information Memorandum as a whole or any information herein misleading in any material respects.

Mercury Securities, being our Approved Adviser and Placement Agent acknowledges that, based on all available information and to the best of its knowledge and belief, this Information Memorandum constitutes a full and true disclosure of all material facts concerning our Excluded Issue and Listing.

Our Shares are offered to Sophisticated Investors on the premise of full and accurate disclosure of all material information concerning our Excluded Issue, for which any person set out in Section 236 of the CMSA is responsible.

You should note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this Information Memorandum that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Information Memorandum.

A copy of this Information Memorandum has been deposited with the Securities Commission Malaysia (“SC”). Each recipient (“**Recipient**”) of this Information Memorandum acknowledges and agrees that the SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum.

Our Excluded Issue is subject to the receipt of an approval-in-principle for our Listing from Bursa Securities, who makes no assessment on the suitability, viability or prospects of our Group or the merits of investing in our Shares. Mercury Securities, as our Approved Adviser, has assessed the suitability of our Group for admission to the LEAP Market as required under Rule 4.10 of Bursa Securities' LEAP Market Listing Requirements. **YOU SHALL BE SOLELY RESPONSIBLE FOR YOUR INVESTMENT DECISION, AND SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT IN OUR COMPANY, AND SHOULD CONSULT TO THE EXTENT NECESSARY, YOUR OWN LEGAL, FINANCIAL, TAX, ACCOUNTING AND/OR OTHER PROFESSIONAL ADVISERS IN THIS RESPECT PRIOR TO ANY INVESTMENT IN OUR COMPANY.**

MODE OF COMMUNICATION

In accordance with our Constitution, we may send notices and documents to our securities holders ("**Holders**") by electronic means to the Holders' registered email address last maintained with either our Company Secretary or Bursa Malaysia Depository Sdn Bhd ("**Bursa Depository**"), as the case may be. Our Holders have a right to request for a hard copy of such notices and documents should they wish to do so. In such event, we will forward a hard copy of the notices and documents to the Holders, as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail to the Holders' registered Malaysian address last maintained with either our Company Secretary or Bursa Depository, as the case may be, at their own risk.

We may also publish notices and documents on our website as a form of electronic communication with our Holders. In such event, we will separately and immediately notify our Holders by way of any of the following:

- (i) ordinary mail;
- (ii) electronic means to the Holders' registered email address;
- (iii) advertisements in an English daily newspaper in Malaysia; and/or
- (iv) announcements on Bursa Securities.

TERMS AND CONDITIONS BINDING ALL RECIPIENTS

By accepting this Information Memorandum, you hereby agree and undertake to be bound by the following terms and conditions:

1. This Information Memorandum is issued by our Company and distributed by us as well as Mercury Securities as our Approved Adviser and Placement Agent. The distribution of this Information Memorandum shall be in paper/printed copy and/or electronic copy upon request by interested Recipients, free of charge. This Information Memorandum is distributed to interested Recipients for information purposes only and upon the express understanding that such Recipients will use it only for the purposes set forth below.
2. The information contained in this Information Memorandum, including any statement or fact or opinion, is solely for use by a limited number of prospective Sophisticated Investors for the purpose of evaluating their interest in investing in our Company ("**Proposed Investment**"). Nothing contained herein shall be taken as a recommendation or invitation by us and/or Mercury Securities to undertake the Proposed Investment or as a commitment on our part to accept your Proposed Investment.

3. We and Mercury Securities each reserve the right (without notice or recourse) to alter, amend, terminate or suspend the process in respect of the Proposed Investment (“**Investment Process**”) without providing any reason therefor. All costs incurred by you during the Investment Process are for your account only and under no circumstances will we or Mercury Securities be responsible for any part of such costs, notwithstanding any alteration, amendment, termination or suspension of the Investment Process or the reasons thereof.
4. Any documents in relation to our Excluded Issue and Listing published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum.
5. Subject to the provisions of any laws, regulations and guidelines (“**Applicable Laws**”), we and Mercury Securities each reserve the right to negotiate with one or more prospective Sophisticated Investors at any time. Subject to the Applicable Laws, we and Mercury Securities each also reserve the right (without notice or recourse) to terminate, at any time, further participation in the Investment Process by all or any Recipients without assigning any reasons thereof.
6. Neither the receipt of this Information Memorandum by any Recipient nor any information made available in connection with the Proposed Investment is to be taken as constituting the giving of investment advice by Mercury Securities. Mercury Securities shall not advise you on the merits or risks of the Proposed Investment or potential valuations for the Proposed Investment.
7. This Information Memorandum may not be distributed in any jurisdiction outside Malaysia except in accordance with the legal requirements applicable in such jurisdiction. No Recipient in any jurisdiction outside Malaysia may take any action upon this Information Memorandum if, in the relevant jurisdiction, such action cannot be taken by the Recipient without contravention of any relevant legal requirements. It is the sole responsibility of any Recipient wishing to take any action upon this Information Memorandum to satisfy themselves as to the full observance of the laws of the relevant jurisdiction and/or Malaysia in connection therewith, including without limitation, the receipt of our Shares or cash payments upon the sale of our Shares by the Recipients, the repatriation of any money by the Recipients out of Malaysia, the obtaining of any governmental, exchange control or other consents which may be required, and the payment of any tax or duty due in such jurisdiction. Such Recipients shall therefore immediately consult their professional advisers in relation to the observance of the relevant legal requirements, and shall be responsible for the payment of any tax or other requisite payment due in such jurisdiction, and we and Mercury Securities shall be entitled to be fully indemnified by such Recipients for any tax or other requisite payment as the Recipients may be required to pay.

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Privacy Notice

The Personal Data Protection Act 2010 (“**PDPA**”) was introduced to regulate the processing of personal data in commercial transactions. The PDPA requires us to inform you of your rights in respect of your personal data that is to be collected and processed by us.

Consequently, please be informed that the personal data and other information (collectively, “**Personal Data**”) that you provide will be used and processed by us in connection with our Excluded Issue only (“**Purpose**”), and not for any other purpose.

If required for the Purpose, you hereby give consent that your Personal Data may be transferred to locations outside Malaysia or disclosed to our related corporations or our vendor, agent, contractor, service provider, consultant or adviser who provide services to us, including our Placement Agent, which may be located within or outside Malaysia. Save for the foregoing, your Personal Data will not be knowingly transferred to any place outside Malaysia or be knowingly disclosed to any other third party.

Without prejudice to the Terms and Conditions of our Excluded Issue as contained in this Information Memorandum, you may at any time hereafter make inquiries, complaints and, upon payment of a prescribed fee, request in writing for access to, or correction of, your Personal Data or limit the processing of your Personal Data (as described above) by submitting such request to the following:

Postal address : **UNI WALL APS HOLDINGS BERHAD**
c/o Boardroom.com Sdn Bhd
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan (KL)

Kindly be informed that we will assume that you have consented and we will continue to process your Personal Data in accordance with this Privacy Notice unless we hear otherwise from you. You may exercise your rights in respect of your Personal Data in the manner described above.

This Privacy Notice may be amended from time to time and would be in effect on the date as determined by us. Any amendment to this Privacy Notice shall be published on any medium as we deem fit.

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EXCLUDED ISSUE SUMMARY

	No. of Shares	
	'000	RM'000
Existing issued share capital	320,000	8,000
New Shares to be issued pursuant to our Excluded Issue (" Issue Shares ")	45,700	7,312
Enlarged issued share capital upon Listing	365,700	15,312
Percentage of enlarged share capital represented by the Issue Shares		12.5
Issue Price per Issue Share (RM)		0.16
Gross proceeds to be raised under our Excluded Issue		7,312
Market capitalisation at the Issue Price upon Listing		58,512

UTILISATION OF PROCEEDS

We intend to use the gross proceeds from our Excluded Issue as follows:

Description	Estimated Timeframe for Utilisation upon Listing	RM'000	%
(a) Capital expenditure	Within 12 months	3,500	47.9
(b) Working capital	Within 24 months	3,012	41.2
(c) Estimated listing expenses	Immediate	800	10.9
Total		7,312	100.0

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INDICATIVE TIMETABLE OF PRINCIPAL EVENTS

The indicative timetable for our Excluded Issue is set out below for your reference:

Date of Information Memorandum	26 November 2018
Allotment of Issue Shares	End December 2018*
Listing of our Company on the LEAP Market	End December 2019*

Note:

- * *Subject to receipt of approval-in-principle from Bursa Securities for our Listing. An announcement for the key relevant dates will be made after obtaining Bursa Securities' approval-in-principle for our Listing.*

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PRESENTATION OF INFORMATION

All references to “our Company” in this Information Memorandum are to Uni Wall APS Holdings Berhad, while references to “our Group” are to our Company and our subsidiary. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key management personnel as disclosed in this Information Memorandum, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Words denoting the singular shall, where applicable, include the plural and *vice versa*, and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. Reference to persons shall include companies and corporations.

Any reference to provisions of statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits) be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to dates and times shall be a reference to dates and times in Malaysia.

In particular, certain information in this Information Memorandum is extracted or derived from the independent market research report prepared by PROVIDENCE (as defined herein), an Independent Market Researcher. In compiling their data, PROVIDENCE had relied on industry sources, public materials, their own private databases and direct contacts within the industry. We believe that the statistical data projections cited in this Information Memorandum are useful in helping you to understand the major trends in the industry in which we operate.

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FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements, which include all statements other than those of historical facts including, amongst others, those regarding our expected financial position, business strategies, plans, prospects and objectives of our Management for future operations. These statements can be identified by forward-looking terminology terms as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plans, expected industry trends and other matters discussed in this Information Memorandum regarding matters that are not historic facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors beyond our control that could cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, amongst others:

- changes in the political, social and economic conditions and the regulatory environment in Malaysia and other countries in which we conduct business; and
- changes in currency exchange rates, our future capital needs and the availability of financing and capital to fund such needs.

Some of these factors are discussed in more details in Section 6 - Risk Factors and Section 9 – Management Discussion and Analysis of this Information Memorandum.

These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As such, we cannot assure you that the forward-looking statements in this Information Memorandum will be realised.

These forward-looking statements are based on information available to us as at the date of this Information Memorandum. Subject to the provisions of Section 238 of the CMSA, we expressly disclaim any responsibility to update any of these forward-looking statements or publicly announce any revisions to these forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future.

You will be deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

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DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Information Memorandum:

Act	: Companies Act, 2016
Board	: Board of Directors of Uni Wall
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CAGR	: Compound annual growth rate
CIDB	: Construction Industry Development Board
CMSA	: Capital Markets and Services Act 2007
Constitution	: Constitution of Uni Wall
Directors	: Members of our Board
EBITDA	: Earnings before interest, tax, depreciation and amortisation
EPS	: Earnings per Share
ETP	: Economic Transformation Programme
Excluded Issue	: Proposed issue of 45,700,000 Issue Shares at the Issue Price to Sophisticated Investors within the meanings of Section 230 of the CMSA
FPE	: Financial period ended
FYE	: Financial year ended/ending, as the case may be
GDP	: Gross domestic product
GP	: Gross profit
IMR Report	: Independent Market Research Report on the: <ul style="list-style-type: none"> • Construction Industry in Malaysia • Construction Industry in Australia
Information Memorandum	: This Information Memorandum dated 26 November 2018 in relation to our Excluded Issue and Listing
Issue Price	: RM0.16 per Issue Share, being the indicative price at which each Issue Share is to be issued
Issue Shares	: New Shares to be issued pursuant to our Excluded Issue
kPa	: Kilopascal, being a unit of pressure measurement
Listing	: Proposed admission to the Official List and the listing of and quotation for our entire enlarged share capital of RM15,312,002 comprising 365,700,002 Shares on the LEAP Market of Bursa Securities
Listing Requirements	: LEAP Market Listing Requirements of Bursa Securities
LPD	: 31 October 2018, being the latest practicable date prior to the date of this Information Memorandum
Mercury Securities	: Mercury Securities Sdn Bhd (113193-W), being the Approved Adviser, Custodian and Placement Agent for our Excluded Issue and Listing
NA	: Net assets
Official List	: The list specifying all securities listed on Bursa Securities
PAT	: Profit after tax

DEFINITIONS (cont'd)

PBT	: Profit before tax
Promoters	: Collectively the following: <ul style="list-style-type: none">• Hysiow Holdings Sdn Bhd• Siow Hon Yong• Siow Hon Yuen
PROVIDENCE	: Providence Strategic Partners Sdn Bhd (1238910-A), being the Independent Market Researcher
Public	: All persons or members of the public but excluding directors of our Group, our substantial shareholders and persons associated with them (as defined in the Listing Requirements)
Sophisticated Investors	: Investors who fall within Part I of Schedule 7 of the CMSA
TTDI	: Taman Tun Dr. Ismail
Uni Wall or Company	: Uni Wall APS Holdings Berhad (1269520-X)
Uni Wall Group or Group	: Collectively, Uni Wall and its subsidiary
Uni Wall Shares or Shares	: Ordinary shares in Uni Wall
<u>Subsidiary of Uni Wall</u>	
Uni Wall Architectural	: Uni Wall Architectural Products & Services Sdn Bhd (481522-K)
<u>Currencies</u>	
AUD	: Australian Dollar, being the lawful currency of Australia
RM and sen	: Ringgit Malaysia and sen respectively, being the lawful currency of Malaysia
USD	: United States Dollar, being the lawful currency of the United States of America

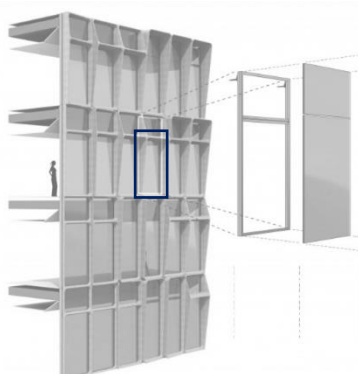
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GLOSSARY OF TECHNICAL TERMS

This glossary contains an explanation of certain terms used throughout this Information Memorandum in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms.

ASTM Standards	: An international technical standards issued by ASTM International (an international standards organisation based in the United States of America) for materials, products, systems and services
British Standards	: An international technical standards issued by BSI Group (an international standards organisation based in the United Kingdom) for materials, products, systems and services
Building façade	: Building exterior
Building façade component	: A single panel which will be installed with other panels on-site to form a building façade system
Building façade products	: All fabricated building façade components and systems
Building façade services	: Services in relation to project design and development, fabrication and on-site installation of building façade products
Building façade system	: A combination of building façade components attached to the main building structure to form the building exterior
Cold-bending	: A method of producing curved glass panels at room temperature, using a constraining frame
Commercial construction sub-sector	: Refers to construction of properties or structures intended for business or manufacturing purposes
Curtain wall panel	: A glass or metal panel fixed onto an aluminum frame, and are designed for easy installation and maintenance to form building façade systems

Below is an illustration of a curtain wall panel:



Green façade	: A building façade system that uses climbing or hanging plants up and across the building exterior
Low-emissivity glass	: A type of energy efficient glass that has a transparent, microscopically thin coating designed to emit low levels of heat
Public construction sub-sector	: Refers to the construction of any form of public infrastructure and social amenity assets used for purposes such as transportation, utilities management and communication, recreation and community use

GLOSSARY OF TECHNICAL TERMS *(cont'd)*

- Residential construction sub-sector** : Refers to the construction of properties intended for dwelling purposes
- Shop drawing** : A set of detailed drawings to show the proposed material, shape, size and assembly of parts as well as method in which installation will be performed
- Wind loading** : Refers to the impact or force arising from wind on a building structure

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1. CORPORATE DIRECTORY

- BOARD OF DIRECTORS** : Siow Hon Yong
Executive Chairman
- Siow Hon Yuen
Managing Director/Chief Executive Officer
- Siew Choon Jern
Independent Non-Executive Director
- REGISTERED OFFICE** : Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkarang Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel No. : +603-2298 0263
Fax No. : +603-2298 0268
- HEAD OFFICE** : 15, Lot 85 Jalan Kesuma 2/3
Bandar Tasik Kesuma
43700 Semenyih
Selangor
Tel No. : +603-8723 1088
Fax No. : +603-8723 3022/8022
Website address : www.uniwall.com.my
E-mail address : uw@uniwall.com.my
- COMPANY SECRETARY** : Tan Tong Lang (MAICSA 7045482)
c/o Boardroom.com Sdn Bhd
Suite 10.02, Level 10
The Gardens South Tower
Mid Valley City
Lingkarang Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel No. : +603-2298 0263
Fax No. : +603-2298 0268
- APPROVED ADVISER, CUSTODIAN
AND PLACEMENT AGENT** : Mercury Securities Sdn Bhd
L-7-2, No. 2 Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel No. : +603-6203 7227
Fax No. : +603-6207 7117
- AUDITORS AND
REPORTING ACCOUNTANTS** : UHY (AF1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkarang Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel No. : +603-2279 3088
Fax No. : +603-2279 3099

1. CORPORATE DIRECTORY *(cont'd)*

- LEGAL ADVISER** : Mah-Kamariyah & Philip Koh
3A07, Block B, Phileo Damansara II
15 Jalan 16/11
Off Jalan Damansara
46350 Petaling Jaya
Selangor
Tel No. : +603-7956 8686
Fax No. : +603-7956 2208
- SHARE REGISTRAR** : Shareworks Sdn Bhd
No. 2-1, Jalan Sri Hartamas 8
Sri Hartamas
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel No. : +603-6201 1120
Fax No. : +603 6201 3121
- INDEPENDENT MARKET RESEARCHER** : Providence Strategic Partners Sdn Bhd
L-2-1, Plaza Damas
No. 60, Jalan Sri Hartamas 1
Sri Hartamas,
50480 Kuala Lumpur
Wilayah Persekutuan (KL)
Tel No. : +603 7725 2288
- LISTING SOUGHT** : LEAP Market of Bursa Securities

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2. DETAILS OF OUR LISTING

2.1 Listing Scheme

2.1.1 Excluded Issue

Pursuant to our Listing, we intend to issue 45,700,000 Issue Shares, representing approximately 12.5% of our enlarged issued share capital at RM0.16 per Issue Share to Sophisticated Investors within the meanings of Section 230 of the CMSA.

In accordance with Rule 3.10 of the Listing Requirements:

- (i) Mercury Securities has obtained a waiver from Bursa Securities from compliance with Rule 3.10(1) of the Listing Requirements where all monies received from investors pursuant to subscription of the Issue Shares will be deposited into a trust account operated by Mercury Securities. As such, all monies received from investors pursuant to subscription of the Issue Shares will be held in trust by Mercury Securities;
- (ii) both Mercury Securities and ourselves undertake that all monies deposited in the trust account will not be withdrawn until the date of our Listing; and
- (iii) we undertake to repay without interest all monies received from the Sophisticated Investors if:
 - (a) our Listing does not take place within 6 months from the date of Bursa Securities' approval for our Listing or such further extension of time as Bursa Securities may allow ("**Period**"); or
 - (b) we abort our Listing.

In such event, the monies will be repaid within 14 days from the end of the Period or the date when we notify Bursa Securities of our decision to abort our Listing. Should we fail to do so, in addition to our Company's liability, our Board shall be jointly and severally liable to repay such money with interest at the rate of 10% per annum from the end of the period or such other rate as Bursa Securities may prescribe.

2.1.2 Basis of arriving at the Issue Price

Our Board, together with Mercury Securities, had determined and agreed on the Issue Price of RM0.16 per Share after taking into consideration the following factors:

- (a) our competitive strengths as set out in Section 4.2 of this Information Memorandum;
- (b) our business strategies and future plans and prospects as set out in Sections 4.12 and 4.13 of this Information Memorandum; and
- (c) our operating history and financial performance as set out in Sections 8 and 9 of this Information Memorandum, which represents an implied price-earnings multiple of approximately 14.5 times based on our EPS of 1.1 sen for the FYE 31 December 2017.

Prior to our Listing, there was no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares subsequent to our Listing is subject to the vagaries of market forces and other uncertainties that may affect the price of our Shares being traded. You are reminded to carefully consider the risk factors as set out in Section 6 of this Information Memorandum and form your own views on the valuation of our Shares before deciding to invest in them.

2. DETAILS OF OUR LISTING (cont'd)**2.1.3 Utilisation of proceeds**

Based on the Issue Price, we expect to raise gross proceeds of approximately RM7.3 million from our Excluded Issue, which are intended to be utilised in the following manner:

Description	Estimated Timeframe for Utilisation upon Listing	RM'000	%
(a) Capital expenditure	Within 6 months	3,500	47.9
(b) Working capital	Within 24 months	3,012	41.2
(c) Estimated listing expenses	Immediate	800	10.9
Total		7,312	100.0

Further details of the utilisation of our Excluded Issue proceeds are as set out below:

(a) Capital Expenditure

We intend to utilise approximately RM3.5 million of the proceeds to defray the cost of setting up a new factory on our vacant land adjacent to our existing factory and head office in Semenyih, Selangor.

The total estimated cost for the set-up of the new factory is approximately RM13.2 million, which includes foundation works, steel structure and roofing works, mechanical and electrical works, plumbing, external curtain wall works and purchase of machinery for cutting, punching, drilling and welding. The remaining capital expenditure for our new factory of approximately RM9.7 million will be funded *vide* internally generated funds and/or bank borrowings.

Please refer to Section 4.12(iii) of this Information Memorandum for further details of our new factory.

(b) Working capital

Our working capital requirements are expected to increase in line with our intended business expansion as outlined in Section 4.12 of this Information Memorandum. Thus, we intend to allocate approximately RM3.0 million of the proceeds for the day-to-day operations of our Group, which shall include but are not limited to, staff related expenses, payments to suppliers and other creditors, and general expenses such as utilities charges, administrative expenses and other operating expenses.

(c) Estimated listing expenses

The proceeds allocated for our listing expenses include professional fees, fees payable to the relevant authorities and other miscellaneous expenses in relation to our Excluded Issue and Listing.

In the event that the actual amounts vary from the above estimates, the excess or deficit, as the case may be, will be reallocated to/from the amount earmarked for working capital.

Pending the utilisation of proceeds for the abovementioned purposes, the proceeds, save for the estimated listing expenses of approximately RM0.8 million, will be placed in short term deposits with licensed financial institutions and/or short-term money market instruments.

