9. RELATED PARTY TRANSACTIONS

9.1 RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, a "**related party transaction**" is a transaction entered into by the listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party. A "**related party**" of a listed issuer is: -

(i) a director, has the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding six (6) months of the date in which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or

(ii) a major shareholder, includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or any other corporation which is its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is: -

(a) 10.0% or more of the total number of voting shares in the corporation; or

(b) 5.0% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation; or

(iii) a person connected with such director or major shareholder.

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9. RELATED PARTY TRANSACTIONS *(cont'd)*

9.1.1 Non-recurrent related party transactions

Save as disclosed below, there were no other material related party transactions have been entered or proposed to be entered into by our Group which involve the interests, direct or indirect, of our Directors, major shareholders, and/or persons connected with them which are significant in relation to the business of the our Group for the Financial Years and Period Under Review and up to the LPD: -

No.	Transacting parties	Interested director/major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD[#] RM'000
1.	Total Solid and PV Development	Interested director[(ii)]: - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai[(i)] (iv) Gan Tian Soo @ Gan Ah Kan[(i)] Interested major shareholder[(ii)]: - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai[(i)]	Management fee charged by PV Development to Total Solid	-	-	678 Being 6.29% of our Group's administrative expenses	-	-
2.	Radium Group and PV Holdings	Interested director[(iii)]: - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng (iv) Tan Sri Datuk Seri Gan Yu Chai[(i)] (v) Gan Tian Soo @ Gan Ah Kan[(i)] (vi) Lee Ang Hoo[(i)]	Management fee charged by PV Holdings to Radium Group[(iii)]	-	1,237 Being 19.89% of our Group's administrative expenses	-	-	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD# RM'000
		(vii) Puan Sri Datin Seri Lee Kuan Kiow(i) Interested major shareholder(iii): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng (iv) Tan Sri Datuk Seri Gan Yu Chai(i) (v) Gan Tian Soo @ Gan Ah Kan(i) (vi) Lee Ang Hoo(i) (vii) Puan Sri Datin Seri Lee Kuan Kiow(i) Interested person connected to the above interested directors(iii): - (i) Gan Lee Hoon(i) (ii) Gan Tian Soo @ Gan Ah Kan(i) (iii) Lee Ang Hoo(i)						
3.	Radium and Tambun Kekal Sdn Bhd	Interested director(iv): - (i) Datuk Gan Kah Siong (ii) Tan Sri Datuk Leow Chong Howa Interested major shareholder(iv): - (i) Datuk Gan Kah Siong	Disposal of 1,002,000 ordinary shares by Radium representing 50.1% of the total issued share capital of Konsep Juara Sdn Bhd to Tambun Kekal Sdn Bhd for a total cash consideration of RM1,002,000(iv)	-	1,002 Being 0.39% of our Group's NA	-	-	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD[#] RM'000
4.	Radium and Super Advantage Property Sdn Bhd[(v)]	Interested director[(v)]: - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Tan Sri Datuk Seri Gan Yu Chai[(i)] Interested major shareholder[(v)]: - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng (iv) Tan Sri Datuk Seri Gan Yu Chai[(i)]	Disposal of 90% equity interest, representing 900,000 ordinary shares in Southern Score Sdn Bhd ("**Southern Score**") to Super Advantage Property Sdn Bhd for a total cash consideration of RM900,000[(v)]	900 Being 0.56% of our Group's NA	-	-	-	-
5.	Radium and Wangsa Binajaya Sdn Bhd	Interested director[(vi)]: - (i) Tan Sri Datuk Seri Gan Yu Chai[(i)]	Disposal of 35% equity interest, representing 35 ordinary shares in PV M6 Sdn Bhd for a total consideration of RM35[(vi)]	-	^	-	-	-
6.	Fitrah Resources and Fitrah Bitrade Sdn Bhd	Interested director[(vii)]: - (i) Jamaluddin bin Jaafar	Purchase of goods and services rendered by Fitrah Resources[(vii)]	-	266 Being 0.06% of our Group's COS	-	-	-
7.	Vistarena Development and Property Hero Sdn Bhd	Interested director[(viii)]: - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng	Provision of vacant possession services to Vistarena Development[(viii)]	-	-	-	272 Being 2.13% of our Group's marketing expenses	81

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD# RM'000
		Interested major shareholder(viii): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng						
8.	Ambanang Development and Property Hero Sdn Bhd	Interested director(viii): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng Interested major shareholder(viii): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng	Provision of vacant possession services to Ambanang Development(viii)	-	-	-	-	272
9.	Radium and Southern Score	Interested director(ix): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng (iv) Tan Sri Datuk Seri Gan Yu Chai(i) Interested major shareholder(ix): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng	Dividend income received from Southern Score to Radium	44,100 Being 98.68% of our Group's other income	-	-	-	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD# RM'000
10.	Omega Edisi and Unigreen Hardware Supplies	Interested director(x): - (i) Gan Tiong Kian Interested major shareholder(x): - (i) Gan Tiong Kian	Purchase of goods from Unigreen Hardware Supplies(x)	-	-	1 Being 0.0050% of our Group's administrative expenses	1 Being 0.0074% of our Group's administrative expenses	-
11.	Radium and Alfa Sutramas Sdn Bhd	Interested director(xi): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng Interested major shareholder(xi): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng	Recoupment of investment cost(xi)	-	-	-	47,000 Being 98.10% of our Group's other income	13,000

Notes: -

(i) Gan Tian Soo @ Gan Ah Kan, Lee Ang Hoo, Tan Sri Datuk Seri Gan Yu Chai, Puan Sri Datin Seri Lee Kuan Kiow and Gan Yee Hin were previously the directors and shareholders of certain subsidiaries in Radium as follows: -

Name of company	***Affected person***	***Remarks***
Radium	*Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin*	*Both ceased as directors on 18 February 2021*
Ambanang Development	*Tan Sri Datuk Seri Gan Yu Chai*	*Ceased as director on 8 June 2021*
Constant Premium	*Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin*	*Both ceased as directors on 1 June 2021*
Fitrah Resources	*Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin*	*Both ceased as directors on 1 June 2021*
Idaman Sejiwa (Ampang)	*Gan Tian Soo @ Gan Ah Kan, Lee Ang Hoo, Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin*	*Gan Tian Soo @ Gan Ah Kan and Lee Ang Hoo ceased as directors on 7 January 2021. Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin ceased as directors on 8 June 2021. Radium had on 28 July 2021 completed the remaining acquisition of 25% from 75% to 100% in Idaman Sejiwa (Ampang) from Gan Tian Soo @ Gan Ah Kan, Lee Ang Hoo, Tan Sri Datuk Seri Gan Yu Chai, Gan Tiong Kian and Datuk Gan Kah Siong*

9. RELATED PARTY TRANSACTIONS *(cont'd)*

Name of company	***Affected person***	***Remarks***
Montanica Development	*Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin*	*Both ceased as directors on 8 June 2021*
Omega Edisi	*Tan Sri Datuk Seri Gan Yu Chai*	*Ceased as director on 3 March 2021*
Pavilion Integrity	*Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin*	*Both ceased as directors on 1 June 2021*
Rasa Wangi	*Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin*	*Both ceased as directors on 23 February 2021*
Total Solid	*Tan Sri Datuk Seri Gan Yu Chai*	*Ceased as director on 24 February 2021*
Vistarena Development	*Tan Sri Datuk Seri Gan Yu Chai, Puan Sri Datin Seri Lee Kuan Kiow and Gan Yee Hin*	*All ceased as directors on 4 June 2021. Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Lee Kuan Kiow ceased as substantial shareholders on 28 July 2021.*

Tan Sri Datuk Seri Gan Yu Chai, Datuk Gan Kah Siong, Gan Kok Peng, Gan Tiong Kian, Gan Lee Hoon and Gan Lee Ha are siblings. Gan Tian Soo @ Gan Ah Kan and Lee Ang Hoo are their father and mother respectively. Gan Yee Hin is the son of Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Lee Kuan Kiow. Gan Wei Ling is the daughter of Gan Kok Peng. Puan Sri Datin Seri Lee Kuan Kiow is the spouse of Tan Sri Datuk Seri Gan Yu Chai.

(ii) *Datuk Gan Kah Siong and Gan Kok Peng are the directors of Total Solid. They are the indirect major shareholders of Total Solid (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act). Tan Sri Datuk Seri Gan Yu Chai is a former director of Total Solid. He is the director and major shareholder of PV Development. Datuk Gan Kah Siong, Gan Kok Peng and Gan Tian Soo @ Gan Ah Kan are former directors of PV Development. They ceased to be directors of PV Development on 22 December 2021. Datuk Gan Kah Siong and Gan Kok Peng are former major shareholders of PV Development. Their shareholdings in PV Development were diluted from 10.00% to 2.00%, due to the new issuance of shares in PV Development on 28 December 2021.*

(iii) *Ambanang Development, Constant Premium, Idaman Sejiwa (Ampang), Pavilion Integrity, Total Solid and Vistarena Development, each had on 1 January 2020, entered into management agreement with PV Holdings, engaged PV Holdings to provide the management services rendered by its departments. As at the LPD, the engagement with PV Holdings has ceased on 31 December 2020.*

Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are the directors of Ambanang Development, Constant Premium, Idaman Sejiwa (Ampang), Pavilion Integrity, Total Solid and Vistarena Development. They are indirect major shareholders of the said companies (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act).

Tan Sri Datuk Seri Gan Yu Chai, Puan Sri Datin Seri Lee Kuan Kiow and Gan Lee Hoon are the directors of PV Holdings. Tan Sri Datuk Seri Gan Yu Chai is a major shareholder of PV Holdings. Gan Tian Soo @ Gan Ah Kan, Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are former directors of PV Holdings. Gan Tian Soo @ Gan Ah Kan has ceased to be a director of PV Holdings on 17 December 2020. Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian have ceased to be directors of PV Holdings on 8 November 2021.

Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are former major shareholders of PV Holdings. On 11 November 2021, Datuk Gan Kah Siong's shareholding was diluted from 20.00% to 1.00%. The shareholdings of Gan Tiong Kian and Gan Kok Peng were also diluted from 10.00% to 0.50% respectively on 11 November 2021. The dilution of their shareholdings was arising from new issuance of shares in PV Holdings on 11 November 2021.

Please refer to note (i) for the directorship of Tan Sri Datuk Seri Gan Yu Chai, Gan Tian Soo @ Gan Ah Kan, Lee Ang Hoo and Puan Sri Datin Seri Lee Kuan Kiow in Ambanang Development, Constant Premium, Idaman Sejiwa (Ampang), Pavilion Integrity, Total Solid and Vistarena Development, and the relationship between the interested directors, interested major shareholders and interested person connected.

9. RELATED PARTY TRANSACTIONS *(cont'd)*

(iv) *Shares sale and purchase agreement dated 6 February 2020 entered into between Radium and Tambun Kekal Sdn Bhd in respect of the disposal of 1,002,000 ordinary shares amounting to 50.10% of the total issued share capital of Konsep Juara Sdn Bhd by Radium to Tambun Kekal Sdn Bhd for a total cash consideration of RM1,002,000.00. This transaction has been completed, and the Register of Members of Konsep Juara Sdn Bhd was updated on 13 February 2020.*

Datuk Gan Kah Siong is our Director and major shareholder. He is a former director of Tambun Kekal Sdn Bhd. Tan Sri Datuk Leow Chong Howa is a director of Tambun Kekal Sdn Bhd. He is also a director of Vistarena Development.

(v) *On 26 August 2021, Datuk Gan Kah Siong and Gan Tiong Kian resigned from their positions as directors of Super Advantage Property Sdn Bhd. As at 4 September 2021, Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are no longer major shareholders of Super Advantage Property Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai is a director and major shareholder of Super Advantage Property Sdn Bhd. He is a former director of Radium.*

Radium had, on 4 July 2019, disposed its 90.00% equity interest, representing 900,000 ordinary shares in Southern Score to Super Advantage Property Sdn Bhd for a total consideration of RM900,000. Following the completion of the disposal on 4 July 2019, Southern Score has ceased to be a subsidiary of Radium.

(vi) *Radium had, on 1 December 2020, disposed its 35.00% equity interest, representing 35 ordinary shares in PV M6 Sdn Bhd to Wangsa Binajaya Sdn Bhd for a total consideration of RM35. Following the completion of disposal on 1 December 2020, PV M6 Sdn Bhd has ceased to be an associated company of Radium.*

Tan Sri Datuk Seri Gan Yu Chai is a former director of Radium. He is a director and major shareholder of Wangsa Binajaya Sdn Bhd.

(vii) *Supply and installation of cold-water plumbing system to Pusat Perubatan Universiti Kebangsaan Malaysia, and supply and delivery of office furniture to Tenaga Nasional Berhad.*

Fitrah Resources is our 80.00%-owned subsidiary. Fitrah Bitrade Sdn Bhd is owned by Jamaluddin bin Jaafar, a former director and shareholder of Fitrah Resources. He ceased to be a director and shareholder of Fitrah Resources on 21 October 2020 and 28 August 2019 respectively.

(viii) *Service agreement dated 15 June 2022 entered into between Vistarena Development and Property Hero Sdn Bhd in relation to the services provided by Property Hero Sdn Bhd to handle vacant possession handover for Residensi Platinum OUG, commencing on 15 June 2022 and expiring on 15 June 2023 for a total fee of RM350,000.00.*

Service agreement dated 17 November 2022 entered into between Ambanang Development and Property Hero Sdn Bhd in relation to the services provided by Property Hero Sdn Bhd to handle vacant possession handover for Residensi PV9, commencing on 17 November 2022 and expiring on 17 November 2023 for a total fee of RM350,000.00.

Gan Yee Hin, Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Lee Kuan Kiow are the directors of Property Hero Sdn Bhd and Gan Yee Hin is the sole shareholder of the company. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are the directors of Vistarena Development and Ambanang Development. Please refer to note (i) for the relationship between Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng, Gan Yee Hin, Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Lee Kuan Kiow.

9. RELATED PARTY TRANSACTIONS *(cont'd)*

(ix) *Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are our Directors and major shareholders. Tan Sri Datuk Seri Gan Yu Chai is a director of Southern Score. Datuk Gan Kah Siong is a former director of Southern Score. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng were the indirect major shareholders of Southern Score (deemed interested by virtue of their interests in Super Advantage Property Sdn Bhd pursuant to Section 8 of the Act).*

On 26 August 2021, Datuk Gan Kah Siong and Gan Tiong Kian resigned from their positions as directors of Super Advantage Property Sdn Bhd, the shareholder of Southern Score. As at 4 September 2021, Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are no longer major shareholders of Super Advantage Property Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai is a director and major shareholder of Super Advantage Property Sdn Bhd. He is a former director of Radium.

Radium had, on 4 July 2019, disposed its 90.00% equity interest, representing 900,000 ordinary shares in Southern Score to Super Advantage Property Sdn Bhd for a total consideration of RM900,000. Following the completion of the disposal on 4 July 2019, Southern Score has ceased to be a subsidiary of Radium.

(x) *Purchase of 32 units of metal key cabinets, one (1) unit of foldable trolley, four (4) units of sure lock for our office at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, 53100 Setapak, Kuala Lumpur.*

Gan Tiong Kian is the director of Omega Edisi, our wholly-owned subsidiary and he is a partner of Unigreen Hardware Supplies.

(xi) *The letter of recoupment of investment cost dated 29 August 2022 issued by Alfa Sutramas Sdn Bhd to Radium in relation to the undertaking provided by Alfa Sutramas Sdn Bhd on 5 November 2021 in respect of the recoupment of the investment cost by Radium (arising from the dilution of its equity interest in Jayyid Land) of a proposed development undertaken by Jayyid Land on a piece of land held under HSD 123049, Lot PT50198 (previously known as HSD 80683, Lot PT 5701), Mukim of Setapak, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (Locality: Fronts Jalan Kilang 3, 53300 Setapak, Kuala Lumpur) ("**Project**"). Pursuant to the letter dated 29 August 2022, Alfa Sutramas Sdn Bhd had undertaken to pay Radium the recoupment amount of no less than Radium's investment cost or market value on or before 31 December 2022, whichever is the higher, provided always that the valuation report in relation to the Project shall be furnished to Alfa Sutramas Sdn Bhd on or before 30 November 2022 failing which, a late payment interest of 8% per annum calculated on daily basis on the outstanding amount from 1 January 2023 until the settlement of the recoupment amount, shall be imposed. Pursuant to the letter of recoupment of investment cost dated 20 October 2022, Alfa Sutramas Sdn Bhd enclosed a cheque amounting to RM47,000,000.00 for payment made to Radium being the Company's recoupment in the investment in Jayyid Land where the said amount was derived based on the latest draft valuation report conducted on the aforesaid land based on on-site inspection and information as at 23 September 2022 on the Project with a discount of 30% based on a forced sale value and a further discount of 30% was given after taking into consideration inflation and the increase in material cost. Radium had vide its letter dated 31 October 2022 confirmed the receipt of RM 47,000,000.00 based on valuation report dated 31 October 2022 and further mentioned that the monies is received without prejudice to our the Company's future rights deriving from the Project at such time subject to mutual agreement of the parties. Pursuant to the letter in respect of recoupment of investment cost dated 9 December 2022, after due deliberation on Alfa Sutramas Sdn Bhd's proposed formula in deriving the amount for the Company's recoupment in the investment in Jayyid Land, Radium was of the opinion that the discount previously proposed due to inflation and increase in material cost, i.e. 30% shall be moderated to 10% to be more reasonable and acceptable, rendering the recoupment amount to be revised from RM47,000,000.00 to RM60,000,000.00. The outstanding sum of RM13,000,000.00 shall be paid by Alfa Sutramas Sdn Bhd within 12 months from 9 December 2022 ("**Payment Period**"), failing which late payment interest of 10% per annum on daily basis shall be imposed from the next day after the expiry of the Payment Period. The said letter was accepted by Alfa Sutramas Sdn Bhd on 12 December 2022. As at the LPD, Alfa Sutramas Sdn Bhd has yet to pay the outstanding sum of RM13,000,000.00 to Radium. Please refer to Section 5.20(vi) of this Prospectus for further details.*

Tan Sri Datuk Seri Gan Yu Chai is the director and sole shareholder of Alfa Sutramas Sdn Bhd. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are our Directors and major shareholders. Tan Sri Datuk Seri Gan Yu Chai, Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng are siblings.

^ *Represent amount less than RM1,000.*

Percentage contributions are not to be ascertained as Radium Group's audited financial statements for the period from 1 November 2022 up to the LPD is not available.

9. RELATED PARTY TRANSACTIONS *(cont'd)*

Our Directors confirm that the related party transactions as disclosed above were carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group and are comparable to those generally available to third parties. All inter-company/shareholders' advances shall be repaid before the Listing.

In addition, we will adhere to the provisions under the Listing Requirements in relation to related party transactions, including making the necessary announcements to Bursa Securities or obtaining shareholders' approval as may be necessary. Further, the interested persons shall abstain from board deliberation and voting on the resolution(s) pertaining to the respective transactions.

9.1.2 Recurrent related party transactions

Save as disclosed below, there are no other material recurrent related party transactions have been entered or proposed to be entered into by our Group which involved the interest, direct or indirect, of our Directors, substantial shareholder, and/or person connected with them for the Financial Years and Period Under Review and up to the LPD: -

				FYE			FPE	1 November 2022 up to the LPD#
No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	Radium Group and PV Development	Interested director(ii)(iii): - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai(i) (iv) Gan Tian Soo @ Gan Ah Kan(i) Interested major shareholder(ii)(iii): - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai(i)	Rental charged by PV Development to Ambanang Development, Total Solid and Omega Edisi(ii)	113 Being 2.94% of our Group's administrative expenses	235 Being 3.78% of our Group's administrative expenses	114 Being 1.06% of our Group's administrative expenses	23 Being 0.24% of our Group's administrative expenses	-
			Licensing fee charged by PV Development to Omega Edisi(iii)	-	-	360 Being 3.34% of our Group's administrative expenses	300 Being 3.09% of our Group's administrative expenses	150

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD[#] RM'000
2.	Radium Group and Southern Score[(iv)]	Interested director[(iv)]: - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Gan Tiong Kian (iv) Tan Sri Datuk Seri Gan Yu Chai[(i)] Interested major shareholder[(iv)]: - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Gan Tiong Kian	Provision of main construction services (main building and piling works) by Southern Score to Ambanang Development and Constant Premium for Residensi PV9 and Residensi Vista Sentul[(iv)]	28,161 Being 8.66% of our Group's COS	115,570 Being 27.39% of our Group's COS	177,430 Being 46.02% of our Group's COS	106,362 Being 62.37% of our Group's COS	22,968
3.	Radium Group and Pembangunan Hakikat Emas Sdn Bhd	Interested director[(v)]: - (i) Datuk Gan Kah Siong (ii) Tan Sri Datuk Seri Gan Yu Chai[(i)] Interested major shareholder[(v)]: - (i) Datuk Gan Kah Siong (ii) Tan Sri Datuk Seri Gan Yu Chai[(i)]	Rental charged by Pembangunan Hakikat Emas Sdn Bhd (a 90.00%-owned subsidiary of Mesti Mulia Holdings Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings) to Total Solid and Ambanang Development[(v)]	24 Being 0.63% of our Group's administrative expenses	122 Being 1.96% of our Group's administrative expenses	144 Being 1.33% of our Group's administrative expenses	36 Being 0.37% of our Group's administrative expenses	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD# RM'000
4.	Ambanang Development and Platinum Victory (Setapak) Sdn Bhd	Interested director(vi): - (i) Datuk Gan Kah Siong (ii) Tan Sri Datuk Seri Gan Yu Chai(i) Interested major shareholder(vi): - (i) Datuk Gan Kah Siong (ii) Tan Sri Datuk Seri Gan Yu Chai(i) Interested person connected to the above interested directors(vi): - (i) Gan Yee Hin(i)	Rental charged by Platinum Victory (Setapak) Sdn Bhd (a 75.00%-owned subsidiary of Mesti Mulia Holdings Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings) to Ambanang Development(vi)	1,252 Being 32.62% of our Group's administrative expenses	1,404 Being 22.58% of our Group's administrative expenses	1,252 Being 11.61% of our Group's administrative expenses	1,036 Being 10.68% of our Group's administrative expenses	366
5.	Ambanang Development and MH Platinum Sdn Bhd	Interested director(vii): - (i) Tan Sri Datuk Seri Gan Yu Chai(i)	Rental charged by Ambanang Development to MH Platinum Sdn Bhd(vii)	-	10 Being 5.38% of our Group's rental income	20 Being 29.85% of our Group's rental income	-	-
6.	Vistarena Development and Marques Land Sdn Bhd	Interested director(viii): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng (iv) Tan Sri Datuk Seri Gan Yu Chai(i) (v) Puan Sri Datin Seri Lee Kuan Kiow(i)	Rental charged by Vistarena Development to Marques Land Sdn Bhd (a wholly-owned subsidiary of PV Holdings)(viii)(ix)	221 Being 100.00% of our Group's rental income	176 Being 94.62% of our Group's rental income	44 Being 65.67% of our Group's rental income	-	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD[#] RM'000
		Interested major shareholder[(viii)]: - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Gan Kok Peng (iv) Tan Sri Datuk Seri Gan Yu Chai[(i)] (v) Puan Sri Datin Seri Lee Kuan Kiow[(i)]						

Notes: -

(i) *Please refer to note (i) of Section 9.1.1 of this Prospectus.*

(ii) *Refers to the following tenancy agreements between PV Development and Ambanang Development for the rental of sales office and show unit, between PV Development and Total Solid for the rental of office space and between PV Development and Omega Edisi for the rental of office space respectively.*

- *Tenancy agreement dated 1 August 2019 entered into between PV Development and Ambanang Development in respect of Ambanang Development's usage of leasehold land held under PN (WP) No. 45084, Lot No. 23345, Mukim Setapak District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur bearing postal address of Lot 26219, Jalan Genting Klang, Setapak, 53300 Kuala Lumpur commencing on 15 August 2019 and expiring on 14 August 2020 for a monthly rental of RM18,000.00. The tenancy of the demised premises has been continued on a monthly basis with the same monthly rental of RM18,000.00 subsequent to the expiration of the said tenancy agreement and terminated on 1 April 2021.*

- *Tenancy agreement dated 31 July 2020 entered into between PV Development and Total Solid in respect of Total Solid's usage of Unit No. G-08 within Storey No. Ground Floor measuring in area of approximately 4,199.75 sq. ft. and bearing the postal address of G-08, Residensi PV21, No. 6, Jalan Usahawan 2 Off Jalan Genting Klang, 53200 Setapak Kuala Lumpur commencing on 1 July 2020 to 30 June 2021 for a monthly rental of RM5,000.00. The said tenancy has been renewed by one (1) year commencing on 1 July 2021 to 30 June 2022 with the same. The said tenancy agreement has been terminated on 31 March 2022.*

- *Tenancy agreement dated 1 October 2021 entered into between PV Development and Omega Edisi in respect of Omega Edisi's usage of premises within the structures and up to the ceiling of the premises known as Unit No. G-07 within Ground Floor measuring in area approximately 1,942.50 square feet and bearing the postal address of Unit G-07, Residensi PV 21, Jalan Usahawan 2, Off Jalan Genting Klang, Setapak, 53100 Kuala Lumpur commencing on 1 October 2021 to 30 September 2022 for a monthly rental of RM2,500.00. The said tenancy agreement has been terminated on 31 March 2022.*

9. RELATED PARTY TRANSACTIONS *(cont'd)*

Datuk Gan Kah Siong and Gan Kok Peng are the directors of Ambanang Development, Total Solid and Omega Edisi. They are indirect major shareholders of Ambanang Development, Total Solid and Omega Edisi (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act). Tan Sri Datuk Seri Gan Yu Chai is a former director of Ambanang Development, Total Solid and Omega Edisi. He is the director and major shareholder of PV Development. Datuk Gan Kah Siong, Gan Kok Peng and Gan Tian Soo @ Gan Ah Kan are former directors of PV Development. They ceased to be directors of PV Development on 22 December 2021. Datuk Gan Kah Siong and Gan Kok Peng are former major shareholders of PV Development. Their shareholdings in PV Development were diluted from 10.00% to 2.00%, due to the new issuance of shares in PV Development on 28 December 2021.

(iii) *Omega Edisi was granted the right of use of the trademark of "PLATINUM VICTORY" by PV Development for a period of 48 months from 1 January 2021.*

Datuk Gan Kah Siong and Gan Kok Peng are the directors of Omega Edisi. They are indirect major shareholders of Omega Edisi (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act). Tan Sri Datuk Seri Gan Yu Chai is a former director of Omega Edisi. He is the director and major shareholder of PV Development. Datuk Gan Kah Siong, Gan Kok Peng and Gan Tian Soo @ Gan Ah Kan are former directors of PV Development. They ceased to be directors of PV Development on 22 December 2021. Datuk Gan Kah Siong and Gan Kok Peng are former major shareholders of PV Development. Their shareholdings in PV Development were diluted from 10.00% to 2.00%, due to the new issuance of shares in PV Development on 28 December 2021.

(iv) *On 7 June 2019, Ambanang Development awarded contract to Southern Score for the project namely, Residensi PV9. The contract was secured via open tender process. Southern Score has provided main building works to Ambanang Development for the proposed development of 3 blocks of apartment (35-storey) comprising of Block A – 1 block of 26-storey low-cost apartment Type B & D (429 units), Block B – 1 block of 27-storey low-cost apartment Type B & C (524 units) and Block C – 1 block of 21-storey mampu milik apartment Type A & A1 (438 units), 8-storey podium parking lot together with 2-storey sub basement, 1-storey clubhouse and swimming pool at level 8, 2 units of Tenaga Nasional Berhad substation, 1 unit guardhouse, 2 units waste management rooms and other commodities on Lot 25580, Jalan Persiaran Pertahanan, Kampung Wirajaya, Mukim Setapak, Wilayah Persekutuan Kuala Lumpur. The main building works for Residensi PV9 have commenced from 1 July 2019 and an extension of time is sought for the completion up to 31 October 2022. The main building works for Residensi PV9 was completed on 31 October 2022.*

On 8 April 2019, Constant Premium awarded contract to Southern Score for the project namely, Residensi Vista Sentul. The contract was secured via open tender process. Southern Score has provided piling and pilecap works to Constant Premium for the proposed development of commercial building comprising of Block A – 24-storey serviced apartment (262 units), Block B – 37-storey serviced apartment (443 units), 8-storey carpark including 2 units of Tenaga Nasional Berhad substation and 1-storey common facility (Podium), on Lot 50954, Mukim Batu, Wilayah Persekutuan Kuala Lumpur. The piling and pilecap works for Residensi Vista Sentul have commenced from 3 June 2019 and was completed on 5 June 2020.

On 22 July 2020, Constant Premium awarded contract to Southern Score for the project namely, Residensi Vista Sentul. The contract was secured via open tender process. Southern Score has provided main building works to Constant Premium for the proposed development comprising of Block A – 24-storey serviced apartment (262 units), Block B – 37-storey serviced apartment (443 units), 8-storey carpark including 2 units of Tenaga Nasional Berhad Substation and 1-storey common facility (Podium), 1 guardhouse, on Lot 50954, Mukim Batu, Wilayah Persekutuan Kuala Lumpur. The main building works for the Residensi Vista Sentul have commenced from 3 August 2020 and an extension of time is sought for the completion up to 5 June 2023.

Datuk Gan Kah Siong and Gan Kok Peng are the directors of Ambanang Development and Constant Premium. They are indirect major shareholders of Ambanang Development and Constant Premium (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act). Tan Sri Datuk Seri Gan Yu Chai is a director of Southern Score. Datuk Gan Kah Siong is a former director of Southern Score. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng were the indirect major shareholders of Southern Score (deemed interested by virtue of their interests in Super Advantage Property Sdn Bhd pursuant to Section 8 of the Act)

9. RELATED PARTY TRANSACTIONS *(cont'd)*

On 26 August 2021, Datuk Gan Kah Siong and Gan Tiong Kian resigned from their positions as directors of Super Advantage Property Sdn Bhd, the shareholder of Southern Score. As at 4 September 2021, Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are no longer major shareholders of Super Advantage Property Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai is a director and major shareholder of Super Advantage Property Sdn Bhd. He is a former director of Radium.

Radium had, on 4 July 2019, disposed its 90.00% equity interest, representing 900,000 ordinary shares in Southern Score to Super Advantage Property Sdn Bhd for a total consideration of RM900,000. Following the completion of the disposal on 4 July 2019, Southern Score has ceased to be a subsidiary of Radium.

(v) *Tenancy agreement dated 31 October 2019 entered into between Pembangunan Hakikat Emas Sdn Bhd and Total Solid in respect of Total Solid's usage of a part of Lot 19-3, PV7, Jalan Melati Utama 2, Taman Melati Utama, 53100, Setapak, Kuala Lumpur approximately 256.96 square metres or 2764.9 sq. ft. commencing on 1 November 2019 and expiring on 31 October 2020 for a monthly rental of RM12,000.00. The rented space is used as an office space. The said tenancy has been renewed on 1 November 2020 and expiring on 31 October 2021 at the same monthly rental of RM12,000.00. The said tenancy agreement has been terminated on 31 October 2021.*

Tenancy agreement dated 1 November 2021 entered into between Pembangunan Hakikat Emas Sdn Bhd and Ambanang Development in respect of Ambanang Development's usage of a part of Lot 19-3, 19-3(B), PV7, Jalan Melati Utama 2, Taman Melati Utama, 53100, Setapak, Kuala Lumpur approximately 256.96 square metres or 2764.9 sq. ft. commencing on 1 November 2021 and expiring on 31 October 2022 for a monthly rental of RM12,000.00. The rented space is used as an office space. The said tenancy agreement has been terminated on 31 March 2022.

Datuk Gan Kah Siong is a director and indirect major shareholder of Total Solid and Ambanang Development (deemed interested by virtue of his interest in Radium pursuant to Section 8 of the Act). Datuk Gan Kah Siong is a former director of Pembangunan Hakikat Emas Sdn Bhd. He is still a shareholder of Pembangunan Hakikat Emas Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai is a former director of Total Solid and Ambanang Development. Tan Sri Datuk Seri Gan Yu Chai is a director and major shareholder of Pembangunuan Hakikat Emas Sdn Bhd.

(vi) *Ambanang Development has entered into a tenancy agreement with Platinum Victory (Setapak) Sdn Bhd via a letter dated 20 June 2016 with regard to the agreements to rent 73 units of Teratai Residency Apartment located at Jalan Langkawi for the purposes of 73 squatters' temporary stay for a monthly rental fee of RM1,500 per unit with commencement date as below: -*

- *For those squatters who moved into Teratai Residency from 1 June 2016 to 30 June 2016, commencement date for rental shall be 1 July 2016; and*
- *For those squatters who moved into Teratai Residency from 1 July 2016 to 31 July 2016, commencement date for rental shall be 1 August 2016.*

The payment of rental for the aforesaid 73 units shall continue to be payable for the period of 3 years or until notice of delivery of vacant possession from Ambanang Development is issued to the squatters, whichever is earlier.

On 1 July 2019, Platinum Victory (Setapak) Sdn Bhd issued a letter to Ambanang Development with regard to the extension of the tenancy agreement in respect of 69 units. The extension commences on 1 July 2019 and the expiry date is 30 June 2022.

On 1 July 2022, Ambanang Development and Platinum Victory (Setapak) Sdn Bhd entered into a tenancy agreement in respect of 69 units (as set out in Schedule C of the tenancy agreement) of Residensi Teratai, No. 2 Jalan 4/23F Off Jalan Langkawai, Taman Teratai Mewah, 53000 Setapak Kuala Lumpur for the purpose of office premises only for a monthly rental of RM103,500.00 with commencement date on 1 July 2022 and expiring on 31 December 2022.

On 16 December 2022, Platinum Victory (Setapak) Sdn Bhd issued a letter to Ambanang Development for the renewal of the aforesaid tenancy agreement dated 1 July 2022 on a monthly basis commencing from 1 January 2023 at a total monthly rental of RM103,500.00 only, until and unless terminated by either party in accordance with the provisions of the aforesaid tenancy agreement.

Datuk Gan Kah Siong is a director and indirect major shareholder of Ambanang Development (deemed interested by virtue of his interest in Radium pursuant to Section 8 of the Act). Tan Sri Datuk Seri Gan Yu Chai is a former director of Ambanang Development. Datuk Gan Kah Siong is a former director of Platinum Victory (Setapak) Sdn Bhd. He has ceased to be a director of Platinum Victory (Setapak) Sdn Bhd on 9 September 2021. Tan Sri Datuk Seri Gan Yu Chai and Gan Yee Hin are directors of Platinum Victory (Setapak) Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai is major shareholder of Platinum Victory (Setapak) Sdn Bhd.

Datuk Gan Kah Siong is a former major shareholder of Platinum Victory (Setapak) Sdn Bhd. His shareholding was diluted from 12.50% to 3.57% in Platinum Victory (Setapak) Sdn Bhd, due to the new issuance of shares in Platinum Victory (Setapak) Sdn Bhd on 13 December 2021.

Please refer to note (i) of Section 9.1.1 of this Prospectus for the relationship between the interested directors, interested major shareholders and interested persons connected.

(vii) Tenancy agreement dated 1 September 2020 entered into between MH Platinum Sdn Bhd and Ambanang Development in respect of MH Platinum Sdn Bhd's usage of HSD 70353, PT No. 3657, Mukim of Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur measuring approximately 16,220 sq. ft. bearing postal address of No. 11, Jalan 1/23E, Setapak, 53300 Kuala Lumpur commencing on 1 September 2020 and expiring on 31 August 2021 for a monthly rental of RM2,500.00. The said tenancy agreement has been terminated on 31 August 2021.

Tan Sri Datuk Seri Gan Yu Chai is a former director of Ambanang Development. He is a director and major shareholder of MH Platinum Sdn Bhd.

(viii) Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are the directors of Vistarena Development. They are indirect major shareholders of Vistarena Development (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act). Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Lee Kuan Kiow are former directors and major shareholders of Vistarena Development. Tan Sri Datuk Seri Gan Yu Chai, Puan Sri Datin Seri Lee Kuan Kiow and Datuk Gan Kah Siong are former directors of Marques Land Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai, Gan Tian Soo @ Gan Ah Kan, Lee Ang Hoo, Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are indirect major shareholders of Marques Land Sdn Bhd (deemed interested through their direct interests of PV Holdings in Marques Land Sdn Bhd pursuant to Section 8 of the Act).

Datuk Gan Kah Siong had on 9 August 2021 resigned from his position as director of Marques Land Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Lee Kuan Kiow had on 26 August 2021 resigned from their positions as directors of Marques Land Sdn Bhd. The current directors of Marques Land Sdn Bhd are Gan Lee Ha and Gan Wei Ling. Please refer to note (i) for the relationship between the interested directors, major shareholders and person connected.

(ix) Tenancy agreement dated 15 October 2017 entered into between Len Den Sdn Bhd and Vistarena Development in respect of Vistarena Development's usage of 1-G, 1-01, 1-02, 1-03, 1-04, and 1-05, Medan Klang Lama 28, No 419, Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia commencing on 15 October 2017 and expiring on 15 December 2019 for a monthly rental of RM40,000.00. The said tenancy agreement was renewed from 15 December 2019 to 14 December 2021 via the tenancy agreement dated 15 December 2019 for a monthly rental of RM44,000.00.

9. RELATED PARTY TRANSACTIONS *(cont'd)*

On 20 August 2019, Vistarena Development issued a letter of confirmation and addressed to Marques Land Sdn Bhd and Pavilion Integrity in respect of Pavilion Integrity, Marques Land Sdn Bhd and Vistarena Development's usage of the premise as follows in respect of the renewal of tenancy agreement between Len Den Sdn Bhd (Landlord) and Vistarena Development dated 15 October 2017: -

- *1-02 shall be occupied by Pavilion Integrity as show flat for project Residensi Platinum Mira;*
- *1-03 shall be occupied by Marques Land Sdn Bhd as show flat for project Residensi Arena Platinum;*
- *1-G (sales gallery), 1-01 (sales gallery), 1-04 (sales admin & credit control department) and 1-05 (project department) shall be shared by the parties Pavilion Integrity, Marques Land Sdn Bhd and Vistarena Development;*

for a month rental of the premise shared as follows: -

- *Vistarena Development – RM13,333.00*
- *Marques Land Sdn Bhd – RM13,334.00*
- *Pavilion Integrity – RM13,333.00*

On 24 December 2019, Vistarena Development issued a letter of confirmation and addressed to Marques Land Sdn Bhd and Pavilion Integrity in respect of Pavilion Integrity, Marques Land Sdn Bhd and Vistarena Development's usage of the premise as follows in respect of the renewal of tenancy agreement between Len Den Sdn Bhd (Landlord) and Vistarena Development dated 15 December 2019: -

- *1-02 shall be occupied by Pavilion Integrity as show gallery for project named Platinum Mira Residences;*
- *1-03 shall be occupied by Marques Land Sdn Bhd as show gallery for project named Platinum Arena Residences;*
- *1-G (Sales Gallery), 1-01 (Sales Gallery), 1-04 (Sales Admin & Credit Control Department) and 1-05 (Project Department) shall be shared equally by the parties Pavilion Integrity, Marques Land Sdn Bhd and Vistarena Development;*

for a month rental of the premise shared as follows: -

- *Vistarena Development – RM14,667.00*
- *Marques Land Sdn Bhd – RM14,667.00*
- *Pavilion Integrity – RM14,666.00*

On 7 March 2021, Vistarena Development issued a letter and addressed to Pavilion Integrity informing that Marques Land Sdn Bhd will move out and hand over vacant possession of the units occupied by it on 15 April 2021 and upon which the vacant units will be occupied by Vistarena Development in respect of tenancy agreement between Len Den Sdn Bhd (Landlord) and Vistarena Development dated 15 December 2019. In connection thereto, the monthly rental for the premise shall be shared as follows: -

- *Vistarena Development – RM29,334.00*
- *Pavilion Integrity – RM14,666.00*

On 15 July 2021, Pavilion Integrity has given Vistarena Development a notice to terminate the tenancy effective from 14 August 2021.

\# *Percentage contributions are not to be ascertained as Radium Group's audited financial statements for the period from 1 November 2022 up to the LPD is not available.*

9. RELATED PARTY TRANSACTIONS *(cont'd)*

Our Directors confirmed that the recurrent related party transactions as disclosed above were carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group and are comparable to those generally available to third parties. All inter-company/shareholders' advances shall be repaid before the Listing.

In addition, we will adhere to the provisions under the Listing Requirements in relation to recurrent related party transactions, including making the necessary announcements to Bursa Securities or obtaining shareholders' approval as may be necessary. Further, the interested persons shall abstain from board deliberations and voting on the resolution(s) pertaining to the respective transactions.

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9. RELATED PARTY TRANSACTIONS *(cont'd)*

Pursuant to Paragraph 10.09(2) of the Listing Requirements, we may seek a mandate from our shareholders for the recurrent related party transaction subject to the following: -

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;

(b) the shareholder mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholder mandate during the financial year where the aggregate value is equal to or more than the threshold prescribed under the Listing Requirements;

(c) the circular to our shareholders for the shareholder mandate shall includes the information as may be prescribed by Bursa Securities; and

(d) in a meeting to obtain the shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Due to the time-sensitive nature, the shareholder mandate will enable us, in our normal course of business, to enter into such recurrent related party transactions without having to convene general meetings to approve such recurrent transactions as and when they are entered into.

Upon Listing, our Audit and Risk Management Committee will review and monitor the terms of any related party transactions and ensure that any non-recurrent related party transactions and recurrent related party transactions are carried out on an arm's length basis and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of our Group.

In the event there are any proposed related party transactions, our Directors will disclose, amongst others, the nature of transactions made, names of the related parties involved, nature of interest with the related parties and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

In the event the proposed related party transactions which require shareholders' approval involve the interest, direct or indirect, of our Directors, major shareholders and/or persons connected with them, the interested Directors, interested major shareholders and/or persons connected with them shall disclose his interest to our Board, of the details of the nature and extent of his interest, including all matters in relation to the proposed related party transactions that he is aware or should reasonably be aware of, which is not in our best interests. The interested Directors, interested major shareholders and/or persons connected with them shall also abstain from our Board deliberation and voting on the relevant resolutions in respect of such proposed related party transactions.

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9.2 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITION

There were no transactions that are unusual in nature or conditions, involving goods, services, tangible or intangible assets, which we were the party for the Financial Years and Period Under Review and up to the LPD.

9.3 OUTSTANDING LOANS

Save as disclosed in Section 9.4 below, there were no outstanding loans (including guarantees of any kind) made by our Group to or for the benefit of our related parties for the Financial Years and Period Under Review and up to the LPD.

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9. RELATED PARTY TRANSACTIONS *(cont'd)*

9.4 FINANCIAL ASSISTANCE PROVIDED FOR A RELATED PARTY

Save as disclosed below, there is no other financial assistance provided for the benefit of a related party to our Group for the Financial Years and Period Under Review and up to the LPD: -

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019	FYE 2020	FYE 2021	FPE 2022	1 November 2022 up to the LPD#
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	Radium Group and PV Development	Interested director(ii): - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai(i) (iv) Gan Tian Soo @ Gan Ah Kan(i) Interested major shareholder(ii): - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai(i)	Advances from PV Development to Radium Group(ii)	67,673 Being 42.33% of our Group's NA	97,078 Being 37.50% of our Group's NA	71,761 Being 19.43% of our Group's NA	14,698 Being 3.75% of our Group's NA	-
			Repayment of advances from Radium Group(ii) to PV Development	37,217 Being 23.28% of our Group's NA	134,299 Being 51.88% of our Group's NA	142,390 Being 38.54% of our Group's NA	205,129 Being 52.40% of our Group's NA	9,741
			Interest charged by PV Development to Radium Group(ii)	8,256 Being 5.05% of our Group's PBT	9,072 Being 6.89% of our Group's PBT	4,608 Being 3.18% of our Group's PBT	224 Being 0.17% of our Group's PBT	16
2.	Radium Group and PV Holdings and its related parties	Interested director(iii): - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Gan Tiong Kian (iv) Tan Sri Datuk Seri Gan Yu Chai(i) (v) Gan Tian Soo @ Gan Ah Gan(i) (vi) Lee Ang Hoo(i) (vii) Puan Sri Datin Seri Lee Kuan Kiow(i)	Advances to PV Holdings from Radium Group(iii)	9,544 Being 5.97% of our Group's NA	1,740 Being 0.67% of our Group's NA	18,528 Being 5.02% of our Group's NA	-	-
			Repayment of advances to Radium Group from PV Holdings(iii)	7,008 Being 4.38% of our Group's NA	-	30,465 Being 8.25% of our Group's NA	-	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD# RM'000
		Interested major shareholder(iii): - (i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Gan Tiong Kian (iv) Tan Sri Datuk Seri Gan Yu Chai(i) (v) Gan Tian Soo @ Gan Ah Kan(i) (vi) Lee Ang Hoo(i) (vii) Puan Sri Datin Seri Lee Kuan Kiow(i) Interested person connected to the above interested directors: - (i) Gan Lee Hoon(i) (ii) Gan Tian Soo @ Gan Ah Kan(i) (iii) Lee Ang Hoo(i)						
3.	Radium and Jayyid Land	Interested director(iv): - (i) Datuk Gan Kah Siong (ii) Tan Sri Datuk Seri Gan Yu Chai(i)	Advances to Jayyid Land from Radium(iv)	1,259 Being 0.79% of our Group's NA	-	44(iv) Being 0.01% of our Group's NA	1,052 Being 0.27% of our Group's NA	-
		Interested major shareholder(iv): - (i) Gan Kok Peng (ii) Gan Tiong Kian	Repayment of advance from Jayyid Land to Radium(iv)	7,617 Being 4.76% of our Group's NA	-	-	1,096 Being 0.28% of our Group's NA	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD# RM'000
4.	Radium and Konsep Juara Sdn Bhd	Interested director(v): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian (iii) Tan Sri Datuk Seri Gan Yu Chai(i) Interested major shareholder(v): - (i) Datuk Gan Kah Siong (ii) Gan Tiong Kian	Repayment of advances to Konsep Juara Sdn Bhd from Radium	10 Being 0.006% of our Group's NA	-	-	-	-
5.	Radium Group and Tan Sri Datuk Seri Gan Yu Chai	Interested director(vi): - (i) Tan Sri Datuk Seri Gan Yu Chai(i)	Advances from/ (to) Tan Sri Datuk Seri Gan Yu Chai to Radium Group(viii)	11,776 Being 7.37% of our Group's NA	8,125 Being 3.14% of our Group's NA	400 Being 0.11% of our Group's NA	-	-
			Repayment of advances to Tan Sri Datuk Seri Gan Yu Chai from Radium Group	30,805 Being 19.27% of our Group's NA	50 Being 0.02% of our Group's NA	9,240 Being 2.50% of our Group's NA	-	-
6.	Pavilion Integrity and Sim Guan Yu	Interested director and major shareholder: - (i) Sim Guan Yu(vii)	Repayment of advances to Sim Guan Yu from Pavilion Integrity	-	912 Being 0.35% of our Group's NA	-	-	-
7.	Radium and Datuk Gan Kah Siong	Interested director and major shareholder: - (i) Datuk Gan Kah Siong	Advances from Datuk Gan Kah Siong to Radium(ix)	-	-	19,777 Being 5.35% of our Group's NA	-	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD[#] RM'000
			Repayment of advances to Datuk Gan Kah Siong from Radium	-	-	6,290 Being 1.70% of our Group's NA	14,192 Being 3.63% of our Group's NA	-
8.	Radium, Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid and Fitrah Resources	Interested person connected with our Directors: - (i) Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid[(x)]	Advances from Radium to Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid[(xi)]	2,073 Being 1.30% of our Group's NA	1,998 Being 0.77% of our Group's NA	-	-	-
			Repayment of advances from Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid to Radium	-	-	4,071 Being 1.10% of our Group's NA	-	-
9.	Radium, Datuk Nokman bin Ahmad and Fitrah Resources	Interested person connected with our Directors: - (i) Datuk Nokman bin Ahmad[(x)]	Advances from Radium to Datuk Nokman bin Ahmad[(xii)]	1,875 Being 1.17% of our Group's NA	1,904 Being 0.74% of our Group's NA	-	-	-
			Repayment of advances from Datuk Nokman bin Ahmad to Radium	-	-	3,779 Being 1.02% of our Group's NA	-	-

9. RELATED PARTY TRANSACTIONS *(cont'd)*

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD[#] RM'000
10.	Radium, Wan Shafie bin Abdul Rashid and Fitrah Resources	Interested person connected with our Directors: - (i) Wan Shafie bin Abdul Rashid[(x)]	Advances from Radium to Wan Shafie bin Abdul Rashid[(xiii)]	1,773 Being 1.11% of our Group's NA	1,998 Being 0.77% of our Group's NA	-	-	-
			Repayment of advances from Wan Shafie bin Abdul Rashid to Radium	-	-	3,771 Being 1.02% of our Group's NA	-	-

Notes: -

(i) Please refer to note (i) of Section 9.1.1 of this Prospectus.

(ii) The advances were given to Radium, Ambanang Development, Constant Premium, Fitrah Resources, Idaman Sejiwa (Ampang), Montanica Development, Omega Edisi, Pavilion Integrity, Total Solid and Vistarena Development with interest charges rate between 3.10% to 3.83% (being the weighted average rate during the Financial Years and Period Under Review): -

- *Radium, Ambanang Development, Constant Premium, Idaman Sejiwa (Ampang), Montanica Development, Omega Edisi, Total Solid and Vistarena Development, each had, on 1 April 2016, entered into loan agreement with PV Development for the purpose of part finance the land and development expenditure for any project and development. Disbursement of loan/advance is upon request and subject to management approval and availability of fund in the account of PV Development.*

- *Fitrah Resources and Pavilion Integrity, each had on 1 April 2019, entered into loan agreement with PV Development for the purpose of part finance the land and development expenditure for any project and development. Disbursement of loan/advance is upon request and subject to management approval and availability of fund in the account of PV Development.*

The above advances from PV Development to Radium Group were on arm's length basis. As at the LPD, all advances provided by PV Development to our Group have been repaid.

Radium Group obtained the advances from PV Development during the initial stages of Radium Group's development of projects as PV Development had excess funds at that point in time. As the projects enjoyed high sales rates, Radium would have been able to obtain funding from financial institutions. In this regard, our Board has confirmed that Radium is not dependent on PV Development's advances for its operations. The advances were repaid to PV Development following the delivery of vacant possession to the home buyers.

9. RELATED PARTY TRANSACTIONS *(cont'd)*

Datuk Gan Kah Siong and Gan Kok Peng are our Directors and major shareholders. Tan Sri Datuk Seri Gan Yu Chai is the director and major shareholder of PV Development. Datuk Gan Kah Siong, Gan Kok Peng and Gan Tian Soo @ Gan Ah Kan are former directors of PV Development. They ceased to be directors of PV Development on 22 December 2021. Datuk Gan Kah Siong and Gan Kok Peng are former major shareholders of PV Development. Their shareholdings in PV Development were diluted from 10.00% to 2.00%, due to the new issuance of shares in PV Development on 28 December 2021. Please refer to note (i) of Section 9.1.1 of this Prospectus for the directorship of Tan Sri Datuk Seri Gan Yu Chai and Gan Tian Soo @ Gan Ah Kan in Radium Group.

(iii) Advances from Radium Group to PV Holdings was to repay the amount due to PV Development. The advances from Radium Group to PV Holdings were made before April 2021 and have been fully repaid as of 30 June 2021. As the advances have been repaid within 12 months, no interest has been charged to PV Holdings. The advances from Radium Group to PV Holdings were on arm's length basis.

Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are the directors of Ambanang Development, Constant Premium, Idaman Sejiwa (Ampang), Pavilion Integrity, Total Solid and Vistarena Development. They are indirect major shareholders of the said companies (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act).

Tan Sri Datuk Seri Gan Yu Chai, Puan Sri Datin Seri Lee Kuan Kiow and Gan Lee Hoon are the directors of PV Holdings. Tan Sri Datuk Seri Gan Yu Chai is a major shareholder of PV Holdings. Gan Tian Soo @ Gan Ah Kan, Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are former directors of PV Holdings. Gan Tian Soo @ Gan Ah Kan has ceased to be a director of PV Holdings on 17 December 2020. Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian have ceased to be directors of PV Holdings on 8 November 2021.

Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are former major shareholders of PV Holdings. On 11 November 2021, Datuk Gan Kah Siong's shareholding was diluted from 20.00% to 1.00%. The shareholdings of Gan Tiong Kian and Gan Kok Peng were also diluted from 10.00% to 0.50% respectively on 11 November 2021. The dilution of their shareholdings was arising from new issuance of shares in PV Holdings on 11 November 2021.

Please refer to note (i) of Section 9.1.1 of this Prospectus for the directorship of Tan Sri Datuk Seri Gan Yu Chai, Gan Tian Soo @ Gan Ah Kan, Lee Ang Hoo and Puan Sri Datin Seri Lee Kuan Kiow in Ambanang Development, Constant Premium, Idaman Sejiwa (Ampang), Pavilion Integrity, Total Solid and Vistarena Development, and the relationship between the interested directors, interested major shareholders and interested person connected.

(iv) Jayyid Land is our former associated company. On 22 November 2021, Jayyid Land increased its issued share capital from RM1,000,000 to RM1,900,000 via allotment of 9,000,000 shares to Gandingan Jakel Sdn Bhd. Subsequent to the completion of the allotment of shares, the shareholding of Radium in Jayyid Land was diluted from 49.00% to 4.90% on 22 November 2021. Further to the said dilution, Radium was no longer the substantial shareholder of Jayyid Land and Jayyid Land has ceased to be our associated company. Accordingly, Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are no longer the indirect major shareholders of Jayyid Land (deemed interested by virtue of their interests in Radium pursuant to Section 8 of the Act). Tan Sri Datuk Seri Gan Yu Chai is the director of Jayyid Land. Tan Sri Datuk Seri Gan Yu Chai is a former director of Radium. Datuk Gan Kah Siong is a former director of Jayyid Land. He has ceased to be a director of Jayyid Land on 15 November 2021.

The advances from Radium to Jayyid Land were fully repaid in September 2022. As the advances have been repaid within 12 months, no interest has been charged to Jayyid Land.