2. DETAILS OF OUR LISTING *(cont'd)*

2.1.4 Listing on Bursa Securities

Our Listing is subject to the receipt of an approval-in-principle from Bursa Securities. Thus, we have concurrently made an application to Bursa Securities for the admission of our Company to the Official List and the listing of and quotation for our entire enlarged issued share capital of RM15,312,002 comprising 365,700,002 Shares on the LEAP Market of Bursa Securities and we are awaiting Bursa Securities' decision on the same.

2.2 Share Capital

	No. of Shares	
	'000	RM'000
Existing issued share capital	320,000	8,000
New Shares to be issued pursuant to our Excluded Issue	45,700	7,312
Enlarged issued share capital upon Listing	365,700	15,312
Issue Price per Issue Share (RM)		0.16
Market capitalisation at the Issue Price upon Listing		58,512

We have only one class of shares in our Company, namely ordinary shares. The Issue Shares will, upon allotment and issuance, rank *pari-passu* in all respects with our existing Shares, including voting rights and rights to all dividends and other distributions that may be declared subsequent to the date of allotment and issuance of the Issue Shares.

Subject to any special rights attached to any shares which we may issue in the future, our shareholders shall, in proportion to the amount paid up on the Shares held by them, be entitled to share in the profits paid out by us as dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to any surplus in accordance with our Constitution.

At any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by duly authorised representative, as the case may be. Each shareholder shall be entitled to appoint one or more proxies to attend and vote at any general meeting of our Company. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. On a poll, each shareholder present either in person or by proxy or by attorney or by other authorised representative shall have one vote for each Share held.

2.2.1 Shareholding structure

Our shareholding structure before and after our Listing are as set out below:

Shareholders	Before Listing		After Listing	
	No. of Shares	%	No. of Shares	%
	'000		'000	
Promoters and substantial shareholders	320,000	100.0	320,000	87.5
Existing Public shareholders	-	-	-	-
New Public shareholders	-	-	45,700	12.5
Total	320,000	100.0	365,700	100.0

2. DETAILS OF OUR LISTING *(cont'd)*

2.3 Purpose of Our Listing

The purpose of our Listing is to:

- (i) enhance the corporate profile of our Group locally and internationally and create awareness of our products and services;
- (ii) enable us to tap the capital markets to fund the expansion of our operations and other opportunities for the overall continued growth of our Group;
- (iii) provide Sophisticated Investors who are our employees, business associates and those who have contributed to the success of our Group as well as other members of the Public with an opportunity to participate in the equity of our Company; and
- (iv) establish a ready market for our Shares.

2.4 Dividend Policy

We may declare dividends by ordinary resolution of our shareholders at a general meeting, but we may not pay dividends in excess of the amount recommended by our Board. The declaration and payment of dividends will be determined at the sole discretion of our Board, subject to the approval of our shareholders. Our Board may also declare an interim dividend without the approval of our shareholders. In making their recommendations, our Board will consider, amongst other things, our retained earnings, expected future earnings, prospects of our operations, cash flow, capital requirements, general business and financing conditions, as well as other factors which our Board may determine appropriate subject always to the fulfilment of the solvency test under the Act.

Historically, we have declared and paid the following dividends:

	← FYE 31 December →		
	2016	2017	2018
	RM'000	RM'000	RM'000
Dividend declared and paid	-	2,900*	163 [^]
% of PAT	-	79.6	#

Notes:

* Comprise cash dividend of RM2.9 million.

[^] Comprise interim dividend in specie of freehold land of approximately RM0.2 million as detailed in Section 10.3.1 of this Information Memorandum.

Not applicable as the PAT for the FYE 31 December 2018 is not available yet.

We currently do not have a fixed dividend policy. Upon Listing, our Board intends to adopt a stable and sustainable dividend policy to reward our shareholders for participating in our Group's growth whilst maintaining an optimal capital structure and ensuring sufficient funds for our future growth. In this regard, we envisage at this juncture a dividend payout ratio of up to 20% of our future net profits available for distribution to our shareholders in each financial year.

However, you should take note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Board's absolute discretion.

2. DETAILS OF OUR LISTING *(cont'd)*

Our ability to pay future dividends to our shareholders is subject to various factors, including but not limited to our financial performance, cash flow requirements, availability of distributable reserves and capital expenditure plans.

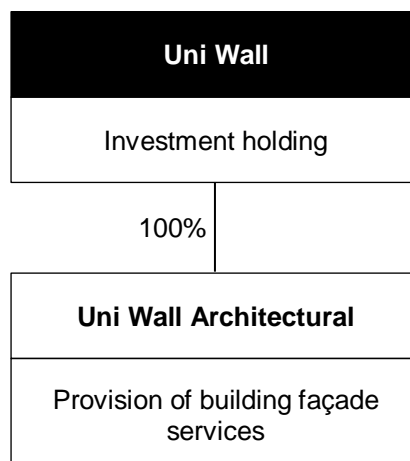
As we are an investment holding company, our income and therefore our ability to pay dividends depends on the dividends we receive from our subsidiary. The payment of dividends by our subsidiary will depend on, amongst others, factors such as its distributable profits, financial performance, financial condition, capital expenditure plans and other factors that its board of directors deems relevant.

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3. OVERVIEW OF OUR GROUP

3.1 Group Structure

Our Group structure as at the date of this Information Memorandum is as follows:



As at the LPD, the details of our subsidiary, which is incorporated in Malaysia, is as follows:

Company	Date of Incorporation	Date of Commencement of Business	Issued Share Capital RM'000	Effective Equity Interest %
Uni Wall Architectural	20 April 1999	9 May 1999	2,000	100

3.2 Incorporation and History

We are a homegrown building façade specialist in Malaysia. We have the capability to provide building façade services to property developers and main construction companies involved in the residential, commercial as well as public construction sub-sectors.

Our Company was incorporated in Malaysia under the Act as a public company on 23 February 2018 under the name of Uni Wall APS Holdings Berhad to facilitate the listing of our Group on the LEAP Market of Bursa Securities. Our Company is principally an investment holding company, whilst our wholly-owned subsidiary, Uni Wall Architectural, is principally involved in the provision of building façade services.

Our history can be traced back to 1999, when we incorporated Uni Wall Architectural. At the time, we operated our headquarters and fabrication facility from a rented premise in Puchong, Selangor.

Between 1999 and 2004, our building façade projects were primarily basic glass window fabrication and installation for low-rise residential and commercial developments.

Our first building façade project was secured within the first year of our establishment for a private residential development comprising terrace houses in Cheras, Selangor. In the early 2000s, we began to secure public projects for hospitals, universities and government offices. Our first public project was Hospital Sultan Ismail (then known as Pandan Hospital) in Johor.

We relocated in 2002 to our current headquarters and fabrication facility in Semenyih, Selangor to accommodate the expansion in our business.

3. OVERVIEW OF OUR GROUP *(cont'd)*

We later expanded our portfolio of customers to cater for commercial premises when we secured a project for Underwater World Langkawi in Kedah in 2004.

In the following year, we began to build our track record in building façades for high-rise condominiums, having secured a project for The Plaza Condominium TTDI in Kuala Lumpur.

We started to be involved in building façade design and development when we secured a building façade project for the Ministry of Tourism's and Ministry of Higher Education's offices in 2008. The project required us to meet international standards such as the ASTM Standards and the British Standards, and the façade was designed to withstand a maximum load of 1.8kPa.

As our track record in the building façade industry grew, we were able to secure more complex building façade designs. The complexity of such projects required us to work with renowned international façade consultants during the design and development stages. Le Nouvel, which was secured in 2012, was the first of such projects. Le Nouvel's building architectural design involve the use of fritted glass and green façade (comprising hanging or climbing plants), and can withstand a load of between 2.7 kPa and 3.0 kPa.

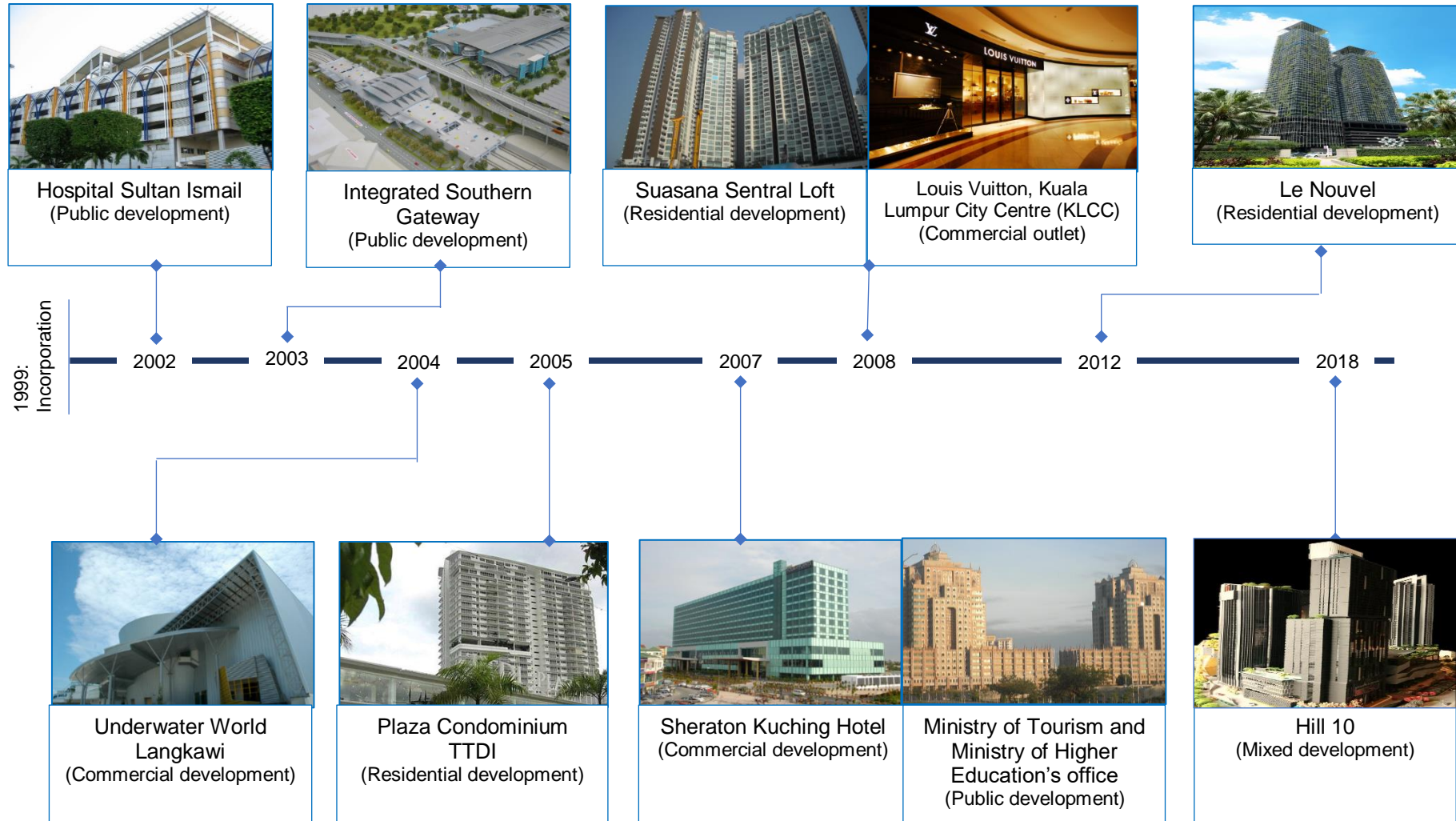
In 2017, due to the continuing growth in our business, we purchased an adjacent vacant land to expand our fabrication facility as set out in Sections 2.1.3 and 4.12 of this Information Memorandum).

We began to cater for mixed developments when we secured a project for Hill 10 in 2018.

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3. OVERVIEW OF OUR GROUP (cont'd)

Since our incorporation up to the LPD, some of the notable projects we have secured are as illustrated below:



3. OVERVIEW OF OUR GROUP *(cont'd)*

3.3 Key Milestones and Achievements

The table below sets out our key milestones / achievements:

Year	Key Milestone / Achievement
1999	<ul style="list-style-type: none"> ▪ We incorporated Uni Wall Architectural and commenced business in Puchong, Selangor ▪ We secured our first façade project, i.e. a residential development in Cheras, Selangor
2000	We secured a façade project for Hospital Sultan Ismail in Johor, i.e. our first public project
2002	We relocated to our current headquarters and fabrication facility in Semenyih, Selangor
2003	We were recognised by CIDB as a 'Grade 7' contractor, the highest classification accorded by CIDB, whereby our Group is allowed to tender for contracts of unlimited value
2004	We secured a façade project for the Underwater World Langkawi, i.e. our first commercial project
2005	We secured a façade project for The Plaza Condominium TTDI, i.e. our first high-rise condominium project
2008	We secured a major façade project that met international standards, i.e. the Ministry of Tourism's and Ministry of Higher Education's offices
2012	We began to undertake complex building façade designs when we secured Le Nouvel
2018	We secured a major façade project for Hill 10, i.e. our first mixed development project

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4. OVERVIEW OF OUR BUSINESS




4.1 Principal Activities and Products

We are principally involved in the provision of building façade services and are currently focused on construction projects within Malaysia. Our building façade services include project design and development, fabrication and on-site installation of building façade system. Building façade system 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, where the façade structure can withstand vibration and/or wind loading. Building façade must also be fabricated using fire resistant materials to comply with the Uniform Building By-Laws 1984;
- water resistance and proper water drainage, soundproofing and minimisation of air leakage; and
- energy efficiency, where a building's electricity usage can be minimised through:
 - design elements that can either limit heat or optimise sunlight exposure; or
 - material types that are energy efficient such as low-emissivity glass.

Our building façade systems are customised to our customers' conceptual designs. We are also able to advise our customers on suitability of materials and methodologies in producing the desired finishing and aesthetic effects. We have the capability to fabricate building façade products using any form of materials (such as aluminium, steel and glass) for both simple and sophisticatedly designed buildings.

Our building façade services comprise the following key processes:

 Building façade project design and development	 Building façade fabrication	 On-site building façade installation
<ul style="list-style-type: none"> ○ Development of design specifications and detailed shop drawings based on conceptual designs provided by our customers ○ Fabrication and installation of visual and performance mockup unit 	<ul style="list-style-type: none"> ○ Cutting, punching, welding, etching and /or cold-bending of aluminum, steel or glass materials ○ Assembly and glazing of building façade components for ease of installation 	<ul style="list-style-type: none"> ○ Installation of our building façade components on-site to form a building's exterior

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

4.2 Our Competitive Strengths

We believe that our competitive strengths as stated below are the sustainable factors that define our past successes and will augur well for our future prospects:

(i) We have an established track record which has accorded us with recognition, technical skills, experience and know-how in the building façade industry

With close to 2 decades of experience as a building façade specialist, we have gained substantial recognition, technical skills, experience and know-how in the industry. This has allowed us to:

- **ensure the quality of our products and services**

Apart from enforcing strict internal quality control processes for fabrication and installation, it is also important to procure suitable quality materials to produce the desired finishing and aesthetic effects. As such, understanding the different material types as well as working with reliable suppliers are vital in ensuring the quality of our products and services. Through our industry experience, we have garnered considerable knowledge in this aspect and have built a network of reliable suppliers.

- **successfully produce the desired effects based on conceptual designs provided by our customers**

The building architectural design business is a dynamic industry and over the years, architectural designs have evolved from plaster and cement façades to glass and aluminium façades and green façades (comprising hanging or climbing plants).

Since our inception, we have successfully fabricated different designs including curved bullnose sunshades, digital fritted glass curtain wall systems and green facades. Our ability to adapt and fabricate these designs allows us to remain relevant to adapt to contemporary architectural designs that will cater to the evolving needs of our customers.

Our capabilities have thus laid the groundwork in positioning ourselves as a reliable building façade specialist. We believe our established track record and project references in Malaysia will support our Group's future growth and expansion plans, thus ensuring our continued sustainability.

(ii) We are able to maintain consistency in quality of products and services and cost competitiveness through our in-house capabilities

We own a fabrication facility in Semenyih, Selangor where we produce our mockup units and fabricate building façade components. We also have a skilled workforce to undertake the fabrication and on-site installation of building façade systems.

By internalising these processes, we are able to uphold our standards for providing quality assured building façade services. We conscientiously enforce tight internal quality control and assurance processes to meet our customers' requirements and specifications within the delivery schedule and our projected cost. This is because errors or mistakes in a building's façade could affect the construction timeline of our customers.

Our technical expertise accumulated over the years has equipped us with the capabilities to provide building façade services that comply with international standards. Our building performance mockup units regularly undergo performance tests to ensure compliance with the ASTM Standards and/or the British Standards.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

Compliance with such industry standards provides our potential and existing customers with the assurance of our product and service quality. Further, by having strict quality control through our internal processes, we are able to remain cost competitive as time and cost taken for reworking on products are minimised.

We believe that our commitment to quality has enabled us to serve and work alongside several established property development and main construction companies.

(iii) We have the capability to serve customers across construction sub-sectors

We have established a broad customer base throughout the years. Since inception up to the LPD, we have completed a diverse range of projects ranging from residential and commercial buildings to public facilities such as universities and hospitals as well as retail premises.

Our ability to serve customers across construction sub-sectors enables us to diversify our operational risk, thus reducing the risk of dependency on a particular construction sub-sector's performance. In addition, this capability also presents us with a large pool of opportunities to tap into and allows our Group to be robust to withstand challenging market conditions.

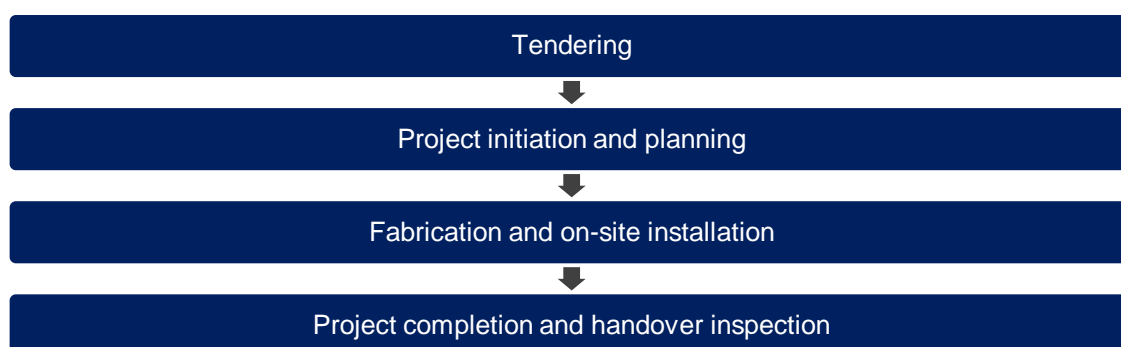
(iv) We have an experienced and committed management team

Our management personnel possess vast experience of over 2 decades in operations, finance and marketing across various industries. This ensures the comprehensiveness of the management of our business.

Further, the management team is committed with critical managerial skills and financial prudence in formulating sound business strategies, building solid foundations and executing daily operating requirements, which are instrumental in enabling our Group to seize opportunities that arise and add value to our Group.

4.3 Process Flow

The key stages/processes of our business operations are as depicted below:



(i) Tendering

Our sales and marketing team obtains business opportunities mainly through tendering. Upon receiving a tender invitation, our project team will conduct an assessment on the technical specifications and requirements of a potential project. This not only allows us to avoid any adverse situations arising after the project has been secured, but also provides us with a preliminary understanding of the site and project. Thus, this allows us to effectively prepare tenders with appropriate estimates of project costs.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

(ii) Project initiation and planning

(a) Project planning

Upon the receipt of a letter of award, the assigned project manager and technical team will perform a preliminary site visit. The project team will then determine the:

- resources needed for the project;
- project schedule; and
- processes required to carry out the project.

(b) Detailed shop drawing development

Our technical department will work with an appointed façade consultant to prepare a detailed shop drawing, based on the preliminary drawings and specifications set out in the letter of award. We typically work with renowned international façade consultants to ensure our facades comply with international standards. This will be reviewed and approved by our assigned project manager and the customer prior to the fabrication of the visual and performance façade mockup unit.

(iii) Fabrication and on-site installation

(a) Mock-up fabrication

Visual and performance mockup unit will be fabricated based on the approved fabrication design presented to the customer. Once approved by the customer, our assigned project team will commence the necessary preparations for the fabrication of building façade components.

(b) Fabrication of building façade components

At this stage, the necessary materials for fabrication will be purchased by our purchasing department, and our production department will be briefed on the final shop drawing and specifications by the assigned project manager.

The production department will thereafter proceed with the fabrication process at our fabrication facility. The fabrication process of building façade components varies on a project basis. Nonetheless, our production department has the capability to carry out amongst others, the following:

- Cold-bending of glass materials to produce curved glass panes;
- Cutting, shearing and punching of aluminum and steel materials using semi-automated machinery;
- Etching of steel materials to incise a design on its surface; and
- Assembly, glazing, fitting and welding of materials to form building façade components.

Throughout our fabrication process, we will undertake quality control and assurance tests, as detailed in Section 4.4 of this Information Memorandum. Thereafter, the building façade components are packed and stored.

4. OVERVIEW OF OUR BUSINESS *(cont'd)***(c) On-site installation**

The building façade components will be delivered to our customers' site at a predetermined schedule. The installation department will then perform the on-site installation of these components.

(iv) Project completion and handover inspection

After the on-site installation has been completed, the customer and main construction company will be invited to perform a final handover inspection for each floor of a building.

This inspection is not only important to ensure quality control, but also to establish and record the status of the installed building façade products. Should there be any instances of non-conformance, the installation department will undertake the necessary rectification steps.

4.4 Quality Assurance ("QA") / Quality Control ("QC") Procedure

Our Group places a strong emphasis on quality management to ensure that the quality of our products and services meets the specifications and requirements of our customers as well as industry quality standards. In recognition of our dedication to quality, we have been certified compliant to International Organisation for Standardisation (ISO) 9001:2015 for the provision of fabrication and installation of aluminium, stainless steel, steel and glass architectural products (green building concept) for high rise commercial, condominium, hotels and office buildings.