(v) Datuk Gan Kah Siong and Gan Tiong Kian are our Directors and substantial shareholders. They are former directors of Konsep Juara Sdn Bhd. Tan Sri Datuk Seri Gan Yu Chai is a director of Konsep Juara Sdn Bhd. He is a former director of Radium.

(vi) Tan Sri Datuk Seri Gan Yu Chai is a former director of Radium.

9. RELATED PARTY TRANSACTIONS *(cont'd)*

(vii) Pavilion Integrity is our 80.00%-owned subsidiary. Sim Guan Yu is a director and major shareholder of Pavilion Integrity.

(viii) The advances from Tan Sri Datuk Seri Gan Yu Chai to Radium Group were fully repaid in June 2021.

(ix) The advances from Datuk Gan Kah Siong to Radium were fully repaid in June 2022.

(x) Fitrah Resources is our 80.00%-owned subsidiary. Wan Shafie bin Abdul Rashid is the director of Fitrah Resources. Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid, Datuk Nokman bin Ahmad and Wan Shafie bin Abdul Rashid are currently the major shareholders of Fitrah Resources.

*(xi) On 21 August 2019, Radium ("**Lender**"), Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid ("**Borrower**") and Fitrah Resources entered into the advance agreement in respect of the advance of an aggregate principal amount of RM3,730,560.00 from the Lender to the Borrower, and Fitrah Resources shall deduct the net dividends or any other entitlements due and payable to the Borrower from time to time and remit the same to the Lender in order to settle the Borrower's indebtedness before paying or distributing such dividends or other entitlements to the Borrower. On 29 October 2021, Radium, Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid, Datuk Gan Kah Siong and Fitrah Resources entered into a contra agreement, wherein Radium granted, assigned, transferred and set over unto Datuk Gan Kah Siong its entire right, title, securities and interest in and to the debt pursuant to, inter alia, the Advance Agreement ("**Debt**") in consideration of Datuk Gan Kah Siong's consent to allow Radium to offset the amount owing to him against the Debt accordingly. Please refer to Section 5.20(xv) of this Prospectus for further details.*

*On 21 August 2019, Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid entered into a memorandum of charge over securities with the Lender agreeing to deposit/charge all of his shares amounting to 66,000 ordinary shares in Fitrah Resources to the Lender subject to the terms and conditions contained therein, whereby Clause 12 on Power of Attorney has been duly registered at the Kuala Lumpur High Court via No. WA-SKW-35968-08/2019 on 30 August 2019 ("**Power of Attorney").***

On 18 August 2022, a deed of revocation has been entered between Radium and Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid, whereby the Power of Attorney has been duly revoked and registered at the High Court of Malaya at Kuala Lumpur vide Registration No. WA-SKW-35968- 08/2019 (BATAL) on 30 August 2022.

*(xii) On 21 August 2019, Radium ("**Lender**"), Datuk Nokman bin Ahmad ("**Borrower 1**") and Fitrah Resources entered into the advance agreement in respect of the advance of an aggregate principal amount of RM3,738,880.00 from the Lender to the Borrower 1, and Fitrah Resources shall deduct the net dividends or any other entitlements due and payable to the Borrower 1 from time to time and remit the same to the Lender in order to settle the Borrower 1's indebtedness before paying or distributing such dividends or other entitlements to the Borrower 1. On 29 October 2021, Radium, Datuk Nokman bin Ahmad, Datuk Gan Kah Siong and Fitrah Resources entered into a contra agreement, wherein Radium granted, assigned, transferred and set over unto Datuk Gan Kah Siong its entire right, title, securities and interest in and to the debt pursuant to, inter alia, the Advance Agreement ("**Debt 1**") in consideration of Datuk Gan Kah Siong's consent to allow Radium to offset the amount owing to him against the Debt 1 accordingly. Please refer to Section 5.20(xvi) of this Prospectus for further details.*

*On 21 August 2019, Datuk Nokman bin Ahmad entered into a memorandum of charge over securities with the Lender agreeing to deposit/charge all of his shares amounting to 68,000 ordinary shares in Fitrah Resources to the Lender subject to the terms and conditions contained therein, whereby Clause 12 on Power of Attorney has been duly registered at the Kuala Lumpur High Court via No. WA-SKW-35971-08/2019 on 30 August 2019 ("**Power of Attorney 1**").*

On 18 August 2022, a deed of revocation has been entered between Radium and Datuk Nokman bin Ahmad, whereby the Power of Attorney 1 has been duly revoked and registered at the High Court of Malaya at Kuala Lumpur vide Registration No. WA-SKW-35971- 08/2019 (BATAL) on 30 August 2022.

9. RELATED PARTY TRANSACTIONS *(cont'd)*

(xiii) *On 21 August 2019, Radium ("**Lender**"), Wan Shafie bin Abdul Rashid ("**Borrower 2**") and Fitrah Resources entered into the advance agreement in respect of the advance of an aggregate principal amount of RM3,730,560.00 from the Lender to the Borrower 2, and Fitrah Resources shall deduct the net dividends or any other entitlements due and payable to the Borrower 2 from time to time and remit the same to the Lender in order to settle the Borrower 2's indebtedness before paying or distributing such dividends or other entitlements to the Borrower 2. On 29 October 2021, Radium, Wan Shafie bin Abdul Rashid, Datuk Gan Kah Siong and Fitrah Resources entered into a contra agreement, wherein Radium granted, assigned, transferred and set over unto Datuk Gan Kah Siong its entire right, title, securities and interest in and to the debt pursuant to, inter alia, the Advance Agreement ("**Debt 2**") in consideration of Datuk Gan Kah Siong's consent to allow Radium to offset the amount owing to him against the Debt 2 accordingly. Please refer to Section 5.20(xvii) of this Prospectus for further details.*

*On 21 August 2019, Wan Shafie bin Abdul Rashid entered into a memorandum of charge over securities with the Lender agreeing to deposit/charge all of his shares amounting to 66,000 ordinary shares in Fitrah Resources to the Lender subject to the terms and conditions contained therein, whereby Clause 12 on Power of Attorney has been duly registered at the Kuala Lumpur High Court via No. WA-SKW-35965-08/2019 on 30 August 2019 ("**Power of Attorney 2**").*

On 18 August 2022, a deed of revocation has been entered between Radium and Wan Shafie bin Abdul Rashid, whereby the Power of Attorney 2 has been duly revoked and registered at the High Court of Malaya at Kuala Lumpur vide Registration No. WA-SKW-35965- 08/2019 (BATAL) on 30 August 2022.

Percentage contributions are not to be ascertained as Radium Group's audited financial statements for the period from 1 November 2022 up to the LPD is not available.

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10. CONFLICT OF INTEREST AND CONSENT

10.1 INTEREST IN SIMILAR BUSINESS AND BUSINESS OF OUR CUSTOMERS AND SUPPLIERS

10.1.1 Interest in similar business

Save as disclosed below, as at the LPD, none of our Directors or substantial shareholders are interested, directly or indirectly in any business carrying on a similar or competing trade with our Group: -

No.	Name of company	Affected Person	Nature of business	Position (Director/ shareholder)	Direct No. of shares held	Direct %	Indirect No. of shares held	Indirect %	Mitigating factor
1.	PV Development*	Datuk Gan Kah Siong	Property developer	Shareholder	1,000,000	2.00	33,000,000 (v)	66.00	Datuk Gan Kah Siong and Gan Kok Peng are not involved in the day-to-day management of PV Development. Based on the above, our Board is of the view that the involvement of Datuk Gan Kah Siong and Gan Kok Peng as the shareholders in PV Development will not give rise to a conflict of interest with our Group.
		Gan Kok Peng		Shareholder	1,000,000	2.00	33,000,000 (v)	66.00	
2.	PV Holdings*	Datuk Gan Kah Siong	Property investment holding	Shareholder	20,000	1.00	1,180,000 (v)	59.00	Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are not involved in the day-to-day management of PV Holdings. Based on the above, our Board is of the view that the involvement of Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian as the shareholders in PV Holdings will not give rise to a conflict of interest with our Group.
		Gan Kok Peng		Shareholder	10,000	0.50	1,180,000 (v)	59.00	
		Gan Tiong Kian		Shareholder	10,000	0.50	1,180,000 (v)	59.00	

10. CONFLICT OF INTEREST AND CONSENT *(cont'd)*

No.	Name of company	Affected Person	Nature of business	Position (Director/ shareholder)	Direct No. of shares held	Direct %	Indirect No. of shares held	Indirect %	Mitigating factor
3.	Platinum Victory (Setapak) Sdn Bhd*[i]	Datuk Gan Kah Siong	Property developer, leasing and management	Shareholder	250,000	3.57	6,750,000[ii][v]	96.43	Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian are not involved in the day-to-day management of Platinum Victory (Setapak) Sdn Bhd. Based on the above, our Board is of the view that the involvement of Datuk Gan Kah Siong as shareholder in Platinum Victory (Setapak) Sdn Bhd will not give rise to a conflict of interest with our Group.
		Gan Kok Peng		-	-	-	6,750,000[ii][v]	96.43	
		Gan Tiong Kian		-	-	-	6,750,000[ii][v]	96.43	
4.	Marques Land Sdn Bhd[iii]	Datuk Gan Kah Siong	Property development	-	-	-	250,000[ii]	100.00	Marques Land Sdn Bhd and Vistarena Development had earlier entered into a tenancy agreement for the rental of certain premises as sales galleries and office space. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are the indirect substantial shareholders of Marques Land Sdn Bhd via their interests in PV Holdings pursuant to Section 8 of the Act. The shareholdings of PV Holdings of 100.00% in Marques Land Sdn Bhd will remain. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng have ceased to be directors of PV Holdings on 8 November 2021. Based on the above, our Board is of the view that the involvement of Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian as indirect substantial shareholders
		Gan Kok Peng			-	-	250,000[ii]	100.00	
		Gan Tiong Kian			-	-	250,000[ii]	100.00	

10. CONFLICT OF INTEREST AND CONSENT *(cont'd)*

No.	Name of company	Affected Person	Nature of business	Position (Director/ shareholder)	Direct No. of shares held	Direct %	Indirect No. of shares held	Indirect %	Mitigating factor
									will not give rise to a situation of conflict of interest with the Radium Group.
5.	Merit Residences Sdn Bhd[(iv)]	Datuk Gan Kah Siong	Property developer	-	-	-	200,000[(ii)]	20.00	Merit Residences Sdn Bhd is a 20.00%-owned subsidiary of Golden Seeds Realty Sdn Bhd, which is a wholly-owned subsidiary of Selama Bayu Sdn Bhd, a wholly-owned subsidiary of PV Holdings. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are the indirect substantial shareholders of Merit Residences Sdn Bhd via their interests in PV Holdings pursuant to Section 8 of the Act. The shareholdings of PV Holdings of 20.00% in Merit Residences Sdn Bhd will remain. Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng have ceased to be directors of PV Holdings on 8 November 2021. Based on the above, our Board is of the view that the involvement of Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian as shareholders will not give rise to a situation of conflict of interest with the Radium Group.
		Gan Kok Peng			-	-	200,000[(ii)]	20.00	
		Gan Tiong Kian			-	-	200,000[(ii)]	20.00	

Notes: -

* *Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng hold minimal shareholdings in PV Development, PV Holdings and Platinum Victory (Setapak) Sdn Bhd as these companies are held together with other family member as a family business. Hence, they would like to remain as shareholders of these companies.*

(i) A 75.00%-owned subsidiary of Mesti Mulia Holdings Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings.

(ii) Deemed interested by virtue of his interest in PV Holdings pursuant to Section 8 of the Act.

(iii) A wholly-owned subsidiary of PV Holdings.

(iv) A 20.00%-owned subsidiary of Golden Seeds Realty Sdn Bhd, which is a 80.00%-owned subsidiary of Selama Bayu Sdn Bhd, a wholly-owned subsidiary of PV Holdings.

(v) Deemed interested by virtue of Tan Sri Datuk Seri Gan Yu Chai's interest in PV Development, PV Holdings and Platinum Victory (Setapak) Sdn Bhd pursuant to Section 8 of the Act. Tan Sri Datuk Seri Gan Yu Chai is the substantial shareholder of the said companies. Tan Sri Datuk Seri Gan Yu Chai, Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are siblings.

10.1.2 Interest in other business or corporations which are customers or suppliers of our Group

Save as disclosed below, as at the LPD, none of our Directors or substantial shareholders are interested, directly or indirectly in any business or corporations which are the customers or suppliers of the Group: -

Name of company	Nature of relationship	Nature of business	Nature of interest	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD[#] RM'000
Southern Score[(i)(ii)]	Our supplier	Contractor	- Datuk Gan Kah Siong was previously the director and substantial shareholder of Southern Score. He has ceased to be a director and substantial shareholder of Southern Score on 1 August 2019 and 4 July 2019 respectively. - Datuk Gan Kah Siong and Gan Tiong Kian were the directors and substantial shareholders of Super Advantage Property Sdn Bhd, which is the sole shareholder of Southern Score. They have ceased to be the directors and substantial shareholder of Super Advantage Property Sdn Bhd on 26 August 2021 and 4 September 2021 respectively. - Gan Kok Peng was a substantial shareholder of Super Advantage Property Sdn Bhd and has ceased to be a	22,660 Being 4.79% of our Group's revenue	87,034 Being 14.80% of our Group's revenue	189,641 Being 33.64% of our Group's revenue	99,105 Being 32.82% of our Group's revenue	24,815

10. CONFLICT OF INTEREST AND CONSENT *(cont'd)*

Name of company	Nature of relationship	Nature of business	Nature of interest	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000	FPE 2022 RM'000	1 November 2022 up to the LPD# RM'000
			substantial shareholder on 4 September 2021. - Datuk Sydney is our Non-Independent Non-Executive Director. He is currently the Executive Director of Southern Score					

Notes: -

(i) Southern Score was previously a subsidiary of Radium. Subsequent to the disposal to Super Advantage Property Sdn Bhd on 4 July 2019, Radium and Southern Score have been managed by different teams of directors and key senior managements. Moreover, Radium and Southern Score are distinguishable businesses and there are no elements of competition nor conflict of interest. Subsequent to the disposal, Southern Score remained a major supplier to Radium for the past two (2) financial years up to the LPD.

*(ii) Southern Score was involved in a corporate proposal i.e., proposed regularisation plan by G Neptune Berhad ("**GNB**"), a company listed on ACE Market of Bursa Securities involving share consolidation, acquisition of 100% equity interest in Southern Score, debt settlement, private placement and exemption. The said corporate proposal was approved by Bursa Securities on 8 July 2022 and the circular to the shareholders of GNB was issued on 22 August 2022. The approval by the shareholders of GNB on the proposed regularisation plan was obtained on 13 September 2022. GNB had on 6 October 2022 changed its name to Southern Score Builders Berhad. The said corporate proposal was completed on 9 November 2022.*

 # Percentage contributions are not to be ascertained as Radium Group's audited financial statements for the period from 1 November 2022 up to the LPD is not available.

Southern Score, our former subsidiary, has been the contractor for certain projects undertaken by our Group during the Financial Years and Period Under Review as follows: -

Awarding party	Nature of Work	Date of letter of award	Completion date/Target date of completion
Constant Premium	(i) Provision of piling and pilecap works by Southern Score to Constant Premium for the Residensi Vista Sentul project.	8 April 2019	5 June 2020
	(ii) Provision of main building works by Southern Score to Constant Premium for the Residensi Vista Sentul project.	22 July 2020	5 June 2023
Ambanang Development	Provision of main building works by Southern Score to Ambanang Development for the Residensi PV9 project.	7 June 2019	31 October 2022

The aforesaid contracts were awarded prior to the appointment of Datuk Sydney in Radium and Southern Score.

Datuk Sydney is the Executive Director of Southern Score since January 2021 and our Non-Independent Non-Executive Director since February 2021. He was appointed as the Executive Director of Southern Score Builders Berhad (formerly known as G Neptune Berhad), a holding company of Southern Score on 9 November 2022. He is also the Executive Director of Idaman Sejiwa (Ampang). His portfolio at Southern Score and Southern Score Builders Berhad is to oversee the corporate finance division of Southern Score and Southern Score Builders Berhad whilst at Radium, his role is in the planning and development of the proposed hotel of Radium as detailed in Section 5.15.2 of this Prospectus. In respect of the construction of the proposed hotel, we have appointed Borneo Geotechnic Sdn Bhd as the contractor to carry out the construction works.

Subsequent to the appointments of Datuk Sydney above, we have not awarded any contract to Southern Score. In view of the on-going projects with Southern Score which are pending completion, our Board has taken steps to mitigate any situation of conflict of interests to require Datuk Sydney to declare his interest and abstain from any deliberation in relation to Southern Score.

Furthermore, as our Non-Independent Non-Executive Director, he does not hold any portfolio at Group level which may give rise to potential participation of matters under property development division. Our Board is of the view that this step would minimise the potential conflict of interest with Southern Score in relation to Datuk Sydney.

Award of construction contracts for all of our future projects will be undertaken on a tender basis in accordance with our Group's tender procedures and we may continue to award future projects to Southern Score. Notwithstanding, Datuk Sydney will abstain from voting and making decisions pertaining to Southern Score being a supplier to our Group. In addition, Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian shall also abstain from making any decisions as they are persons connected to the major shareholder of Southern Score.

Based on the above, our Board is of the view that the involvement of Datuk Sydney as the Executive Director of Southern Score will not give rise to a situation of conflict of interest with the Radium Group.

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With regard to Section 10.1.1 above, our Board (save for Datuk Gan Kah Siong, Gan Kok Peng, Gan Tiong Kian who have abstained from the respective transactions in which they are interested) and Malacca Securities are of the view that the relevant mitigating steps are adequate to address the conflict of interest situation due to the following reasons: -

- Resignations by Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian from Board positions in the respective companies;
- Disposal or dilution in shareholdings by Gah Kah Siong, Gan Kok Peng and Gan Tiong Kian in the respective companies; and
- No involvement in day-to-day operations in the relevant companies.

With regard to Section 10.1.2 above, our Board (save for Datuk Gan Kah Siong, Gan Kok Peng, Gan Tiong Kian and Datuk Sydney who have abstained) and Malacca Securities are of the view that the relevant mitigating steps are adequate to address the conflict of interest situation due to the following reasons: -

- Resignations by Datuk Gan Kah Siong, Gan Tiong Kian from Board positions in the respective companies (Southern Score and Super Advantage Property Sdn Bhd);
- Disposal in shareholdings by Gah Kah Siong, Gan Kok Peng and Gan Tiong Kian in Super Advantage Property Sdn Bhd, and disposal in shareholdings by Datuk Gan Kah Siong in Southern Score; and
- Datuk Sydney, being the Executive Director of Southern Score, is our Non-Independent Non-Executive Director. He does not have any shareholding in both companies.

In this regard, Datuk Gan Kah Siong, Gan Kok Peng, Gan Tiong Kian and Datuk Sydney have declared their interest and have undertaken to comply with the Company's policy on conflict-of-interest which will require them to abstain from any decision making process (including Board deliberations and general meetings) and shall be subject to Audit Committee's surveillance.

Our Board confirms that all the above situations of conflict of interest and potential conflict of interest will be resolved prior to the Listing of Radium. Save as disclosed above, our Board confirms that there is no other situation of conflict of interest and potential conflict of interest which have not been disclosed.

Our Audit and Risk Management Committee will review such conflict of interest that may arise within the Group including any transaction, procedure or course of conduct that raises questions of integrity. In addition, our Audit and Risk Management Committee will also ensure such conflict of interest situations that may arise within the Company comply with applicable laws and regulations.

In the event the interests of our Directors and substantial shareholders and/or persons connected to them in other businesses or corporations which are carrying on a similar business as our Group and/or our customers or suppliers may give rise to a conflict of interest situation with our business, our interested Directors, interested substantial shareholders and/or persons connected with them shall abstain from our Board deliberation and voting on the relevant resolutions.

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10.2 DECLARATION OF CONFLICT OF INTEREST BY ADVISERS

(i) Malacca Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Manging Underwriter, Joint Underwriter and Joint Placement Agent for the Listing.

(ii) CIMB IB, its related and associated companies, as well as its holding company CIMB Group Holdings Berhad and the subsidiaries and associated companies of its holding company ("**CIMB Group**") form a diversified financial group and are engaged in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services business. The CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Group.

In addition, in the ordinary course of business, any member of the CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the businesses of the CIMB Group generally acting independently of each other, and accordingly there may be situations where parts of the CIMB Group and/or its clients now have or in the future, may have interests or take actions that may conflict with the interests of our Group.

As at the LPD, our Group has outstanding loan facilities with CIMB Bank Berhad amounting to approximately RM5.78 million. We have allocated approximately RM5.78 million to repay the outstanding loan facilities granted by CIMB Bank Berhad using the proceeds raised from our IPO as disclosed in Section 2.8.2 of this Prospectus.

[Notwithstanding the above, CIMB IB is of the opinion that its role as the Joint Underwriter and Joint Placement Agent for our IPO is not likely to result in a conflict of interest or potential conflict of interest situation in view that: -

(a) CIMB Bank Berhad is a licensed commercial bank and the extension of banking facilities to our Group arose in the ordinary course of business of CIMB Bank Berhad; and

(c) the said loan facilities which is approximately 0.01% of the audited NA of CIMB Group as at 31 December 2022 of RM63.78 billion, are not material.

Premised on the above, CIMB IB confirms that there is no existing or potential conflict of interest in its capacity as the Joint Underwriter and Joint Placement Agent for the Listing.

(iii) Iza Ng Yeoh & Kit has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors for the Listing.

(iv) Cheang & Ariff has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Solicitors as to the Managing Underwriters, Joint Underwriters and Joint Placement Agents in respect of the Listing.

(v) Baker Tilly has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for the Listing.

(vi) Smith Zander has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for the Listing.

10. CONFLICT OF INTEREST AND CONSENT *(cont'd)*

(vii) Knight Frank has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Independent Valuer for the Listing.

(viii) Ipsos has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Independent Expert for the Listing.

(ix) Tricor Investor & Issuing House Services Sdn Bhd has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Issuing House and Share Registrar for the Listing.

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11. FINANCIAL INFORMATION

11.1 HISTORICAL COMBINED FINANCIAL INFORMATION

The financial statements used in the preparation of our historical combined financial information for the Financial Years and Period Under Review were prepared in accordance with the MFRS. Any adjustments which were dealt with when preparing our historical combined financial information have been highlighted and disclosed in Section 13 of this Prospectus. The following historical combined statements of comprehensive income, historical combined statements of financial position and historical combined statements of cash flows should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Result of Operations as set out in Section 12 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

11.1.1 Historical combined statements of comprehensive income

The historical combined statements of comprehensive income for the Financial Years and Period Under Review are as follows: -

	Audited			Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FPE 2021	FPE 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	472,806	588,067	563,691	505,765	302,011
COS	(325,190)	(421,995)	(385,589)	(332,456)	(170,529)
GP	**147,616**	**166,072**	**178,102**	**173,309**	**131,482**
Other income	44,691	806	1,098	565	47,912
Marketing expenses	(15,560)	(18,897)	(15,671)	(12,717)	(12,780)
Administrative expenses	(3,838)	(6,219)	(10,787)	(6,885)	(9,700)
Other operating expenses	(321)	(1,068)	(1,789)	(1,468)	(20,568)
Operating profit	**172,588**	**140,694**	**150,953**	**152,804**	**136,346**
Finance costs	(9,186)	(8,967)	(6,052)	(4,951)	(2,823)
PBT	**163,402**	**131,727**	**144,901**	**147,853**	**133,523**
Income tax expense	(28,801)	(32,733)	(35,951)	(35,077)	(41,440)
Profit for the financial year/period, representing total comprehensive income for the financial year/period	**134,601**	**98,994**	**108,950**	**112,776**	**92,083**
PAT attributable to: -					
Owners of the Company	127,999	87,894	101,589	106,025	89,585
Non-controlling interests	6,602	11,100	7,361	6,751	2,498
	134,601	**98,994**	**108,950**	**112,776**	**92,083**
Total comprehensive income attributable to: -					
Owners of the Company	127,999	87,894	101,589	106,025	89,585
Non-controlling interests	6,602	11,100	7,361	6,751	2,498
	134,601	**98,994**	**108,950**	**112,776**	**92,083**

	Audited			**Unaudited**	**Audited**
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2021**	**FPE 2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
EBITDA(i) (RM'000)	172,696	141,328	152,493	154,103	137,595
EBITDA margin (%)	36.53	24.03	27.05	30.47	45.56
GP margin(ii) (%)	31.22	28.24	31.60	34.27	43.54
PBT margin(iii) (%)	34.56	22.40	25.71	29.23	44.21
PAT margin(iii) (%)	28.47	16.83	19.33	22.30	30.49
Basis EPS(iv) (sen)	4.92	3.38	3.91	4.08	3.45
Diluted EPS(v) (sen)	3.69	2.53	2.93	3.06	2.58

Notes: -

(i) *Computed based on the following: -*

	Audited			***Unaudited***	***Audited***
	FYE 2019	***FYE 2020***	***FYE 2021***	***FPE 2021***	***FPE 2022***
	RM'000	***RM'000***	***RM'000***	***RM'000***	***RM'000***
PAT	*134,601*	*98,994*	*108,950*	*112,776*	*92,083*
Add:					
Income tax expense	*28,801*	*32,733*	*35,951*	*35,077*	*41,440*
Finance costs	*9,186*	*8,967*	*6,052*	*4,951*	*2,823*
Depreciation	*321*	*839*	*1,789*	*1,468*	*1,650*
Less:					
Interest income	*213*	*205*	*249*	*169*	*401*
EBITDA	***172,696***	***141,328***	***152,493***	***154,103***	***137,595***

(ii) *Computed based on GP over revenue.*

(iii) *Computed based on PBT/PAT over revenue.*

(iv) *Computed based on PAT attributable to the owners of the Company divided by our issued share capital of 2,600,000,000 Shares before our IPO.*

(v) *Computed based on PAT attributable to the owners of the Company divided by our enlarged issued share capital of 3,468,000,000 Shares after our IPO.*

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11. FINANCIAL INFORMATION *(cont'd)*

11.1.2 Historical combined statements of financial position

The historical combined statements of financial position for the Financial Years and Period Under Review are as follows: -