The following is a summary of the process we implement for QA/QC:

QA/QC process	Parameter	Description
Raw material inspection	<ul style="list-style-type: none"> • Dimension and profile • Flatness • Weight • Thickness • Adhesion • Packaging 	Performing visual inspection on all materials to ensure the quality of each material is consistent with the specified parameters.
In-process inspection	<ul style="list-style-type: none"> • Dimension and profile • Silicone mixture • Gasket quality • Solvent primer curing 	<p>Performing visual inspection on dimension and profile of all materials.</p> <p>The following tests are conducted on a daily basis to ensure the silicon mixture is suitable, whereby:</p> <ul style="list-style-type: none"> • Butterfly test - to ensure the proper mixing of silicone mixture. • Snap test - to determine the cure rate of the silicone mixture. • Deglazing test - to ensure the sealant strength of a finished unit.
Finished product inspection	<ul style="list-style-type: none"> • Dimension and profile • Quantity • Sealant strength • Weather resistance 	The dimensions of the finished products are measured to ensure the accuracy of fabrication works.

4. OVERVIEW OF OUR BUSINESS (cont'd)

QA/QC process	Parameter	Description
On-site installation inspection	<ul style="list-style-type: none"> • Profile and dimension • Levelling • Workmanship 	Quality checks on random samples of the installed products will be carried out to ensure consistency with the detailed shop drawing.

Our performance building façade mockup units, primarily for unitised curtain wall panels, undergo performance tests by an authorised third-party testing company, as and when required by our customers. These tests may include:

- air permeability test to determine if the product has any air leakages;
- water penetration test to examine if the product is water resistant; and
- structural test to determine if the product can withstand impact or force from wind.

These tests generally require compliance with international standards including compliance with the ASTM Standards (United States of America) and the British Standards (United Kingdom).

4.5 Operating Capacity and Utilisation Rates

Our Group's maximum production capacity can be calculated based on the maximum number of curtain wall panels that can be cured during the duration of a single project. The following sets out our Group's production capacity and utilisation rates based on our latest completed project, i.e. the Le Nouvel project:

Actual production output of curtain wall panels	Approximately 31,000 square meters
Maximum capacity ⁽¹⁾	Approximately 49,000 square meters
Utilisation rate	63.3%

Note:

(1) Our production capacity is calculated based on the following key assumptions:

- (i) Each production batch takes 6 working days, which is our curing and process time for producing curtain wall panels;
- (ii) The curing and process time is used to calculate maximum capacity as this process takes up the longest time and most space;
- (iii) Maximum number of production batches per month is approximately 3 cycles; and
- (iv) Each curtain wall panel has an average size of 6.5 square meters.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

4.6 Marketing and Sales Strategies

Our sales and marketing team is dedicated in undertaking sales and marketing activities with the primary objectives of creating awareness of our building façade services to prospective customers, explaining and advising on the functionality and suitability of products as well as building and fostering relationships with our customers. We approach our customers through the following means:

(i) Personal and professional referrals

Having over 2 decades of experience as a building façade specialist in Malaysia, we have an established network of customers and associates such as property developers, main construction companies, architects and civil contractors from past and existing projects.

Our business approach of constantly adding value to our customers has secured their trust in our products and services and has also cultivated their brand loyalty and goodwill. Our customers and associates routinely refer new business to us by 'word of mouth'. We will continue to cultivate and enhance our working relationship with these customers and associates.

(ii) Tendering

We tender for projects from private sector companies, public-listed companies and government-linked corporations by submitting our tender applications to the relevant parties. Once we determine we are able to meet the specifications, parameters and requirements of a project, we will submit our tender application and quote to the relevant party.

4.7 Major Customers

The top customers contributing to our Group's revenue for the FYE 31 December 2016, FYE 31 December 2017 and FPE 30 June 2018 respectively are as follows:

Customer ⁽¹⁾	FYE 31 Dec 2016		Length of Business Relationship
	RM'000	%	(years)
Ssangyong Engineering & Construction Co Ltd	5,688	99.0	5
Total contribution	5,688	99.0	

Customer ⁽¹⁾	FYE 31 Dec 2017		Length of Business Relationship
	RM'000	%	(years)
Ssangyong Engineering & Construction Co Ltd	8,640	92.3	5
Hartamaju Sdn Bhd	680	7.3	5
Total contribution	9,320	99.6	

4. OVERVIEW OF OUR BUSINESS (cont'd)

Customer	FPE 30 Jun 2018		Length of Business Relationship
	RM'000	%	(years)
HAB Construction Sdn Bhd	1,475	31.4	1
Persona Metro Sdn Bhd	3,218	68.6	1
Total contribution	4,693	100.0	

Note:

(1) Excludes customers that contribute less than 1% of our Group's total revenue.

Due to the nature of our business, we undertake few projects at any one point in time to ensure that we have sufficient capacity and resources to provide and deliver quality building façade services to our customers.

As such, whilst we were dependent on Ssangyong Engineering & Construction Co Ltd in the FYE 31 December 2016 and FYE 31 December 2017, we do not foresee that we will continue to be reliant on them in the future, as evident by the different top customers for the FPE 30 June 2018. This is largely because we believe we will continue to secure projects from other customers, based on our track record of working with other customers. In addition, upon realisation of our plans to expand our fabrication capacity as set out in Section 4.12 of this Information Memorandum, we anticipate that we will be able to undertake more projects at any one point in time.

Please refer to Section 9.2 of this Information Memorandum for further details of the projects secured from our top customers.

4.8 Major Suppliers

The top 5 suppliers contributing to our Group's purchases for the FYE 31 December 2016, FYE 31 December 2017 and FPE 30 June 2018 respectively are as follows:

Supplier	FYE 31 Dec 2016		Length of Business Relationship
	RM'000	%	(years)
LB Aluminium Berhad	126	34.9	16
Perniagaan Yew Lum Sdn Bhd	40	11.1	13
Lian Gaap & Co. (Hardware) Sdn Bhd	33	9.1	14
ACM Marketing Sdn Bhd	33	9.1	4
Wei Hung Powder Coating Sdn Bhd	27	7.5	12
Total contribution	259	71.7	

4. OVERVIEW OF OUR BUSINESS (cont'd)

Supplier	FYE 31 Dec 2017		Length of Business Relationship
	RM'000	%	(years)
Sin Lian Tat Hardware Sdn Bhd	266	75.4	4
Perniagaan Yew Lum Sdn Bhd	28	7.9	13
Ajiya Safety Glass Sdn Bhd	19	5.4	9
LB Aluminium Berhad	11	3.1	16
Alpha Progress Sdn Bhd	7	2.0	13
Total contribution	331	93.8	

Supplier	FPE 30 Jun 2018		Length of Business Relationship
	RM'000	%	(years)
Sin Lian Tat Hardware Sdn Bhd	437	28.0	4
Seven International Sdn Bhd	376	24.1	10
LB Aluminium Sdn Bhd	207	13.3	16
Hilti (M) Sdn Bhd	32	2.0	10
Hasil Karya Sdn Bhd	25	1.6	5
Total contribution	1,077	69.0	

We typically purchase materials from the abovementioned suppliers in bulk to attain competitive pricing. Nevertheless, we are not materially dependent on any one of these suppliers as we are able to readily source similar materials from other suppliers.

4.9 Seasonality

We do not experience any seasonality in our business as the demand for building façades is not subject to major seasonal fluctuations.

4.10 Approvals, Licences and Permits

As at the LPD, our Group has obtained all approvals, licences and permits necessary for our business operations. The details of our major approvals, licences and permits are as follows:

Company	Issuing Authority	Effective Date / Expiry Date	Type of Licence / Permit / Approval/	Salient Conditions	Status of Compliance
Uni Wall Architectural	CIDB	23 May 2016 / 23 May 2019	Grade G7 construction licence	This certificate is non-transferable.	Complied
Uni Wall Architectural	Majlis Perbandaran Kajang	1 Jan 2018 / 31 Dec 2018	Business licence	Nil.	Not applicable

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

4.11 Properties

(i) Owned properties

As at the LPD, we own the following properties for our operations and investment purposes:

Location	Description / Existing Use	Category of Land Use	Land Area / Built-Up Area (square feet)	Tenure
Geran 236023, Lot 11289, Mukim Beranang, Daerah Ulu Langat, Negeri Selangor	Vacant land for construction of our new factory / Vacant	Industrial building	57,619 / -	Freehold
HS (D) 128429, Lot No. PT 9657 (currently known as Geran 236024, Lot 11290), Mukim Beranang, Daerah Ulu Langat, Negeri Selangor	Factory cum office building	Industrial building	57,619 / 45,006	Freehold
PN 11281/M1/6/151, Lot 63946, Daerah Petaling, Mukim Petaling, Negeri Selangor	A unit of apartment on the 5 th floor of a residential building ⁽¹⁾	Residential and commercial building	753	Leasehold

Note:

- (1) *Uni Wall Architectural has on 18 May 2018 entered into a sale and purchase agreement with a third party purchaser, Lee Zhi Zheng in respect of the sale of the apartment for a total purchase consideration of RM80,000. The sale and purchase agreement is currently pending completion and is tentatively expected to be completed within 12 months from the date of the said sale and purchase agreement (i.e. 18 May 2018) subject to the fulfilment of the conditions precedent of the said sale and purchase agreement.*

(ii) Leased properties

As at the LPD, we do not lease any properties for our operations.

4.12 Business Strategies and Future Plans

(i) We plan to expand our geographical presence to Australia

We intend to expand our geographical reach to Australia through the supply of building façade products.

According to the IMR Report, the construction industry in Australia contributed approximately 3.1% to the overall GDP of the country in 2017. The residential construction sub-sector in Australia continued to witness growth in response to low interest rates and demand arising from ongoing population growth, illustrating a healthy CAGR of 3.1% between 2010 and 2017.

As at the LPD, we have tendered for several contracts to supply building façade products to Melbourne, Australia, and these tenders are still in the process of being evaluated by the relevant parties. Moving forward, we will participate in more tender exercises for other construction projects in the country.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

Should these or other future tender bids be successful and we are required to carry out installation works, we intend to work with existing façade specialist(s) in these respective countries that can install our products on-site. We may also consider a collaboration or joint-venture with the local façade specialist(s). This will ease our geographical expansion as we can leverage on the network and expertise in providing on-site installation works of the local façade specialist.

(ii) We intend to expand our presence in the local building facade industry in Malaysia

We will continue our focus in providing building façade services to the construction industry in Malaysia where our growth prospects appear promising on the back of the anticipated industry growth and announced construction projects over the long term.

According to the IMR Report, the construction industry in Malaysia is forecast to grow at a CAGR of 6.7%, to reach RM290.8 billion in 2020. Some of the key prime developments and major public construction projects are as follows:

- The Exchange 106;
- Bukit Bintang City Centre;
- Island Medical City in Penang;
- Klang Valley Mass Rapid Transit System (“MRT”) 2;
- the Light Rail Transit (“LRT”) Line 3; and
- Electrified Double Track Project Gemas-Johor Bahru.

(Source: IMR Report)

We plan to increase our local participation by tendering for some of the contracts based on the opportunities created by these public projects. We believe this would further enhance our overall presence in the domestic market.

Specifically, we intend to focus on tendering for high-end, high-value projects. These include luxury condominiums, hotels and offices as well as public projects. We believe that this will further enhance our Group’s standing as a building façade specialist.

(iii) We plan to expand our factory to allow for higher fabrication capacity

In conjunction with our expansion plans, we plan to increase our fabrication facility to enable us to capitalise on the anticipated growth arising from our future plans.

Due to the requirements of our business, we require space for production and storage for our raw materials, supplies and building façade products. Hence, an additional factory will facilitate the growth of our business.

Pursuant thereto, we have acquired a piece of freehold industrial land adjoining our existing factory with an area of approximately 57,619 square feet in 2017. We have received approval from the local town council, Majlis Perbandaran Kajang, for the building layout plans and have since commenced construction of our new factory. We expect the new factory to be commissioned by the 1st quarter of 2019, following which we anticipate that our fabrication capacity will be increased from approximately 49,000 square meters to approximately 100,000 square meters of panels per month.

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

In addition, we will also purchase additional machinery as well as progressively enlarge our skilled workforce to meet the anticipated demand. We believe the new machinery will enable us to reduce reliance on local and foreign workers as certain labour intensive processes can be automated. Further, the new machinery will also increase our production efficiency through facilitating faster and more precise cutting and punching processes, which would in turn minimise wastage and contribute to cost savings for our Group.

To this end, we intend to invest a sum of approximately RM13.2 million to set up our new factory, of which RM3.5 million will be funded by the proceeds of our Excluded Issue (further details of which are as elaborated in Section 2.1.3 of this Information Memorandum.

4.13 Prospects

Between 2010 and 2016, the construction industry in Malaysia, as measured by the value of projects awarded, recorded a CAGR of 16.6% as it grew from RM91.1 billion in 2010 to RM229.0 billion in 2016. Moving forward, PROVIDENCE forecasts the construction industry in Malaysia to grow at a CAGR of 6.7%, from an estimated RM239.2 billion in 2017 to RM290.8 billion in 2020.

In particular, the construction industry is expected to be supported by the following factors:

- (i) Government expenditure to drive development of infrastructure and social amenities in the long-term, in light of the construction of existing and upcoming major infrastructure construction projects, including the Klang Valley MRT 2, the LRT Line 3 and the Electrified Double Track Project Gemas-Johor Bahru;
- (ii) Demand for residential and commercial properties arising from increasing disposable income and overall economic development in Malaysia. The residential and commercial construction sub-sector is thus expected to recover over the long-term, as witnessed by several prime commercial developments in the Klang Valley such as the development of the Exchange 106 and Bukit Bintang City Centre in Kuala Lumpur as well as the Island Medical City in Penang. Further, several condominiums, service apartments and housing developments were also launched in 2018, including Impression U-Thant, Damansara Fifty6, Inspirasi Mont' Kiara, KaMi Mont' Kiara and Agile Bukit Bintang in Kuala Lumpur; as well as Bellina in Bukit Indah township, Elata Nova in Setia Tropika township and Vallaris in Setia Eco Gardens township in Johor;
- (iii) Foreign and domestic investments in Malaysia spurring the country's industrial sector. The construction industry is expected to benefit from increased investments in industrial properties as businesses expand in Malaysia; and
- (iv) Government initiatives to encourage demand for residential properties, which will support the growth of the residential construction sub-sector. Under the Budget 2019, the Government of Malaysia has announced several initiatives such as the National Home Ownership Campaign and the creation of "Property Crowdfunding" platforms as an alternative source of financing for first-time home buyers. Further, the residential property market is also expected to be supported by Government initiatives to develop more affordable housing units.

(Source: IMR Report)

Our Board is of the view that we will continue to enjoy favourable prospects in the long term, having established ourselves as a building façade specialist with a proven track record of approximately 20 years in the industry. Our continued success in securing projects throughout Malaysia in the past is evidence of our track record as a reliable industry player. It is also a testament that we have been and will likely continue to be resilient and remain adaptive to challenging market conditions

4. OVERVIEW OF OUR BUSINESS *(cont'd)*

Further, our ability to serve customers across a broad spectrum of construction sub-sectors presents us with a large pool of opportunities into the various construction sub-sectors.

By leveraging on our strengths as highlighted in Section 4.2 of this Information Memorandum, our Group believes that we will be able to capture future growth opportunities presented by the growing construction industry. Against this backdrop, we seek a listing on the LEAP Market of Bursa Securities to facilitate our future growth and strengthen our position as a building façade specialist. We believe we are well-positioned to undertake our future strategies identified in Section 4.12 of this Information Memorandum which will place us in a position to continue our long-term growth and ensure our sustainability in the industry.

(Source: Our Management)

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5. INDUSTRY OVERVIEW



PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
L-2-1, Plaza Damas, No. 60, Jalan Sri Hartamas 1,
Sri Hartamas, 50480 Kuala Lumpur, Malaysia.
T: +603 7725 2288

The Board of Directors

UNI WALL APS HOLDINGS BERHAD
Suite 10.02, Level 10
The Gardens South Tower, Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Wilayah Persekutuan (KL)

Dear Sirs,

Industry Overview on the Construction Industry in Malaysia and Australia for the Listing of Uni Wall APS Holdings Berhad on the LEAP Market of Bursa Malaysia Securities Berhad (“Bursa Securities”)

This Industry Overview Report on the Construction Industry in Malaysia and Australia was prepared by PROVIDENCE STRATEGIC PARTNERS SDN BHD (“PROVIDENCE”) for inclusion in the Information Memorandum of Uni Wall APS Holdings Berhad.

For and on behalf of PROVIDENCE:

MELISSA LIM
EXECUTIVE DIRECTOR

5. INDUSTRY OVERVIEW *(cont'd)*



1 RESEARCH OBJECTIVE AND SCOPE

This Industry Overview has been prepared in conjunction with the listing of Uni Wall and its subsidiary (collectively referred to as “**Uni Wall Group**” or “**the Group**” in the Industry Overview) on the LEAP Market of Bursa Securities. The objective of this Industry Overview report is to provide an independent view of the industry in which the Uni Wall Group operates, and intends to penetrate, and offer a clear understanding of industry and market dynamics.

The Uni Wall Group is a homegrown building façade specialist in Malaysia. The Group has the capability to provide its services across the residential, commercial as well as public (comprising infrastructure and social amenities) construction sub-sectors. Moving forward, the Group intends to sell its building façade products to markets in Australia.

The scope of work for this Industry Overview will thus address the following:

- Construction Industry in Malaysia, which is the larger sector in which the Uni Wall Group operates; and
- Overview of the Construction Industry in Australia, which is a sector the Uni Wall Group intends to market its products/services to in the future.

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5. INDUSTRY OVERVIEW *(cont'd)*



2 THE CONSTRUCTION INDUSTRY IN MALAYSIA

INTRODUCTION

The construction industry can be broadly categorised into 3 sub-sectors, namely commercial, residential as well as infrastructure and social amenities (or public developments).

The construction industry is essential for national development and progress and as such, the industry is largely influenced by a nation's economic development. The mark of a country's economic development is reflected by its gross domestic product ("GDP"). Between 2012 and 2016, the GDP of the construction industry in Malaysia increased from RM34.9 billion to RM50.1 billion, recording a CAGR of 9.5%. Meanwhile, the contribution of the construction industry to Malaysia's total GDP increased from 3.8% in 2012 to 4.5% in 2016, signifying its growing importance to overall economic development.

INDUSTRY PERFORMANCE AND GROWTH

The construction industry grows in line with the GDP of a country and as such, the growth of the construction industry is typically cyclical. A common measure of the construction industry is based on value of projects awarded.

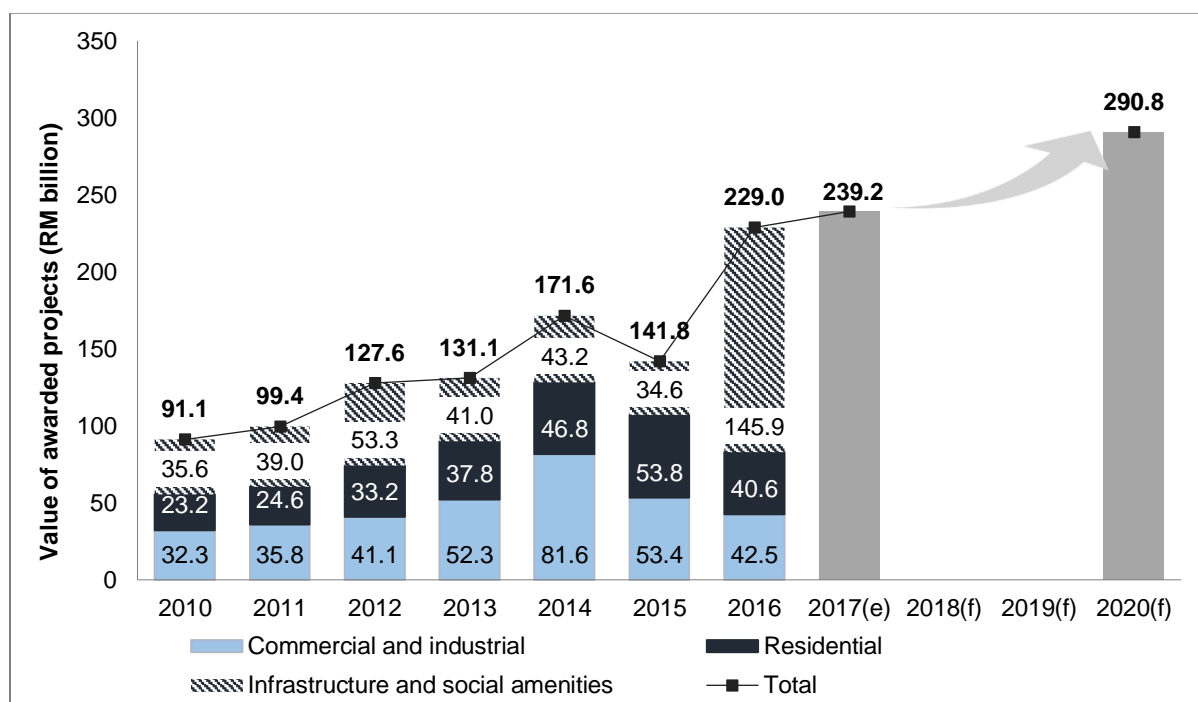
Between 2010 and 2016, the construction industry in Malaysia, as measured by value of projects awarded, recorded a CAGR of 16.6% and grew from RM91.1 billion in 2010 to RM229.0 billion in 2016.

In 2015, the construction industry in Malaysia experienced a dip of 17.4%, with an awarded project value of RM141.8 billion. The fall in awarded project values in the year was largely due to a slowdown in economy in Malaysia as a result of the depreciating RM and falling crude oil prices. These factors have adversely impacted the construction industry in Malaysia as there was a cutback in private and public expenditure on construction activities.

Nevertheless, the construction industry in Malaysia has been resilient and rebounded by 61.5% in the following year. The construction industry in the country grew to reach RM229.0 billion in 2016 in terms of awarded project values, and much of this growth was bolstered by a growth in infrastructure and social amenity projects.

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5. INDUSTRY OVERVIEW (cont'd)

Construction industry in Malaysia^a

Notes:

- (i) ^a Latest publicly available data as at August 2018
- (ii) Figures may not add up due to rounding
- (iii) e - estimate
- (iv) f - forecast

(Source: Construction Industry Development Board ("CIDB"), PROVIDENCE)

Residential construction activities registered a CAGR of 9.8%, increasing from RM23.2 billion in 2010 to RM40.6 billion in 2016, in terms of awarded project value. Meanwhile, commercial and industrial construction grew from RM32.3 billion in 2010 to RM42.5 billion in 2016, in terms of awarded project values, recording a CAGR of 4.7% during the period.