	Audited			
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Assets				
Non-current assets				
Property, plant and equipment	2,366	1,968	4,278	4,827
Inventories	13,749	8,054	8,054	-
Goodwill	1,590	1,590	1,590	1,590
Other investments	31,013	29,313	29,313	10,584
Total non-current assets	**48,718**	**40,925**	**43,235**	**17,001**
Current assets				
Inventories	350,738	291,777	232,069	252,883
Current tax assets	705	4,027	5,007	4,265
Trade and other receivables	71,910	83,474	96,176	89,190
Contract assets	276,536	472,356	324,838	227,288
Cash and short-term deposits	21,117	33,723	128,747	35,126
Total current assets	**721,006**	**885,357**	**786,837**	**608,752**
TOTAL ASSETS	**769,724**	**926,282**	**830,072**	**625,753**
Equity and Liabilities				
Equity attributable to owners of the Company				
Share capital	^	^	2,400	42,400
Preference shares	-	-	40,000	-
Retained earnings	152,127	240,021	306,122	345,707
	152,127	240,021	348,522	388,107
Non-controlling interests	7,753	18,853	20,902	3,400
TOTAL EQUITY	**159,880**	**258,874**	**369,424**	**391,507**
Non-current liabilities				
Loans and borrowings	64,849	84,653	73,612	44,085
Deferred tax liabilities	283	606	758	694
Total non-current liabilities	**65,132**	**85,259**	**74,370**	**44,779**
Current liabilities				
Loans and borrowings	13,061	7,296	17,985	50,757
Current tax liabilities	4,704	12,133	6,518	16,931
Trade and other payables	526,920	562,720	361,775	121,779
Contract liabilities	27	-	-	-
Total current liabilities	**544,712**	**582,149**	**386,278**	**189,467**
TOTAL LIABILITIES	**609,844**	**667,408**	**460,648**	**234,246**
TOTAL EQUITY AND LIABILITIES	**769,724**	**926,282**	**830,072**	**625,753**
Number of Shares ('000)	*	*	2,400,000	2,600,000
Shareholders' fund/NA$^{(i)}$ (RM'000)	152,127	240,021	348,522	388,107
NA$^{(i)}$ per Share (RM)	76,064,000	120,011,000	0.15	0.15
Total loans and borrowings$^{(ii)}$ (RM'000)	76,358	90,777	89,312	93,024
Current ratio$^{(iii)}$ (times)	1.32	1.52	2.04	3.21
Gearing ratio$^{(ii)(iv)}$ (times)	0.48	0.35	0.24	0.24

Notes: -

(i) *NA attributable to the owners of the Company.*

(ii) *Excluding lease liabilities for right-of-use assets classified under lease liabilities.*

(iii) *Computed based on current assets over current liabilities as at each FYE/FPE.*

(iv) *Computed based on our total loans and borrowings over total equity for each FYE/FPE. Lease liabilities for right-of-use assets are excluded from the calculation of the gearing ratio. It comprises solely the recognition of lease liabilities arising from the lease arrangements for renting our offices under the MFRS 16 Leases, which do not involve the drawdown of loans and borrowings from the financial institutions.*

^ *Less than RM1,000.*

* *Represents two (2) Shares.*

11.1.3 Historical combined statements of cash flows

The historical combined statements of cash flows for the Financial Years and Period Under Review are as follows: -

	Audited			Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FPE 2021	FPE 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
PBT	163,402	131,727	144,901	147,853	133,523
Adjustments for: -					
Depreciation of property, plant and equipment	321	839	1,789	1,468	1,650
Gain on disposal of property, plant and equipment	-	-	-	-	(161)
Gain on lease modification	-	-	(4)	(4)	(9)
Recoupment income	-	-	-	-	(47,000)
Fair value adjustment on other investment	-	-	-	-	18,729
Finance costs	9,186	8,967	6,052	4,951	2,823
Finance income	(213)	(205)	(249)	(169)	(401)
COVID-19 related rent concession income	-	(24)	-	-	-
Dividend income	(44,100)	-	-	-	-
Operating profit before changes in working capital	**128,596**	**141,304**	**152,489**	**154,099**	**109,154**
Changes in working capital: -					
Inventories	70,300	64,656	59,708	49,279	(12,628)
Trade and other receivables	(10,087)	(4,534)	(24,723)	(136,712)	6,945
Contract assets	(127,203)	(195,820)	147,518	143,776	97,550
Trade and other payables	12,536	64,247	(137,029)	(84,865)	(35,373)
Contract liabilities	(7,624)	(27)	-	-	-
Net cash generated from operations	**66,518**	**69,826**	**197,963**	**125,577**	**165,648**
Income tax paid	(25,260)	(28,453)	(45,744)	(36,447)	(30,349)
Income tax refunded	180	149	3,348	3,348	-
Interest received	213	205	249	169	401
Interest paid	(785)	(639)	(681)	(544)	(510)

11. FINANCIAL INFORMATION *(cont'd)*

	Audited			Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FPE 2021	FPE 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash from operating activities	**40,866**	**41,088**	**155,135**	**92,103**	**135,190**
Cash flows from investing activities					
Purchase of property, plant and equipment	(237)	(54)	(1,842)	(1,478)	(1,232)
Proceeds from disposal of property, plant and equipment	-	-	-	-	161
Recoupment income received	-	-	-	-	47,000
Proceeds from disposal of other investments	1,200	1,700	-	-	-
Acquisition of subsidiary, net of cash acquired	(767)	-	-	-	-
Acquisition of additional interest in subsidiaries	-	-	(800)	(800)	-
Proceeds from acquisition of equity interest by non-controlling interests	200	-	-	-	-
Dividend received	44,100	-	-	-	-
Change in pledged deposits	(1,752)	(64)	(1,136)	(1,113)	(5,530)
Net cash from/(used in) investing activities	**42,744**	**1,582**	**(3,778)**	**(3,391)**	**40,399**
Cash flows from financing activities					
Proceeds from issuance of ordinary shares	-	-	2,400	2,400	-
Drawdown of term loans	17,892	33,000	47,000	44,780	32,307
Repayment of term loans	(68,535)	(27,134)	(28,817)	(16,029)	(32,937)
Drawdown of bridging loans	58,894	99,459	40,938	40,938	-
Repayment of bridging loans	(77,693)	(85,174)	(70,348)	(70,353)	(12,684)
Payment of lease liabilities	(211)	(811)	(1,212)	(966)	(1,147)
Drawdown of revolving credit	-	-	-	-	30,000
Net change in amount owing by/to former holding company	(16,471)	(2,311)	11,528	11,528	-
Net change in amount owing by/to related companies	6,346	(1,959)	-	-	-
Net change in amount owing by/to related parties	31,336	(38,371)	(63,934)	(77,642)	(190,387)
Net change in amount owing to directors	(19,039)	7,164	513	6,813	(14,192)
Dividends paid to:	-	-	-		
- Owners of the Company	-	-	-	-	(50,000)
- Non-controlling interests	-	-	-	-	(20,000)
Interest paid	(8,401)	(8,140)	(5,152)	(4,188)	(2,159)
Net cash used in financing activities	**(75,882)**	**(24,277)**	**(67,084)**	**(62,719)**	**(261,199)**
Net increase/(decrease) in cash and cash equivalents	**7,728**	**18,393**	**84,273**	**25,993**	**(85,610)**

	Audited			Unaudited	Audited
	FYE 2019	FYE 2020	FYE 2021	FPE 2021	FPE 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents at the beginning of financial year/period	1,177	8,905	27,298	27,298	111,571
Cash and cash equivalents at the end of financial year/period	**8,905**	**27,298**	**111,571**	**53,291**	**25,961**

11.2 CAPITALISATION AND INDEBTEDNESS

The following table summarises our pro forma combined statements of capitalisation and indebtedness as at 28 February 2023 and based on our unaudited combined statements of financial position as at 28 February 2023 after adjusting for the effects of the cash proceeds arising from our Public Issue and the utilisation of proceeds: -

		Pro Forma	
		I	II
	Unaudited as at 28 February 2023	After the Public Issue	After Pro Forma I and the utilisation of proceeds
	RM'000	RM'000	RM'000
Indebtedness			
Current			
Secured and guaranteed:			
Term loans	8,095	8,095	-
Revolving credit	40,327	40,327	40,327
Bank overdraft	27	27	27
	48,449	48,449	40,354
Secured and unguaranteed:			
Lease liabilities	122	122	122
	122	122	122
Unsecured and unguaranteed:			
Lease liabilities	1,112	1,112	1,112
	1,112	1,112	1,112
Non-current			
Secured and guaranteed:			
Term loans	47,483	47,483	15,129
	47,483	47,483	15,129
Secured and unguaranteed:			
Lease liabilities	390	390	390
	390	390	390
Unsecured and unguaranteed:			
Lease liabilities	303	303	303
	303	303	303
Total indebtedness	**97,859**	**97,859**	**57,410**
Capitalisation			
Share capital	42,400	476,400	471,394
Retained earnings	335,386	335,386	323,641
Total capitalisation	**377,786**	**811,786**	**795,035**
Total capitalisation and indebtedness	**475,645**	**909,645**	**852,445**
Gearing ratio[(i)] (times)	0.26	0.12	0.07

Note: -

(i) Calculated based on total indebtedness divided by total capitalisation.

11.3 EXCHANGE CONTROL

As at the LPD, there are no governmental law, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group which will impact the availability of cash and cash equivalents for use by our Group and the remittance of dividends, interest or other payments to shareholders of our Group.

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of financial condition and results of operations for the Financial Years and Period Under Review should be read in conjunction with the audited financial statements and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus.

This discussion and analysis contain forward-looking statements that involve risks and uncertainties. The actual results may differ significantly from those anticipated in these forward-looking statements as a result of a number of factors, including those set forth under Section 8: Risk Factors of this Prospectus.

12.1 OVERVIEW OF OUR OPERATIONS

(i) Principal activities

Our Group is principally involved in the development of high-rise residential properties. Our Group focuses on the development of competitively-priced high-rise residential properties in strategic locations in urban Kuala Lumpur. Our high-rise residential property development comprises condominiums, serviced apartments, suite apartments and SOHO units.

We are also committed towards the development of affordable housing such as Residensi Wilayah (previously known as RUMAWIP) and PPAM (previously known as PPA1M) to support the Government's effort in providing affordable housing to all Malaysian citizens. Residensi Wilayah is an affordable housing programme, introduced by the Government, for middle-income buyers born, residing and working in the Federal Territory of Kuala Lumpur. PPAM is an affordable housing scheme for civil servants. Our affordable housing projects are either developed with our condominiums/serviced apartments under the same development order, or developed as standalone projects. The Residensi Wilayah and PPAM projects are undertaken through our Group's own initiatives and does not involve Government awarded projects.

For further details, please refer to Section 5.3 of this Prospectus.

(ii) Revenue

The revenue for the Financial Years and Period Under Review derived from the following segments: -

(a) Sale of development properties

Our Group develops and sales of residential properties as well as sales of land. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

Revenue from sale of development properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as our Group's performance do not create an asset with an alternative use to our Group and our Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include advances received from customers. When the progress billings to-date and include advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Revenue from the sale of completed properties is recognised at a point in time when control of the property is transferred to the customer and it is probable that our Group will collect the consideration to which it is entitled. There was no revenue from the sale of completed properties during the Financial Years and Period Under Review.

Based on our Group's customary business practice, the customers' legal fees are borne by our Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. Our Group uses its experience in estimating the legal fees to be incurred. Our Group uses the expected value method because it is the method that our Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

(b) Construction contracts

Following the completion of the acquisition of 80.00% equity interest in Fitrah Resources on 28 August 2019, our Group has engaged in the provision of general construction works. The income from construction contracts during the Financial Years and Period Under Review derived solely from the existing on-going construction projects secured by Fitrah Resources prior to the completion of the said acquisition. Upon completion of the on-going construction projects during FYE 2020, our Group has ceased our construction activities and is currently engaged in property development.

Our Group constructs properties under long-term and short-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the properties is transferred over time as our Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. Our Group become entitled to invoice customers for construction of properties based on achieving a series of performance-related milestones.

Our Group recognised a contract asset for any excess of revenue recognised to date over the billings to date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

(c) Sale of goods

The income from sale of goods during the Financial Years and Period Under Review derived solely from Fitrah Resources which sell a range of furniture and fittings to its customers. Fitrah Resources has ceased the sale of good business and is currently engaged in property development.

Revenue from sale of furniture and fittings are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

(d) Sale of land held for development

Revenue from sale of land held for development are recognised at a point in time when the control of the land held for development has been transferred to the purchaser.

(iii) COS

Our COS comprises of the following: -

(a) Sale of development properties

Our costs for the sale of development properties comprise property development expenditure, amongst others, including land costs, infrastructure costs, building construction costs undertaken by contractors, and contributions to the relevant authorities.

(b) Construction contracts

Our construction contract costs comprise sole sub-contractor costs as our Group has fully outsourced the construction works to related/third parties.

(c) Sale of goods

Our costs for the sale of goods comprise costs for the purchase of furniture and fittings.

(iv) Other income

Other income comprises mainly dividend income, interest income, rental income, recoupment income, forfeiture of payments from home buyers for the cancellation of sale and purchase agreements, government wages subsidy and salvage income.

(v) Marketing expenses

Marketing expenses comprise mainly staff costs, advertising expenses, marketing and promotional expenses and sales commissions.

(vi) Administrative expenses

Administrative expenses comprise mainly staff costs, administration fees, office rental, legal and professional fees and management fee.

(vii) Other operating expenses

Other operating expenses comprise amortisation of rights-of-use assets, depreciation of property, plant and equipment, tax penalty, and fair value adjustment on other investment.

(viii) Finance costs

Finance costs comprise mainly interest expenses on advances from a related party, bank overdrafts, revolving credits, term loans, bridging loans and lease liabilities pursuant to the adoption of MFRS 16 *Leases*.

(ix) Recent developments

Save as disclosed below, there were no other significant events subsequent to our Group's audited combined financial statements for the FPE 2022: -

(a) on 9 December 2022, Radium mutually agreed with Alfa Sutramas Sdn Bhd, a related party, to increase the recoupment of investment cost in Jayyid Land from RM47,000,000 to RM60,000,000 of which further details are disclosed in Section 5.20(vi) of this Prospectus;

(b) letter of intent dated 6 February 2023 issued by Radium to N&M Cahaya Sdn Bhd for the purpose of jointly developing the Land with N&M Cahaya Sdn Bhd by subscribing Subscription Shares on a fully diluted basis as at the date such shares are subscribed as disclosed in Section 5.20(ii) of this Prospectus; and

(c) the material litigation as disclosed in Section 16.4 of this Prospectus.

(x) Audit qualifications

Our audited combined financial statements for the Financial Years and Period Under Review were not subject to any audit qualifications.

(xi) Accounting policies that are peculiar to our business

There are no accounting policies that are peculiar to our business as the nature of our business is property development and does not require special accounting policies.

(xii) Significant factors affecting financial position and results of operations of our Group

Section 8 of this Prospectus details the risk factors relating to our business and the industry in which we operate. The financial position and results of operations of our Group have been and will continue to be affected by, amongst others, the following factors which may not be within the control of our Group: -

(a) Changes in the prevailing market conditions in the property market in Malaysia and specifically, in Klang Valley

As all our property development projects are located in Kuala Lumpur, we are dependent on the prevailing market conditions of the property market in Malaysia and specifically, in Klang Valley, for the sales performance of our properties as well as the development planning of our future projects. The performance of the property market and value of properties in Malaysia and Klang Valley are affected by amongst others, the supply and demand of properties, rate of economic growth, interest rates, and inflation in Malaysia.

Other factors beyond our control such as changes in the political environment or sudden outbreak of diseases (e.g., the outbreak of the COVID-19 virus in early 2020) may also impact the economic activities in Malaysia. There can be no assurance that our future launches will not be impacted by the changes in market sentiment as a result of adverse economic conditions.

Further, there can be no assurance that the Malaysian economy will consistently grow in an upward trend, value of properties will not be affected, interest rates or inflation will not rise and consumer spending power will not be affected in the future to support the demand for properties. A weak market sentiment as a result of adverse economic conditions may adversely affect the overall performance of the property market and value of properties in Malaysia, which may in turn affect the demand and value of our properties. Further, a weak market sentiment may cause a delay in the timing of the launch of our planned property development projects and may, in turn, adversely affect our Group's business, cash flow and sales performance.

The risks relating to changes in the prevailing market conditions in the property market in Malaysia that may affect the financial position and results of operations of our Group are set out in Section 8.1.1 of this Prospectus.

(b) Exposure to the outbreak of the COVID-19 pandemic and possible similar future outbreaks may have a significant adverse effect on our Group

Pursuant to the outbreak of the COVID-19 pandemic, our Group faced temporary disruption to the operations at our offices and sales galleries, whereby our operations were temporarily suspended during the implementation of the first MCO (i.e., from 18 March 2020 to 3 May 2020 for our offices and sales galleries) and NRP (i.e., 1 June 2021 to 7 June 2021 for our offices, and 1 June 2021 to 9 September 2021 for our sales galleries). Further details on the impact of COVID-19 to our operations are as set out in Section 5.3.3 of this Prospectus.

Due to the timely rearrangement of our operations since 18 March 2020 and up to LPD, the disruptions did not result in material adverse impact to the operations of our Group. Nevertheless, there can be no assurance that our operations will not be materially impacted by disruptions resulting from similar outbreak of other infectious diseases or other health epidemic in the future. The impact of the COVID-19 pandemic on the sales and financial performance of our Group are as set out in Section 8.1.1 of this Prospectus.

Save for Residensi Platinum Mira where the development activities were temporarily suspended since FYE 2019 following a court order dated 1 August 2019 (the development activities had re-commenced on 14 April 2022 following the decisions by the Court of Appeal on 5 April 2022 and have been temporarily suspended, as advised by the solicitors for Pavilion Integrity, in order to avoid any unnecessary further legal proceedings following the Court of Appeal's decision on 3 October 2022, further information are detailed in Sections 5.3.1(vi) and 16.4 of this Prospectus), construction activities at all of our project sites were temporarily suspended between 18 March 2020 and 21 April 2020 during the first MCO and between 1 June 2021 and 30 July 2021 during the NRP as our contractors and/or their subcontractors were not allowed to operate. Construction activities at our project sites were able to resume when our contractors and/or their subcontractors respectively received their approval letters from MITI during the first MCO (i.e., between 22 April 2020 and 4 May 2020) and NRP (i.e., between 3 June 2021 and 30 July 2021). Please refer to the table set out in Section 5.3.3 of this Prospectus for the detailed disclosure on the dates when construction activities at our project sites were temporarily suspended and the dates of the resumption of our construction activities.Since 18 March 2020 and up to the LPD, there were also a few occasions of incidents resulting from the COVID-19 pandemic that had temporarily disrupted the construction activities at few of our project sites. Further details on the incidences are as set out in Section 5.3.3 of this Prospectus.

While, as at the LPD, our Group has not been subject to any LAD claims, there can be no assurance that we will not be subject to LAD claims from home buyers for any delays in the delivery of vacant possession for new projects in the future, resulting from similar outbreak of other infectious diseases or other health epidemics.

The risks relating to the exposure to the outbreak of the COVID-19 pandemic and possible similar future outbreaks may have a significant adverse effect on our Group's financial position and the results of operations of our Group are set out in Section 8.1.2 of this Prospectus.

(c) Exposure to unexpected interruptions or delays in project completion caused by external factors

The timely completion of property development projects undertaken by our Group is dependent on many external factors inherent in property development, some of which may be beyond our control including, among others, the timely receipt of required licenses, permits or regulatory approvals, availability of construction materials, equipment and labour, availability of financing and appointment of qualified and competent consultants, professionals and contractors to complete the development on time. In addition, delays in the completion of our projects could also arise from environmental factors such as natural disasters like landslides and flooding; and/or sudden crisis such as the outbreak of the COVID-19 pandemic. Please refer to Section 8.1.2 of this Prospectus for further details of the risks related to COVID-19.

Any prolonged interruptions or delays in completing a project may result in our property buyers imposing LAD on us which could affect our GDC, volatility in our revenue and profitability as well as cash flows. While we do not have exact back-to-back LAD claim arrangements with our contractors in respect of any LAD claims made by buyers, there are LAD clauses in the respective contractors' contracts which are enforceable by us in the event of any delays directly attributable to the works of the contractors. Such LAD amounts are derived based on the contract sum and thus differ from contract to contract.

For the Financial Years and Period Under Review and up to the LPD, we have not paid any LAD as we have not experienced any delay in the completion of our project (i.e., late delivery of vacant possession to home buyers). Neverthess, there can be no assurance that we will not encounter any delay in the completion of our projects and that we will not be required to pay LAD to home buyers in the future.

(d) Our business is capital intensive and is dependent on our ability to secure adequate financing

Our developments require substantial capital investment and as such, may cause us to generate negative operating cash flow when the cash outlay for land acquisition and construction expenditures during a particular period, after taking into account changes in other working capital items, exceeds the cash inflow from property sales over the same period.

The availability of adequate financing is crucial to our ability to acquire land and to complete our property development projects according to plan. We rely on internally generated funds as well as external borrowings such as bank overdrafts, term loans, revolving credits and bridging loans to partially finance our working capital and acquisition of landbank. If we are unable to secure adequate credit facilities at competitive rates for the abovementioned requirements, our cash flows, operations, growth and expansion plans will be adversely affected.

Although our borrowings are not affected as at the LPD, there can be no assurance that it will not be affected in the future as a result of deteriorating market conditions or adverse socio-economic conditions.

Risks relating to the dependency on our ability to secure adequate financing given our capital-intensive business that may affect the financial position and results of operations of our Group are set out in Section 8.1.4 of this Prospectus.

(e) Our ability to acquire a suitable landbank to sustain our business operations and financial performance

As a property developer, we rely on our existing landbank as well as our ability to identify and acquire suitable landbank with development potential to deliver sustainable business operations and financial performance. As such, we have to continuously identify and acquire suitable landbank in desirable locations and at commercially acceptable cost for future development.

There can be no assurance that we will be able to continuously identify and acquire suitable landbank in strategic locations at commercially viable prices, or to secure opportunities to jointly develop land with land owners on commercially viable terms and with good development potential. Failure to do so would impair our ability to launch new property development projects, which in turn is likely to have a material and adverse effect on our Group's business, results of operations and prospects.

Risks relating to our ability to acquire a suitable landbank to sustain our business operations and financial performance that may affect the financial position and results of operations of our Group are set out in Section 8.1.5 of this Prospectus.

(f) We may achieve lower than estimated GDV for our projects

We have engaged an Independent Valuer to value our on-going property development projects. The valuation certificates set out in Section 15 of this Prospectus were made on the basis of certain forecasts, projections and conditions of the property market where our developments are located, prevailing at a particular point in time.

These conditions may change over time, as property values are subject to, among others, factors affecting supply of and demand for properties, the rate of economic growth of the country and interest rates. In particular, the uncertainties brought about by the COVID-19 situation have dampened market sentiment. Although our present sales remain unaffected and we have not experienced any cancellation in sales, there can be no assurance that our future launches will not be impacted by the change in market sentiment.

The GDV of the property development projects undertaken by our Group are estimated based on market conditions as at the date of valuation (i.e., 22 August 2022) of the property development projects and certain assumptions may ultimately prove to not be reflective of the prevailing market conditions at the point of sale of our properties. These assumptions include the demand for our properties and selling prices. Any unfavourable change in the basis of certain forecasts, projections and conditions of the property market may result in our Group not being able to achieve our projected GDV and in turn, could have a material adverse impact on our Group's business, results of operations and prospects.

(g) Dependency on our Executive Directors, Key Senior Management and a highly-skilled and experienced workforce

The success of our Group is dependent on the experience, industry knowledge and network, and skills of our Executive Directors and Key Senior Management. Our Group's success is also reliant on the continued service of our Executive Directors and Key Senior Management.

As such, the loss of any Executive Director and any of our Key Senior Management simultaneously or within a short time may create unfavourable or material impact on our Group's operations and the future growth of our business, which may ultimately affect the results of operations, performance and prospects of our Group, if we are not able to replace or attract suitable talents in a timely manner.

Risks relating to our dependency on our Executive Directors, Key Senior Management, and a highly-skilled and experienced workforce that may affect our business, the financial position and results of operations of our Group are set out in Section 8.1.7 of this Prospectus.

(h) Exposure to unanticipated increase in costs associated with our property development projects

Generally, our appointed main contractors and/or their sub-contractors are responsible for the wages of construction workers and procuring construction materials and equipment required for our property development projects. As such, they will bear the risk of increase in labour costs as well as fluctuations in building material costs arising from the supply and demand conditions for construction related commodities (e.g., steel) and from foreign exchange movements affecting the prices of imported materials.

Any unforeseen spikes or persistent increase in construction costs may also affect our contractors' cash flow and their ability to secure the required resources, if such situations are prolonged. This may affect our contractors' ability to carry out the construction work and may result in delays in the completion of construction works for our property development projects as well as our property delivery and billing schedules, and subsequently adversely affect our reputation in the market, as well as our sales performance and profit margins.

Risks relating to the exposure to unanticipated increase in costs associated with our property development projects that may affect our business, the financial position and results of operations of our Group are set out in Section 8.1.8 of this Prospectus.

(i) Exposure on our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations

Our Group has insured and/or caused to be insured our material assets including all on-going property development projects under construction and completed properties. We also maintain insurance at levels that are customary in our industry to protect against various losses and liabilities, such as contractors all risk policy (i.e., including fire, flood, theft and strike riot/civil commotion), workmen compensation policy, burglary policy, money insurance, group personal accident insurance and hospitalisation and surgical insurance arising from our business operations. However, our insurance may not be adequate to cover all losses or liabilities that might be incurred in our operations.

Moreover, we will be subject to the risk that, in the future, we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business, financial condition and results of operations.

(j) We may be involved in legal and other proceedings arising from our operations from time to time

We may be involved from time to time in disputes with various parties such as landowners, suppliers, joint venture partners, contractors, sub-contractors, consultants and other parties involved in the course of carrying out our property development activities as well as with customers in the sale of our properties (e.g. damages claims by home buyers for non-compliance to building specification, defective workmanship, incomplete or non-availability of common facilities, late delivery of vacant possession and difference in build-up area). Costs, time and management resources would have to be diverted towards defending such claims should they arise. Such disputes and claims may lead to legal and other proceedings, administrative proceedings against our Group, and unfavourable decrees issued against our Group may cause us to suffer additional costs, delays and/or financial losses. We are unable to give any assurance that if disputes and claims arise, they will be settled on terms which are favourable to our Group or if such disputes and claims result in litigation or arbitration, such judgement, order or award will not adversely affect our business operations, financial condition, prospects and reputation.

In October 2017, litigation cases were commenced against Pavilion Integrity in respect of our development land for Residensi Platinum Mira. Pavilion Integrity had temporarily suspended the development activities since FYE 2019 following a court order dated 1 August 2019, which had the effect of restraining Pavilion Integrity from *inter alia* developing on Lot 810 until the disposal of the four (4) Judicial Reviews on 27 May 2021. The development activities for Residensi Platinum Mira re-commenced on 14 April 2022 subsequent to the decisions by the Court of Appeal on 5 April 2022. Following the Court of Appeal's decision on 3 October 2022, the development activities have been temporarily suspended, as advised by the solicitors for Pavilion Integrity, in order to avoid any unnecessary further legal proceedings. As at the LPD, the development activities for Residensi Platinum Mira remains suspended. Please refer to Section 16.4 of this Prospectus for further details on the litigation cases in respect of the said development land. In the event that the decision of the appeal at the Federal Court is not in Pavilion Integrity's favour, there will be a compulsory acquisition of Lot 810 by the relevant authority wherein we will be compensated in accordance with Sections 9A and the First Schedule of the Land Acquisition Act 1960. Please refer to Section 8.1.10 of this Prospectus for further details.

(k) Exposure to unfavourable changes in Government policies affecting the performance of the property market and value of properties

The property market is subject to Government policies in Malaysia. Any adverse changes in Government policies in relation to the property market such as housing, land and development policies, and prohibition of foreigners in purchasing certain properties in Malaysia could adversely affect the performance of the property market and value of properties in Malaysia.

In addition, any restrictive policy changes by BNM such as upward changes in the overnight policy rate by BNM, which increases interest rates for housing loans, and reduced loan-to-value ratios will subsequently restrict the purchasing ability of buyers. This would likely have a negative impact on consumer sentiment and purchasing power, and dampen overall demand for properties which may in turn affect the demand for our Group's properties.

As such, there can be no assurance that any future unfavourable changes in Government policies will not adversely affect our Group's business and results of operations in the future.

(l) Dependency on the services of our contractors for completion and quality of our property development projects

We engage contractors to carry out construction works and the appointment of contractors are conducted through tenders by invitation. Contractors are selected and appointed based on our selection criteria such as financial strength, track record, quality, pricing and timeliness of project completion and thereafter, we will enter into formal contracts with the selected contractors.

Despite entering into formal agreements with our appointed contractors, we may experience delays in completion or poor quality of work attributed to our contractors. In addition, our contractors are also subject to the rules and regulations governed by regulatory bodies such as the CIDB, and the Immigration Department of Malaysia in relation to the employment of foreign workers in the local construction industry. Any non-compliance of these rules and regulations may affect their renewal of relevant registrations or licenses and/or may lead to revocation of their registrations/licenses. In such an event, these contractors will not be able to continue working for us without valid registrations/licenses or that the delayed renewal of registrations/licenses may delay construction progress, which may in turn affect our scheduled delivery of vacant possession to home buyers.

There is no assurance that our contractors will not terminate their contract with us. If our contractors face severe financial and resource restraints, and decide to terminate their services with us, we may not be able to seek alternative sources in a timely manner and/or at the same cost. As a result, our property development projects may be delayed and may have an adverse impact on our Group's ability to handover properties to buyers in a timely manner. While we impose a termination penalty on our contractors, there can be no assurance that we will be able to collect the compensation in full, or at all, from our contractors. We may be required to bear some or all of the losses arising from such situations, and this will adversely affect our project delivery schedules, project profitability and reputation in the market. This will in turn have a material impact on our Group's business, results of operations and prospects.

(m) We face competition from other developers in the property development industry

The property market in Kuala Lumpur and Selangor is competitive due to a large number of industry players that compete in this space. Our Group competes with other developers ranging from small independent firms to large public listed companies who are involved in the development of high-rise residential properties, specifically in Kuala Lumpur and Selangor. Our competitors may have greater resources than us or have specialised expertise in certain segments. We also compete with our competitors in terms of location, price and rebates, facilities, surrounding amenities and connectivity.

Competition among developers may intensify, possibly resulting in higher cost of acquiring new landbank, and higher cost to attract or retain experienced employees which will then adversely affect our financial performance and prospects. Therefore, there can be no assurance that we will be able to continuously remain competitive and to sustain our competitive edge over the long term.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

12.2 RESULTS OF OUR OPERATIONS

12.2.1 Revenue

(i) Analysis of revenue by business activities

The breakdown of the revenue by business activities is as follows: -

	Audited						Unaudited		Audited	
	FYE 2019		FYE 2020		FYE 2021		FPE 2021		FPE 2022	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Sale of development properties[i]										
- from project sales, which are recognised over time based on completion progress	470,856	99.59	587,330	99.88	563,404	99.95	505,478	99.94	277,011	91.72
- which are recognised at a point in time[ii]	496	0.10	-	-	-	-	-	-	-	-
Construction contracts										
- which are recognised over time based on completion progress	1,321	0.28	359	0.06	-	-	-	-	-	-
Sale of goods										
- which are recognised at a point in time	133	0.03	378	0.06	287	0.05	287	0.06	-	-
Sale of land held for development										
- which are recognised at a point in time	-	-	-	-	-	-	-	-	25,000	8.28
Total	**472,806**	**100.00**	**588,067**	**100.00**	**563,691**	**100.00**	**505,765**	**100.00**	**302,011**	**100.00**

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

Notes: -

(i) The total units available for sale and the completion stage for each project are as follows: -

Projects	***Total units available for sale (units)***	***Stage of completion (%)***				
		FYE 2019	***FYE 2020***	***FYE 2021***	***FPE 2021***	***FPE 2022***
Residensi Semarak Platinum	*2,000*	*62.35*	*84.38*	*99.94*	*99.94*	99.94
Residensi Platinum OUG	*1,320*	*25.47*	*62.94*	*89.15*	*86.36*	99.96
Residensi Vista Wirajaya	*515*	*63.58*	*84.92*	*100.00*	*98.69*	100.00
Residensi PV9	*1,391*	*10.07*	*43.16*	*78.69*	*76.33*	97.58
Residensi Vista Sentul	*705*	*-*	*7.48*	*38.05*	*28.42*	75.78
Residensi Platinum Mira	*698*	*0.85*	*0.89*	*2.89*	*1.91*	7.52

The revenue recognition is based on the stage of completion, which is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs for total units sold for the respective development projects, i.e., upon entering the sale and purchase agreements with the home buyers.

(ii) Comprise revenue from the installation of electrical parts in the development units at the requests of the home buyers.

(ii) Analysis of revenue by projects

The breakdown of the revenue by projects is as follows: -

	Audited					
	FYE 2019		**FYE 2020**		**FYE 2021**	
Projects	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Residensi Semarak Platinum	251,162	53.29	179,763	30.61	126,651	22.48
Residensi Platinum OUG	90,031	19.10	165,001	28.09	115,514	20.50
Residensi Vista Wirajaya	68,717	14.58	29,934	5.10	21,127	3.75
Residensi PV9	58,518	12.41	192,286	32.74	210,462	37.36
Residensi Vista Sentul	-	-	20,216	3.44	82,749	14.69
Residensi Platinum Mira	2,924	0.62	130	0.02	6,901	1.22
Total	**471,352**	**100.00**	**587,330**	**100.00**	**563,404**	**100.00**

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

Projects	Unaudited FPE 2021 RM'000	%	Audited FPE 2022 RM'000	%
Residensi Semarak Platinum	126,030	24.93	-	-
Residensi Platinum OUG	103,192	20.42	47,618	17.19
Residensi Vista Wirajaya	19,291	3.82	-	-
Residensi PV9	196,392	38.85	110,431	39.87
Residensi Vista Sentul	57,061	11.29	102,116	36.86
Residensi Platinum Mira	3,512	0.69	16,846	6.08
Total	**505,478**	**100.00**	**277,011**	**100.00**

The revenue unbilled for sold and unsold units as at 31 October 2022 for our on-going projects are set out below: -

Projects	Completion date/ Expected completion date[(i)]	As at 31 October 2022 Revenue unbilled for Sold units RM'000	%	Unsold units RM'000	%
Residensi Semarak Platinum	October 2021[(ii)]	-	-	577	0.34
Residensi Platinum OUG	June 2022[(iii)]	-	-	187	0.11
Residensi Vista Wirajaya	August 2021[(iv)]	-	-	-	-
Residensi PV9	November 2022[(v)]	158,946	31.08	1,302	0.77
Residensi Vista Sentul	Second quarter of 2023	134,634	26.33	855	0.50
Residensi Platinum Mira	[(vi)]	217,789	42.59	166,628	98.28
Total		**511,369**	**100.00**	**169,549**	**100.00**

Notes: -

(i) *Expected completion date is based on the estimated date when vacant possession is delivered to home buyers.*

(ii) *Residensi Semarak Platinum was completed in October 2021 upon the delivery of vacant possession to home buyers.*

(iii) *Residensi Platinum OUG was completed in June 2022 upon the delivery of vacant possession to home buyers.*

(iv) *Residensi Vista Wirajaya was completed in August 2021 upon the delivery of vacant possession to home buyers.*

(v) Residensi PV9 was completed in November 2022 upon the delivery of vacant possession to home buyers. The unbilled revenue for sold units of RM158.95 million as at 31 October 2022, which comprises the final balance of the progress billings, had been fully billed in November 2022.

(vi) Due to the litigation cases commenced against Pavilion Integrity in respect of our development land for Residensi Platinum Mira, and following the Court of Appeal's decision on 3 October 2022, the development activities have been temporarily suspended as advised by the solicitors for Pavilion Integrity, in order to avoid any unnecessary further legal proceedings. Please refer to Section 16.4 of this Prospectus for further details on the litigation cases in respect of the said development land.

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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

The progress of the projects and units sold for each project are as follows: -

Projects	Progress during the FYE/FPE %					Total	Units sold during the FYE/FPE units					Total*
	FYE			FPE			FYE			FPE		
	2019	2020	2021	2021	2022	%*	2019	2020	2021	2021	2022	
Residensi Semarak Platinum(i)	30.74	22.02	15.56	15.56	-	68.32	144	1	6	6	-	151
Residensi Platinum OUG(ii)	20.33	37.47	26.21	23.42	10.81	94.82	753	27	2	2	-	782
Residensi Vista Wirajaya(iii)	49.07	21.34	15.08	13.77	-	85.49	142	17	-	-	-	159
Residensi PV9	10.07	33.09	35.53	33.17	18.89	97.58	843	422	19	19	76	1,361
Residensi Vista Sentul	-	7.48	30.57	20.94	37.73	75.78	-	305	349	291	49	703
Residensi Platinum Mira(iv)	0.85	0.04	2.00	1.02	4.63	7.52	58	-	140	61	236	434

Projects	Units sold during the FYE/FPE % to total units					Total
	FYE			FPE		
	2019	2020	2021	2021	2022	%*
Residensi Semarak Platinum(i)	7.20	0.05	0.30	0.30	-	7.55
Residensi Platinum OUG(ii)	57.05	2.05	0.15	0.15	-	59.25
Residensi Vista Wirajaya(iii)	27.57	3.30	-	-	-	30.87
Residensi PV9	60.60(v)	30.34(v)	1.37(v)	1.37(v)	5.46(v)	97.77(v)
Residensi Vista Sentul	-	43.26	49.50	41.28	6.95	99.71
Residensi Platinum Mira(iv)	8.31	-	20.06	8.74	33.81	62.18

Notes: -

* *Sum of FYEs 2019, 2020, 2021 and FPE 2022.*

(i) *Residensi Semarak Platinum achieved a stage of completion of 31.62% as at 31 December 2018 and the total number of units sold as at 31 December 2018 is 1,848 units or 92.40% of total units. There is one (1) remaining unit unsold as at 31 October 2022 and has been sold subsequent to FPE 2022.*

(ii) *Residensi Platinum OUG achieved a stage of completion of 5.14% as at 31 December 2018 and the total number of units sold as at 31 December 2018 is 538 units or 40.75% of total units. There was one (1) sold unit being cancelled subsequent to 31 December 2021 and has been resold subsequent to FPE 2022.*

(iii) *Residensi Vista Wirajaya achieved a stage of completion of 14.51% as at 31 December 2018 and the total number of units sold as at 31 December 2018 is 356 units or 69.13% of total units.*

(iv) *The progress during FYE 2021 was attributable to the total units sold at the end of year 2021.*

(v) *Computed based on total units launched of 1,286 units and 105 units reserved for the relocation of squatters.*

Comparison between FYE 2019 and FYE 2020

Our revenue increased by approximately RM115.26 million or 24.38% to RM588.07 million for FYE 2020 (FYE 2019: RM472.81 million), mainly contributed by the further growth in revenue from the sale of development properties.

The sale of development properties has remained our main revenue contributor for FYE 2020, which recorded continuous growth in revenue from RM471.35 million in FYE 2019 to RM587.33 million in FYE 2020.

Sale of development properties

Our revenue for the sale of development properties segment further grew by approximately RM115.98 million or 24.61% to RM587.33 million in FYE 2020 (FYE 2019: RM471.35 million), mainly due to the following: -

(i) Residensi Platinum OUG achieved a higher percentage of completion, with a further completion stage of 37.47% during FYE 2020 (FYE 2019: 20.33%), and contributed to the growth in revenue of RM74.97 million to RM165.00 million for FYE 2020 (FYE 2019: RM90.03 million), of which additional 27 development units sold during FYE 2020 (FYE 2019: 753 units);

(ii) Residensi PV9 achieved a further completion stage of 33.09% during FYE 2020 (FYE 2019: 10.07%), and contributed to the increase in revenue of approximately RM133.77 million to RM192.29 million for FYE 2020 (FYE 2019: RM58.52 million), of which additional 422 development units sold during FYE 2020 (FYE 2019: 843 units); and

(iii) our Group launched a new project, namely Residensi Vista Sentul, during the second half of FYE 2020. This project achieved 7.48% of the completion stage during FYE 2020 and recorded revenue of RM20.22 million, and 305 development units sold during FYE 2020.

The decreases in revenue for the following have partially offset the above increases: -

(i) Residensi Vista Wirajaya achieved a lower completion stage during FYE 2020 as the development activities of this project were substantially completed, with a further completion stage of 21.34% during FYE 2020 (FYE 2019: 49.07%), and contributed to the decrease in revenue of approximately RM38.79 million to RM29.93 million for FYE 2020 (FYE 2019: RM68.72 million), of which additional 17 development units sold during FYE 2020;

(ii) Residensi Semarak Platinum recorded a lower completion stage, with a further completion stage of 22.02% during FYE 2020 (FYE 2019: 30.74%), and contributed to the decrease in revenue of approximately RM71.40 million to RM179.76 million for FYE 2020 (FYE 2019: RM251.16 million), of which a development unit sold during FYE 2020 as compared to 144 units sold during FYE 2019; and

(iii) Residensi Platinum Mira recorded lower revenue of approximately RM0.13 million for FYE 2020 (FYE 2019: RM2.92 million), with a further completion stage of 0.04% during FYE 2020 (FYE 2019: 0.85%). The further progress of the completion stage was due to additional development costs incurred during FYE 2020, mainly site maintenance costs and payment to local authorities. There are litigation cases involving our development land as detailed in Section 16.4 of this Prospectus. Thus, our Group has temporarily suspended its development activities since FYE 2019 following a court order dated 1 August 2019.

Revenue from construction contracts

Our Group has recorded a decrease in revenue of RM0.96 million to RM0.36 million for FYE 2020 (FYE 2019: RM1.32 million), mainly attributable to the construction projects completed during FYE 2020. Our Group has ceased our construction business activities during FYE 2020.

Sale of goods

Revenue from the sale of goods increased by approximately RM0.25 million or 192.31% to RM0.38 million (FYE 2019: RM0.13 million).

Comparison between FYE 2020 and FYE 2021

Our revenue decreased by approximately RM24.38 million or 4.15% to RM563.69 million in FYE 2021 (FYE 2020: RM588.07 million), mainly due to lower revenue from the sale of development properties segment.

The sale of development properties segment continued as our primary revenue contributor for FYE 2021, which recorded lower revenue from approximately RM587.33 million in FYE 2020 to RM563.40 million in FYE 2021. Such a decrease resulted from two (2) completed development projects during FYE 2021, i.e., Residensi Vista Wirajaya and Residensi Semarak Platinum, completed in August 2021 and October 2021, respectively. Further, our Residensi Platinum OUG recorded a lower completion stage during FYE 2021 as the development activities of this project were substantially completed and thus recorded a lower revenue in FYE 2021.

The above decreases were offset partially by the higher revenue from our Residensi PV9 and Residensi Vista Sentul, which achieved a higher percentage of completion during FYE 2021.

Sale of development properties

Our revenue from the sale of development properties segment decreased by approximately RM23.93 million or 4.07% to RM563.40 million in FYE 2021 (FYE 2020: RM587.33 million), mainly due to the following: -

(i) Residensi Vista Wirajaya was completed in August 2021, with a further completion stage of 15.08% during FYE 2021 (FYE 2020: 21.34%), and thus contributed to the decrease in revenue of approximately RM8.80 million to RM21.13 million for FYE 2021 (FYE 2020: RM29.93 million);

(ii) Residensi Semarak Platinum was completed in October 2021, with a further completion stage of 15.56% during FYE 2021 (FYE 2020: 22.02%), and thus contributed to the decrease in revenue of approximately RM53.11 million to RM126.65 million for FYE 2021 (FYE 2020: RM179.76 million); and

(iii) Residensi Platinum OUG was substantially completed, with a further completion stage of 26.21% during FYE 2021 (FYE 2020: 37.47%), and thus contributed to the decrease in revenue of approximately RM49.49 million to RM115.51 million for FYE 2021 (FYE 2020: RM165.00 million).

The above decreases were offset partially by the higher revenue from the following:

(i) Residensi PV9 achieved a further completion stage of 35.53% during FYE 2021 (FYE 2020: 33.09%) and contributed to the further growth in revenue of RM18.17 million to RM210.46 million for FYE 2021 (FYE 2020: RM192.29 million), of which 19 development units sold during FYE 2021 (FYE 2020: 422 units); and

(ii) our Group launched a new project, namely Residensi Vista Sentul, during the second half of FYE 2020. This project achieved a further completion stage of 30.57% during FYE 2021 (FYE 2020: 7.48%) and contributed to the increase in revenue of approximately RM62.53 million to RM82.75 million for FYE 2021 (FYE 2020: RM20.22 million), of which 349 development units sold during FYE 2021 (FYE 2020: 305 units).

Revenue from construction contracts

There was no revenue derived from the construction contracts segment for FYE 2021 (FYE 2020: RM0.36 million) as our Group has ceased our construction business activities during FYE 2020 following the completion of all construction projects.

Sale of goods

Revenue from the sale of goods segment has decreased from RM0.38 million for FYE 2020 to RM0.29 million for FYE 2021, representing a decrease of approximately 23.68%.

Comparison between FPE 2021 and FPE 2022

Our revenue decreased by approximately RM203.76 million or 40.29% to RM302.01 million in FPE 2022 (FPE 2021: RM505.77 million), mainly due to lower revenue from the sale of development properties segment.

The sale of development properties segment remains our primary revenue contributor for FPE 2022, which declined from approximately RM505.48 million in FPE 2021 to RM277.01 million in FPE 2022. Such a decrease resulted from two completed development projects during FPE 2021, i.e., Residensi Vista Wirajaya and Residensi Semarak Platinum, which was completed in August 2021 and October 2021 respectively. Further, our Residensi Platinum OUG and Residensi PV9 recorded a lower completion stage during FPE 2022 as compared to FPE 2021 as the development activities of these projects were substantially completed as of 31 December 2021 and thus recorded a lower revenue in FPE 2022.

The above decreases were offset partially by the higher revenue from our Residensi Vista Sentul and Residensi Platinum Mira, which achieved a higher percentage of completion, with a further completion stage with additional units sold during FPE 2022.

During FPE 2022, our Group recorded a revenue of RM25.00 million arising from the Disposal of Montanica Land as disclosed in Section 4.6.10(i) of this Prospectus.

Sale of development properties

Our revenue from the sale of development properties segment decreased by approximately RM228.47 million or 45.20% to RM277.01 million in FPE 2022 (FPE 2021: RM505.48 million), mainly due to the following: -

(i) Residensi Vista Wirajaya and Residensi Semarak Platinum were completed in August and October 2021, respectively, collectively contributed to a total revenue of approximately RM145.32 million for FPE 2021 and no revenue was recorded for FPE 2022;

(ii) Residensi Platinum OUG was substantially completed at the end of 2021, with a further completion stage of 10.81% during FPE 2022 (FPE 2021: 23.42%), and thus contributed to a lower revenue for FPE 2022, which decreased by approximately RM55.57 million to RM47.62 million for FPE 2022 (FPE 2021: RM103.19 million); and

(iii) Residensi PV9 was substantially completed at the end of 2021, with a further completion stage of 18.89% during FPE 2022 (FPE 2021: 33.17%), and thus contributed to the decrease in revenue of approximately RM85.96 million to RM110.43 million for FPE 2022 (FPE 2021: RM196.39 million).

The above decreases were offset partially by the higher revenue from the following: -

(i) Residensi Vista Sentul achieved a additional completion stage of 37.73% during FPE 2022, accumulating to a total completion of 75.78% (FPE 2021: 28.42%). This contributed to the increase in revenue of approximately RM45.06 million to RM102.12 million for FPE 2022 (FPE 2021: RM57.06 million); and

(ii) Residensi Platinum Mira which temporarily recommenced its development activities from 14 April 2022 to 3 October 2022. This has contributed to the increase in revenue of approximately RM13.34 million to RM16.85 million for FPE 2022 (FPE 2021: RM3.51 million), of which 236 development units sold during FPE 2022 (FPE 2021: 61 units).

Sale of land held for development

During FPE 2022, our Group recorded a revenue of RM25.00 million arising from the Disposal of Montanica Land as our Group had decided to dispose of the Montanica Land after taking into consideration the gain on disposal to be derived from the sale of the Montanica Land as well as after taking into consideration the development potential of the Montanica Land. Moreover, our Group was also being presented with an opportunity for a joint venture arrangement with Kadar Jutajaya Sdn Bhd, which was seen to be more attractive in view of its development potential, accessibility as well as a larger land area as compared to the Montanica Land. In this regard, we had decided to dispose of the Montanica Land. Please refer to Section 4.6.10(i) of this Prospectus for further details.

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12.2.2 COS, GP and GP Margin ("GPM")

(i) Analysis of COS by business activities

The breakdown of COS by business activities is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Sale of development properties	323,739	99.55	421,268	99.83	385,308	99.93
Construction contracts	1,320	0.41	357	0.08	-	-
Sale of goods	131	0.04	370	0.09	281	0.07
Sale of land held for development	-	-	-	-	-	-
Total	**325,190**	**100.00**	**421,995**	**100.00**	**385,589**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	RM'000	%
Sale of development properties	332,175	99.92	162,475	95.28
Construction contracts	-	-	-	-
Sale of goods	281	0.08	-	-
Sale of land held for development	-	-	8,054	4.72
Total	**332,456**	**100.00**	**170,529**	**100.00**

(ii) Analysis of COS by projects

The breakdown of COS by projects is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
Projects	RM'000	%	RM'000	%	RM'000	%
Residensi Semarak Platinum	174,905	54.03	150,229	35.66	89,296	23.18
Residensi Platinum OUG	48,931	15.12	95,666	22.71	67,793	17.59
Residensi Vista Wirajaya	57,630	17.80	25,270	6.00	6,791	1.76
Residensi PV9	40,575	12.53	133,272	31.63	146,835	38.11
Residensi Vista Sentul	-	-	16,756	3.98	70,009	18.17
Residensi Platinum Mira	1,698	0.52	75	0.02	4,584	1.19
Total	**323,739**	**100.00**	**421,268**	**100.00**	**385,308**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
Projects	**RM'000**	**%**	**RM'000**	**%**
Residensi Semarak Platinum	88,315	26.59	(10,522)[(i)]	(6.47)
Residensi Platinum OUG	60,467	18.20	24,770	15.24
Residensi Vista Wirajaya	2,386	0.72	(1,827)[(ii)]	(1.12)
Residensi PV9	131,985	39.73	63,147	38.87
Residensi Vista Sentul	47,046	14.16	76,713	47.21
Residensi Platinum Mira	1,976	0.60	10,194	6.27
Total	**332,175**	**100.00**	**162,475**	**100.00**

Notes: -

(i) During FPE 2022, there was a reversal of the accrued landowner's entitlement of RM7.08 million resulting from the over-accrual in previous years upon the finalisation of the landowner's entitlement, in which our Group had previously accrued it based on the estimated landowner's entitlement. In addition, there were reversals of over-accrued development costs of approximately RM3.65 million mainly arising from infrastructure works, building works and professional fees based on the latest draft final statement of accounts prepared by the external quantity surveyor, which are pending for final negotiation with the contractors.

(ii) During FPE 2022, there were cost savings which mainly comprise of RM0.89 million from main building works, RM0.57 million from the reversal of accrued squatter compensation for the unsold squatter units upon vacant possession and RM0.32 million from DBKL entitlement.

(iii) Analysis of COS by cost items

The breakdown of COS by cost items is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Land costs	58,102	17.87	54,453	12.91	44,164	11.45
Infrastructure works	2,491	0.77	22,184	5.26	6,500	1.69
Building works	234,084	71.98	309,168	73.26	298,369	77.38
Professional fees	12,555	3.86	16,309	3.86	16,368	4.24
Statutory contributions	13,206	4.06	15,279	3.62	12,405	3.22
Others[(i)]	4,752	1.46	4,602	1.09	7,783	2.02
Total	**325,190**	**100.00**	**421,995**	**100.00**	**385,589**	**100.00**

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	Unaudited		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	RM'000	%
Land costs	39,922	12.01	16,099	9.44
Infrastructure works	1,357	0.41	5,819	3.41
Building works	261,322	78.60	139,767	81.96
Professional fees	13,804	4.15	5,833	3.42
Statutory contributions	12,249	3.69	2,158	1.27
Others[(i)]	3,802	1.14	853	0.50
Total	**332,456**	**100.00**	**170,529**	**100.00**

Note: -

(i) Others comprise mainly site expenses, finance costs (incurred prior to the projects launched), provision for contingency costs and sub-contractor fees for construction contracts. During FPE 2022, there was a reversal of provision for contingency costs for Residensi PV9 of RM4.49 million as the development project near to its completion and the actual development costs incurred were lower than the budgeted development costs.

(iv) Analysis of GP and GPM by business activities

The breakdown of GP and GPM by business activities is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	GP	GPM	GP	GPM	GP	GPM
GP	RM'000	%	RM'000	%	RM'000	%
Sale of development properties	147,613	31.32	166,062	28.27	178,096	31.61
Construction contracts	1	0.08	2	0.56	-	-
Sale of goods	2	1.50	8	2.12	6	2.09
Sale of land held for development	-	-	-	-	-	-
Total	**147,616**	**31.22**	**166,072**	**28.24**	**178,102**	**31.60**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
	GP	GPM	GP	GPM
	RM'000	%	RM'000	%
Sale of development properties	173,303	34.29	114,536	41.35
Construction contracts	-	-	-	-
Sale of goods	6	2.09	-	-
Sale of land held for development	-	-	16,946	67.78
Total	**173,309**	**34.27**	**131,482**	**43.54**

(v) GP and GPM by projects

The breakdown of GP and GPM by projects is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	GP	GPM	GP	GPM	GP	GPM
Projects	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Residensi Semarak Platinum	76,257	30.36	29,534	16.43	37,355	29.49
Residensi Platinum OUG	41,100	45.65	69,335	42.02	47,721	41.31
Residensi Vista Wirajaya	11,087	16.13	4,664	15.58	14,336	67.86
Residensi PV9	17,943	30.66	59,014	30.69	63,627	30.23
Residensi Vista Sentul	-	-	3,460	17.12	12,740	15.40
Residensi Platinum Mira	1,226	41.93	55	42.31	2,317	33.57
Total	**147,613**	**31.32**	**166,062**	**28.27**	**178,096**	**31.61**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
	GP	GPM	GP	GPM
Projects	**RM'000**	**%**	**RM'000**	**%**
Residensi Semarak Platinum	37,715	29.93	10,522	100.00
Residensi Platinum OUG	42,725	41.40	22,848	47.98
Residensi Vista Wirajaya	16,905	87.63	1,827	100.00
Residensi PV9	64,407	32.80	47,284	42.82
Residensi Vista Sentul	10,015	17.55	25,403	24.88
Residensi Platinum Mira	1,536	43.74	6,652	39.49
Total	**173,303**	**34.29**	**114,536**	**41.35**

Comparison between FYE 2019 and FYE 2020

Our COS increased by approximately RM96.81 million or 29.77% to RM422.00 million for FYE 2020 (FYE 2019: RM325.19 million), and our GP increased by approximately RM18.45 million or 12.50% to RM166.07 million in FYE 2020 (FYE 2019: RM147.62 million), contributed mainly by the increase in COS and GP from the sale of development properties segment.