Residential, commercial and industrial construction activities slowed in 2016 as there was an oversupply of these properties, following a lower demand for these properties in previous years due to a cautious sentiment on domestic and foreign economies, tightening of qualifying terms for loan financing by financial institutions, and high property prices. On the other hand, awarded infrastructure and social amenity construction project values experienced a huge spurt of growth to the tune of 321.7% in 2016 as a result of several major infrastructure construction projects highlighted in the Economic Transformation Programme, 11th Malaysia Plan as well as Budget 2015 and Budget 2016, being awarded in the year.

The infrastructure and social amenity development sector of the construction industry is typically reliant on public funding from the Government of Malaysia. In terms of awarded project value, this sector witnessed an impressive CAGR of 26.5%, from RM35.6 billion in 2010 to RM145.9 billion in 2016.

5. INDUSTRY OVERVIEW *(cont'd)*



Since the Malaysian General Election 2018, the new Government of Malaysia had announced cancellations, postponements and cost cutting measures of several major infrastructure to address the prevailing government debt and liability issue in the country. These projects include the East Coast Rail Line, the Mass Rapid Transit (MRT) 3 and the Kuala Lumpur – Singapore High Speed Rail projects. There has thus been a short-term uncertainty as to whether more infrastructure projects will be cancelled or introduced due to changes in the political environment.

Thus, PROVIDENCE expects that the construction sector will experience a slower growth in the short-term, in terms of awarded construction project values. Nevertheless, it is important to note that the construction industry is key to the economic development of the nation, and new construction projects is expected to be introduced by both the Government of Malaysia and the private sector as the country continues to develop. As such, the construction industry in Malaysia is expected to rebound in the long-term, in line with historical trends.

PROVIDENCE forecasts the construction industry in Malaysia to grow at a CAGR of 6.7%, over a period of 4 years, from an estimated RM239.2 billion in 2017 to RM290.8 billion in 2020. The construction industry is forecast to grow at a slower pace as compared to the historical CAGR of 16.6% between 2010 and 2016 due to the abovementioned uncertainties in the industry. Nonetheless, PROVIDENCE still expects growth in the industry, as the industry continues to be supported by the following factors:

- (i) Government expenditure to drive development of infrastructure and social amenities in the long-term, in light of the construction of existing and upcoming major infrastructure construction projects, including the Klang Valley MRT 2, the LRT Line 3 and the Electrified Double Track Project Gemas-Johor Bahru;
- (ii) Demand for residential and commercial properties arising from increasing disposable income and overall economic development in Malaysia. The residential and commercial construction sector is thus expected to recover over the long-term, as witnessed by several prime commercial developments in the Klang Valley such as the development of the Exchange 106 and Bukit Bintang City Centre in Kuala Lumpur as well as the Island Medical City in Penang. Further, several condominiums, service apartments and housing developments were also launched in 2018, including Impression U-Thant, Damansara Fifty6, Inspirasi Mont' Kiara, KaMi Mont' Kiara and Agile Bukit Bintang in Kuala Lumpur; as well as Bellina in Bukit Indah township, Elata Nova in Setia Tropika township and Vallaris in Setia Eco Gardens township in Johor;
- (iii) Foreign and domestic investments in Malaysia spurring the country's industrial sector. The construction industry is expected to benefit from increased investments in industrial properties as businesses expand in Malaysia; and
- (iv) Government initiatives to encourage demand for residential properties, which will support the growth of the residential construction sub-sector. Under the Budget 2019, the Government of Malaysia has announced several initiatives such as the National Home Ownership Campaign and the creation of "Property Crowdfunding" platforms as an alternative source of financing for first-time home buyers. Further, the residential property market is also expected to be supported by Government initiatives to develop more affordable housing units.

5. INDUSTRY OVERVIEW (cont'd)



3 OVERVIEW OF THE CONSTRUCTION INDUSTRY IN AUSTRALIA

The construction industry in Australia is the third largest contributor to the country's GDP. In 2017, the construction industry contributed approximately 3.1% to the overall GDP in the country.¹

Total construction activity in Australia, measured in terms of value of completed projects, grew from AUD84.0 billion (RM248.4 billion²) in 2010 to a high of AUD109.1 billion (RM348.8 billion³) in 2012, before settling at AUD87.8 billion (RM289.5 billion⁴) in 2017.²

Engineering construction, comprising mining works and heavy industrial activities, as well as infrastructure construction, was a key construction sector, contributing approximately 29.0% to the overall construction industry in Australia over the past 7 years. The decline in completed project values between 2012 and 2017 was largely due to a fall in engineering construction works in the mining industry in Australia post 2012.

Meanwhile, the residential construction sector in Australia continued to witness growth in response to low interest rates and demand arising from ongoing population growth. The residential construction sector in Australia grew from AUD14.6 billion (RM43.2 billion²) in 2010 to AUD18.5 billion (RM61.0 billion⁴) in 2017, illustrating a healthy CAGR of 3.4% during the period.² Commercial and industrial construction in Australia, meanwhile, remained between AUD45.1 billion (RM133.4 billion²) in 2010 and AUD45.7 billion (RM150.6 billion⁴) in 2017.²

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¹ Source: Australian Bureau of Statistics

² Exchange rate from AUD to RM in 2010 was converted based on average annual exchange rates in 2010 extracted from published information from Bank Negara Malaysia at AUD 1=RM2.9569

³ Exchange rate from AUD to RM in 2012 was converted based on average annual exchange rates in 2012 extracted from published information from Bank Negara Malaysia at AUD 1=RM3.1969

⁴ Exchange rate from AUD to RM in 2017 was converted based on average annual exchange rates in 2017 extracted from published information from Bank Negara Malaysia at AUD 1=RM3.2971

6. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER, ALONG WITH OTHER MATTERS IN THIS INFORMATION MEMORANDUM, THE RISKS AND INVESTMENT CONSIDERATIONS BELOW.

6.1 Risks Relating to Our Business, Operations and Industry

6.1.1 We are exposed to project and business risks

We may encounter unforeseen circumstances such as adverse weather conditions; disputes with customers, main construction companies and workers; as well as availability and/or rising costs of financing. These factors may increase our overall project costs due to additional work required or cause delays in the completion of our works which may then subject us to claims by our customers.

To control and mitigate the above risks, we endeavour to avoid any preventable delay on our part by:

- effectively managing our project schedule and timeline; and
- engaging reliable suppliers, subcontractors and other service providers which have a proven track record with our Group.

6.1.2 We have limited projects at any point in time

Due to constraints in our production capacity, we typically undertake few projects at any point in time to ensure that we continue to provide quality building facade services to our customers. This has resulted in dependency on a few customers in a financial year. In the FYE 31 December 2016 and FYE 31 December 2017, Ssangyong Engineering & Construction Co Ltd contributed 99.0% and 92.3% respectively to our total revenue in the respective years.

While we typically undertake assessments on a potential project and customer before submitting tenders and we employ a systematic approach in managing project timelines and costs so as to anticipate and manage our costs, the fact that we undertake a limited number of projects at any point in time may subject us to risks involving project delays caused by other parties, disputes with customers as well as projects that are terminated or placed on hold. Should our project(s) be delayed or terminated or placed on hold, we may not be able to secure new project(s) on a timely basis and this would adversely affect our financial performance for the year. Further, our financial performance may also be adversely affected if we incurred labour and material costs for the project before it was terminated or placed on hold.

As at the LPD, we have not faced any significant delay or termination in any of our projects which had a material adverse effect on our financial performance.

6.1.3 Our continued success depends on the continuity of our order book

It is a common practice in the construction industry for contracts to be awarded on a project-by-project basis through a process of competitive bidding. We are required to secure new projects on a continuous basis, and should we fail to do so, our Group's financial performance may be adversely affected.

Our Management is confident that we are able to compete with other industry players and secure projects successfully as we have an established reputation and a track record of close to 2 decades as a building façade specialist in Malaysia. We are able to undertake a diversified portfolio of construction projects across commercial, residential and public construction sub-sectors, which presents us with a large pool of opportunities to tap into as well as a healthy order book of approximately RM41.6 million as at the LPD. However, there can be no assurance that we will be able to continuously replenish our order book.

6. RISK FACTORS *(cont'd)*

6.1.4 We face competition from other players in the industry

The building façade industry in Malaysia is a niche industry comprising a handful of local and foreign industry players. Industry players compete amongst each other in terms of their reputation, proven track record, sound financial backing, expertise, costs and technical know-how. Thus, there is no assurance that our Group will be able to maintain our revenue growth in the building façade industry in the future.

6.1.5 We are dependent on our key management personnel

We recognise that our Group's continuing success depends, to a significant extent, on the leadership of our experienced and capable Promoters and management team. The unplanned departure of any of these individuals may materially affect our business operations and financial performance.

We have currently put in place a management succession plan, which includes taking a proactive approach towards addressing talent management in order to ensure our Group is managed by personnel with the requisite knowledge, experience and capabilities. We have also put in place a competitive remuneration package to reward our performing personnel and to retain their services in our Group.

With our Listing, we anticipate that we will be able to attract more qualified personnel to contribute to the growth and success of our Group.

6.1.6 We are subject to availability of skilled and unskilled workforce and changes in labour costs

The continued success of our Group depends on our ability to continuously maintain a workforce with the required technical expertise. Any scarcity in the supply of labour could cause a disruption in our projects and may affect the timely completion of our projects. This would inevitably have an adverse impact on our business operations and financial performance.

Our Group will strive to continue attracting and retaining our skilled workforce to support our business operations. We offer competitive remuneration and employee benefits to retain our workforce. In addition, we also hold internal training programmes to groom, develop and prepare younger talents to gradually assume greater responsibilities and be equipped with the necessary skills and expertise.

In addition, our Group also employs local and foreign workers for fabrication and on-site installation works. As such, any changes in government rules, regulations and policies that result in an increase in minimum wages or other costs for local and foreign workers may increase our Group's overhead costs.

In the past, we have not experienced any shortage in the supply of workers which led to a disruption or delay in carrying out our fabrication and on-site installation works. As the processes carried out by these workers are unskilled, we believe we will be able to employ suitable replacements in the case such an event were to occur.

As at the LPD, we have not experienced any shortage in the supply of workers which led to a disruption or delay in carrying out our fabrication and on-site installation works.

Nonetheless, we intend to mitigate any risks of shortage in the supply of workers by investing in new machinery to automate certain labour intensive fabrication processes. We expect that by automating these processes, we will be able to reduce the number of workers employed by our Group to carry out fabrication works.

6. RISK FACTORS (cont'd)

6.1.7 We are exposed to inherent risks in the construction industry

The construction industry is largely influenced by a number of factors such as inflation, political stability as well as demand and supply factors for new properties and public facilities. Any downturn in the construction industry whether in Malaysia or other markets in which we operate may have an adverse effect on our financial performance.

While we are able to provide our services across various construction sub-sectors, which minimises our dependency on a particular construction sub-sector's performance and we have not experienced any major slowdown which has adversely affected our business and financial performance in the past, there can be no assurance that any downturn in the construction industry will not adversely affect our operational and financial performance going forward.

6.1.8 We are subject to political, economic and regulatory risks

Our Group's financial and business operations may be adversely affected by the developments in political, economic and regulatory conditions in Malaysia and in other countries where our building façade products are exported to. Political and economic uncertainties include (but are not limited to) risks of war, change of governments, expropriation, nationalisation, renegotiation or nullification of existing contracts and methods of taxation, interest rate environment and currency exchange controls.

Whilst we will continue to take measures such as careful planning in our financial management and ensuring efficient operating procedures, there is no assurance that adverse political, economic and regulatory conditions will not materially affect our Group.

6.1.9 Our business may be affected by the availability and fluctuation in prices of façade materials

We utilise various raw materials for our building façade products (such as aluminium, glass panels, silicone sealant and steel) and as such, we are dependent on the continuous supply of such materials at a reasonable cost for our business. Our facade materials are price sensitive and we may face the risk of obtaining sufficient quantities of these materials at competitive prices. While we seek to engage reliable suppliers and obtain supplier commitments to pre-determined prices of materials and supplies prior to securing a project, price fluctuations in materials caused by shortages and price volatility of the materials, which are beyond our control, can result in increased costs and have an adverse effect on our financial performance.

6.1.10 Our business may be affected if we are unable to keep up with the latest technical and design trends in the building façade industry

We need to keep abreast of the latest technical and design trends as well as equip and upgrade our technical capabilities in order to remain relevant in the building façade industry. Our future growth would depend on our ability to meet customers' designs and requirements.

Over the years, trends in building architectural designs have evolved, from plaster and cement façades, to glass and aluminium façades, to green façades. Failure to keep up with evolving trends could affect our reputation as an innovative building façade specialist and this may consequently affect our operational and financial performance.

6. RISK FACTORS *(cont'd)*

6.2 Risks Relating to an Investment in Our Shares

6.2.1 We may not be able to proceed with or experience a delay for our Listing

Bursa Securities may not grant an approval-in-principle for our Listing or if granted, we may not be able to proceed with or experience a delay in our Listing due to, amongst others, the following reasons:

- (i) the identified Sophisticated Investors fail to subscribe for the portions of the Issue Shares allotted to them; or
- (ii) the occurrence of any force majeure events, which are beyond our control, before our Listing.

Nevertheless, we will endeavour to ensure compliance with the Listing Requirements for our successful listing on the LEAP Market of Bursa Securities.

6.2.2 There may not be an active or liquid market for our Shares

The listing of and quotation for our Shares on the LEAP Market of Bursa Securities does not guarantee that an active market for the trading of our Shares will develop.

There can also be no assurance that the Issue Price, which has been determined after taking into consideration the factors as set out in Section 2.1.2 of this Information Memorandum, will correspond to the price at which our Shares will be traded on the LEAP Market of Bursa Securities upon or subsequent to our Listing.

6.2.3 Our Promoters can exercise significant control over us

Upon Listing, our Promoters will hold approximately 87.5% of our enlarged issued share capital. As a result, they have voting control over our Group and are expected to have significant influence on the outcome of certain matters, unless they are required to abstain from voting under the Listing Requirements, the Act and/or by the relevant authorities.

Our Company has appointed Siew Choon Jern as our Independent Non-Executive Director. It is anticipated that he will play an active role in our Board's deliberations to ensure, amongst others, any transactions involving related parties are entered into on an arms-length basis, for good corporate governance and transparency purposes.

6.2.4 We may not be able to pay dividends

Our Company, being an investment holding company, derives income mainly from dividends received from our subsidiary. Hence, our ability to pay future dividends are largely dependent on the performance of our subsidiary and the availability of distributable profits. In determining the amount of any dividends, we will also take into consideration a number of factors, including but not limited to our financial performance, cash flow requirements, debt servicing and financing commitments, future expansion plans, loan covenants and compliance with regulatory requirements.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL**7.1 Promoters and Substantial Shareholders****7.1.1 Shareholdings**

The shareholdings of our Promoters and/or substantial shareholders in our Company before and after our Listing are as follows:

Name	Before Listing				After Listing			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<i>Promoters and substantial shareholders</i>								
Hysiw Holdings Sdn Bhd	320,000,002	100.0	-	-	320,000,002	87.5	-	-
Siow Hon Yong	-	-	(1)320,000,002	100.0	-	-	(1)320,000,002	87.5
Siow Hon Yuen	-	-	(1)320,000,002	100.0	-	-	(1)320,000,002	87.5

Note:

(1) Deemed interest by virtue of his substantial shareholding in Hysiw Holdings Sdn Bhd

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7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

7.1.2 Profile

Hysiow Holdings Sdn Bhd

Promoter and Substantial Shareholder

Hysiow Holdings Sdn Bhd was incorporated in Malaysia under the Act on 30 March 2018 as a private limited company. As at the LPD, its issued share capital is RM10,000 comprising 10,000 ordinary shares.

Hysiow Holdings Sdn Bhd is principally involved in investment holding and real estate activities with owned or leased properties.

The directors and shareholders of Hysiow Holdings Sdn Bhd and their shareholdings in the company as at the LPD are as follows:

Name	Direct		Indirect	
	No. of shares	%	No. of shares	%
Siow Hon Yong	5,556	55.6	-	-
Siow Hon Yuen	4,444	44.4	-	-

Siow Hon Yong, Malaysian, aged 53

Promoter, Substantial Shareholder and Executive Chairman

Siow Hon Yong, Malaysian, is our Promoter and Executive Chairman and is responsible for overseeing the strategic business planning and direction of our Group.

Siow Hon Yong studied at Sekolah Menengah Undang Jelebu, Negeri Sembilan. In 1986, he founded and was the Managing Director of Syarikat Perniagaan Aluminium & Glass Thong Fong. Syarikat Perniagaan Aluminium & Glass Thong Fong was a sole proprietorship involved in aluminium building façade fabrication and installation. In 1993, he subsequently formed and was a Director of Standard Aluminium Panel Sdn Bhd, which was principally involved in aluminium building façade fabrication and installation. It was during these years that he fine-tuned his expertise in building façade as well as acquired knowledge and understanding of the industry. In 1998, he resigned from Standard Aluminium Panel Sdn Bhd as a Director.

In 1999, Siow Hon Yong, together with his sibling, Siow Hon Yuen, co-founded our wholly-owned subsidiary, Uni Wall Architectural and has been instrumental in the growth of our Group. Upon incorporation of Uni Wall Architectural, he was appointed as the Managing Director of the company. He later assumed his present position as the Chairman of our Company in 2018.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Siow Hon Yuen, Malaysian, aged 44

Promoter, Substantial Shareholder and Managing Director/Chief Executive Officer

Siow Hon Yuen, Malaysian, is our Promoter and Managing Director/Chief Executive Officer and is responsible for managing and implementing our Group's business development plans and strategies.

Siow Hon Yuen graduated with a Bachelor of Business Administration from University of Malaya in 1999 and subsequently obtained his Master of Business Administration from Open University Malaysia in 2011.

Upon graduation, Siow Hon Yuen co-founded our wholly-owned subsidiary, Uni Wall Architectural in 1999 and was appointed as a Director. Since then, he learned the trade in the building façade business, and focused on corporate and business development activities of the company.

Siow Hon Yuen spearheaded the implementation of a system for internal quality control and production planning using Siow Hon Yong's expertise in building façade systems that was honed over the years. This was key in driving operational efficiency within our Group. Further, Siow Hon Yuen has been key in securing projects for our Group (some of which are set out in Section 4.1 of this Information Memorandum).

Siow Hon Yuen was subsequently appointed as our Group's Managing Director/Chief Executive Officer in 2018.

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7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**7.2 Directors****7.2.1 Shareholdings**

The shareholdings of our Directors in our Group before and after our Listing are as follows:

Name	Designation	Before Listing				After Listing			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Siow Hon Yong	Executive Chairman	-	-	(1)320,000,002	100.0	-	-	(1)320,000,002	87.5
Siow Hon Yuen	Managing Director/Chief Executive Officer	-	-	(1)320,000,002	100.0	-	-	(1)320,000,002	87.5
Siew Choon Jern	Independent Non-Executive Director	-	-	-	-	-	-	-	-

Note:

(1) Deemed interest by virtue of his substantial shareholding in Hysiw Holdings Sdn Bhd.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

7.2.2 Profile

The profiles of Siow Hon Yong and Siow Hon Yuen, who are also our Promoters, are disclosed in Section 7.1.2 of this Information Memorandum.

Siew Choon Jern, Malaysian, aged 44
Independent Non-Executive Director

Siew Choon Jern, Malaysian, is our Independent Non-Executive Director. He was appointed to our Board on 23 February 2018.

Siew Choon Jern graduated with a Bachelor of Laws from University of Malaya in 1999. He was called to the Malaysian Bar as an Advocate and Solicitor of the High Court of Malaya in 1999. He later joined Lee Hishammuddin (as it was then known) as a Legal Assistant in 2000. In 2002, he joined Sivanathan as a Legal Assistant. Siew Choon Jern specialises in matters relating to civil and corporate litigation.

Siew Choon Jern joined *Messrs Douglas Yee* in 2004 as a Senior Legal Assistant and was later promoted to his present position as Partner in 2006.

7.2.3 Directors' remuneration and benefits

The aggregate remuneration and benefits-in-kind *(including any contingent or deferred compensation accrued for the year)* paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for the FYE 31 December 2017 and FYE 31 December 2018 are as follows:

Remuneration band*	FYE 31 December 2017	FYE 31 December 2018
	No. of Directors	No. of Directors
Non-Executive Director		
Less than RM50,000	-	1
Executive Director		
RM200,000 to RM250,000	1	1
RM250,001 to RM300,000	1	1

Our Directors' remuneration includes salaries, bonuses, fees and allowances as well as other benefits, whereby pursuant to our Constitution and the Act, the fees and benefits must be approved by our shareholders in a general meeting.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)***7.3 Key Management Personnel****7.3.1 Shareholdings**

Our key management personnel and their respective shareholdings in our Company before and after our Listing are as follows:

Key Management	Designation	Before Listing				After Listing			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Siow Hon Yong	Executive Chairman	-	-	(1)320,000,002	100.0	-	-	(1)320,000,002	87.5
Siow Hon Yuen	Managing Director/Chief Executive Officer	-	-	(1)320,000,002	100.0	-	-	(1)320,000,002	87.5
Joseph Chia Sze Siong	Chief Operating Officer	-	-	-	-	-	-	-	-
Wong Mei Yee	Chief Financial Officer	-	-	-	-	-	-	-	-

Note:

(1) Deemed interest by virtue of his substantial shareholding in Hysiw Holdings Sdn Bhd.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

7.3.2 Profile

The profile of Siow Hon Yong and Siow Hon Yuen, who are also our Promoters, are disclosed in Section 7.1.2 of this Information Memorandum.

Joseph Chia Sze Siong, Malaysian, aged 47
Chief Operating Officer

Joseph Chia Sze Siong is our Chief Operating Officer and is responsible for overseeing, implementing, supervising and monitoring our building façade projects.

He completed his secondary education at Sekolah Tinggi Dato' Undang Musa Al-Haj in 1995. Upon completing his secondary education, he joined De Classic Interior Design, an interior design company, as an interior designer and was responsible for the designs, plans and drawings for construction and installations, which included floor plans, electrical layouts and/or plans for building permits.

Joseph Chia Sze Siong's career in the building façade industry began in 1997, when he joined Jepsum Aluminium (KL) Sdn Bhd, an aluminium building façade company, as Project Manager, where he gained experience and honed his skills in building facade project management.