Our GPM decreased from 31.22% in FYE 2019 to 28.24% in FYE 2020, despite the growth in our GP, mainly attributable to lower GPM from our sale of development properties segment.

Our COS from the sale of development properties segment increased by approximately RM97.53 million or 30.13% to RM421.27 million in FYE 2020 (FYE 2019: RM323.74 million). The increase in COS was mainly due to the following: -

(i) Residensi Platinum OUG achieved a higher percentage of completion, with a further completion stage of 37.47% during FYE 2020 (FYE 2019: 20.33%), and contributed to the increase in COS of approximately RM46.74 million to RM95.67 million for FYE 2020 (FYE 2019: RM48.93 million);

(ii) Residensi PV9 achieved a further completion stage of 33.09% during FYE 2020 (FYE 2019: 10.07%) and contributed to the increase in COS of approximately RM92.69 million to RM133.27 million for FYE 2020 (FYE 2019: RM40.58 million); and

(iii) Our Group launched a new project, namely Residensi Vista Sentul, during FYE 2020, which achieved 7.48% of the completion stage during FYE 2020 and recorded COS of RM16.76 million.

The decrease of the following partially offset the increases as mentioned above: -

(i) Residensi Vista Wirajaya achieved a lower completion stage during FYE 2020 as the development activities of this project were substantially completed, with a further completion stage of 21.34% during FYE 2020 (FYE 2019: 49.07%), and contributed to the decrease in COS of approximately RM32.36 million to RM25.27 million for FYE 2020 (FYE 2019: RM57.63 million); and

(ii) Residensi Semarak Platinum recorded a lower completion stage, with a further completion stage of 22.02% during FYE 2020 (FYE 2019: 30.74%), and contributed to the decrease in COS of approximately RM24.68 million to RM150.23 million for FYE 2020 (FYE 2019: RM174.91 million).

Our GP from the sale of development properties segment has continuously grown by approximately RM18.45 million or 12.50% to RM166.06 million in FYE 2020 (FYE 2019: RM147.61 million). The increase in GP was mainly attributable to higher GP from two (2) of our on-going projects: -

(i) Residensi Platinum OUG contributed to further growth in GP by approximately RM28.24 million or 68.71% to RM69.34 million for FYE 2020 (FYE 2019: RM41.10 million) as this project has achieved a higher stage of completion for FYE 2020; and

(ii) Residensi PV9 contributed a growth in GP by approximately RM41.07 million or 228.93% to RM59.01 million for FYE 2020 (FYE 2019: RM17.94 million) as this project has achieved a higher stage of completion for FYE 2020.

The above increases were offset partially by the lower GP from two (2) of our on-going projects, mainly attributable to the following: -

(i) Residensi Semarak Platinum recorded a lower completion stage. In addition, a higher GP was recorded for FYE 2019 resulting from cost savings from the revised downwards of the landowner's entitlements and the higher GPM for certain units sold during FYE 2019. Thus, this has contributed to the decrease in GP of approximately RM46.73 million to RM29.53 million for FYE 2020 (FYE 2019: RM76.26 million); and

(ii) Residensi Vista Wirajaya, nearing its completion stage, recorded a lower GP of RM4.66 million for FYE 2020 (FYE 2019: RM11.09 million).

Our GPM from the sale of development properties segment decreased from 31.32% for FYE 2019 to 28.27% for FYE 2020, mainly attributable by the following: -

(i) Residensi Semarak Platinum recorded a lower GPM, which decreased from 30.36% for FYE 2019 to 16.43% for FYE 2020. Such decrease was mainly attributable to the higher GPM recorded for FYE 2019, resulting from cost savings from the revised downwards of the landowner's entitlements and the higher GPM for certain units sold during FYE 2019. In addition, the budgeted development costs were revised upwards during FYE 2020 as additional costs for infrastructure and building works to be incurred, resulting mainly from the incremental costs for water piping, sewerage, and access road; and

(ii) During FYE 2020, Residensi Vista Sentul, our newly launched project, recorded a GPM of 17.12%. The lower GPM, as compared with our other development projects, was mainly due to lower selling prices after considering the market conditions during the COVID-19 pandemic when this project launched and the locality of this project as well as the underground land cavity that required higher piling cost.

Comparison between FYE 2020 and FYE 2021

During FYE 2021, our COS was contributed mainly by the sale of development properties segment, which recorded a total COS of approximately RM385.31 million or 99.93% of our total COS for FYE 2021 (FYE 2020: RM421.27 million or 99.83%). The COS incurred for the sale of development properties mainly consists of building works and land costs, which collectively contributed 88.83% of our total COS for FYE 2021 (FYE 2020: 86.17%).

Our COS from the sale of development properties segment decreased by approximately RM35.96 million or 8.54% to RM385.31 million in FYE 2021 (FYE 2020: RM421.27 million). The decrease in COS was mainly due to the following: -

(i) Residensi Semarak Platinum recorded a lower completion stage during FYE 2021 as this project was completed in October 2021, with a further completion stage of 15.56% during FYE 2021 (FYE 2020: 22.02%), and contributed to the decrease in COS of approximately RM60.93 million to RM89.30 million for FYE 2021 (FYE 2020: RM150.23 million). The lower COS for this project was mainly due to cost savings on infrastructure costs upon completion of the project in October 2021 as no pipe jacking works required for the water reticulation and lower road construction costs for access road from the main highway;

(ii) Residensi Platinum OUG achieved a lower percentage of completion, with a further completion stage of 26.21% during FYE 2021 (FYE 2020: 37.47%), and contributed to the decrease in COS of approximately RM27.88 million to RM67.79 million for FYE 2021 (FYE 2020: RM95.67 million); and

(iii) Residensi Vista Wirajaya achieved a lower completion stage during FYE 2021 as this project was completed in August 2021, with a further completion stage of 15.08% during FYE 2021 (FYE 2020: 21.34%), and contributed to the decrease in COS of approximately RM18.48 million to RM6.79 million for FYE 2021 (FYE 2020: RM25.27 million). Additionally, the lower COS for this project was mainly due to cost savings from its budgeted development costs which were revised downwards to close to actual as this project completed in August 2021 arising from: -

(a) lower road construction costs resulting from the contra of the land cost entitlement with DBKL; and

(b) revision of estimated contingency costs downwards to close to the actual upon the completion of this project in August 2021.

The increase of the following partially offset the decreases as mentioned above: -

(i) Residensi PV9 achieved a further completion stage of 35.53% during FYE 2021 (FYE 2020: 33.09%) and contributed to the increase in COS of approximately RM13.57 million to RM146.84 million for FYE 2021 (FYE 2020: RM133.27 million); and

(ii) Residensi Vista Sentul achieved a further completion stage of 30.57% during FYE 2021 (FYE 2020: 7.48%) and contributed to the increase in COS of approximately RM53.25 million to RM70.01 million for FYE 2021 (FYE 2020: RM16.76 million).

We recorded a GP of approximately RM178.10 million with a GPM of 31.60% for the FYE 2021, which mainly contributed from the sale of development properties segment. Our GPM for the sale of development properties segment improved from 28.27% for FYE 2020 to 31.61% for FYE 2021, mainly contributed by the following projects: -

(i) Residensi Semarak Platinum recorded an improved GPM by 13.06%, from 16.43% for FYE 2020 to 29.49% for FYE 2021, mainly due to cost savings on infrastructure costs upon completion of the project in October 2021 as no pipe jacking works required for the water reticulation and lower road construction costs for access road from the main highway; and

(ii) Residensi Vista Wirajaya recorded a higher GPM of 67.86%, which increased from 15.58% for FYE 2020 to 67.86% for FYE 2021, mainly due to cost savings from its budgeted development costs which were revised downwards to close to actual as this project completed in August 2021 arising from: -

(c) lower road construction costs resulting from the contra of the land cost entitlement with DBKL; and

(d) revision of estimated contingency costs downwards to close to the actual upon the completion of this project in August 2021.

There is no COS, GP and GPM for our construction contracts segment as our Group has ceased our construction business since FYE 2020.

Comparison between FPE 2021 and FPE 2022

During FPE 2022, our COS was contributed mainly by the sale of development properties segment, which recorded a total COS of approximately RM162.48 million or 95.28% of our total COS for FPE 2022 (FPE 2021: RM332.18 million or 99.92% of total COS). The COS incurred for the sale of development properties mainly consists of building works and land costs, which collectively contributed 91.40% of our total COS for FPE 2022 (FPE 2021: 90.61%).

Our COS from the sale of development properties segment decreased by approximately RM161.93 million or 48.71% to RM170.53 million in FPE 2022 (FPE 2021: RM332.46 million). The decrease in COS was mainly due to the following: -

(i) Residensi Semarak Platinum recorded a reversal of COS of RM10.52 million for FPE 2022 (FPE 2021: COS of RM88.32 million), primarily resulting from (i) a reversal of accrued landowner's entitlement of approximately RM7.08 million as a result of overaccrual in previous years upon the finalisation of landowner's entitlement; and (ii) the cost savings of approximately RM3.65 million mainly arising from infrastructure works, building works and professional fees upon finalisation of development costs;

(ii) Residensi PV9 achieved a lower percentage of completion, with a further completion stage of 18.89% during FPE 2022 (FPE 2021: 33.17%) and contributed to the decrease in COS of approximately RM68.84 million to RM63.15 million for FPE 2022 (FPE 2021: RM131.99 million). Additionally, the lower COS for this project was mainly due to a reduction in sewerage costs due to cost savings on connecting infrastructure to the main grid; and

(iii) Residensi Platinum OUG achieved a lower percentage of completion, with a further completion stage of 10.81% during FPE 2022 (FPE 2021: 23.42%), and contributed to the decrease in COS of approximately RM35.70 million to RM24.77 million for FPE 2022 (FPE 2021: RM60.47 million). The lower COS for this project was mainly due to cost savings on main building works arising from lower material costs incurred compared to budgeted costs upon the completion of the project in June 2022.

The abovementioned decreases were offset partially by the increase in COS for Residensi Vista Sentul, which achieved a further completion stage of 37.73% during FPE 2022 (FPE 2021: 20.94%) and contributed to the increase in COS of approximately RM29.66 million to RM76.71 million for FPE 2022 (FPE 2021: RM47.05 million).

We recorded a GP of approximately RM131.48 million with a GPM of 43.54% for the FPE 2022 (FPE 2021: GP of RM173.31 million with GPM of 34.27%), which was mainly contributed by the sale of development properties segment. The GPM for the sale of development properties segment in FPE 2022 improved to 41.35% (FPE 2021: 34.29%), mainly contributed by the following projects: -

(i) Residensi Platinum OUG recorded a higher GPM, which improved from 41.40% for FPE 2021 to 47.98% for FPE 2022 mainly due to cost savings on main building works arising from lower material costs incurred compared to budgeted costs upon the completion of the project in June 2022;

(ii) Residensi PV9 recorded a higher GPM from 32.80% for FPE 2021 to 42.82% for FPE 2022 mainly due to a reduction in sewerage costs due to cost savings on connecting infrastructure to the main grid;

(iii) Residensi Vista Sentul recorded a higher GPM from 17.55% for FPE 2021 to 24.88% for FPE 2022 mainly due to cost savings on main building works; and

(iv) Residensi Semarak Platinum recorded a GPM of 100.00% mainly due to a reversal of accrued landowner's entitlement of approximately RM7.08 million as a result of overaccrual in previous years upon the finalisation of landowner's entitlement as well as the cost savings of approximately RM3.65 million mainly arising from infrastructure works, building works and professional fees upon finalisation of development costs.

In addition, our Group disposed of a freehold land held for future development resulted in a gain on disposal of approximately RM16.95 million or a GPM of 67.78% has also contributed to the increase in our GP and GPM for FPE 2022.

12.2.3 Other income

The breakdown of other income is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Dividend income	44,100	98.68	-	-	-	-
Interest income[(i)]	213	0.48	205	25.43	249	22.68
Forfeiture sum[(ii)]	137	0.31	150	18.61	291	26.50
Rental income[(iii)]	221	0.49	186	23.08	67	6.10
Government wages subsidy[(iv)]	-	-	244	30.27	-	-
Salvage income[(v)]	-	-	-	-	420	38.25
Recoupment income[(vi)]	-	-	-	-	-	-
Others[(vii)]	20	0.04	21	2.61	71	6.47
Total	**44,691**	**100.00**	**806**	**100.00**	**1,098**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	RM'000	%
Dividend income	-	-	-	-
Interest income[(i)]	169	29.91	401	0.84
Forfeiture sum[(ii)]	274	48.49	65	0.14
Rental income[(iii)]	64	11.33	15	0.03
Government wages subsidy[(iv)]	-	-	6	0.01
Salvage income[(v)]	-	-	-	-
Recoupment income[(vi)]	-	-	47,000	98.09
Others[(vii)]	58	10.27	425	0.89
Total	**565**	**100.00**	**47,912**	**100.00**

Notes: -

(i) Comprise of interest earned from bank accounts and fixed deposits.

(ii) *Comprise of the forfeiture of payments from home buyers for the cancellation of sale and purchase agreements. Details on the cancellation of sales and purchase agreements during the Financial Years and Period Under Review are further explained in Section 12.2.11(i) of this Prospectus.*

(iii) *Mainly generated from the sub-lease of Vistarena Development office to Marques Land Sdn Bhd. Such arrangement has been terminated during FYE 2021. The rental income for FPE 2022 mainly generated from the one (1) unsold unit for our Residensi Semarak Platinum rented to third party.*

(iv) *Represents a temporary financial assistance programme by the Government introduced to assist small and medium enterprises as a result of COVID-19 pandemic.*

(v) *Comprise of income from the sale of salvage materials from the fire incident at our Residensi PV9.*

(vi) *During FPE 2022, our Group received a recoupment income of RM47.00 million pursuant to the letter of recoupment of investment cost dated 29 August 2022 issued by Alfa Sutramas Sdn Bhd, a related party and the 50.00% shareholder of Gandingan Jakel Sdn Bhd. to Radium in relation to the undertaking provided by Alfa Sutramas Sdn Bhd on 5 November 2021 to pay as the compensation for the dilution of Radium's effective ownership in Jayyid Land diluted from 49.0% to 4.9%. Please refer to Section 5.20(vi) of this Prospectus for further details.*

(vii) *Comprise mainly overdue interest charged to home buyers, compensations from insurance for car accident damage to the hoarding at one of the project sites in October 2017, and COVID-19 related rent concession income, miscellaneous income for the additional works requested by home buyers, gain on disposal of property, plant and equipment and overprovision of interest expense.*

Comparison between FYE 2019 and FYE 2020

Other income decreased from RM44.69 million for FYE 2019 to RM0.81 million for FYE 2020, mainly attributable to the absence of one-off dividend income received from a former subsidiary, Southern Score Sdn Bhd, during FYE 2019.

Comparison between FYE 2020 and FYE 2021

Other income increased from RM0.81 million for FYE 2020 to RM1.10 million for FYE 2021 primarily due to the followings: -

(i) increased salvage income of RM0.42 million as a result of sale of salvage materials from the fire incident at our Residensi PV9;

(ii) increased forfeiture of payments of RM0.14 million from home buyers for the cancellation of the sale and purchase agreements for Residensi Semarak Platinum and Residensi Platinum OUG; and

The above increases were offset partially by the followings: -

(i) decreased government wages subsidy of RM0.24 million as temporary financial assistance programme by the Government introduced to assist small and medium enterprises as a result of COVID-19 pandemic in FYE 2020; and

(ii) decreased rental income of RM0.12 million which was mainly generated from the sub-lease of Vistarena Development office to Marques Land Sdn Bhd. Such arrangement has been terminated during FYE 2021.

Comparison between FPE 2021 and FPE 2022

Other income increased from approximately RM0.57 million for FPE 2021 to RM47.91 million for FPE 2022, mainly attributable to the followings: -

(i) Recoupment income of approximately RM47.00 million received from Alfa Sutramas Sdn Bhd during FPE 2022 as explained in Note (vi) above; and

(ii) Gain on disposal of property, plant and equipment of approximately RM0.16 million arising from the disposal of a motor vehicle to a used car dealer for consideration of RM0.16 million.

12.2.4 Marketing expenses

The breakdown of the marketing expenses is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Advertising expenses	2,169	13.94	3,028	16.03	811	5.18
Marketing and promotional expenses	1,734	11.14	681	3.60	329	2.10
Staff costs	4,967	31.92	5,569	29.47	5,513	35.18
Sales commission[(i)]	5,788	37.20	8,815	46.65	8,419	53.72
Scale model[(ii)]	538	3.46	214	1.13	-	-
Others[(iii)]	364	2.34	590	3.12	599	3.82
Total	**15,560**	**100.00**	**18,897**	**100.00**	**15,671**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	RM'000	%
Advertising expenses	743	5.85	1,233	9.65
Marketing and promotional expenses	275	2.16	269	2.10
Staff costs	3,850	30.27	4,073	31.87
Sales commission[(i)]	7,494	58.93	5,888	46.07
Scale model[(ii)]	-	-	547	4.28
Others[(iii)]	355	2.79	770	6.03
Total	**12,717**	**100.00**	**12,780**	**100.00**

Notes: -

(i) Comprise of sales commissions paid to staff and property agencies, and referral fees paid to home buyers.

(ii) Represents the cost incurred for the architectural model for the projects.

(iii) Comprise mainly development project launching expenses, upkeep of sales office, utilities, and printing and stationery, and vacant possession expenses (i.e. handling handover unit services, solving complaints, etc.).

Comparison between FYE 2019 and FYE 2020

The marketing expenses of our Group increased by approximately RM3.34 million or 21.47% to RM18.90 million in FYE 2020 (FYE 2019: RM15.56 million). The increase was primarily due to the following: -

(i) increase in staff costs was mainly due to annual salary increment;

(ii) higher sales commissions to property agencies for further development units sold for Residensi Platinum OUG and Residensi PV9 during FYE 2020; and

(iii) Residensi Vista Sentul launched during FYE 2020 also contributed to the increase in sale commissions and higher advertising expenses for FYE 2020.

Our marketing and promotional expenses decreased by approximately RM1.05 million or 60.69% to RM0.68 million for FYE 2020 (FYE 2019: RM1.73 million). Such decrease was attributable to lesser marketing and promotional expenses incurred for Residensi Semarak Platinum, Residensi Platinum OUG and Residensi Vista Wirajaya, as substantial of the development units were sold prior to FYE 2020.

Comparison between FYE 2020 and FYE 2021

Our Group recorded lower marketing expenses by approximately RM3.23 million or 17.09% to RM15.67 million for FYE 2021, mainly due to the following: -

(i) lower advertising expenses for FYE 2021 by approximately RM2.22 million or 73.27% to RM0.81 million for FYE 2021, mainly attributable to lesser advertising expenses for our Residensi PV9 project during FYE 2021, and higher advertising expenses for the previous financial year as our Group launched Residensi Vista Sentul during FYE 2020; and

(ii) sales commissions decreased by approximately RM0.40 million or 4.54% to RM8.42 million, primarily resulting from lesser units sold for our Residensi PV9 and Residensi Platinum OUG projects during FYE 2021.

Comparison between FPE 2021 and FPE 2022

Our Group recorded higher marketing expenses by approximately RM0.06 million or 0.50% to RM12.78 million for FPE 2022. This was mainly due to the following: -

(i) scale model expenses of approximately RM0.55 million incurred during FPE 2022, mainly for Residensi Platinum Mira and Suite Canselor (FPE 2021: RM Nil);

(ii) higher advertising expenses by approximately RM0.49 million or 65.95% to RM1.23 million due to increased promotional activities of upcoming project Suite Canselor as well as to promote brand awareness of the Radium brand; and

(iii) other marketing expenses increased by RM0.42 million mainly due to vacant possession-related expenses of approximately RM0.37 million incurred primarily for Residensi Platinum OUG, which mainly comprise of unit handover handling fees and services, solving customers' complaints, etc.

The abovementioned increases were offset partially by the decrease in sales commission of approximately RM1.61 million or 21.43% to RM5.89 million, primarily contributed by the completion of Residensi Semarak Platinum in the second half of 2021 and our Residensi PV9 and Residensi Platinum OUG substantially completed in 2021.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

12.2.5 Administrative expenses

The breakdown of the administrative expenses is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Administration fees	480	12.51	480	7.72	360	3.34
Bank charges	151	3.93	97	1.56	64	0.59
Gifts and donations	82	2.14	26	0.42	1,004	9.31
Legal and professional fees	485	12.64	1,292	20.78	2,855	26.47
License fees(i)	-	-	-	-	361	3.35
Loan administration fee	5	0.13	-	-	-	-
Management fee	-	-	1,237	19.89	639	5.92
Office rental	585	15.24	333	5.35	290	2.69
Overhead cost	-	-	-	-	-	-
Security charges	27	0.70	153	2.46	156	1.45
Staff costs	1,584	41.27	1,701	27.35	3,765	34.90
Stamp duty	8	0.21	430	6.91	13	0.12
Software-related expenses(ii)	-	-	-	-	530	4.91
Others(iii)	431	11.23	470	7.56	750	6.95
Total	**3,838**	**100.00**	**6,219**	**100.00**	**10,787**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	RM'000	%
Administration fees	359	5.21	289	2.98
Bank charges	62	0.90	16	0.16
Gifts and donations	3	0.04	29	0.30
Legal and professional fees	1,753	25.46	2,002	20.64
License fees(i)	300	4.36	312	3.22
Loan administration fee	-	-	-	-
Management fee	640	9.30	-	-
Office rental	70	1.02	480	4.95
Overhead cost	205	2.98	151	1.56
Security charges	121	1.76	104	1.07
Staff costs	2,341	34.00	3,402	35.07
Stamp duty	11	0.16	1,684	17.36
Software-related expenses(ii)	460	6.68	122	1.26
Others(iii)	560	8.13	1,109	11.43
Total	**6,885**	**100.00**	**9,700**	**100.00**

Notes: -

(i) Comprise mainly licensing fee charged by PV Development to Omega Edisi, and software license fees.

(ii) Comprise mainly the related costs for accounting software and property sales software upgrade/set up.

(iii) Others comprise mainly car park charges, credit card charges, goods and services tax expenses, insurance, printing and stationery, rental of office equipment, repair and maintenance, upkeep of office, utilities and telephone and fax.

Comparison between FYE 2019 and FYE 2020

Our administrative expenses increased by approximately RM2.38 or 61.98% to RM6.22 million for FYE 2020 (FYE 2019: RM3.84 million). Such increase is mainly due to the following: -

(i) higher staff costs by approximately RM0.12 million to RM1.70 million for FYE 2020 as a result of annual salary increment and the expansion in our staff headcount from 22 staff as at 31 December 2019 to 26 staff as at 31 December 2020;

(ii) legal and professional fees increased by approximately RM0.80 million to RM1.29 million for FYE 2020, mainly due to legal fees incurred for the various litigation cases involving our development land for Residensi Platinum Mira and Pavillion Integrity, our subsidiary, is named as one of the defendants;

(iii) stamp duty expenses increased by approximately RM0.42 million to RM0.43 million for FYE 2020, mainly attributable to new banking facilities secured during FYE 2020; and

(iv) higher management fee of RM1.24 million for FYE 2020 for the management services provided to our Group by PV Holdings, our former holding company.

The above increases were offset partially by the decrease in office rental expenses, mainly due to the new tenancy agreement entered for Residensi Platinum OUG's sales office commencing December 2019, which recognised as rights-of-use assets with the corresponding amortisation charge and lease interest in accordance with MFRS 16 *Leases*.

Comparison between FYE 2020 and FYE 2021

Our Group recorded higher administrative expenses for FYE 2021 by approximately RM4.57 million or 73.47% to RM10.79 million for FYE 2021, mainly attributable to the following: -

(i) higher legal and professional fees for FYE 2021 by approximately RM1.57 million or 121.71% to RM2.86 million for FYE 2021, mainly due to professional fees incurred for listing exercise undertaken by our Group;

(ii) higher gifts and donations primarily due to approximately RM0.97 million donated to an educational institution during FYE 2021; and

(iii) higher staff costs by approximately RM2.07 million or 121.76% to RM3.77 million for FYE 2021, primarily attributable to the expansion of our headcount for administrative staff and higher staff bonuses paid during FYE 2021.

Comparison between FPE 2021 and FPE 2022

Our Group recorded higher administrative expenses for FPE 2022, which increased by approximately RM2.82 million or 40.89% to RM9.70 million for FPE 2022, mainly attributable to the following: -

(i) staff costs increased by approximately RM1.06 million to RM3.40 million for FPE 2022 as a result of higher staff bonus as well as annual salary increment and the expansion in our staff headcount from 19 staff in FPE 2021 as compared to 35 staff in FPE 2022. In addition, our Group recorded a total of eight (8) months administrative staff costs for FPE 2021 as compared to ten (10) months administrative staff costs for FPE 2022 as the administrative functions of our Group was centralised at our former holding company, PV Holdings, prior to March 2021 of which management fee was charged to our Group;

(ii) stamp duty expenses increased by approximately RM1.67 million from RM0.01 million for FPE 2021 to RM1.68 million for FPE 2022, mainly attributable to the new banking facilities for our Suite Canselor project and land for future development; and

(iii) higher legal and professional fees for FPE 2022, which increased by approximately RM0.25 million or 14.20% to RM2.00 million, mainly due to legal fees incurred for new banking facilities for our Suite Canselor project and land for future development.

12.2.6 Other operating expenses

The breakdown of the other operating expenses is as follows: -

	Audited					
	FYE 2019		**FYE 2020**		**FYE 2021**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Amortisation of rights-of-use assets	211	65.73	695	65.08	1,430	79.93
Depreciation on property, plant and equipment	110	34.27	144	13.48	359	20.07
Tax penalty[(i)]	-	-	229	21.44	-	-
Fair value loss on other investment	-	-	-	-	-	-
Total	**321**	**100.00**	**1,068**	**100.00**	**1,789**	**100.00**

	Unaudited		**Audited**	
	FPE 2021		**FPE 2022**	
	RM'000	**%**	**RM'000**	**%**
Amortisation of rights-of-use assets	1,184	80.65	1,162	5.65
Depreciation on property, plant and equipment	284	19.35	488	2.37
Tax penalty[(i)]	-	-	189	0.92
Fair value adjustment on other investment	-	-	18,729	91.06
Total	**1,468**	**100.00**	**20,568**	**100.00**

Note: -

(i) Representing tax penalties of RM0.12 million incurred for the additional tax payment arising from the different accounting and tax treatments on sales commissions for tax purposes on one of our subsidiaries, Total Solid, for the YA 2015 to YA 2018 being construed by the IRB as under provision of income tax, and the tax penalty of RM0.11 million arising for the underestimation of tax by one of our subsidiaries, Vistarena Development. For FPE 2022, the tax penalty is accrued tax penalty by Radium in relation to the underestimation of tax amount for tax instalment for YA 2022.

Comparison between FYE 2019 and FYE 2020

Other operating expenses increased by approximately RM0.75 million or 234.38% to RM1.07 million in FYE 2020 (FYE 2019: RM0.32 million). The increase was mainly due to the higher amortisation of rights-of-use assets from renting our sales and branch office, commencing the last quarter of FYE 2019.

There were tax penalties of RM0.12 million incurred for the additional tax assessment arising from the different accounting and tax treatments on sales commissions for tax purposes on one of our subsidiaries, Total Solid, for the YA 2015 to YA 2018 being construed by the IRB as under provision of income tax, and the tax penalty of RM0.11 million arising for the underestimation of tax by one of our subsidiaries, Vistarena Development.

Comparison between FYE 2020 and FYE 2021

Our Group recorded higher other operating expenses for FYE 2021 than FYE 2020 as we incurred higher amortisation of rights-of-use assets for FYE 2021, mainly attributable to renting a new office and renewal of existing tenancy agreements. The higher depreciation on property, plant and equipment primarily resulted from new motor vehicles purchased for our business operations and the renovation costs incurred for our new office located at Setapak, Kuala Lumpur, during FYE 2021.

Comparison between FPE 2021 and FPE 2022

Other operating expenses increased by approximately RM19.10 million to RM20.57 million in FPE 2022 (FPE 2021: RM1.47 million). The increase was mainly due to the following:

(a) fair value adjustment on other investment of RM18.73 million on our Group's investment in 4.9% of the equity interest in Jayyid Land after considering the net recoverable amount based on an independent valuation report dated 31 October 2022. Our Group had previously subscribed for 49.0% of the equity interest in Jayyid Land for a total consideration of RM29.31 million. On 22 November 2021, Jayyid Land allotted 9,000,000 ordinary shares to Gandingan Jakel Sdn Bhd, which resulted in Gandingan Jakel owning 90% of the equity interest in Jayyid Land. In contrast, Radium's shareholding in Jayyid Land diluted from 49.0% to 4.9%. During FPE 2022, our Group received a recoupment income of RM47.00 million from Alfa Sutramas Sdn Bhd, a related party and the 50.00% shareholder of Gandingan Jakel Sdn Bhd, as explained in Note (vi) of Section 12.2.3 of this Prospectus;

(b) tax penalty of RM0.19 million arising from the accrued tax penalty on underestimation of tax for tax instalment for YA 2022; and

(c) higher depreciation on property, plant and equipment, which increased by RM0.21 million to RM0.49 million for FPE 2022 (FPE 2021: RM0.28 million). This primarily resulted from the renovation costs, computer hardware, office equipment and furniture and fittings for our head office located at Setapak, Kuala Lumpur.

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12.2.7 Finance costs

The breakdown of the finance costs is as follows: -

	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	RM'000	%	RM'000	%	RM'000	%
Advance from a related party	3,449	37.55	3,964	44.21	1,666	27.53
Bank guarantee commission	72	0.78	41	0.46	12	0.20
Bridging loans	2,725	29.66	3,085	34.40	953	15.75
Lease liabilities	28	0.31	85	0.95	65	1.07
Bank overdrafts	713	7.76	598	6.67	669	11.05
Term loans	2,199	23.94	1,194	13.31	2,687	44.40
Revolving credit	-	-	-	-	-	-
Total	**9,186**	**100.00**	**8,967**	**100.00**	**6,052**	**100.00**

	Unaudited		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	RM'000	%
Advance from a related party	1,338	27.03	121	4.29
Bank guarantee commission	8	0.16	134	4.75
Bridging loans	813	16.41	401	14.20
Lease liabilities	53	1.07	68	2.41
Bank overdrafts	536	10.83	376	13.32
Term loans	2,203	44.50	1,175	41.62
Revolving credit	-	-	548	19.41
Total	**4,951**	**100.00**	**2,823**	**100.00**

Comparison between FYE 2019 and FYE 2020

Our finance costs decreased from RM9.19 million for FYE 2019 to RM8.97 million for FYE 2020, mainly attributable to lower term loan interests for FYE 2020 due to repayment of outstanding term loans in FYEs 2019 and 2020 via our progress billing collections from our on-going projects. In addition, the bank overdrafts interest for FYE 2020 decreased, mainly due to lesser bank overdrafts facilities utilised during FYE 2020 resulting from our improved internally-generated funds from our on-going projects.

The interest on advance from a related party increased during FYE 2020, mainly attributable to additional advances from a related party.

Bridging loan interests increased during FYE 2020, mainly attributable to additional bridging loans drawdown during FYE 2020 for our on-going projects.

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Comparison between FYE 2020 and FYE 2021

We recorded lower finance costs for FYE 2021, mainly attributable to repayments of advances from a related party and bridging loans during FYE 2021. The decrease in interest expenses on advance from a related party and bridging loans narrowed partially by the increase in term loans interests resulting from new term loans drawn down during FYE 2021.

Comparison between FPE 2021 and FPE 2022

Our finance costs decreased from RM4.95 million in FPE 2021 to RM2.82 million in FPE 2022, mainly attributable to the following: -

(i) decrease in interest on advances from a related party by RM1.22 million to RM0.12 million for FPE 2022 (FPE 2021: RM1.34 million), mainly attributable to repayments made during FPE 2022;

(ii) decrease in interest expenses on bridging loans by RM0.41 million to RM0.40 million for FPE 2022 (FPE 2021: RM0.81 million) due to the full repayment of bridging loans during FPE 2022, which was used to finance our Residensi Platinum OUG and Residensi Vista Sentul; and

(iii) decrease in interest on term loans by RM1.02 million to RM1.18 million for FPE 2022 (FPE 2021: RM2.20 million) mainly attributable to repayments of term loans during FPE 2022.

12.2.8 PBT and PBT Margin

	Audited			Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2021**	**FPE 2022**
PBT (RM'000)	163,402	131,727	144,901	147,853	133,523
PBT margin (%)	34.56	22.40	25.71	29.23	44.21
Adjusted PBT margin (%)[(i)]	25.23	22.40	25.71	29.23	44.21

Note: -

(i) Adjusted PBT margin is derived based on PBT excluding the dividend income for FYE 2019 over the revenue.

Comparison between FYE 2019 and FYE 2020

Our Group recorded a lower PBT of RM31.67 million or a decrease of 19.38% to RM131.73 million in FYE 2020 (FYE 2019: RM163.40 million), mainly attributable to the absence of the one-off dividend from a former subsidiary received during FYE 2019. Thus, our Group has recorded a lower PBT margin of 22.40% for FYE 2020 (FYE 2019: 34.56%).

Our adjusted PBT margin declined from 25.23% for FYE 2019 to 22.40% for FYE 2020, mainly attributable to our Group's lower GP margin for FYE 2020.

Comparison between FYE 2020 and FYE 2021

Our Group recorded a higher PBT of RM13.17 million or an increase of 10.00% to RM144.90 million for FYE 2021 (FYE 2020: RM131.73 million). The increase was predominantly due to the higher GP for our on-going projects for FYE 2021. Thus, our PBT margin increased from 22.40% for FYE 2020 to 25.71% for FYE 2021, mainly attributable to our Group's higher GP margin for FYE 2021.

Comparison between FPE 2021 and FPE 2022

During FPE 2022, our Group recorded a lower PBT, which declined by approximately RM14.33 million or 9.69% to RM133.52 million for FPE 2022 (FPE 2021: 147.85 million), mainly due to the following:

(a) lower GP recorded for our on-going property development projects, as explained in Section 12.2.2(v) of this Prospectus; and

(b) the fair value adjustment on other investment, i.e., 4.9% of the equity interest in Jayyid Land of approximately RM18.73 million as detailed in Section 12.2.6 of this Prospectus.

The abovementioned decreases in PBT were partially offset by the recoupment income of RM47.00 million from Alfa Sutramas Sdn Bhd, as explained in Note (vi) of Section 12.2.3 of this Prospectus.

Our PBT margin increased from 29.23% in FPE 2021 to 44.21% in FPE 2022, mainly due to our Group's improved GPM, as explained in Section 12.2.2(v) of this Prospectus and the abovementioned recoupment income of RM47.00 million.

12.2.9 Taxation

	Audited			Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2021**	**FPE 2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Current income tax:					
- current income tax charge	28,924	32,476	35,854	34,960	35,754
- adjustment in respect of prior years/period	(308)	(66)	(55)	(54)	5,750
	28,616	32,410	35,799	34,906	41,504
Deferred tax:					
- origination of temporary differences	185	333	152	171	65
- adjustment in respect of prior years/period	-	(10)	^	^	(129)
	185	323	152	171	(64)
Tax expenses	**28,801**	**32,733**	**35,951**	**35,077**	**41,440**
Effective tax rate (%)	**17.63**	**24.85**	**24.81**	**23.72**	**31.04**
Statutory tax rate (%)	**24.00**	**24.00**	**24.00**	**24.00**	**24.00**

Note: -

^ *Less than RM1,000.*

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Comparison between FYE 2019 and FYE 2020

Our tax expenses increased by approximately RM3.93 million or 13.65% to RM32.73 million for FYE 2020 (FYE 2019: RM28.80 million), mainly attributable to higher PBT recorded for FYE 2020.

Our Group's effective tax rate for FYE 2020 was marginally higher than the statutory tax rate. This was mainly attributable to no deferred tax assets being provided in respect of our loss-making subsidiaries' unutilised losses, unabsorbed capital allowances and finance cost adjustments during FYE 2020. The non-recognition of the said deferred tax assets was due to the uncertainty of whether any future taxable profit will be available for utilising these deferred tax assets by the respective subsidiaries.

Comparison between FYE 2020 and FYE 2021

Our Group's tax expenses increased by approximately RM3.22 million or 9.84% to RM35.95 million in the FYE 2021 (FYE 2020: RM32.73 million) due to higher PBT recorded for FYE 2021.

Our Group's effective tax rate for FYE 2021 was marginally higher than the statutory tax rate. This was mainly attributable to no deferred tax assets being provided in respect of our loss-making subsidiaries' unutilised losses, unabsorbed capital allowances and finance cost adjustments during FYE 2021. The non-recognition of the said deferred tax assets was due to the uncertainty of whether any future taxable profit will be available for utilising these deferred tax assets by the respective subsidiaries.

Comparison between FPE 2021 and FPE 2022

Our Group's tax expenses increased by approximately RM6.36 million or 18.13% to RM41.44 million in FPE 2022 (FPE 2021: RM35.08 million), mainly due to the recoupment income of RM47.00 million from Alfa Sultramas Sdn Bhd, a related party, and the 50.00% shareholder of Gandingan Jake Sdn Bhd, as explained in Note (vi) of Section 12.2.3 of this Prospectus.

Our Group's effective tax rate for FPE 2022 was higher than the statutory tax rate, mainly due to following:

(a) underprovision of tax expenses for the previous financial year of RM5.75 million upon finalisation of tax computation for YA 2021 during FPE 2022; and

(b) certain expenses that were not deductible for tax reporting purposes, which comprised mainly fair value adjustment on other investment of approximately RM18.73 million for FPE 2022.

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12.2.10 Review of financial positions

(i) Assets

The assets of our Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 October 2022 are as follows: -

	Audited			
	As at 31 December			As at 31 October
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Non-current assets				
Property, plant and equipment	2,366	1,968	4,278	4,827
Inventories	13,749	8,054	8,054	-
Goodwill	1,590	1,590	1,590	1,590
Other investments	31,013	29,313	29,313	10,584
Total non-current assets	**48,718**	**40,925**	**43,235**	**17,001**
Current assets				
Inventories	350,738	291,777	232,069	252,883
Current tax assets	705	4,027	5,007	4,265
Trade and other receivables	71,910	83,474	96,176	89,190
Contracts assets	276,536	472,356	324,838	227,288
Cash and short-term deposits	21,117	33,723	128,747	35,126
Total current assets	**721,006**	**885,357**	**786,837**	**608,752**
TOTAL ASSETS	**769,724**	**926,282**	**830,072**	**625,753**

Comparison between 31 December 2019 and 31 December 2020

Our total assets further increased by approximately RM156.56 million or 20.34% to RM926.28 million as at 31 December 2020 (as at 31 December 2019: RM769.72 million), primarily attributable to the increase in our following current assets: -

(i) our contract assets further increased by approximately RM195.82 million or 70.81% to RM472.36 million (as at 31 December 2019: RM276.54 million), resulting from the recognition of revenue from our on-going projects based on completion stages before reaching the next progress billing milestone; and

(ii) our trade and other receivables increased by approximately RM11.56 million or 16.08% to RM83.47 million as at 31 December 2020 (as at 31 December 2019: RM71.91 million). The increase was mainly attributable to the increase in the following: -

  (a) amount owing by related parties of RM5.30 million to RM11.75 million (as at 31 December 2019: RM6.45 million), primarily due to advances to the non-controlling interests of Fitrah Resources totalling RM5.90 million; and

  (b) deposits also increased by approximately RM3.41 million to RM4.13 million as at 31 December 2020 (as at 31 December 2019: RM0.72 million), mainly due to additional deposits paid to DBKL for our external infrastructure construction works for Residensi Semarak Platinum and Residensi PV9.

The abovementioned increases in current assets were offset partially by the decrease in our current inventories by approximately RM58.96 million or 16.81% to RM291.78 million (as at 31 December 2019: RM350.74 million). The said decrease resulted from the recognition of property development costs to statement of profit or loss during FYE 2020, as our on-going projects have achieved their respective completion stages during FYE 2020.

Our total non-current assets decreased by approximately RM7.79 million or 15.99% to RM40.93 million as at 31 December 2020 (as at 31 December 2019: RM48.72 million). The said decrease was mainly attributable to the reclassification of our non-current inventories of RM5.70 million to current inventories during FYE 2020 for our future mixed development project upon obtaining the conditional development order.

Comparison between 31 December 2020 and 31 December 2021

Our total assets as at 31 December 2021 decreased by approximately RM96.21 million or 10.39% to RM830.07 million as at 31 December 2021 (as at 31 December 2020: RM926.28 million), mainly attributable to the decrease in our following current assets: -

(i) our current inventories further decreased by approximately RM59.71 million or 20.46% to RM232.07 million as at 31 December 2021 (as at 31 December 2020: RM291.78 million). The said decrease resulted from the recognition of property development costs to statement of profit or loss during FYE 2021, as our on-going projects have achieved their respective completion stages during FYE 2021;

(ii) contract assets decreased by approximately RM147.52 million mainly due to the completion of our Residensi Semarak Platinum and Residensi Vista Wirajaya projects during FYE 2021 as progress billings have been billed before financial year end; and

(iii) settlements on amounts owing by the former holding company and related parties totaling RM23.69 million.

The increases in the following offset the above decreases: -

(i) trade receivables increased by approximately RM40.67 million, mainly attributable to stakeholder sums billed for our projects completed during FYE 2021, i.e., Residensi Semarak Platinum and Residensi Vista Wirajaya;

(ii) cash and short-term deposits increased by approximately RM95.03 million or 281.82%, mainly due to improved internally generated funds from our on-going projects during FYE 2021; and

(iii) property, plant and equipment increased by approximately RM2.31 million or 117.26% to RM4.28 million as at 31 December 2021 (as at 31 December 2020: RM1.97 million), primarily due to renovation costs incurred for our new office located at Setapak, Kuala Lumpur, and the purchase of motor vehicles for our business operations.

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Comparison between 31 December 2021 and 31 October 2022

Our total assets as at 31 October 2022 decreased by approximately RM204.32 million or 24.61% to RM625.75 million (as at 31 December 2021: RM830.07 million). This is mainly attributable to the decrease in our following current and non-current assets: -

(i) contract assets decreased by approximately RM97.55 million or 30.03%, mainly due to the completion of our Residensi Platinum OUG in June 2022 as progress billings have been billed before the end of June 2022;

(ii) cash and short term deposits decreased by approximately RM93.62 million or 72.72% mainly due to repayments of loans and borrowings and amounts due to related companies, related parties and directors and dividend payments during FPE 2022, in which such decreases were narrowed by the cash generated from our business operations;

(iii) other investment decreased by RM18.73 million or 63.89%, primarily due to fair value adjustment of RM18.73 million on Radium's investment in 4.9% of the equity interest in Jayyid Land after considering the net recoverable amount based on an independent valuation report dated 31 October 2022 disclosed in Section 12.2.6 of this Prospectus; and

(iv) non-current inventories decreased by RM8.05 million or 100.00% due to the Disposal of Montanica Land during FPE 2022.

The abovementioned decreases were partially offset by an increase in current inventories of RM20.81 million or 8.97% for FPE 2022 (FYE 2021: RM232.07 million) mainly attributable to development order charges for future development project.

(ii) Liabilities

The liabilities of our Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 October 2022 are as follows: -

	Audited			
	As at 31 December			As at 31 October
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Loans and borrowings	64,849	84,653	73,612	44,085
Deferred tax liabilities	283	606	758	694
Total non-current liabilities	**65,132**	**85,259**	**74,370**	**44,779**
Current liabilities				
Loans and borrowings	13,061	7,296	17,985	50,757
Current tax liabilities	4,704	12,133	6,518	16,931
Trade and other payables	526,920	562,720	361,775	121,779
Contract liabilities	27	-	-	-
Total current liabilities	**544,712**	**582,149**	**386,278**	**189,467**
TOTAL LIABILITIES	**609,844**	**667,408**	**460,648**	**234,246**

Comparison between 31 December 2019 and 31 December 2020

Our total liabilities have increased by approximately RM57.57 million or 9.44% to RM667.41 million as at 31 December 2020, mainly attributable to the following: -

(i) increase in trade and other payables by approximately RM35.80 million to RM562.72 million as at 31 December 2020, primarily due to the following: -

(a) increase in trade payables by approximately RM52.46 million to RM259.03 million as high progress claims recognised at the end of FYE 2020 as well as the higher retention sums of RM43.48 million as at 31 December 2020 (as at 31 December 2019: RM27.45 million) mainly due to further development costs incurred as and when our development projects progress;

(b) increase in other payables and accruals totalling approximately RM7.71 million to RM19.53 million as at 31 December 2020, mainly due to accruals for sales commissions, interest charge by related parties, management fee, administrative and marketing expenses payable;

(c) amounts owing to directors increased by approximately RM9.16 million to RM25.23 million as at 31 December 2020, contributed by the additional advances from the directors for our Group's business operations during FYE 2020; and

(d) The abovementioned increases were offset partially by the decrease in amounts owing by related parties, related companies and former holding company totalling approximately RM33.78 million to RM258.57 million, mainly due to repayments from the related parties.

(ii) our total loans and borrowings increased by approximately RM14.04 million to RM91.95 million as at 31 December 2020, mainly attributable to the additional term loans drawdown to finance our on-going projects, which was offset partially by the decrease in bank overdrafts resulted from lesser utilisation of bank overdraft facilities; and

(iii) current tax liabilities increased by approximately RM7.43 million to RM12.13 million as at 31 December 2020, in line with the growth in our PBT.

Comparison between 31 December 2020 and 31 December 2021

Our total liabilities decreased by approximately RM206.76 million or 30.98% to RM460.65 million as at 31 December 2021, mainly due to the following: -

(i) lower trade and other payables by approximately RM200.94 million to RM361.78 million as at 31 December 2021 (as at 31 December 2020: RM562.72 million), mainly attributable to the following: -

(a) trade payables decreased by approximately RM121.02 million, primarily attributable to payments paid to the contractors for our completed projects, i.e., Residensi Vista Wirajaya and Residensi Semarak Platinum projects, as well as settlement of progress billings for our other on-going projects;

(b) decreased amounts owing to related parties by approximately RM61.98 million to RM196.18 million as at 31 December 2021, mainly attributable to repayments to the related parties during FYE 2021; and

(c) the amounts owing to directors lower by approximately RM11.03 million to RM14.19 million as at 31 December 2021, primarily attributable to the repayments to a director during FYE 2021.

(ii) the current tax liabilities decreased by approximately RM5.61 million mainly due to higher tax installments paid during FYE 2021 based on the tax estimate for FYE 2021.

Comparison between 31 December 2021 and 31 October 2022

Our total liabilities decreased by approximately RM226.40 million or 49.15 % to RM234.25 million as at 31 October 2022. The said decrease was mainly due to the decline in trade and other payables by approximately RM240.00 million or 66.34% to RM121.78 million as at 31 October 2022 (31 December 2021: RM361.78 million), mainly due to the following: -

(i) amount owing to related parties decreased by RM186.52 million mainly attributable to repayments made during FPE 2022;

(ii) trade payables decreased by approximately RM34.84 million, primarily due to lower accrued landowner's entitlements of RM13.04 million, lower retention sums of RM10.94 million, payments paid to the contractors for our completed projects, i.e., Residensi Platinum OUG and Residensi PV9 and and lower trade accruals as a results of lower accrued development costs for completed projects as compared to 31 December 2021; and

(iii) full settlement of RM14.19 million owing to directors.

The above decrease was offset partially by the increase in current tax liabilities of RM10.41 million or 159.66% to RM16.93 million as at 31 October 2022, mainly due to higher other income for FPE 2022 resulting mainly from the recoupment income of RM47.00 million from Alfa Sultramas Sdn Bhd, a related party and the 50.00% shareholder of Gandingan Jake Sdn Bhd, as explained in Note (vi) of Section 12.2.3 of this Prospectus.

12.2.11 Key financial ratios

The key financial ratios of our Group for the Financial Years and Period Under Review are as follows: -

	Audited			
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2022**
Trade receivables turnover (days)(i)	28	26	41	79
Adjusted trade receivables turnover (days)(ii)	28	26	24	34
Trade payables turnover (days)(iii)	222	201	188	215
Adjusted trade payables turnover (days)(iv)	51	71	73	86
Current ratio (times)(v)	1.32	1.52	2.04	3.21
Gearing ratio (times)(vi)	0.48	0.35	0.24	0.24

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

Notes: -

(i) *Computed based on the average trade receivables over revenue for the financial year/period multiplied by 365/304 days for each FYE/FPE.*

(ii) *Computed based on the average trade receivables (excluding the stakeholder sums included in retention sums receivable) over revenue for the financial year/period multiplied by 365/304 days for each FYE/FPE. The stakeholder sums receivable is excluded from the computation of trade receivables turnover periods as the said amount is not receivable within the normal credit terms granted to home buyers, which is 30 days. Thus, the inclusion of the aforesaid amount would distort the analysis of the trade receivables turnover periods. The stakeholder sums will be receivable in two tranches, i.e., 50% after the eighth month from the date of vacant possession. The balance of 50% will be receivable after the twenty-fourth month from the date of vacant possession.*

(iii) *Computed based on the average trade payables over cost of sales for the financial year/period multiplied by 365/304 days for each FYE/FPE.*

(iv) *Computed based on the average trade payables (excluding the retention sums payable and the trade accruals) over cost of sales for the financial year/period multiplied by 365/304 days for each FYE/FPE. Our Group has excluded the retention sum payable and the trade accruals from the computation of trade payables' turnover periods as the aforesaid amounts are not within the normal credit terms granted to our Group, which ranged from 30 days to 90 days. Thus, the inclusion of the aforesaid amounts would distort the analysis of the trade payables turnover periods. Our Group will release the retention sums in two tranches i.e., the first tranche is upon issuance of the architect's certificate of practical completion while the second tranche shall be fully released at the end of the defect liability period or upon issuing the architect's certificate of making good defects. Trade accruals are construction costs accrued by the Group as at the financial year end based on the estimated work performed by contractors, which are pending progress claims to be issued by the contractors based on agreed milestones. The related accruals would only be due and payable upon receiving progress claims from contractors and payable within the normal credit terms granted to our Group. In addition, included in the trade accruals as at the FYE 2019, FYE 2020 and FYE 2021 is Residensi Semarak Platinum project's accrued landowner's entitlement totalling approximately RM85.54 million, RM62.94 million and RM17.46 million, respectively. The accrued landowner's entitlements were based on the agreed terms in the joint venture agreements entered with the aforesaid landowner.*

(v) *Computed based on current assets over current liabilities as at each FYE/FPE.*

(vi) *Computed based on our total loans and borrowings (excluding lease liabilities for right-of-use assets classified under lease liabilities) over total equity for each FYE/FPE. Lease liabilities for right-of-use assets are excluded from the calculation of the gearing ratio. It comprises solely the recognition of lease liabilities arising from the lease arrangements for renting our offices under the MFRS 16 Leases, which do not involve the drawdown of loans and borrowings from the financial institutions. As at 31 October 2022, our Group has one (1) unit of unsold completed property of RM0.38 million which the inventories turnover period for the unsold completed properties is immaterial. The said unsold completed property has been sold subsequent to FPE 2022.*

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(i) Trade receivables

The summary of trade receivables is as follows: -

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FPE 2022
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables	31,124	41,398	42,723	83,389
Closing trade receivables	41,398	42,723	83,389	74,214
Average trade receivables	36,261	42,061	63,056	78,802
Adjusted opening trade receivables	31,124	41,398	42,695	32,802
Adjusted closing trade receivables	41,398	42,695	32,802	33,768
Adjusted average trade receivables	36,261	42,047	37,749	33,285
Revenue	472,806	588,067	563,691	302,011
Trade receivables turnover period (days)	28	26	41	79
Adjusted trade receivables turnover period (days)	28	26	24	34

The normal credit period granted by our Group to our home buyers as provided in the sale and purchase agreements is 30 days from the date of the progress billings. The revenue for our development activities will be recognised based on the percentage of completion method. Thus, the movements in our Group's revenue from property development activities may not be in line with the fluctuations in the trade receivables turnover days as trade receivables are recorded based on progress billings issued to the end buyers. Upon the vacant possession of the completed projects, we will be responsible for the building repairs if any defect is found during the DLP as specified in the sale and purchase agreement, which lasts for 24 months after the date our buyers take vacant possession during the handover of properties. Thus, our buyers' sale and purchase agreement lawyers will withhold a 5% retention sum from the purchase price as stakeholder sums, which is not receivable within the normal credit terms granted to home buyers, which is 30 days. The stakeholder sums will be receivable in two tranches, i.e., 50% after the eighth month from the date of vacant possession. The balance of 50% will be receivable after the twenty-fourth month from the date of vacant possession.

Our trade receivables turnover periods for the Financial Years and Period Under Review are within our normal credit terms, except for FYE 2021 and FPE 2022, which recorded the trade receivables turnover period of 41 and 79 days, respectively, exceeded our credit period granted to our home buyers. Our trade receivables turnover period for FYE 2021 increased to 41 days compared to 26 days for FYE 2020, mainly attributable to stakeholder sums billed for our projects completed during FYE 2021, i.e., Residensi Semarak Platinum and Residensi Vista Wirajaya.

Our trade receivables turnover period for FPE 2022 increased to 79 days compared to 41 days for FYE 2021, mainly attributable to stakeholder sums billed for our completed projects, i.e., Residensi Semarak Platinum, Residensi Vista Wirajaya and Residensi Platinum OUG as well as the balance of the consideration of RM22.50 million arising from the Disposal of Montanica Land pursuant to a sale and purchase agreement dated 19 September 2022 for a total purchase consideration of RM25.00 million, as detailed in Sections 4.6.10(i) and 5.20(iv) of this Prospectus.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

Our adjusted trade receivables turnover periods for the Financial Years and Period Under Review were within the normal credit terms of 30 days, except for FPE 2022. We recorded an adjusted trade receivables turnover period of 34 days for FPE 2022, which exceeded our credit period granted to our home buyers. This is mainly attributable to the balance of the consideration of RM22.50 million arising from the Disposal of Montanica Land, which was fully collected subsequent to FPE 2022.