Joseph Chia Sze Siong later joined Uni Wall Architectural in 2001 and assumed his present position as Chief Operating Officer. During these years, he has garnered over 20 years of experience in project management of building façade projects.

Wong Mei Yee, Malaysian, aged 45
Chief Financial Officer

Wong Mei Yee is our Chief Financial Officer and is responsible for overseeing our Group's finance functions.

Wong Mei Yee obtained her Chartered Certified Accountant qualification (ACCA) in 1997 and is also a Chartered Accountant of the Malaysian Institute of Accountants (MIA) since 2006.

She began her career in Arab-Malaysian Finance Berhad as an accounts clerk in 1994 and was later promoted to accounts officer in the following year. She later left Arab-Malaysian Finance Berhad in 1996 to pursue her studies. In 1999, she resumed her career in the finance industry when she joined KPMG as an Audit Assistant and was promoted to Audit Senior in 2001.

Prior to joining our Group, she joined UMW Toyota Motor Sdn Bhd as Assistant Manager in 2003 and was subsequently promoted to Manager in 2007 and Senior Manager in 2011. During her tenure there, she led a finance team in carrying out the accounting and reporting functions of the company.

She then joined our Group as our Chief Financial Officer in 2018.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL (cont'd)**7.4 Involvement of Our Promoters, Substantial Shareholders, Directors and Key Management Personnel in Businesses/Corporations Outside Our Group**

Save as disclosed below, our Promoters, substantial shareholders, Directors and key management personnel do not have any other directorships in other Malaysian corporations or any principal business activities performed outside our Group for the past 3 years prior to the LPD:

Name	Company	Involvement (Director/Shareholder)	Principal Activities
Siow Hon Yong	United Water Technology Sdn Bhd	Director and Shareholder	Designing, supplying & installation of water treatment system
	Pyramick Trading Sdn Bhd	Director and Shareholder	Investment holding
	Standard Aluminium Panel Sdn Bhd	Director and Shareholder ⁽¹⁾	Supply of labour for the installation of aluminium products
Siow Hon Yuen	SPRXH Holding Sdn Bhd	Director and Shareholder	Investment holding
	United Water Technology Sdn Bhd	Director and Shareholder	Designing, supplying & installation of water treatment system
	Pyramick Trading Sdn Bhd	Director and Shareholder	Investment holding
Siew Choon Jern	Earth Strength Enterprise Sdn Bhd	Director and Shareholder ⁽¹⁾	To establish an institution of musical, arts and drama education. To promote the study, practice and knowledge of music, art and drama and to arrange concerts and musical entertainments. To provide training, recreational and/or any form of camps, retreats, trainings or vacations.
	Uniqo Sdn Bhd	Director	General trading in health care products, investment holding, construction and development
	Irresistable Sweets Sdn Bhd	Director and Shareholder ⁽¹⁾	Cafeterias/canteens, other management consultancy activities N.E.C. activities of holding companies
	Zentology Sdn Bhd	Director and Shareholder ⁽¹⁾	Dormant
	Biocache Sdn Bhd	Director and Shareholder	Healthcare and pharmaceutical business

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

Name	Company	Involvement (Director/Shareholder)	Principal Activities
Siew Choon Jern <i>(cont'd)</i>	Paragro Sdn Bhd	Director	Providing transportation services
Wong Mei Yee	LF Lansen Sdn Bhd	Director and Shareholder	Dealers in vibration reliefment services
	Furon & Rans Resources Sdn Bhd	Director and Shareholder	General contractor ⁽²⁾

Notes:

(1) *The company has been dissolved or struck off.*

(2) *The company is principally involved in mechanical engineering works.*

7.5 Benefit Paid or to be Paid or Given

Save as disclosed in Section 7.2.3 of this Information Memorandum, there is no amount or benefit paid or intended to be paid or given to any of our Promoters, Directors or substantial shareholders.

7.6 Service Agreements

As at the LPD, there are no existing or proposed service agreements between the companies within our Group and our Directors and key management personnel which are not terminable by notice without payment or compensation.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

7.7 Employees

A summary of our Group's total workforce as at 31 December 2017 as well as at the LPD is set out below:

Category	No. of Employees	
	As at 31 Dec 2017	As at the LPD
Executive Directors	2	2
Key Management	1	2
Technical	5	15
Non-Technical	7	8

We currently have 27 employees in our employment. None of our employees belong to any trade unions and we enjoy a cordial working relationship with our employees. Thus, we have not experienced any major turnover in our workforce for the FYE 31 December 2016 and FYE 31 December 2017.

In addition to the above, we also employ local and foreign workers to carry out building façade fabrication and on-site installation works. The number of workers we employ at any point in time may vary as it is dependent on the number of projects we are undertaking. As at 31 December 2017, we employed 12 foreign workers for our building façade fabrication and on-site installation work. However, we started to hire local workers in 2018 and as at the LPD, we have 37 workers, of which 12 are foreign and 25 are local workers.

As at the LPD, we have not experienced any shortage in the supply of workers which led to a disruption or delay in carrying out our fabrication and on-site installation works.

7.8 Moratorium

In compliance with Rule 3.07 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Promoters as follows:

- (i) the moratorium applies to our Promoters' entire shareholdings for a period of 12 months from the date of our admission to the Official List; and
- (ii) upon expiry of the 12 months period stated above, our Promoters' aggregate shareholdings amounting to at least 45% of the total number of issued Shares shall remain under moratorium for another period of 36 months.

Where the promoter is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or other unlisted corporations) up to the ultimate individual shareholders must give undertakings to Bursa Securities that they will not sell, transfer or assign their securities in the unlisted corporation for the period stipulated above.

7. PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL *(cont'd)*

The moratorium shall be imposed according to the following:

Promoter	Shares under Moratorium for the First 12 Months Upon Listing		Shares Under Moratorium for the Subsequent 36 Months	
	No. of Shares	(1)%	No. of Shares	(1)%
Hysiow Holdings Sdn Bhd	320,000,002	87.5	164,565,001	45.0

Note:

* *Based on our enlarged issued share capital of 365,700,002 Shares upon Listing.*

The moratorium, which is fully acknowledged by our Promoters, is specifically endorsed on our share certificates representing their shareholdings to ensure that our Share Registrar will not register any sale, transfer or assignment that is not in compliance with the above moratorium.

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8. FINANCIAL INFORMATION**8.1 Audited Combined Statements of Profit or Loss and Other Comprehensive Income**

The following table, which has been extracted from our audited combined financial statements as set out in Appendices I and II of this Information Memorandum, sets out our combined statements of profit or loss and other comprehensive income for the FYE 31 December 2016 and FYE 31 December 2017 as well as our unaudited combined statement of profit or loss and other comprehensive income for the FPE 30 June 2017 and FPE 30 June 2018 and should be read in conjunction with the 'Management Discussion and Analysis' in Section 9 of this Information Memorandum.

	← Audited →		← Unaudited →	
	FYE 31 Dec 2016 RM'000	FYE 31 Dec 2017 RM'000	FPE 30 Jun 2017 RM'000	FPE 30 Jun 2018 RM'000
Revenue	5,748	9,359	3,326	4,658
Cost of sales	(2,441)	(1,211)	(790)	(1,884)
GP	3,307	8,148	2,536	2,774
Other income	100	112	56	26
Administrative expenses	(1,967)	(2,201)	(1,263)	(1,145)
Finance costs	(71)	(120)	(57)	(235)
PBT	1,369	5,939	1,272	1,420
Taxation	(478)	(2,296)	(318)	(355)
Profit for the financial year/period, representing the total comprehensive income for the financial year/period	891	3,643	954	1,065
EBITDA	2,244	6,853	1,726	2,054
EPS (sen)				
- Basic	⁽¹⁾ 0.3	⁽¹⁾ 1.1	⁽¹⁾ 0.3	⁽¹⁾ 0.3
GP margin (%)	57.5	87.1	76.2	59.6
PBT margin (%)	23.8	63.5	38.2	30.5
PAT margin (%)	15.5	38.9	28.7	22.9

Note:

- (1) Computed based on PAT attribute to common controlling shareholders of the combining entities divided by our existing issued shares of 320,000,002 Uni Wall Shares.

8. FINANCIAL INFORMATION (cont'd)**8.2 Audited Combined Statements of Financial Position**

The following table, which has been extracted from our audited combined financial statements as set out in Appendices I and II of this Information Memorandum, sets out our combined statements of financial position as at 31 December 2016 and 31 December 2017 as well as our unaudited combined statement of financial position as at 30 June 2017 and 30 June 2018 and should be read in conjunction with the 'Management Discussion and Analysis' in Section 9 of this Information Memorandum.

	← Audited →		← Unaudited →	
	31 Dec 2016	31 Dec 2017	30 Jun 2017	30 Jun 2018
	RM'000	RM'000	RM'000	RM'000
Assets				
Non-current assets				
Property plant and equipment	8,398	13,112	8,751	12,908
Investment properties	247	-	-	-
Total non-current assets	8,645	13,112	8,751	12,908
Current assets				
Amount due from contract customers [^]	-	-	-	3,384
Trade receivables	3,761	3,302	3,262	4,253
Other receivables	357	527	839	792
Amount due from Directors	3,709	-	3,231	-
Fixed deposits with licensed banks	2,579	1,610	1,546	1,636
Cash and bank balances	618	12	133	76
Total current assets	11,024	5,451	9,011	10,141
Total assets	19,669	18,563	17,762	23,049
Equity				
Invested equity	800	1,000	800	2,000
Retained earnings	5,741	6,483	6,695	7,385
Total equity	6,541	7,483	7,495	9,385
Non-current liabilities				
Bank borrowings	-	-	-	2,381
Finance lease liabilities	420	226	348	461
Deferred tax liabilities	72	11	72	11
Total non-current liabilities	492	237	420	2,853

8. FINANCIAL INFORMATION (cont'd)

	← Audited →		← Unaudited →	
	31 Dec 2016	31 Dec 2017	30 Jun 2017	30 Jun 2018
	RM'000	RM'000	RM'000	RM'000
Current liabilities				
Amount due to contract customers [^]	11,216	2,088	8,117	2,088
Trade payables	115	116	144	968
Other payables	55	279	16	65
Amount due to a Director [@]	-	4,536	-	3,987
Tax payable	192	2,274	397	2,377
Finance lease liabilities	291	189	226	242
Bank borrowings	767	1,361	947	1,084
Total current liabilities	12,636	10,843	9,847	10,811
Total liabilities	13,128	11,080	10,267	13,664
Total equity and liabilities	19,669	18,563	17,762	23,049
NA per Share (RM)*	0.02	0.02	0.02	0.03
Net gearing ratio (times)	#	0.02	#	0.26

Notes:

[^] The amount due from/(to) contract customers arose due to differences in timing of revenue recognition (based on proportion of cumulative construction costs incurred against estimated total construction costs) and progress billings to the contract customers. In other words, the amount due to contract customers (i.e. progress billings are higher than the revenue recognised) would not crystallise as an amount liable to be paid to the contract customers. Subsequent to 30 June 2018, the amount due from contract customers of approximately RM3.3 million has been billed and collected.

[@] The amount due to a Director has no fixed terms of repayment and was mainly drawn down to part finance the acquisition of the vacant land adjacent to our existing factory for the purpose of expansion of our fabrication facility, as detailed in Section 4.12(iii) of this Information Memorandum. The amount due to a Director also includes an amount payable in respect of a finance lease for a company motor vehicle obtained under a Director's name. Please refer to Section 10.3.1 of this Information Memorandum for further details.

* Computed based on our existing issued shares of 320,000,002 Uni Wall Shares

Not applicable as deposits, cash and bank balances of our Group are sufficient to settle the outstanding debts.

8. FINANCIAL INFORMATION (cont'd)**8.3 Audited Combined Statements of Cash Flows**

The following table, which has been extracted from our audited combined financial statements as set out in Appendices I and II of this Information Memorandum, set out the summary of our combined statements of cash flows for the FYE 31 December 2016 and FYE 31 December 2017 as well as our unaudited combined statement of cash flows for the FPE 30 June 2017 and FPE 30 June 2018 and should be read in conjunction with the 'Management Discussion and Analysis' in Section 9 of this Information Memorandum.

	← Audited →		← Unaudited →	
	FYE 31 Dec 2016	FYE 31 Dec 2017	FPE 30 Jun 2017	FPE 30 Jun 2018
	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/from operating activities	(579)	6,112	(1,017)	(2,860)
Net cash (used in)/from investing activities	(1,091)	(4,316)	488	(58)
Net cash (used in)/from financing activities	(251)	(2,998)	(139)	3,259
Net (decrease)/increase in cash and cash equivalents	(1,921)	(1,202)	(668)	341
Cash and cash equivalents at the beginning of the financial year/period	1,775	(146)	(146)	(1,349)
Cash and cash equivalents at the end of the financial year/period	(146)	(1,348)	(814)	(1,008)
Cash and cash equivalents at the end of the financial year/period comprises:				
Cash and bank balances	618	12	133	76
Fixed deposits with licensed banks	2,578	1,610	1,546	1,636
Bank overdrafts	(748)	(1,360)	(947)	(1,084)
Bank overdrawn	(16)	-	-	-
	2,432	262	732	628
Less: Pledged fixed deposits with licensed banks [^]	(2,578)	(1,610)	(1,546)	(1,636)
	(146)	(1,348)	(814)	(1,008)

Note:

[^] The fixed deposits are pledged as securities for our Group's bank overdrafts as well as a term loan which was fully repaid in 2017.

8. FINANCIAL INFORMATION *(cont'd)*

Our Board is of the opinion that our Group will have adequate working capital to meet our present and foreseeable requirements for at least a period of 12 months from the date of this Information Memorandum after taking into consideration amongst others, our net current assets position (after excluding the amount due to contract customers) of approximately RM1.4 million as at 30 June 2018, the funds to be generated from our business, our existing banking facilities as well as the proceeds from our Excluded Issue.

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9. MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis of our past financial condition and results of operations should be read in conjunction with our Audited and Unaudited Combined Financial Statements as set out in Appendices I and II of this Information Memorandum.

This discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below or elsewhere in this Information Memorandum, particularly in the section entitled 'Risk Factors' set out in Section 6 of this Information Memorandum.

9.1 Overview

We are a homegrown building façade specialist in Malaysia, principally involved in the provision of building façade services for projects within Malaysia. Please refer to Section 4 of this Information Memorandum for further details of our business.

In line with our business strategies and future plans as set out in Section 4.12 of this Information Memorandum, we will focus on expanding our fabrication capacity and our presence in both domestic and international markets. Please refer to Section 9.7 of this Information Memorandum for significant factors which affect our financial position and results of operations and Section 6 of this Information Memorandum for the risk factors that may affect our revenue and financial performance.

As our Group currently operates wholly within Malaysia and only in the building façade industry, no segmental information is provided.

9.2 Revenue

Our Group's revenue for the financial periods under review was derived from the supply, fabrication and installation of building façade systems. Please refer to Section 4 of this Information Memorandum for our Group's detailed business overview.

Our revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

When the outcome of a contract can be reliably estimated, contract revenue is recognised as revenue by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to-date in proportion to the estimated total contract costs.

When the outcome of a contract cannot be reliably estimated, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and the contract costs are recognised as an expense in the period which they are incurred. An expected loss on a contract is recognised immediately in the statement of profit or loss and other comprehensive income.

Comparison between FYE 31 December 2016 and FYE 31 December 2017

Our Group's revenue increased by approximately 62.8% or RM3.6 million from RM5.7 million in the FYE 31 December 2016 to RM9.4 million in the FYE 31 December 2017 mainly due to higher quantum of percentage of completion of the Le Nouvel project recognised during the year (2017: 19.8%; 2016: 7.2%), following the completion of the Le Nouvel project in 2017.

9. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

For information purposes, the details of the Le Nouvel project are as follows:

Customers	:	Ssangyong Engineering & Construction Co. Ltd Hartamaju Sdn Bhd
Project description	:	Design, fabrication, supply, delivery, installation, testing and certification of all elements of the building façade for a 43 storey and 49 storey serviced apartment located at Lot 247, Jalan Ampang, Section 43, 50450 Kuala Lumpur
Project timeframe	:	2012 - 2017
Project value	:	RM79.6 million

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our Group's revenue increased by approximately 40.1% or RM1.3 million from RM3.3 million in the FPE 30 June 2017 to RM4.7 million in the FPE 30 June 2018 mainly due to the quantum of percentage of completion of 2 new projects secured (Hill 10 project, 3.6%; Central World project, 53.8%) recognised during the FPE 30 June 2018.

For information purposes, the details of the Hill 10 and Central World projects are as follows:

Hill 10

Customer	:	HAB Construction Sdn Bhd
Project description	:	Design, fabrication, supply, delivery, installation, testing and certification of all elements of the building façade for a 43 storey commercial building which comprise a service apartment and a hotel located at Lot 17196, No. 3, Persiaran Multimedia, Section 7, 40000 Shah Alam, Selangor
Project timeframe	:	2018 - 2020
Project value	:	RM40.7 million

Central World

Customer	:	Persona Metro Sdn Bhd
Project description	:	Design, fabrication, supply, delivery, installation, testing and certification of all elements of the building façade for a 6 storey shopping mall located at PT 23956, No.1, Persiaran Multimedia, Section 7, 40000 Shah Alam, Selangor
Project timeframe	:	2018
Project value	:	RM6.0 million

9.3 Cost of Sales

We price our construction projects based on cost estimates, and under the terms of certain contracts, the prices that we submit in our tender bids or negotiate in our contracts are fixed, with the exception of any approved variation orders. The major components of our project costs are aluminium, glass and stainless steel. Collectively, these major cost components constitute more than 50% of our total cost of sales.

As such, our GP and GP margin are dependent on the accuracy of our pricing during the tender and/or negotiation stage. Our cost estimates are based on, *inter-alia*, the availability and costs of materials as well as machinery and equipment, project period, labour costs, factory overheads as well as the complexity and scale of the projects.

9. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

Comparison between FYE 31 December 2016 and FYE 31 December 2017

Our Group's cost of sales decreased by approximately 50.4% or RM1.2 million from RM2.4 million in the FYE 31 December 2016 to RM1.2 million in the FYE 31 December 2017 mainly due to completion of the Le Nouvel project during the year resulting in minimal purchases of materials as a result of the following:

- majority of the materials required has already been purchased in prior years; and
- efficiency of material usage.

Pursuant thereto, our cost of sales during the year are mainly comprised of labour costs and factory overheads.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our Group's cost of sales increased by approximately 138.5 % or RM1.1 million from RM0.8 million in the FPE 30 June 2017 to RM1.9 million in the FPE 30 June 2018 mainly due to minimal purchases in the previous corresponding period as a result of the completion of Le Nouvel project as explained above.

9.4 Gross Profit and Gross Profit Margin

Comparison between FYE 31 December 2016 and FYE 31 December 2017

Our Group's GP increased by approximately 146.4% or RM4.8 million from RM3.3 million in the FYE 31 December 2016 to RM8.1 million in the FYE 31 December 2017 mainly due to our higher revenue and reduction in our cost of sales for the FYE 31 December 2017 as detailed above.

For information purposes, the overall GP margin achieved for our projects undertaken during the past 6 years (i.e. during the duration of the Le Nouvel project) is approximately 29.2%. The higher GP margin recognised during the FYE 31 December 2016 and FYE 31 December 2017 was mainly due to minimal purchases of materials as explained above and lower actual costs as compared to budgeted costs for the Le Nouvel project.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our Group's GP increased by approximately 9.4% or RM0.2 million from RM2.5 million in the FPE 30 June 2017 to RM2.8 million in the FPE 30 June 2018 which was in line with the increase in our revenue in the FPE 30 June 2018.

Our Group's GP margin decreased by 16.6% or from 76.2% in the FPE 30 June 2017 to 59.6% in the FPE 30 June 2018 mainly due to a higher GP margin generated from the Le Nouvel project in the FPE 30 June 2017 as a result of minimal purchases of materials as explained above and lower actual costs as compared to budget costs for the Le Nouvel project. However, the GP margin generated in the FPE 30 June 2018 was higher than the overall GP margin achieved during the duration of the Le Nouvel project of approximately 29.2%.

9. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)**9.5 Administrative Expenses**

The following table sets out a breakdown of our Group's administrative expenses for the FYE 31 December 2016, FYE 31 December 2017, FPE 30 June 2017 and FPE 30 June 2018.

	← FYE 31 December →				← FPE 30 June →			
	← Audited →				← Unaudited →			
	← 2016 →		← 2017 →		← 2017 →		← 2018 →	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff cost and incentive	1,051	53.4	1,213	55.1	710	56.2	503	43.9
Depreciation	289	14.7	323	14.7	161	12.8	170	14.9
Loss on disposal	195	9.9	98	4.5	98	7.8	110	9.6
Upkeep of office equipment and motor vehicles	105	5.4	65	2.9	33	2.6	68	5.9
Professional fees	32	1.6	212	9.6	171	13.5	110	9.6
Others	295	15.0	291	13.2	90	7.1	184	16.1
Total	1,967	100.0	2,202	100.0	1,263	100.0	1,145	100.0

Our administrative expenses mainly comprise staff cost and incentives for our Directors and our sales and administrative personnel, depreciation and other administrative expenses which include amongst others, expenses incurred for the daily operations of our business.

Comparison between FYE 31 December 2016 and FYE 31 December 2017

Our administrative expenses increased by 11.9% or RM0.2 million from RM2.0 million in the FYE 31 December 2016 to RM2.2 million in the FYE 31 December 2017 mainly due to higher staff welfare of RM0.1 million and professional fees in relation to the purchase of factory land of RM0.1 million.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our administrative expenses decreased by 9.3% or RM0.1 million from RM1.3 million in FPE 30 June 2017 to RM1.2 million in the FPE 30 June 2018 mainly due to lower staff welfare incurred during the period.

9.6 Profit After Tax and Profit After Tax Margin**Comparison between FYE 31 December 2016 and FYE 31 December 2017**

Our Group's PAT increased by 308.9% or RM2.8 million while our PAT margin increased by 23.4%. The increase in PAT was mainly due to the increase in our GP as explained above.

Comparison between FPE 30 June 2017 and FPE 30 June 2018

Our Group's PAT increased by 11.6% or RM0.1 million while our PAT margin decreased by 5.8%.

The increase in PAT was mainly due to increase in our GP, whilst the decrease in our PAT margin was mainly due to decrease in our GP margin as explained above.

9. MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

9.7 Significant Factors Affecting Our Financial Position and Results of Operations

Our financial position and results of operations have been and will continue to be affected by, amongst others, the following factors which may not be within our control:

(i) Continuity of our order book

Most of our building façade projects require 3-5 years to complete. The nature of our business requires us to secure and complete new projects on a continuous basis, and should we fail to do so, the financial performance of our Group may be adversely affected.

(ii) Possible delays in completing our projects

Our Group's revenue is dependent on completion and delivery of our projects within the stipulated timeline. However, the completion of projects undertaken by our Group is dependent on several inherent factors in the building façade industry, *inter-alia*, availability of façade materials, equipment, labour and financing. Any adverse developments which may lead to a delay in completing our projects may have a negative impact on our Group's financial performance.

(iii) Fluctuation in façade materials costs

We utilise various materials such as aluminium, glass panels, stainless steel and silicone sealant in the fabrication and assembly of our building façade products. Thus, we are dependent on the continuous supply of such materials at a reasonable cost.

These materials are price sensitive and we may face the risk of obtaining quality materials at competitive prices. Price fluctuations in materials are typically caused by shortages. Some materials are also subject to price volatility as they are imported by our suppliers. This could result in increased costs impacting our financial performance.

(iv) Ability to continuously maintain quality to effectively meet customers' expectations

We need to constantly ensure that the quality of our building façade systems meet project specifications. Our future financial performance may be impacted due to additional work required should there be defect liability claims or inability to meet our customer's expectations within our projected costs.

9.8 Material Capital Commitments

Save as disclosed below, as at the LPD, there is no other material capital commitment incurred or known to be incurred by us or by our subsidiary company, which upon becoming enforceable, may have a material impact on our financial position:

	← FYE 31 December →		As at the LPD
	2016	2017	
	RM'000	RM'000	RM'000
Approved but not contracted for			
Purchase of property, plant and equipment	-	13,190	13,190

9. MANAGEMENT DISCUSSION AND ANALYSIS *(cont'd)*

9.9 Order Book

As our Group is primarily project-based, our future profitability is dependent on the number of projects and value of the projects secured.

As the revenue from our building façade projects are recognised based on the stage of completion method, our order book excludes the value of completed works in respect of on-going projects which have been recognised as revenue.

Our order book as at the LPD amounted to approximately RM41.6 million, all of which is expected to be fully recognised as revenue during the FYE 31 December 2018 to 2020.

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10. OTHER INFORMATION

10.1 Material Contracts

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Company or our subsidiary within the 2 years immediately preceding the date of this Information Memorandum:

- (i) Sale and purchase agreement dated 28 February 2017 entered into between Siow Hon Yuen (as vendor) and Uni Wall Architectural (as purchaser) for the purchase of a motor vehicle bearing registration number WB 388G for a cash consideration of RM645,455.91. The sale and purchase agreement has been completed in accordance with its terms on 28 February 2017.
- (ii) Sale and purchase agreement dated 5 June 2017 entered into between Leow Keng Soon (as vendor) and Uni Wall Architectural (as purchaser) for the purchase of a piece of land held under Geran 236023, Lot 11289, in the Mukim of Beranang, District of Ulu Langat, State of Selangor Darul Ehsan bearing the postal address of No. 13, Jalan Kesuma 2/3, Bandar Tasik Kesuma, 43700 Beranang, Selangor, for a cash consideration of RM4,494,360.00, which was arrived at on negotiated basis after taking into consideration the market value of the land and its adjacent location to our Group's existing factory. The sale and purchase agreement has been completed in accordance with its terms on 5 September 2017.
- (iii) Share sale agreement dated 12 June 2018 entered into between Uni Wall, Siow Hon Yong and Siow Hon Yuen to purchase the entire issued share capital of Uni Wall Architectural comprising 2,000,000 ordinary shares for a purchase consideration of RM8,000,000, which shall be satisfied *via* the allotment and issuance of 320,000,000 ordinary shares in Uni Wall. The share sale agreement has been completed in accordance with its terms on 6 September 2018.

10.2 Material Litigation and Contingent Liabilities

As at the LPD, we are not engaged in any material litigation, claims or arbitration either as plaintiff or defendant and our Board does not know of any proceeding pending or threatened or of any fact likely to give rise to any proceedings which might materially or adversely affect our position or business.

As at the LPD, there is no contingent liability which, upon becoming enforceable, may have a material impact on our financial position or business.

10.3 Related Party Transactions

Under the Listing Requirements, a 'related party transaction' is a transaction entered between the listed corporation or its subsidiaries and a related party. A 'related party' of a listed issuer is:

- (i) A director having the same meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation or a chief executive of the listed corporation; or
- (ii) A major shareholder who has an interest of 10% or more of the total number of voting shares in a corporation; or
- (iii) A person connected with such director or major shareholder.

10. OTHER INFORMATION (cont'd)**10.3.1 Existing and proposed related party transactions**

Save as disclosed below, our Board confirms that there are no existing or presently proposed related party transactions entered into between our Group and our Directors, major shareholders and/or persons connected with them for the FYE 31 December 2017 and subsequent period up to the LPD.

Transacting Parties	Nature of Relationship	Nature of Transaction	Actual	
			FYE 31 December 2017 RM'000	Subsequent Period up to the LPD RM'000
Tan Yee Ping	Tan Yee Ping is the spouse of our Promoter and Managing Director/Chief Executive Officer, Siow Hon Yuen	Disposal of a motor vehicle by way of cash consideration. The disposal consideration was arrived at based on the market value of the motor vehicle.	(76)	-
Siow Hon Yuen	Siow Hon Yuen is our Promoter and Managing Director/Chief Executive Officer	Purchase of a motor vehicle by way of cash consideration*. The purchase consideration was arrived at based on the cost, net of finance lease interest paid, of the motor vehicle.	645	-
Siow Hon Yong and Siow Hon Yuen	Siow Hon Yong is our Promoter and Executive Chairman Siow Hon Yuen is our Promoter and Managing Director/Chief Executive Officer	Disposal of a piece of vacant freehold land held under H.S.(D) 123040, PT 4061, Mukim Beranang, District of Ulu Langat, State of Selangor by way of dividend in specie as set out in Section 2.4 of this Information Memorandum. The amount was arrived at based on the net book value of the freehold land.	-	(163)

Note:

* The motor vehicle was purchased from Siow Hon Yuen as a replacement for a company motor vehicle disposed during the FYE 31 December 2017, which is used by him as part of his employment benefits as he has to travel during the course of his work for purposes such as meeting customers and/or potential customers when securing projects for our Group. As the finance lease for the motor vehicle was obtained under Siow Hon Yuen's name, the motor vehicle is currently held in trust by Siow Hon Yuen on behalf of Uni Wall Architectural (i.e. Siow Hon Yuen as the registered owner and Uni Wall Architectural as the beneficial owner) pursuant to a trust deed dated 28 February 2017 entered into between Siow Hon Yuen and Uni Wall Architectural. Pursuant thereto, the purchase consideration is to be paid by way of repayment of the outstanding finance lease liabilities and recorded as an 'Amount due to a Director' in our books.

10. OTHER INFORMATION *(cont'd)*

Save for the purchase of a motor vehicle and disposal of a freehold land, the above transactions were carried out on an arm's length basis. Our Board, having considered all aspects of the related party transactions, is of the opinion that the related party transactions are not detrimental to our Group.

Upon Listing, our Board will continue to ensure that any related party transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not detrimental to our minority shareholders. In the event there are any proposed related party transactions that require the prior approval of our shareholders, the Directors and/or major shareholders who have an interest, direct or indirect, in the proposed related party transaction will abstain and also undertake to ensure that persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings on the resolution pertaining to the proposed related party transaction at the general meeting.

10.4 Interests in Similar Businesses and Other Conflict of Interest

None of our Promoters, substantial shareholders, Directors and key management personnel have any interest, direct or indirect, in other businesses or corporations carrying on a trade similar to that of our Group, or businesses or corporations which are also our customers or suppliers as at the LPD.

Notwithstanding the above, in the event of a potential conflict of interest situation, such Promoters, substantial shareholders, and Directors and/or persons connected with them are obliged, if required by law or regulations, to abstain from voting on the resolutions relating to such matters or transactions that require the approval of our shareholders in respect their direct and indirect interests.

10.5 Other Transactions

There are no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, to which we were a party during the FYE 31 December 2017 up to the LPD.

There are no outstanding loans, including guarantees of any kind made by our Group to or for the benefit of related parties during the FYE 31 December 2017 up to the LPD.

10.6 Declaration by Our Advisers

10.6.1 Mercury Securities

Mercury Securities confirms that there is no existing or potential conflict of interest in relation to its capacity as the Approved Adviser and Placement Agent for our Listing.

10.6.2 Mah-Kamariyah & Philip Koh

Mah-Kamariyah & Philip Koh confirms that there is no existing or potential conflict of interests in its capacity as the Legal Adviser for our Listing.

10.6.3 UHY

UHY confirms that there is no existing or potential conflict of interest in relation to its capacity as the Auditors and Reporting Accountants for our Listing.

10.6.4 PROVIDENCE

PROVIDENCE confirms that there is no existing or potential conflict of interest in relation to its capacity as the Independent Market Researcher for our Listing.

APPENDIX I

**AUDITED COMBINED FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2017**



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

REPORTS AND COMBINED FINANCIAL STATEMENTS

31 DECEMBER 2017

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

Principal place of business:
15, Lot 85 Jalan Kesuma 2/3
Bandar Tasik Kesuma
43700 Semenyih
Selangor Darul Ehsan

Company No.

1269520	X
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UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 DECEMBER 2017

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD**

(Company No.: 1269520-X)
(Incorporated in Malaysia)

Report on the audit of the Combined Financial Statements

Opinion

We have audited the combined financial statements of Uni Wall APS Holdings Berhad (“the Company”) and its subsidiary company (“the Group”), which comprise combined statements of financial position as at 31 December 2016 and 31 December 2017 of the Group, and combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Company for the financial years then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 5 to 63.

In our opinion, the accompanying combined financial statements give a true and fair view of the financial position of the Group as at 31 December 2016 and 31 December 2017, and of its financial performance and its cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Requirements

We are independent of the Group in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD**

(Company No.: 1269520-X)
(Incorporated in Malaysia)

Information Other than the Combined Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the combined financial statements of the Group and our auditors' report thereon.

Our opinion on the combined financial statements of the Group does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the combined financial statements of the Group, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements of the Group or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Directors for the Combined Financial Statements

The Directors of the Company are responsible for the preparation of the combined financial statements of the Group that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD**

(Company No.: 1269520-X)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Combined Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UNI WALL APS HOLDINGS BERHAD**

(Company No.: 1269520-X)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the Directors of the Company, as a body for inclusion in the information memorandum of Uni Wall APS Holdings Berhad in connection with the proposed listing of and quotation for the enlarged issued share capital of Uni Wall APS Holdings Berhad on the LEAP Market of Bursa Malaysia Securities Berhad. This report is given for the purposes of complying with the LEAP Market Listing Requirements issued by the Bursa Malaysia Securities Berhad and for no other purpose. We do not assume responsibility to any other person for the content of this report.



UHY
Firm Number: AF 1411
Chartered Accountants



LIM BEE PENG
Approved Number: 03307/06/2019 J
Chartered Accountant

KUALA LUMPUR

4 OCT 2018

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 AND 31 DECEMBER 2016**

	Note	2017 RM	2016 RM
ASSETS			
Non-current Assets			
Property plant and equipment	4	13,112,057	8,398,245
Investment properties	5	-	247,139
		<u>13,112,057</u>	<u>8,645,384</u>
Current Assets			
Trade receivables	6	3,301,485	3,761,381
Other receivables	7	527,163	356,960
Amount due from Directors	8	-	3,709,125
Fixed deposits with licensed banks	9	1,610,444	2,578,642
Cash and bank balances		11,937	617,725
		<u>5,451,029</u>	<u>11,023,833</u>
Total Assets		<u>18,563,086</u>	<u>19,669,217</u>
EQUITY			
Invested equity	10	1,000,000	800,000
Retained earnings		6,483,253	5,740,599
Total Equity		<u>7,483,253</u>	<u>6,540,599</u>

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 AND 31 DECEMBER 2016 (CONT'D)**

	Note	2017 RM	2016 RM
LIABILITIES			
Non-Current Liabilities			
Finance lease liabilities	11	225,996	419,629
Deferred tax liabilities	12	11,053	72,314
		<u>237,049</u>	<u>491,943</u>
Current Liabilities			
Amount due to contract customers	13	2,088,086	11,216,519
Trade payables	14	116,079	115,546
Other payables	15	279,406	54,998
Amount due to a Director	8	4,536,045	-
Finance lease liabilities	11	188,978	291,237
Bank borrowings	16	1,360,507	766,629
Tax payable		2,273,683	191,746
		<u>10,842,784</u>	<u>12,636,675</u>
Total Liabilities		<u>11,079,833</u>	<u>13,128,618</u>
Total Equity and Liabilities		<u>18,563,086</u>	<u>19,669,217</u>

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2017 AND 31 DECEMBER 2016**

	Note	2017 RM	2016 RM
Revenue	17	9,359,339	5,748,197
Cost of sales		<u>(1,211,119)</u>	<u>(2,440,832)</u>
Gross profit		8,148,220	3,307,365
Other income		112,050	99,691
Administrative expenses		(2,201,863)	(1,967,397)
Finance costs	18	(119,584)	(70,849)
Profit before taxation	19	<u>5,938,823</u>	<u>1,368,810</u>
Taxation	20	<u>(2,296,169)</u>	<u>(477,876)</u>
Profit for the financial year, representing total comprehensive income for the financial year		<u>3,642,654</u>	<u>890,934</u>
Earnings per ordinary shares ("EPS")			
- Basic and diluted	21	<u>4</u>	<u>1</u>

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2017 AND 31 DECEMBER 2016**

		Non-distributable	Distributable	
	Note	Invested Equity RM	Retained Earnings RM	Total Equity RM
At 1 January 2016		800,000	4,849,665	5,649,665
Profit for the financial year, representing total comprehensive profit for the financial year		-	890,934	890,934
At 31 December 2016		<u>800,000</u>	<u>5,740,599</u>	<u>6,540,599</u>
At 1 January 2017		800,000	5,740,599	6,540,599
Profit for the financial year, representing total comprehensive profit for the financial year		-	3,642,654	3,642,654
Transactions with owners:				
Issuance of ordinary shares	10	200,000	-	200,000
Dividends to owners of the Company	23	-	(2,900,000)	(2,900,000)
Total transactions with owners		<u>200,000</u>	<u>(2,900,000)</u>	<u>(2,700,000)</u>
At 31 December 2017		<u>1,000,000</u>	<u>6,483,253</u>	<u>7,483,253</u>

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016**

	2017	2016
	RM	RM
Cash Flows From Operating Activities		
Profit before taxation	5,938,823	1,368,810
Adjustments for:		
Bad debt written off	27,157	22,686
Deposits written off	32,130	-
Depreciation of investment property	1,011	1,010
Depreciation of property, plant and equipment	793,401	803,328
Interest expenses	116,700	62,044
Interest income	(75,340)	(96,636)
Loss on disposals of property, plant and equipment	98,030	195,000
Waiver of debts by other payables	-	(3,015)
Operating profit before working capital changes	<u>6,931,912</u>	<u>2,353,227</u>
Changes in working capital:		
Trade receivables	459,896	618,537
Other receivables	(229,490)	(242,996)
Amount due from/to a Director	8,245,170	(188,238)
Amount due to contract customers	(9,128,433)	(757,669)
Trade payables	533	(386,957)
Other payables	224,408	(1,364,481)
	<u>(427,916)</u>	<u>(2,321,804)</u>
Cash generated from operations activities	6,503,996	31,423
Tax paid	(275,493)	(548,741)
Interest paid	(116,700)	(62,044)
	<u>(392,193)</u>	<u>(610,785)</u>
Net cash from/(used in) operating activities	<u>6,111,803</u>	<u>(579,362)</u>

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS
ENDED 31 DECEMBER 2017 AND 31 DECEMBER 2016 (CONT'D)**

	Note	2017 RM	2016 RM
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	4(a)	(5,435,085)	(207,114)
Proceeds from disposals of property, plant and equipment		75,970	85,000
Interest received		75,340	96,636
Decrease/(Increase) in pledged fixed deposits		968,198	(1,065,345)
Net cash used in investing activities		<u>(4,315,577)</u>	<u>(1,090,823)</u>
Cash Flows From Financing Activities			
Dividend paid	23	(2,900,000)	-
Proceeds from issuance of ordinary shares	10	200,000	-
Repayment of finance lease liabilities		(295,892)	(192,387)
Repayment of term loan		(2,452)	(58,958)
Net cash used in financing activities		<u>(2,998,344)</u>	<u>(251,345)</u>
Net decrease in cash and cash equivalents		(1,202,118)	(1,921,530)
Cash and cash equivalents at the beginning of financial year		<u>(146,452)</u>	<u>1,775,078</u>
Cash and cash equivalents at the end of the financial year		<u>(1,348,570)</u>	<u>(146,452)</u>
Cash and cash equivalents at the end of the financial year comprises:			
Cash and bank balances		11,937	617,725
Fixed deposits with licensed banks		1,610,444	2,578,642
Bank overdrafts		(1,360,507)	(748,529)
Bank overdrawn		-	(15,648)
		<u>261,874</u>	<u>2,432,190</u>
Less: Pledged fixed deposits with licensed banks		<u>(1,610,444)</u>	<u>(2,578,642)</u>
		<u>(1,348,570)</u>	<u>(146,452)</u>

The accompanying notes form an integral part of the financial statements.

UNI WALL APS HOLDINGS BERHAD

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2016 AND 31 DECEMBER 2017**

This combined financial statements deals solely with the audited consolidated financial statements of Uni Wall APS Holdings Berhad (“the Company”) and its subsidiary company (“the Group”) for the financial year ended 31 December 2016 and 31 December 2017. The financial information of the Company has not been presented in this combined financial statements because it was only incorporated on 23 February 2018 to facilitate the Proposed Listing.

The combined financial statements consist of the financial statements of combining entities as disclosed in Note 29 to the combined financial statements, which were under common control throughout the reporting periods by virtue of common controlling shareholder, and has been accounted for on a business combination under common control in a manner similar to pooling of interests.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting periods.

The financial information as presented in the combined financial statements do not correspond to the consolidated financial statements of the Company, as the combined financial statements reflect business combinations under common control for the purpose of the proposed listing of and quotation for the enlarged issued share capital of Uni Wall APS Holdings Berhad on the LEAP Market of Bursa Malaysia Securities Berhad. Consequently, the financial information from the combined financial statements do not purport to predict the financial positions, results of operations and cash flows of the combining entities during the reporting periods.

1. General Information

Uni Wall APS Holdings Berhad was incorporated on 23 February 2018, a public limited liability company, incorporated and domiciled in Malaysia, with an issued and fully paid share capital of RM2 comprising two (2) ordinary shares.

The registered office of the Company is located at Suite 10.02, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

The principal place of business of the Company is located at 15, Lot 85 Jalan Kesuma 2/3, Bandar Tasik Kesuma, 43700 Semenyih, Selangor Darul Ehsan.

The principal activity of the Company is that of investment holding. The principal activities of the combining entities are disclosed in Note 29 to the combined financial statements. There have been no significant changes in the nature of these activities during the financial year ended 31 December 2016 and 31 December 2017.

2. Basis of Preparation

(a) Statement of compliance

The combined financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”) and based on the Guidance Note on “Combined Financial Statements” used by the Malaysia Institute of Accountants in relation to the proposed listing of and quotation for the enlarged issued share capital of Uni Wall APS Holdings Berhad on the LEAP Market of Bursa Malaysia Securities Berhad.

The financial statements of the Company have been prepared on the historical cost basis other than as disclosed in Note 3 to the financial statements.

Adoption of new and amended standards

During the financial year, the Group has adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board (“MASB”) that are mandatory for current financial year:

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRSs 2014 – 2016 Cycle	Amendments to MFRS 12

The adoption of the Amendments to MFRS 107 has required additional disclosure of changes in liabilities arising from financing activities in Note 25 to the financial statements. Other than that, the adoption of above amendments to MFRSs did not have any significant impact on the financial statements of the Group.

2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective**

The Group has not applied the following new MFRSs, new interpretations and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group:

		Effective dates for financial periods beginning on or after
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 <i>Financial Instruments</i> with MFRS 4 <i>Insurance Contracts</i>	1 January 2018*
Amendments to MFRS 15	Clarifications to MFRS 15	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
Annual Improvements to MFRSs 2014-2016 Cycle:		
• Amendments to MFRS 1		1 January 2018
• Amendments to MFRS 128		1 January 2018
MFRS 16	Leases	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 128	Long-term interests in Associates and Joint Ventures	1 January 2019

2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective (Cont'd)**

	Effective dates for financial periods beginning on or after
Annual Improvements to MFRSs 2015 - 2017 Cycle:	
• Amendments to MFRS 3	1 January 2019
• Amendments to MFRS 11	1 January 2019
• Amendments to MFRS 112	1 January 2019
• Amendments to MFRS 123	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	
• Amendments to MFRS 2 <i>Share-Based Payment</i>	1 January 2020
• Amendment to MFRS 3 <i>Business Combinations</i>	1 January 2020
• Amendments to MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2020
• Amendment to MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2020
• Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2020
• Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2020
• Amendments to MFRS 134 <i>Interim Financial Reporting</i>	1 January 2020
• Amendment to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2020
• Amendment to MFRS 138 <i>Intangible Assets</i>	1 January 2020
• Amendment to IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2020
• Amendment to IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2020
• Amendment to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2020
• Amendment to IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2020
• Amendments to IC Interpretation 132 <i>Intangible Assets—Web Site Costs</i>	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

Note:

* *Entities that meet the specific criteria in MFRS 4, paragraph 20B, may choose to defer the application of MFRS 9 until that earlier of the application of the forthcoming insurance contracts standard or annual periods beginning before 1 January 2021.*

The Group intends to adopt the above MFRSs when they become effective.

The initial application of the above-mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group except as mentioned below:

(i) MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 9, Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces MFRS 139 *Financial Instruments: Recognition and Measurement*.

(a) Classification of financial assets

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which the assets are managed and their cash flow characteristics.

MFRS 9 contains three (3) principal classification categories for financial assets:

- Amortised Cost (“AC”);
- Fair Value through Other Comprehensive Income (“FVOCI”);
- and
- Fair Value through Profit or Loss (“FVTPL”).

The standard eliminates the existing MFRS 139 categories of Held-to-Maturity (“HTM”), Loans and Receivables (“L&R”) and Available-for-Sale (“AFS”).

Based on its assessment, the financial assets held by the Group as at 31 December 2017 will be reclassified to the following classifications:

2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective (Cont'd)****(i) MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
(Cont'd)****(a) Classification of financial assets (Cont'd)**

	2017 RM	Existing classification under MFRS 139	New classification under MFRS 9
Financial assets			
Trade receivables	3,301,485	L&R	AC
Other receivables	197,885	L&R	AC
Fixed deposits			
with licensed banks	1,610,444	L&R	AC
Cash and bank balances	11,937	L&R	AC

(b) Impairment of financial assets

MFRS 9 replaces the “incurred loss” model in MFRS 139 with a forward-looking “expected credit loss” (“ECL”) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at AC or FVOCI, except for investment securities.

Under MFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not increased significantly. An entity may determine that a financial asset’s credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, the Group has adopted lifetime ECL measurements for loans and receivables due to the expected lifetime period of loans and receivables are generally less than 12 months.

2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective (Cont'd)****(i) MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)
(Cont'd)****(c) Classification of financial liabilities**

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities. However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- the remaining amount of change in the fair value is presented in profit or loss.

The Group has not designated any financial liabilities at FVTPL and it has no current intention to do so. The Group's assessment did not indicate any material impact regarding the classification of financial liabilities as at 1 January 2018.

Based on the initial assessments undertaken to date, the Group does not expect the above new requirements to affect the classification and measurements of its financial assets and financial liabilities. On the ECL impact, the Group does not expect any significant increase in the Group's allowance for impairment.

The Group will adopt the new standard on the required effective date.

(ii) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Interpretations. The Standard deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective (Cont'd)****(ii) MFRS 15 Revenue from Contracts with Customers (Cont'd)**

Based on the initial assessment, the Directors anticipate that the application of MFRS 15 will result in additional disclosures in the Group's financial statements. However, the effect on the profit or loss is not expected to be significant.

The Group will adopt the new standard on the required effective date.

(iii) MFRS 16 Leases

MFRS 16, which upon the effective date will supersede MFRS 117 *Leases*, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group is assessing the impact of the above new standard on the financial statements of the Group in the year of initial adoption.

2. Basis of Preparation (Cont'd)**(b) Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except unless otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group’s financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(i) Judgements

There are no significant areas of critical judgment in applying accounting policy that have significant effect on the amounts recognised in the Group’s financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount of the reporting date for property, plant and equipment as disclosed in Note 4 to the combined financial statements.

2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions (Cont'd)****(ii) Key sources of estimation uncertainty (Cont'd)**Construction Contracts

The Group recognises construction contracts revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion of construction costs incurred for work performed to date against to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred the estimated total construction revenue and costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists. The details of construction contracts are disclosed in Note 13 to the combined financial statements.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2017, the Group has tax payable of RM2,273,683 (2016: RM191,746).

Contingent Liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 24 to the combined financial statements.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 27(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. Significant Accounting Policies

The Group applies the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

The combined financial statements incorporate the financial statements of the combining entities as disclosed in Note 29 to the combined financial statements. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated in the combined financial statements. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment. The combined financial statements reflect external transactions only.

The financial statements of the combining entities are prepared for the same reporting period, using consistent accounting policies. The accounting policies of the combining entities are changed to ensure consistency with the policies adopted by the other entities in the combining entities, where necessary.

Non-controlling interests represent equity in the combining entities that are not attributable, directly or indirectly, to the common controlling shareholders, and is presented separately in the combined statements of profit or loss and other comprehensive income and within equity in the combined statements of financial position, separately from equity attributable to the common controlling shareholders. Profit or loss and each component of other comprehensive income are attributed to the common controlling shareholders and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

3. Significant Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiary companies are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary company disposed of during the financial year are included in the combined statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary company.

Changes in the common controlling shareholders' interests in a combining entity that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the combining entity. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to the common controlling shareholders of the combining entities.

If the Group loses control of a subsidiary company, the profit or loss on disposal is calculated as the difference between:

- (a) Aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (b) Previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the combining entities are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former combining entities at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

3. Significant Accounting Policies (Cont'd)

(b) Business combinations not under common control

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)**(b) Business combinations not under common control (Cont'd)**

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the combined statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(k)(i) to the combined financial statements on impairment of non-financial assets.

(c) Business combinations under common control

Business combinations under common control in the form of equity instrument exchanges are accounted for by applying the merger method of accounting. Assets, liabilities, income and expenses of the merger entities are reflected at their carrying amounts reported in the individual financial statements for the full financial year, irrespective of the date of the merger. Any difference between the consideration paid and the share capital of the merger entity are reflected within equity as merger reserve.

3. Significant Accounting Policies (Cont'd)

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) to the combined financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

3. Significant Accounting Policies (Cont'd)**(d) Property, plant and equipment (Cont'd)****(iii) Depreciation**

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Building on freehold land	2%
Leasehold land and building	Over the remaining lease period
Forklift	10%
Furniture and fittings	20%
Motor vehicles	10%
Office equipment	20%
Plant and machinery	20%
Renovation	20%

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3. Significant Accounting Policies (Cont'd)

(e) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

As Lessee

(i) Financial lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

3. Significant Accounting Policies (Cont'd)

(f) Financial assets

Financial assets are recognised on the Group's statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group classifies its financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group commits to purchase or sell the asset.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(g) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

Financial liabilities are recognised on the Group's statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

The Group classifies its financial liabilities at initial recognition, into other liabilities measured at amortised cost.

The Group's other financial liabilities comprise trade and other payables, amount due to a Director and loans and borrowings.

Trade and other payables, and amount due to a Director are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(h) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(i) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date against to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable recoverable and contract costs are recognised as expenses in the period in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probably that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the reporting period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amount due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amount due to contract customers.

3. Significant Accounting Policies(Cont'd)

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits with banks and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for amount due from contract customers) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (group of cash-generating units).

3. Significant Accounting Policies (Cont'd)**(k) Impairment of assets (Cont'd)****(ii) Financial assets**

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, associates and joint ventures, are assessed at the end of each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the receivable's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

3. Significant Accounting Policies (Cont'd)

(l) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are equity instrument. Ordinary shares are recorded at the proceed recurred, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Group's shareholders.

(m) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. Significant Accounting Policies (Cont'd)

(n) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contributions plan

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(o) Revenue

(i) Construction revenue

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(i) to the combined financial statements.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

3. Significant Accounting Policies (Cont'd)

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

3. Significant Accounting Policies (Cont'd)

(q) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(s) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- (i) where the GST incurred in a purchase of assets or services are not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as other payables or other receivables in the combined statements of financial position.

4. Property, Plant and Equipment

	Freehold Land RM	Leasehold Land RM	Buildings RM	Forklift RM	Furniture and Fittings RM	Motor Vehicles RM	Office Equipment RM	Plant and Machinery RM	Renovation RM	Capital Work-in- progress RM	Total RM
2017											
Cost											
At 1 January 2017	2,796,494	-	3,403,506	25,000	17,125	4,184,659	101,456	3,162,006	279,222	-	13,969,468
Additions	4,494,360	-	-	-	-	645,455	-	-	-	295,270	5,435,085
Disposals	-	-	-	-	-	(290,000)	-	-	-	-	(290,000)
Reclassified from investment properties (Note 5)	163,260	28,633	57,267	-	-	-	-	-	-	-	249,160
At 31 December 2017	<u>7,454,114</u>	<u>28,633</u>	<u>3,460,773</u>	<u>25,000</u>	<u>17,125</u>	<u>4,540,114</u>	<u>101,456</u>	<u>3,162,006</u>	<u>279,222</u>	<u>295,270</u>	<u>19,363,713</u>
Accumulated depreciation											
At 1 January 2017	-	-	514,246	25,000	17,125	2,106,688	97,077	2,616,264	194,823	-	5,571,223
Charge for the financial year	-	-	73,975	-	-	418,414	1,947	277,965	21,100	-	793,401
Disposals	-	-	-	-	-	(116,000)	-	-	-	-	(116,000)
Reclassified from investment properties (Note 5)	-	1,010	2,022	-	-	-	-	-	-	-	3,032
At 31 December 2017	<u>-</u>	<u>1,010</u>	<u>590,243</u>	<u>25,000</u>	<u>17,125</u>	<u>2,409,102</u>	<u>99,024</u>	<u>2,894,229</u>	<u>215,923</u>	<u>-</u>	<u>6,251,656</u>
Carrying amount											
At 31 December 2017	<u>7,454,114</u>	<u>27,623</u>	<u>2,870,530</u>	<u>-</u>	<u>-</u>	<u>2,131,012</u>	<u>2,432</u>	<u>267,777</u>	<u>63,299</u>	<u>295,270</u>	<u>13,112,057</u>

4. **Property, Plant and Equipment (Cont'd)**

	Freehold Land RM	Leasehold Land RM	Buildings RM	Forklift RM	Furniture and Fittings RM	Motor Vehicles RM	Office Equipment RM	Plant and Machinery RM	Renovation RM	Capital Work-in- progress RM	Total RM
2016											
Cost											
At 1 January 2016	2,796,494	-	3,403,506	25,000	17,125	4,003,044	101,456	3,162,006	173,723	-	13,682,354
Additions	-	-	-	-	-	581,615	-	-	105,499	-	687,114
Disposals	-	-	-	-	-	(400,000)	-	-	-	-	(400,000)
At 31 December 2016	<u>2,796,494</u>	<u>-</u>	<u>3,403,506</u>	<u>25,000</u>	<u>17,125</u>	<u>4,184,659</u>	<u>101,456</u>	<u>3,162,006</u>	<u>279,222</u>	<u>-</u>	<u>13,969,468</u>
Accumulated depreciation											
At 1 January 2016	-	-	446,176	25,000	16,685	1,843,864	93,948	2,317,283	144,939	-	4,887,895
Charge for the financial year	-	-	68,070	-	440	382,824	3,129	298,981	49,884	-	803,328
Disposals	-	-	-	-	-	(120,000)	-	-	-	-	(120,000)
At 31 December 2016	<u>-</u>	<u>-</u>	<u>514,246</u>	<u>25,000</u>	<u>17,125</u>	<u>2,106,688</u>	<u>97,077</u>	<u>2,616,264</u>	<u>194,823</u>	<u>-</u>	<u>5,571,223</u>
Carrying amount											
At 1 January 2016	<u>2,796,494</u>	<u>-</u>	<u>2,957,330</u>	<u>-</u>	<u>440</u>	<u>2,159,180</u>	<u>7,508</u>	<u>844,723</u>	<u>28,784</u>	<u>-</u>	<u>8,794,459</u>
At 31 December 2016	<u>2,796,494</u>	<u>-</u>	<u>2,889,260</u>	<u>-</u>	<u>-</u>	<u>2,077,971</u>	<u>4,379</u>	<u>545,742</u>	<u>84,399</u>	<u>-</u>	<u>8,398,245</u>

4. Property, Plant and Equipment (Cont'd)

- (a) The aggregate additional cost for the property, plant and equipment of the combining entities during the financial year acquired under finance lease and cash payments are as follows:

	2017	2016
	RM	RM
Aggregate costs	5,435,085	687,114
Less: Finance leases financing	-	(480,000)
Cash payments	<u>5,435,085</u>	<u>207,114</u>

- (b) Assets held under finance leases

The carrying amount of property, plant and equipment of the combining entities held under finance leases are as follows:

	2017	2016
	RM	RM
Motor vehicles	<u>783,708</u>	<u>1,129,974</u>

The leased assets are pledged as security for finance lease liabilities as disclosed in Note 11 to the combined financial statements.

- (c) Assets pledged as securities to licensed banks

The carrying amount of property, plant and equipment of the combining entities pledged as securities for bank borrowings as disclosed in Note 16 to the combined financial statements are as follows:

	2017	2016
	RM	RM
Freehold land	2,796,494	2,796,494
Buildings	<u>2,821,190</u>	<u>2,889,260</u>
	<u>5,617,684</u>	<u>5,685,754</u>

- (d) Included in the property, plant and equipment of the combining entities is motor vehicles which are held in trust on behalf of the Company by a Director of the Company and his close family member with carrying amount of RM581,316 (2016: RMNil) and RM152,500 (2016: RM183,000) respectively.

5. Investment Properties

	Freehold land RM	Leasehold land RM	Building RM	Total RM
Cost				
At 1 January 2016 and 31 December 2016/ 1 January 2017	163,260	28,633	57,267	249,160
Reclassified to property, plant and equipment (Note 4)	<u>(163,260)</u>	<u>(28,633)</u>	<u>(57,267)</u>	<u>(249,160)</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accumulated Depreciation				
At 1 January 2016	-	337	674	1,011
Charge for the financial year	<u>-</u>	<u>336</u>	<u>674</u>	<u>1,010</u>
At 31 December 2016 and 1 January 2017	-	673	1,348	2,021
Charge for the financial year	<u>-</u>	<u>337</u>	<u>674</u>	<u>1,011</u>
Reclassified to property, plant and equipment (Note 4)	<u>-</u>	<u>(1,010)</u>	<u>(2,022)</u>	<u>(3,032)</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount				
At 31 December 2016	<u>163,260</u>	<u>27,960</u>	<u>55,919</u>	<u>247,139</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fair value of investment properties				
At 31 December 2016	<u>280,000</u>	<u>56,333</u>	<u>112,667</u>	<u>449,000</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(a) Investment properties comprises a piece of freehold land, a piece of leasehold land and an apartment lot. During the financial year, the investment properties has been transferred to property, plant and equipment, since the investment properties are vacant and not for leases. No contingent rents are charged.

(b) Fair value information

The fair value was based on Directors' estimation using the latest available market information and recent experience and knowledge in the location and category of property being valued. The fair value of the investment properties as at 31 December 2016 are classified as level 3 of the fair value hierarchy. The Directors estimate the fair values of the combining entities' investment properties based on comparison of the combining entities' investment properties with similar properties that were listed for sales within the same locality or other comparable localities.

6. Trade Receivables

The combining entities' normal trade credit terms is 30 days (2016: 30 days) or contractual periods based on project contract sales. Other credit terms are assessed and approved on a case to case basis.

Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

Analysis of the trade receivables ageing at the end of the reporting date is as follows:

	2017	2016
	RM	RM
Neither past due nor impaired	1,405	499,149
<i>Past due not impaired:</i>		
More than 90 days	<u>38,529</u>	<u>681</u>
	39,934	499,830
Retention sums	<u>3,261,551</u>	<u>3,261,551</u>
	<u>3,301,485</u>	<u>3,761,381</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the combining entities. None of the combining entities' trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

As at 31 December 2017, trade receivables of RM38,529 (2016: RM681) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

7. Other Receivables

	2017	2016
	RM	RM
Other receivables	12,892	23,710
Deposits	184,993	302,879
Prepayments	40,157	30,371
GST recoverable	<u>289,121</u>	<u>-</u>
	<u>527,163</u>	<u>356,960</u>

8. Amount due from/(to) Directors

Amount due from/(to) Directors are unsecured, non-bearing interests advances and are repayable on demand.

9. Fixed Deposits with Licensed Banks

The fixed deposits with licensed banks of the combining entities are pledged as securities for credit facilities granted by the bankers as disclosed in Note 16 to the combined financial statements.

The interest rate of fixed deposits with licensed banks of the combining entities is ranging 3.10% to 3.15% (2016: 3.10% to 3.45%) per annum and the maturity of the deposits is ranging 30 days to 365 days (2016: 30 days to 365 days).

10. Invested Equity

	Number of shares		Amount	
	2017 Units	2016 Units	2017 RM	2016 RM
Ordinary shares with no par value (2016: par value of RM1.00 each)				
Issued and fully paid:				
At 1 January	800,000	800,000	800,000	800,000
Issuance of ordinary shares	200,000	-	200,000	-
At 31 December	<u>1,000,000</u>	<u>800,000</u>	<u>1,000,000</u>	<u>800,000</u>

The new Companies Act, 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. There is no impact on the numbers of ordinary shares in issues to the relative entitlement of any of the members as a result of this transition.

During the financial year, the Company increased its ordinary shares from RM800,000 to RM1,000,000 through issuance of 200,000 ordinary shares of an issue price of RM1.00 for total cash consideration of RM200,000.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

11. Finance Lease Liabilities

	2017	2016
	RM	RM
Minimum lease payments:		
Not later than one year	205,772	320,963
Later than one year but not later than two years	162,017	210,675
Later than two years but not later than five years	62,208	244,906
Later than five years	20,682	-
	<u>450,679</u>	<u>776,544</u>
Less: Future finance charges	(35,705)	(65,678)
Present value of minimum lease payments	<u>414,974</u>	<u>710,866</u>
 Present value of minimum lease payments:		
Not later than one year	188,978	291,237
Later than one year but not later than two years	122,450	193,633
Later than two years but not later than five years	83,244	225,996
Later than five years	20,302	-
	<u>414,974</u>	<u>710,866</u>
 Analysed as:		
Repayable within twelve months	188,978	291,237
Repayable after twelve months	225,996	419,629
	<u>414,974</u>	<u>710,866</u>

Obligations under finance leases

These obligations are secured by a charge over the leased assets as disclosed in Note 4(b) to the combined financial statements. The interest rate for the leases is range from 2.53% to 2.99% (2016: 2.53% to 2.99%) per annum.

12. Deferred Tax Liabilities

	2017	2016
	RM	RM
At 1 January	72,314	95,928
Recognised in profit or loss	<u>(61,261)</u>	<u>(23,614)</u>
At 31 December	<u>11,053</u>	<u>72,314</u>

The net deferred tax assets and liabilities shown on the combined statements of financial position of the combining entities after appropriate offsetting are as follows:

	2017	2016
	RM	RM
Deferred tax asset	(36,347)	-
Deferred tax liability	<u>47,400</u>	<u>72,314</u>
	<u>11,053</u>	<u>72,314</u>

The components and movements of deferred tax liabilities are as follows:

Deferred tax assets

	Other temporary differences
	RM
At 1 January 2016/31 December 2016 and 1 January 2017	-
Recognised in profit or loss	<u>(36,347)</u>
At 31 December 2017	<u>(36,347)</u>

12. Deferred Tax Liabilities (Cont'd)**Deferred tax liabilities**

	Accelerated capital allowances RM
At 1 January 2016	95,928
Recognised in profit or loss	<u>(23,614)</u>
At 31 December 2016	<u>72,314</u>
At 1 January 2017	72,314
Recognised in profit or loss	<u>(24,914)</u>
At 31 December 2017	<u>47,400</u>

13. Amount due to Contract Customers

	2017 RM	2016 RM
Contract costs incurred to date	40,344,046	39,905,885
Add: Attributable profits	<u>31,187,876</u>	<u>22,306,441</u>
	71,531,922	62,212,326
Less: Progress billings	<u>(73,620,008)</u>	<u>(73,428,845)</u>
	<u>(2,088,086)</u>	<u>(11,216,519)</u>
Retention sum on contracts (included in trade receivables)	<u>3,261,551</u>	<u>3,261,551</u>

14. Trade Payables

Credit terms of trade payables of combining entities is ranging from Nil to 90 days (2016: Nil to 90 days) depending on the terms of the contracts.

15. Other Payables

	2017 RM	2016 RM
Accruals	279,406	22,000
GST payable	-	32,998
	<u>279,406</u>	<u>54,998</u>

16. Bank Borrowings

	2017	2016
	RM	RM
Unsecured		
Bank overdrawn	-	15,648
Secured		
Bank overdrafts	1,360,507	748,529
Team loan	-	2,452
	<u>1,360,507</u>	<u>766,629</u>
Represented by:		
Current		
Bank overdrawn	-	15,648
Bank overdrafts	1,360,507	748,529
Team loan	-	2,452
	<u>1,360,507</u>	<u>766,629</u>

Secured bank overdrafts and term loan are secured by the following:

- (i) legal charge over a piece of freehold land and building as disclosed in Note 4(c) to the combined financial statements;
- (ii) legal charge over fixed deposits of the Company as disclosed in Note 9 to the combined financial statements; and
- (iii) jointly and severally guarantee by Directors of the Company.

The interest rate of the combining entities for the above facilities as at reporting date are as follows:

	2017	2016
	%	%
Bank overdrawn	-	BLR + 3.50
Bank overdrafts	BLR - 0.75 to BLR + 1.75	BLR - 0.75 to BLR + 1.75
Term loan	<u>-</u>	<u>BLR + 1.25</u>

16. Bank Borrowings (Cont'd)

The maturity of bank borrowings of the combining entities are as follows:

	2017 RM	2016 RM
Within one year	<u>1,360,507</u>	<u>766,629</u>

17. Revenue

Revenue of the combining entities represents contract on customers.

18. Finance Costs

	2017 RM	2016 RM
Bank guarantee charges	50	940
Commitment fee	2,834	7,865
Interest expense on:		
- Finance lease interest	52,560	22,076
- Bank overdrafts interest	63,551	36,666
- Overdue interest	573	508
- Term loan interest	16	2,794
	<u>119,584</u>	<u>70,849</u>

19. Profit Before Taxation

Profit before taxation is determined after charging/(crediting):

	2017	2016
	RM	RM
Auditors' remuneration:		
- current year	28,000	22,000
- under provision in prior year	500	-
Bad debts written off	27,157	22,686
Depreciation of investment properties	1,011	1,010
Depreciation of property, plant and equipment	793,401	803,328
Deposits written off	32,130	-
Executive Directors' remuneration	450,072	482,887
Interest income	(75,340)	(96,636)
Loss on disposals of property, plant and equipment	98,030	195,000
Waiver of debts by other payables	-	(3,015)
	<u> </u>	<u> </u>

20. Taxation

	2017	2016
	RM	RM
Tax expense recognised in profit or loss:		
Malaysian statutory tax:		
- Current income tax	1,595,473	491,746
- Under provision in prior year	761,957	9,744
	<u>2,357,430</u>	<u>501,490</u>
Deferred tax:		
- Reversal of temporary differences	(32,348)	(23,614)
- Over provision in prior year	(28,913)	-
	<u>(61,261)</u>	<u>(23,614)</u>
Tax expense for the financial year	<u>2,296,169</u>	<u>477,876</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the financial period.

20. Taxation (Cont'd)

With effect from 1 January 2017, due to a change in the Malaysian corporate income tax rate that was announced during the Malaysian Budget 2017, tax rate of the combining entities has been reduced from 19% to 18% on chargeable income up to RM500,000 and the tax rate on subsequent chargeable income has been reduced by 1% to 4% from 24% based on the percentage increase in the chargeable income of a combining entity compared to the chargeable income for the immediate preceding period.

	2017	2016
	RM	RM
Profit before taxation	<u>5,938,823</u>	<u>1,368,810</u>
At Malaysian statutory tax rate of 24% (2016: 24%)	1,425,318	328,514
Tax incentive obtained from differential tax rate of 18% (2016: 19%)	(30,000)	(25,000)
Reduction in income tax rate	-	(4,796)
Income not subject to tax	-	(573)
Expenses not deductible for tax purposes	167,807	169,987
Under provision of taxation in prior year	761,957	9,744
Over provision of deferred tax in prior year	<u>(28,913)</u>	<u>-</u>
Tax expense for the financial year	<u>2,296,169</u>	<u>477,876</u>

21. Earnings per Ordinary Share**(a) Basic**

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the Company by the number of ordinary shares of the Company as at the end of the reporting period.

	2017	2016
	RM	RM
Profit for the financial year attributable to owners of the Company	<u>3,642,654</u>	<u>890,934</u>
Number of ordinary shares of the Company as at the end of the reporting period	<u>1,000,000</u>	<u>800,000</u>
Basic earning per ordinary share	<u>4</u>	<u>1</u>

21. Earnings per Ordinary Share (Cont'd)**(b) Diluted**

Diluted earnings per ordinary share equals basic earnings per ordinary share because there are no potentially dilutive instruments in existence as at the end of each reporting period.

22. Staff Costs

	2017	2016
	RM	RM
Salaries, wages and allowances	1,586,536	1,787,303
Defined contribution plans	80,239	86,218
Benefits-in-kind	37,500	23,125
	<u>1,704,275</u>	<u>1,896,646</u>

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company during the financial year as below:

	2017	2016
	RM	RM
Executive Directors		
Salaries and other emoluments	429,048	460,380
Defined contribution plans	21,024	22,507
Benefits-in-kind	37,500	23,125
	<u>487,572</u>	<u>506,012</u>

23. Dividend

	2017	2016
	RM	RM
Dividend paid in respect of the financial year ended 31 December 2017		
- Interim single-tier tax exempt dividend of RM2.90 per ordinary share	<u>2,900,000</u>	<u>-</u>

The Directors do not recommend any final dividend for the financial year ended 31 December 2017.

24. Contingent Liabilities

	2017	2016
	RM	RM
Unsecured:		
Bank guarantee on performance bond for project given to a third party	<u>47,000</u>	<u>47,000</u>

25. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes:

	At		At
	1.1.2017	Additions	31.12.2017
	RM	RM	RM
Finance lease liabilities (Note 11)	710,866	-	414,974
Term loan (Note 12)	2,452	-	-
Dividend payable	-	2,900,000	-
	<u>713,318</u>	<u>2,900,000</u>	<u>(3,198,344)</u>
			<u>414,974</u>

26. Related Party Transactions**(a) Identifying related parties**

For the purposes of these combined financial statements, parties are considered to be related to the combining entities if the combining entities has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the combining entities and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the combining entities either directly or indirectly. The key management personnel comprise the Directors of the Company, having authority and responsibility for planning, directing and controlling the activities of the combining entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the significant related party transactions of the combining entities are as follows:

	2017 RM	2016 RM
Transactions with a Director and his close family member		
- Disposal of a motor vehicle	(75,969)	-
- Purchase of a motor vehicle	645,455	-
	<u>645,455</u>	<u>-</u>

(c) Compensation of key management personnel

Remuneration of Executive Directors are as follows:

	2017 RM	2016 RM
Salaries, fees and other emoluments	429,048	460,380
Defined contribution pension plan	21,024	22,507
Benefits-in-kind	37,500	23,125
	<u>487,572</u>	<u>506,012</u>

27. Financial Instruments**(a) Classification of financial instruments**

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 to the combined financial statements describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
2017			
Financial Assets			
Trade receivables	3,301,485	-	3,301,485
Other receivables	197,885	-	197,885
Fixed deposits with licensed banks	1,610,444	-	1,610,444
Cash and bank balances	11,937	-	11,937
	<u>5,121,751</u>	-	<u>5,121,751</u>
Financial Liabilities			
Trade payables	-	116,079	116,079
Other payables	-	279,406	279,406
Finance lease liabilities	-	414,974	414,974
Bank borrowings	-	1,360,507	1,360,507
Amount due to a Director	-	4,536,045	4,536,045
	-	<u>6,707,011</u>	<u>6,707,011</u>

27. **Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

	Loans and receivables RM	Financial liabilities measured at amortised cost RM	Total RM
2016			
Financial Assets			
Trade receivables	3,761,381	-	3,761,381
Other receivables	326,589	-	326,589
Amount due from Directors	3,709,125	-	3,709,125
Fixed deposits with licensed banks	2,578,642	-	2,578,642
Cash and bank balances	617,725	-	617,725
	<u>10,993,462</u>	<u>-</u>	<u>10,993,462</u>
Financial Liabilities			
Trade payables	-	115,546	115,546
Other payables	-	22,000	22,000
Finance lease liabilities	-	710,866	710,866
Bank borrowings	-	766,629	766,629
	<u>-</u>	<u>1,615,041</u>	<u>1,615,041</u>

(b) Financial risk management objectives and policies

The combining entities' financial risk management policy is to ensure that adequate financial resources are available for the development of the combining entities' operations whilst managing its financial risks, including credit risk, liquidity risk, and market risk. The combining entities operate within clearly defined guidelines that are approved by the Board and the combining entities' policy is not to engage in speculative transactions.

27. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)**

The following sections provide details regarding the combining entities' exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the combining entities if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The combining entities' exposure to credit risk arises principally from its receivables.

The combining entities has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the combining entities' maximum exposure to credit risk.

As at the end of the financial year, the combining entities had 1 customer (2016: 2 customers) and accounted for approximately 97% (2016: 99%) of the total trade receivables.

(ii) Liquidity risk

Liquidity risk refers to the risk that the combining entities will encounter difficulty in meeting its financial obligations as they fall due. The combining entities' exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The combining entities' funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The combining entities monitor its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the combining entities can be required to pay.

27. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(ii) **Liquidity risk (Cont'd)**

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2017						
Non-derivative financial liabilities						
Trade payables	116,079	-	-	-	116,079	116,079
Other payables	279,406	-	-	-	279,406	279,406
Amount due to a Director	4,536,045	-	-	-	4,536,045	4,536,045
Finance lease liabilities	205,772	162,017	62,208	20,682	450,679	414,974
Bank borrowings	1,360,507	-	-	-	1,360,507	1,360,507
	<u>6,497,809</u>	<u>162,017</u>	<u>62,208</u>	<u>20,682</u>	<u>6,742,716</u>	<u>6,707,011</u>

27. **Financial Instruments (Cont'd)**(b) **Financial risk management objectives and policies (Cont'd)**(ii) **Liquidity risk (Cont'd)**

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2016						
Non-derivative financial liabilities						
Trade payables	115,546	-	-	-	115,546	115,546
Other payables	22,000	-	-	-	22,000	22,000
Finance lease liabilities	320,963	210,675	244,906	-	776,544	710,866
Bank borrowings	766,629	-	-	-	766,629	766,629
	<u>1,225,138</u>	<u>210,675</u>	<u>244,906</u>	<u>-</u>	<u>1,680,719</u>	<u>1,615,041</u>

27. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk****(a) Interest rate risk**

The combining entities' fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The combining entities' variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The combining entities manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The combining entities manage its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The combining entities constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The combining entities do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the combining entities' financial instruments that are exposed to interest rate risk are as follows:

	2017	2016
	RM	RM
Fixed rate instruments		
Financial asset:		
Fixed deposits with licensed bank	1,610,444	2,578,642
Financial liability:		
Finance lease liabilities	<u>414,974</u>	<u>710,866</u>
Floating rate instrument		
Financial liabilities:		
Bank borrowings	<u>1,360,507</u>	<u>766,629</u>

27. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risk (Cont'd)****(a) Interest rate risk (Cont'd)****Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments

The combining entities do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 0.25% interest rate at the end of the reporting period would have increased/(decreased) the combining entities' profit before taxation by RM3,401 (2016: RM1,917) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant.

(c) Fair values of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents, finance lease liabilities and bank borrowings approximate their fair values due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments not carried at fair value			Total RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
2017					
Financial liability (Non-current)					
Finance lease liabilities	-	224,225	-	224,225	225,996
2016					
Financial liability (Non-current)					
Finance lease liabilities	-	413,127	-	413,127	419,629

27. Financial Instruments (Cont'd)**(c) Fair values of financial instruments (Cont'd)****(i) Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bond).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of Redeemable Convertible Preference Shares, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

28. Capital Management

The combining entities' objectives when managing capital are to safeguard the combining entities' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the combining entities may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

28. Capital Management (Cont'd)

	2017	2016
	RM	RM
Total loans and borrowings	1,775,481	1,477,495
Less: Deposits, cash and bank balances	<u>(1,622,381)</u>	<u>(3,196,367)</u>
Net debts	<u>153,100</u>	<u>(1,718,872)</u>
Total equity	<u>7,483,253</u>	<u>6,540,599</u>
Gearing ratio	<u>0.02</u>	<u>#</u>

The combining entities' gearing ratio is not applicable for the financial year ended 31 December 2016 as deposits, cash and bank balances of the Company are sufficient to settle the outstanding debts.

There were no changes in the combining entities' approach to capital management during the financial year.

The combining entities is not subject to any external imposed capital requirements.

29. Combining Entities

Details of combining entities are as follows:

Name of combining entities	Effective interest		Principal activities
	2017	2016	
	%	%	
Uni Wall APS Holdings Berhad	100	100	Investment holding
<u>Subsidiary company of Uni Wall APS Holdings Berhad</u>			
Uni Wall Architectural Products & Services Sdn. Bhd.	100	100	Provision of building facade services

30. Subsequent Events

- (a) On 18 January 2018, the Uni Wall Architectural Products & Services Sdn. Bhd. (“Uni Wall Architectural”) increased its ordinary shares from RM1,000,000 to RM2,000,000 through issuance of 1,000,000 ordinary shares of an issue price of RM1.00 for total cash consideration of RM1,000,000.
- (b) On 25 April 2018, the Uni Wall Architectural had entered into Sale and Purchase Agreement (“SPA”) with a Director (“the Vendor”) for the disposal of freehold land for a consideration of RM163,260 to be settled through declaration of a dividend in specie of the freehold land to the Vendor. The transaction is completed during the financial year ending 31 December 2018.
- (c) On 12 June 2018, a group of companies comprising Uni Wall APS Holdings Berhad (“Uni Wall APS”) and Uni Wall Architectural had been formed after the corporate restructuring as disclosed in Note 29 to the combined financial statements.

The corporate restructuring had been completed through the acquisition of 100% equity interests of Uni Wall Architectural for the total purchase consideration of RM8,000,000 by the Company, which was satisfied in full by the issuance of 320,000,000 new ordinary shares of the Company. Consequently, Uni Wall Architectural became a wholly-owned subsidiary company of the Company.

31. Commitment**Capital expenditure**

	2017	2016
	RM	RM
Authorised but not contracted for		
Purchase of property, plant and equipment	<u>13,190,000</u>	<u>-</u>

32. Date of Authorisation for Issue


The combined financial statements of the Company for the financial year ended 31 December 2016 and 31 December 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 4 October 2018.

UNI WALL APS HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act, 2016

We, the undersigned, being the Directors of the Company, do hereby state that, in our opinion, the combined financial statements set out on pages 5 to 63 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2016 and 31 December 2017 and of their financial performance and cash flows for the financial years then ended.

Signed by the Board of Directors in accordance with a resolution of the Directors dated 4 OCT 2018



SIOW HON YONG



SIOW HON YUEN

KUALA LUMPUR

APPENDIX II

**UNAUDITED COMBINED FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 30 JUNE 2018**

UNI WALL APS HOLDINGS BERHAD

(Company No. 1269520-X)

(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Unaudited	
	As at 30 June 2018	As at 30 June 2017
	RM'000	RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	12,908	8,751
Total non-current asset	12,908	8,751
Current assets		
Amount due from contract customers	3,384	-
Trade receivables	4,253	3,262
Other receivables	792	839
Amount due from Directors	-	3,231
Fixed deposits with licensed banks	1,636	1,546
Cash and bank balances	76	133
Total current assets	10,141	9,011
Total assets	23,049	17,762
EQUITY		
Invested equity	2,000	800
Retained earnings	7,385	6,695
Total equity	9,385	7,495
LIABILITIES		
Non-current liabilities		
Bank borrowings	2,381	-
Finance lease liabilities	461	348
Deferred tax liabilities	11	72
Total non-current liabilities	2,853	420
Current liabilities		
Amount due to contract customers	2,088	8,117
Trade payables	968	144
Other payables	65	16
Amount due to a Director	3,987	-
Tax payable	2,377	397
Finance lease liabilities	242	226
Bank borrowings	1,084	947
Total current liabilities	10,811	9,847
Total liabilities	13,664	10,267
Total liabilities and equity	23,049	17,762

UNI WALL APS HOLDINGS BERHAD

(Company No. 1269520-X)

(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Unaudited	
	30 June 2018	30 June 2017
	RM'000	RM'000
Revenue	4,658	3,326
Cost of sales	(1,884)	(790)
Gross profits	2,774	2,536
Other income	26	56
Administrative expenses	(1,145)	(1,263)
Finance costs	(235)	(57)
Profit before taxation	1,420	1,272
Taxation	(355)	(318)
Profit for the financial period, representing total comprehensive income for the financial period	1,065	954

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

**UNAUDITED COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE HALF-YEAR
 ENDED 30 JUNE 2018**

	Non- distributable	Distributable	
	Invested Equity	Retained Earnings	Total
	RM'000	RM'000	RM'000
At 1 January 2017	800	5,741	6,541
Profit for the financial period, representing total comprehensive profit for the financial period	-	954	954
At 30 June 2017	800	6,695	7,495
At 1 January 2018	1,000	6,483	7,483
Profit for the financial period, representing total comprehensive profit for the financial period	-	1,065	1,065
Transactions with owners:			
Issuance of ordinary shares	1,000	-	1,000
Dividends to owners of the Company	-	(163)	(163)
Total transactions with owner	1,000	(163)	837
At 30 June 2018	2,000	7,385	9,385

UNI WALL APS HOLDINGS BERHAD

(Company No. 1269520-X)

(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2018

	Unaudited	
	30 June 2018	30 June 2017
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	1,420	1,272
Adjustments for:		
Depreciation of property, plant and equipment	399	397
Loss on disposals of property, plant and equipment	110	98
Interest expenses	136	55
Interest income	(26)	(56)
Operating profit before working capital changes	2,039	1,766
Changes in working capital		
(Increase)/Decrease in trade receivables	(952)	499
Increase in other receivables	(265)	(482)
Increase in trade payables	852	29
Decrease in other payables	(214)	(39)
Amount due (to) contract customers	(3,384)	(3,100)
Amount due from/(to) Directors	(549)	478
	(4,512)	(2,615)
Cash used in operation activities	(2,473)	(849)
Tax paid	(251)	(113)
Interest paid	(136)	(55)
Net cash used in operating activities	(2,860)	(1,017)
Cash Flows from Investing Activities		
Purchase of property, plant & equipment	(192)	(677)
Proceeds from disposals of property, plant and equipment	134	76
Interest received	26	56
(Increase)/Decrease in pledged fixed deposits	(26)	1,033
Net cash (used in)/generated from investing activities	(58)	488
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	1,000	-
Disbursement of term loan	2,500	-
Repayment of term loan	(119)	(2)
Repayment of finance lease liabilities	(122)	(137)
Net cash generated from/(used in) financing activities	3,259	(139)
Net increase/(decrease) in cash & cash equivalents	341	(668)
Cash and cash equivalents at the beginning of the financial period	(1,349)	(146)
Cash and cash equivalents at the end of the financial period	(1,008)	(814)

UNI WALL APS HOLDINGS BERHAD

(Company No. 1269520-X)

(Incorporated in Malaysia)

UNAUDITED COMBINED STATEMENTS OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2018 (CONT'D)

	30 June 2018	30 June 2017
	RM'000	RM'000
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	76	133
Fixed deposits with licensed banks	1,636	1,546
Bank overdrafts	(1,084)	(947)
	628	732
Less Pledged fixed deposits with licensed banks	(1,636)	(1,546)
	(1,008)	(814)

UNI WALL APS HOLDINGS BERHAD

(Company No. 1269520-X)

(Incorporated in Malaysia)

A. EXPLANATORY NOTES TO THE INTERIM FINANCIALS FOR THE HALF-YEAR ENDED 30 JUNE 2018

A1. BASIS OF PREPARATION

The interim financial statements of Uni Wall APS Holdings Berhad (“**Uni Wall**” or “**Company**”) and its subsidiary (the “**Group**”) are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting and in compliance with the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”). The financial information of the Company has not been presented in this combined financial statements because it was only incorporated on 23 February 2018 to facilitate the listing of the Group on the LEAP Market of Bursa Malaysia Securities Berhad and has remained dormant since incorporation.

This interim financial report should be read in conjunction with the Audited Combined Financial Statements as disclosed in Appendix I of the Information Memorandum and the accompanying explanatory notes attached to this interim financial report.

A2. CHANGES IN ACCOUNTING POLICIES

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the Audited Combined Financial Statements as disclosed in Appendix I of the Information Memorandum, except for the following:

MFRSs	Effective date
MFRS 16 <i>Leases</i>	1-Jan-19
IC Interpretation 23 <i>Uncertainty Over Income Tax Treatments</i>	1-Jan-19
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1-Jan-19
Amendments to MFRS 119 <i>Plan Amendments, Curtailment or Settlement</i>	1-Jan-19
Amendments to MFRS 128 <i>Long-term interests in Associates or Joint Ventures</i>	1-Jan-19
Annual Improvements to MFRSs 2015 – 2017 Cycle:	
Amendments to MFRS 3	1-Jan-19
Amendments to MFRS 11	1-Jan-19
Amendments to MFRS 112	1-Jan-19
Amendments to MFRS 123	1-Jan-19
Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 2 <i>Share-Based Payment</i>	1-Jan-20
Amendments to MFRS 3 <i>Business Combinations</i>	1-Jan-20
Amendments to MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	1-Jan-20
Amendments to MFRS 14 <i>Regulatory Deferral Accounts</i>	1-Jan-20
Amendments to MFRS 101 <i>Presentation of Financial Statements</i>	1-Jan-20
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1-Jan-20
Amendments to MFRS 134 <i>Interim Financial Reporting</i>	1-Jan-20
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1-Jan-20
Amendments to MFRS 138 <i>Intangible Assets</i>	1-Jan-20
Amendment to IC Interpretation 12 <i>Service Concession Arrangements</i>	1-Jan-20
Amendment to IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1-Jan-20
Amendment to IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1-Jan-20
Amendment to IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1-Jan-20
Amendments to IC Interpretation 132 <i>Intangible Assets—Web Site Costs</i>	1-Jan-20
MFRS 17 <i>Insurance Contracts</i>	1-Jan-21

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Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture* Deferred until further notice

A. EXPLANATORY NOTES TO THE INTERIM FINANCIALS FOR THE HALF-YEAR ENDED 30 JUNE 2018 (CONT'D)

A3. SEASONAL AND CYCLICAL FACTORS

We do not experience any seasonality in our business as the demand for building facades is not subject to major seasonal fluctuations.

A4. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASHFLOWS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial period ended 30 June 2018.

A5. MATERIAL CHANGES IN ESTIMATES

There were no material changes in critical accounting estimates during the financial period ended 30 June 2018.

A6. DEBT AND EQUITY SECURITIES

On 18 January 2018, Uni Wall Architectural Products & Services Sdn Bhd (“**Uni Wall Architectural**”) increased its ordinary shares from RM1,000,000 to RM2,000,000 through issuance of 1,000,000 new ordinary shares at an issue price of RM1.00 per share.

A7. SEGMENTAL INFORMATION

The Group’s revenue is derived from one segment which is the supply, fabrication and installation of building facade system in Malaysia.

A8. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE CURRENT FINANCIAL PERIOD

On 12 June 2018, a group of companies comprising Uni Wall and Uni Wall Architectural had been formed after a corporate restructuring.

The corporate restructuring has been completed through the acquisition of 100% equity interests in Uni Wall Architectural for a total purchase consideration of RM8,000,000 by the Company, which was satisfied in full by the issuance of 320,000,000 new ordinary shares of the Company. Consequently, Uni Wall Architectural became a wholly-owned subsidiary of the Company.

A9. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 30 June 2018.

A10. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the date of this interim financial report.

A11. CAPITAL COMMITMENTS

Save as disclosed in Section 9.8 in the Information Memorandum, there are no other material capital commitment in respect of property, plant and equipment as at the end of the financial period ended 30 June 2018.

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B. ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**B1. REVIEW OF PERFORMANCE**

The Group recorded a revenue of approximately RM4.7 million and a profit after tax of approximately RM1.1 million for the financial period 30 June 2018. Please refer to Section 9 of the Information Memorandum for details of the review of the Group's performance.

B2. COMMENTARY ON PROSPECTS

The Group is positive towards its prospects with the future plans set out in Section 4.12 of the Information Memorandum. Please refer to Section 4.13 of the Information Memorandum for details of the commentary on the Group's prospect.

C. OTHER INFORMATION**C1. DIVIDENDS**

On 25 April 2018, Uni Wall Architectural had entered into a Sale and Purchase Agreement with Siow Hon Yong and Siow Hon Yuen, being the shareholders of the company in relation to the disposal of a freehold land for a total consideration of RM163,260, which was settled via the declaration of a dividend in specie. The transaction is completed during the financial period ended 30 June 2018.