The ageing analysis of our trade receivables as at 31 October 2022 is as follows: -

	Trade receivables as at 31 October 2022 (Audited)		Amount received from 1 November 2022 up to the LPD		Balance of trade receivables which have yet to be received as at the LPD	
	RM'000	**Percentage of trade receivables (%)**	**RM'000**	**Percentage of amount received (%)**	**RM'000**	**Percentage of trade receivables (%)**
	(a)	**(a)/total of (a)**	**(b)**	**(b)/total of (b)**	**(c) = (a)-(b)**	**(c)/total of (c)**
Within credit period	31,255	92.56	31,241	94.67	14	1.82
Exceeding credit period:						
- 1 to 30 days	637	1.88	637	1.93	-	-
- 31 to 60 days	423	1.25	423	1.28	-	-
- 61 to 90 days	76	0.23	68	0.21	8	1.04
- More than 90 days	1,377	4.08	630	1.91	747	97.14
	2,513	7.44	1,758	5.33	755	98.18
Total	**33,768**	**100.00**	**32,999**	**100.00**	**769**	**100.00**

Our Group does not have any significant credit risk as we are principally a property developer, which sells our development properties to a large number of home buyers using financing from reputable end-financiers.

Our Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward-looking information. There is no impairment loss on trade receivables recognised during the Financial Years and Period Under Review.

As at 31 October 2022, our total trade receivables stood at approximately RM33.77 million, with approximately RM2.51 million or 7.44% of our trade receivables exceeding the normal credit period.

As at LPD, approximately RM33.00 million or 97.72% of our trade receivables as at 31 October 2022 have been collected. The remaining balance of RM0.77 million have yet to be collected as at LPD.

As at LPD, approximately RM0.76 million out of the total unsettled trade receivables of approximately RM0.77 have exceeded the credit period. Of this:

(a) RM0.30 million are amounts receivables from home buyers with end financiers which require a longer period to process the first loan disbursements or home buyers who are yet to settle the differential sum before the end financiers can disburse the loan;

(b) RM0.23 million are miscellaneous receivables which mainly comprise of charges on vacant possession and administration charges;

(c) RM0.12 million are amounts receivables from home buyers, who are staff of our Group and staff of related parties and are under the financing scheme provided by our Group or the related parties, and the related parties required more extended periods to process their staff loans;

(d) RM0.10 million are amounts receivables from home buyers, who are under the financing scheme provided by the government; and

(e) RM0.01 million are receivables from cash buyers.

Our Group has not encountered any major disputes with our trade receivables. With respect to overdue debts, we have generally been able to eventually collect payments, as evident by our subsequent collections after FPE 2022. As such, our management is of the view that the overdue trade receivables are recoverable, and thus no impairment loss on trade receivables for FPE 2022. Our management closely monitors the recoverability of our overdue trade receivables on a regular basis and, when appropriate, provides for impairment of these trade receivables. Trade receivables comprise substantially of amounts due from home buyers with end financing facilities from end-financiers solely.

Our Group retains the legal title to all properties sold for home buyers with no end financing facilities until the contracted sales value is fully settled. Accordingly, under normal circumstances, amounts due from home buyers are not impaired.

The sale and purchase agreement generally provided that, in the event of a cancellation of the sale by the home buyer, 10% of the purchase price shall be forfeited by the developer, and the balance shall be refunded to the home buyer. In particular, if there is a cancellation of sales, 10% of the purchase price shall be forfeited if 50% of the purchase price has been paid. Whereas, 20% of the purchase price shall be forfeited if more than 50% of the purchase price has been paid. The balance shall be refunded to the home buyer.

In the past, we have experienced cancellations of sales, and the deposits forfeited were recognised as other income. Upon cancellation and refund, the accounting of the progress billings, attributable profit recognised, cash received, and trade receivables are reversed. The corresponding costs incurred to-date on the cancelled unit are reclassified to property development costs under inventories. We then record the forfeiture of deposits as other income. Save for the reversal of any profits or losses from the progress billings and the income from the forfeiture, there is no other significant impact of such cancellations to us. For the Financial Years and Period Under Review and up to the LPD, there have been 104 cancellations of sales of such nature with an aggregate sale value of approximately RM44.60 million. As at the LPD, 87 units out of the 104 cancelled units were resold and 17 units of Residensi Platinum Mira remained unsold as detailed below: -

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	No. of units cancelled	No. of units resold as at LPD	% of units resold as at LPD(i)	% of units sold as at LPD(ii)
Residensi Semarak Platinum	14	14	0.70	100.00
Residensi Platinum OUG	17	17	1.29	100.00
Residensi Vista Wirajaya	22	22	4.27	100.00
Residensi PV9	20	20	1.47	98.06(iii)
Residensi Vista Sentul	10	10	1.42	100.00
Residensi Platinum Mira	21	4	0.94	60.17
Total	**104**	**87**		

Notes: -

(i) Calculated based on percentage of units resold as at LPD divided by total units sold as at LPD. Please refer to Sections 5.3.1(a) and (b) for the details of the total units sold as at LPD for each project.

(ii) Calculated based on percentage of units sold as at LPD divided by total units launched. Please refer to Sections 5.3.1(a) and (b) for the details of the total units launched for each project.

(iii) Including 105 units reserved for the relocation of squatters.

The said sales cancellations would not have a material impact on our Group's financial performance in view that we had achieved 100.00% sold rate for Residensi Vista Wirajaya, 100.00% sold rate for Residensi Semarak Platinum, 100.00% sold rate for Residensi Platinum OUG, 98.06% sold rate for Residensi PV9, 100.00% sold rate for Residensi Vista Sentul, and 60.17% sold rate for Residensi Platinum Mira (i.e., project was officially launched in June 2021) as at the LPD.

(ii) Trade payables

	Audited			
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Opening trade payables	189,562	206,569	259,027	138,005
Closing trade payables	206,569	259,027	138,005	103,161
Average trade payables	198,066	232,798	198,516	120,583
Adjusted opening trade payables	31,503	59,888	103,883	50,780
Adjusted closing trade payables	59,888	103,883	50,780	45,387
Adjusted average trade payables	45,696	81,886	77,332	48,084
COS	325,190	421,995	385,589	170,529
Trade payables turnover period (days)	222	201	188	215
Adjusted trade payables turnover period (days)	51	71	73	86

We award the construction works of our property development projects to third party contractors and related parties. Trade payables are recognised at their original invoice amounts, representing their fair value on the initial recognition. We have been granted credit terms of 30 to 90 days from the date of invoice by our contractors and suppliers.

For the Financial Years and Period Under Review, our trade payables turnover periods were above 180 days, mainly due to the full accrual of land cost for Residensi Semarak Platinum, which will be paid progressively based on development progress.

Our trade payables turnover periods has gradually decreased from 222 days for FYE 2019 to 188 days for FYE 2021, mainly due to the following: -

(i) the accrued land cost for Residensi Semarak Platinum was revised downwards during FYE 2019 due to the reduction in the landowner's entitlements from 23% to 12% for Residensi Wilayah components due to change in our development plan, i.e., to develop Residensi Wilayah and condominium properties instead of PRIMA and condominium properties, which resulted in the revised downwards of our gross development value and profit for this project; and

(ii) our Group has progressively settled the accrual of land cost for Residensi Semarak Platinum based on the terms in the joint venture agreements entered with the said landowner, and this project was completed in October 2021. Our Group has finalised the land cost with the landowners subsequent to FYE 2021.

The trade payables turnover period increased from 188 days for FYE 2021 to 215 days for FPE 2022, mainly attributable to the retention sums payables to our contractors for our on-going projects and the completed projects, i.e., Residensi Semarak Platinum, Residensi Vista Wirajaya and Residensi Platinum OUG. Our Group will release the retention sums in two tranches i.e., the first tranche is upon issuance of the architect's certificate of practical completion, while the second tranche shall be fully released at the end of the defect liability period or upon issuing the architect's certificate of making good defects.

Our adjusted trade payables turnover periods for the Financial Years and Period Under Review were within the normal credit terms of 30 to 90 days. Our Group's lower trade payables turnover period for FYE 2019 of 51 days was mainly due to lower progress claims issued by the sub-contractors towards the end of FYE 2019 as our on-going projects have not yet reached their respective billing milestones.

Our adjusted trade payables turnover period increased by 2 days from 71 days for FYE 2020 to 73 days for FYE 2021 mainly due to our Residensi Platinum OUG reaching its completion stage, which slower payment to our trade creditors before the collection of progress billing upon vacant possession from home buyers from the said project.

Our adjusted trade payables turnover period was further increased to 86 days for FPE 2022, mainly due to the following:

(i) our Residensi PV9 reaching its completion stage, which slower payment to our trade creditors before the collection of progress billing upon vacant possession from home buyers from the said project; and

(ii) outstanding development order charges owing to a local authority of RM14.67 million which will be settled by quarterly instalments over 24 months up to January 2024.

12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS *(cont'd)*

The ageing analysis of our trade payables as at 31 October 2022 is as follows: -

	Trade payables as at 31 October 2022 (Audited)		Amount paid from 1 November 2022 up to the LPD		Balance of trade payables which have yet to be paid as at the LPD	
	RM'000	**Percentage of trade payables (%)**	**RM'000**	**Percentage of amount paid (%)**	**RM'000**	**Percentage of trade payables (%)**
	(a)	**(a)/total of (a)**	**(b)**	**(b)/total of (b)**	**(c) = (a)-(b)**	**(c)/total of (c)**
Within credit period	28,816	27.93	28,024	52.22	792	1.60
Exceeding credit period:						
- 1 to 30 days	343	0.33	343	0.64	-	-
- 31 to 60 days	294	0.28	294	0.55	-	-
- More than 60 days	15,934	15.45	6,010	11.20	9,924	20.05
	16,571	16.06	6,647	12.39	9,924	20.05
Trade payables	45,387	43.99	34,671	64.61	10,716	21.65
Retention sum	39,962	38.74	8,203	15.28	31,759	64.17
Trade accruals[(i)]	17,812	17.27	10,795	20.11	7,017	14.18
Total	**103,161**	**100.00**	**53,669**	**100.00**	**49,492**	**100.00**

Note: -

(i) Included in the trade accruals as at 31 October 2022 is Residensi Semarak Platinum project's accrued landowner's entitlement totalling approximately RM4.42 million. The accrued landowner's entitlements were based on the agreed terms in the joint venture agreements entered with the aforesaid landowner.

As at 31 October 2022, our total trade payables stood at approximately RM45.39 million, with approximately RM16.57 million or 36.51% of our trade payables exceeding the normal credit period.

As at LPD, approximately RM34.67 million or 76.39% of our trade payables as at 31 October 2022 have been paid. The remaining balances of RM10.72 million have yet to be paid as at the LPD, of which approximately RM9.92 million have exceeded the credit period. This comprised mainly the development order charges for future development of RM9.77 million.

Save as disclosed in the table above, there are no other outstanding trade payables, which exceed their credit period. The above outstanding trade payables are all due to consultants or contractors. They were overdue as overall payment processing was generally slow due to processing delays and/or ensuring that documentation from consultants/contractors is in order prior to payment. There are no disputes in respect of any trade payables, and no material legal proceedings to demand for payments have been initiated by our consultants or contractors. Nonetheless, the Group shall monitor its payment processes more closely to avoid future delays in payment.

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(iii) Current Ratio

Our current ratios throughout the Financial Years and Period Under Review is as follows: -

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FPE 2022
	RM'000	RM'000	RM'000	RM'000
Current assets	721,006	885,357	786,837	608,752
Current liabilities	544,712	582,149	386,278	189,467
Current ratio (times)	1.32	1.52	2.04	3.21

Our current ratio ranges from 1.32 times to 3.21 times during the Financial Years and Period Under Review. This indicates that our Group can meet our current obligations as our current assets, such as inventories and trade receivables together with our fixed deposits and bank balances, which can be readily converted into cash, are sufficient are enough to meet immediate current liabilities.

As at 31 December 2020, our Group's current ratio improved further to 1.52 times, mainly attributable to higher contract assets balance due to the recognition of development costs for our on-going projects based on completion stages before reaching the next progress billing milestone. In addition, our higher cash and short-term deposits are due to our improved internally generated funds from our on-going projects during FYE 2020.

As at 31 December 2021, our current ratio has continuously improved further to 2.04 times, mainly attributable to lower current liabilities due to the payments paid to the contractors for our completed projects, i.e., Residensi Vista Wirajaya and Residensi Semarak Platinum projects.

As at 31 October 2022, our current ratio improved further to 3.21 times, mainly attributable to lower current liabilities resulting from the decline in trade and other payables by approximately RM240.00 million to RM121.78 million as at 31 October 2022 (31 December 2021: RM361.78 million). The said decrease was mainly contributed by the amount owing to related parties decreased by RM186.52 million primarily attributable to repayments made during FPE 2022, the decrease in trade payables by approximately RM34.84 million, and the full settlement of RM14.19 million owing to directors.

(iv) Gearing Ratio

	Audited			
	FYE 2019	FYE 2020	FYE 2021	FPE 2022
	RM'000	RM'000	RM'000	RM'000
Total loans and borrowings[(i)]	76,358	90,777	89,312	93,024
Total equity	159,880	258,874	369,424	391,507
Gearing ratio[(i)(ii)] (times)	0.48	0.35	0.24	0.24

Notes: -

(i) Excluding lease liabilities for right-of-use assets classified under lease liabilities.

(ii) Computed based on on our total loans and borrowings over total equity for each FYE. Lease liabilities for right-of-use assets are excluded from the calculation of the gearing ratio. It comprises solely the recognition of lease liabilities arising from the lease arrangements for renting our offices under the MFRS 16 Leases, which do not involve the drawdown of loans and borrowings from the financial institutions.

During the Financial Years and Period Under Review, our Group's gearing ratios range from 0.24 times to 0.48 times. Our Group's gearing ratio has improved from 0.48 times for FYE 2019 to 0.24 times for FYE 2021, mainly due to the repayments of borrowings and the profits recognised from our on-going projects during FYE 2021, which improved our Group's financial position.

For FPE 2022, our Group's gearing ratio remains consistent at 0.24 times as compared to FYE 2021.

12.2.12 Material changes in revenue

A discussion on the reasons for material changes in our revenue for the Financial Years and Period Under Review is set out in Section 12.2.1 of this Prospectus.

12.2.13 Impact of fluctuation of foreign exchange rates on the operation of our Group

There was no material impact of fluctuation of foreign exchange rates on our Group's operations during the Financial Years and Period Under Review.

12.2.14 Impact of fluctuation of interest rates on the operation of our Group

Exposure to changes in interest rate risk. There was no material impact of fluctuation of foreign exchange rates or interest rates on our Group's operations during the Financial Years and Period Under Review.

Our Group's operation is not expected to be materially impacted resulting from the recent hikes in the overnight policy rates set by BNM.

12.2.15 Impact of inflation on the operations of our Group

There was no material impact of inflation on our Group's financial performance for the Financial Years and Period Under Review.

However, there can be no assurance that any significant increase in the future inflation rate will not adversely affect our Group's business, financial performance or financial condition.

12.2.16 Impact from government, economic, fiscal or monetary policies of factors on the operations of our Group

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect the operations of our Group, are set out in Section 8.2.1 of this Prospectus.

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12.2.17 Impact of commodities prices on the operations of our Group

We are not directly affected by fluctuations in commodity prices for the Financial Years and Period Under Review. Under the terms of our letters of award and/or construction contracts with our appointed main contractors, the main contractors are responsible for the wages of construction workers and procuring construction materials and equipment required for our property development projects. As such, they will bear the risk of fluctuations in building material costs arising from the supply and demand conditions for construction related commodities (e.g., steel) and from foreign exchange movements affecting the prices of imported materials. In addition, our Group is not expected to be materially impacted by the recent inflationary situation globally.

Any unforeseen spikes or persistent increase in construction costs may also affect our contractors' cash flow and their ability to secure the required resources, if such situations are prolonged. This may affect our contractors' ability to carry out the construction work and may result in delays in the completion of construction works for our property development projects as well as our property delivery and billing schedules, and subsequently adversely affect our reputation in the market, as well as our sales performance and profit margins.

For the Financial Years and Period Under Review, we have not experienced any incidents of unanticipated spikes or substantial increase in construction costs which had affected our contractors' ability to procure the required raw materials. However, there can be no assurance that such incidences will not happen in the future. In the event that these incidences occur, it may result in delays and interruptions to the completion of our construction works and thus, potentially affecting our reputation in the market. Further, if the delays are prolonged and we are unable to handover the vacant possession to home buyers according to schedule, it may result in our property buyers imposing LAD on us which could affect our GDC, volatility in our revenue and profitability as well as cash flows. In the event that we are required to bear a portion of the increase in cost to ensure the timely completion of our projects will increase our GDC and thus, adversely affecting our financial performance.

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12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by trade payables and/or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise term loans, bank overdrafts, bridging loans, revolving credits, bank guarantees as well as finance lease liabilities.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and the interest rates on borrowings.

Our Board is confident that our working capital will be sufficient for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following: -

(i) Our cash and cash equivalent of approximately RM44.34 million as at LPD;

(ii) Our expected future cash flows from operations;

(iii) Our total banking facilities as at LPD of RM488.90 million (excluding hire purchase facilities), of which RM104.70 million have been utilised; and

(iv) Our pro forma gearing level of 0.07 times, based on our pro forma combined statements of financial position as at 31 October 2022 after the Public Issue and utilisation of proceeds.

We carefully consider our cash position and ability to obtain further financing before making significant capital commitments, such as new land acquisition and commencement of new property development projects.

12.3.2 Cash Flows

The following table is a summary of the cash flows for the Financial Years and Period Under Review: -

	Audited			
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash from operating activities	40,866	41,088	155,135	135,190
Net cash from/(used in) investing activities	42,744	1,582	(3,778)	40,399
Net cash used in financing activities	(75,882)	(24,277)	(67,084)	(261,199)
Net increase/(decrease) in cash and cash equivalents	7,728	18,393	84,273	(85,610)
Cash and cash equivalents at the beginning of financial year/period	1,177	8,905	27,298	111,571
Cash and cash equivalents at the end of financial year/period[(i)]	**8,905**	**27,298**	**111,571**	**25,961**

Note: -

(i) Cash and cash equivalents comprised the following: -

	Audited			
	FYE 2019	***FYE 2020***	***FYE 2021***	***FPE 2022***
	RM'000	***RM'000***	***RM'000***	***RM'000***
Short-term deposits	*2,435*	*2,499*	*4,035*	*9,666*
Less: Pledged deposits	*(2,435)*	*(2,499)*	*(3,635)*	*(9,165)*
	-	*-*	*400*	*501*
Cash and bank balances	*18,682*	*31,224*	*124,712*	*25,460*
Bank overdrafts	*(9,777)*	*(3,926)*	*(13,541)*	*-*
	8,905	***27,298***	***111,571***	***25,961***

FYE 2019

(i) Net cash from operating activities

Our Group generated an operating cash inflow of RM40.87 million during FYE 2019. We collected approximately RM328.66 million from the following: -

(i) a total of RM327.89 million collected from our on-going projects' progress billings from our home buyers;

(ii) cash receipts from other income of RM0.38 million;

(iii) interests received from bank accounts and fixed deposits of RM0.21 million; and

(iv) receipts of tax refunds of RM0.18 million.

The above collections were partially offset by the cash payments of approximately RM287.79 million in respect of the following: -

(i) payments to our contractors and suppliers totaling RM237.88 million;

(ii) payments of staff costs of RM6.17 million;

(iii) payments of administrative and marketing expenses of RM17.70 million;

(iv) payments for bank overdrafts interest and bank guarantee commissions of RM0.78 million; and

(v) income tax payments of RM25.26 million paid to the IRB.

(ii) Net cash from investing activities

Our Group recorded net cash from investing activities of RM42.74 million during FYE 2019 due to: -

(i) dividend received from a former subsidiary of RM44.10 million;

(ii) proceeds of RM0.30 million and RM0.90 million from the disposal of 15.00% of the equity interest in Konsep Juara Sdn Bhd, and the disposal of 90.00% of the equity interests in Southern Score Sdn Bhd, respectively;

(iii) acquisition of 80.00% of the equity interests in Fitrah Resources Sdn. Bhd. for a total consideration of RM0.77 million (net of cash acquired);

(iv) proceeds of RM0.20 million from the disposal of 20.00% of the equity interest in Omega Edisi;

(v) purchase of plant and equipment of RM0.24 million; and

(vi) increased in deposits pledged for our Group's banking facilities of RM1.75 million.

(iii) Net cash used in financing activities

Our Group recorded net cash used in financing activities of RM75.88 million during FYE 2019, attributable to the following: -

(i) drawdown of term loans of RM17.89 million to part finance the development costs for Residensi Platinum OUG;

(ii) drawdown of bridging loans of RM58.89 million to part finance the development costs for Residensi Semarak Platinum, Residensi Platinum OUG and Residensi Vista Wirajaya;

(iii) repayment of term loans of RM68.54 million;

(iv) repayment of bridging loans of RM77.69 million;

(v) payment of lease liabilities of RM0.21 million;

(vi) an outflow totaling RM16.47 million representing the advances to and repayments to the former holding company;

(vii) an inflow totaling RM6.35 million representing the net advance to and repayments from related companies;

(viii) advances received from related companies and directors totalling RM81.23 million to finance the development costs for our on-going projects and development activities for future projects;

(ix) repayments to related parties and directors totalling RM68.93 million; and

(x) payments of interests for advances from a related party, term loans, bridging loans and lease liabilities totalling RM8.40 million.

FYE 2020

(i) Net cash from operating activities

For FYE 2020, our Group generated an operating cash inflow of RM41.09 million. We collected approximately RM388.63 million from the following: -

(i) a total of RM387.68 million collected from our on-going projects' progress billings from our home buyers;

(ii) cash receipts from other income of RM0.60 million;

(iii) interests received from bank accounts and fixed deposits of RM0.20 million; and

(iv) receipt of tax refund of RM0.15 million.

The above collections were partially offset by the cash payments of approximately RM347.54 million in respect of the following: -

(i) payments to our contractors and suppliers totaling RM304.89 million;

(ii) payments of our staff costs of RM7.26 million;

(iii) payments of our administrative and marketing expenses of RM6.30 million;

(iv) payment of bank overdrafts interest and bank guarantee commissions of RM0.64 million; and

(v) income tax payments of RM28.45 million paid to the IRB.

(ii) Net cash from investing activities

Our Group recorded net cash from investing activities of RM1.58 million during FYE 2020, due to the following: -

(i) proceeds from the disposal of the entire 85.00% of equity interest in Konsep Juara Sdn Bhd for a total consideration of RM1.70 million;

(ii) purchase of plant and equipment totalling RM0.05 million; and

(iii) increased in deposits pledged for our Group's banking facilities of RM0.07 million.

(iii) Net cash used in financing activities

Our Group recorded net cash used in financing activities of RM24.28 million during FYE 2020, due to the following: -

(i) drawdown of term loan of RM24.00 million to part finance the balance purchase price of a landbank for future development;

(ii) drawdown of term loan of RM9.00 million to part finance the purchase of a landbank for Residensi Vista Sentul;

(iii) drawdown of bridging loans of RM99.46 million to part finance the development costs for Residensi Platinum OUG and Residensi PV9;

(iv) repayment of term loans of RM27.14 million;

(v) repayment of bridging loans of RM85.17 million;

(vi) payment of lease liabilities of RM0.81 million;

(vii) advances from directors and related parties totalling RM108.59 million mainly to finance the development costs for our on-going projects and development activities for future projects;

(viii) repayments to the former holding company, related companies, related parties and directors totalling RM144.07 million; and

(ix) interest paid for advances from a related party, term loans, bridging loans and lease liabilities totalling RM8.14 million.

FYE 2021

(i) Net cash from operating activities

Our Group generated an operating cash inflow of approximately RM155.13 million for FYE 2021. We collected approximately RM690.92 million from the following: -

(i) a total of approximately RM686.48 million collected from our on-going projects' progress billings from our house buyers, primarily from our Residensi PV9 and Residensi Platinium OUG projects which recorded higher progress billings during FYE 2021, as well as collections from our Residensi Platinum Semarak project, which recorded substantial billings upon vacant possession stage;

(ii) cash receipts from other income of approximately RM0.84 million;

(iii) interests received from bank accounts and fixed deposits of approximately RM0.25 million; and

(iv) tax refund of approximately RM3.35 million.

The above collections were offset by the cash payments of approximately RM535.79 million in respect of the following: -

(i) payments to our contractors and suppliers totalling approximately RM446.90 million;

(ii) payments of our staff costs of approximately RM9.01 million;

(iii) payments of our administrative and marketing expenses of approximately RM33.46 million;

(iv) bank overdrafts interest and bank guarantee commission paid of approximately RM0.68 million; and

(v) income tax payments of approximately RM45.74 million paid to the IRB.

(ii) Net cash used in investing activities

Our Group recorded net cash used in investing activities of approximately RM3.78 million during FYE 2021 due to: -

(i) cash payments for the purchase of plant and equipment of approximately RM1.84 million, mainly attributable to the renovation costs incurred for our new office located at Setapak, Kuala Lumpur, and the purchase of motor vehicles for our business operations;

(ii) acquisition of 20% equity interest in Omega Edisi, 25% equity interest in Idaman Sejiwa (Ampang) and 5% equity interest in Vistarena Development for a total consideration of RM0.80 million; and

(iii) increased in deposits pledged for our Group's banking facilities of approximately RM1.14 million.

(iii) Net cash used in financing activities

Our Group recorded net cash used in financing activities of approximately RM67.08 million for FYE 2021 due to the following: -

(i) drawdown of term loans of RM47.00 million to part finance the development costs for Residensi Vista Sentul;

(ii) drawdown of bridging loans of approximetely RM40.94 million to part finance the development costs for Residensi PV9 and Residensi Platinum OUG;

(iii) repayment of term loans of approximately RM28.82 million;

(iv) repayment of bridging loans of approximately RM70.35 million;

(v) payment of lease liabilities of approximately RM1.21 million;

(vi) proceeds of RM2.40 million from the issuance of 2,399,998 of ordinary shares by Radium for our Group's business operations;

(vii) net repayment of advances of approximately RM11.53 million from the former holding company;

(viii) net repayments of approximately RM63.93 million to related parties;

(ix) net advances from directors totalling approximately RM0.51 million; and

(x) payments for interests for advances from a related party, term loans, bridging loans and lease liabilities totalling approximately RM5.15 million.

FPE 2022

(i) Net cash from operating activities

Our Group generated an operating cash inflow of approximately RM135.19 million for FPE 2022. We collected approximately RM407.69 million from the following: -

(i) a total of RM406.95 million collected from our on-going projects' progress billings from our home buyers;

(ii) cash receipts from other income of RM0.34 million; and

(iii) interests received from bank accounts and fixed deposits of RM0.40 million.

The above collections were partially offset by the cash payments of approximatey RM272.50 million in respect of the following: -

(i) payments to our contractors and suppliers totalling approximately RM202.09 million;

(ii) payments of our staff costs of approximately RM3.55 million;

(iii) payments of our administrative and marketing expenses of approximately RM36.00 million;

(iv) payment for bank overdrafts interest and bank guarantee commissions of RM0.51 million; and

(v) income tax payments of RM30.35 million paid to the IRB.

(ii) Net cash from investing activities

Our Group recorded a net cash inflow from investing activities of approximately RM40.40 million during FPE 2022. Cash inflow of approximately RM47.16 million were received from the following:

(i) recoupment income of RM47.00 million from Alfa Sutramas Sdn Bhd as explained in Note (vi) of Section 12.2.3 of this Prospectus; and

(ii) proceeds of RM0.16 million arising from the disposal of motor vehicle.

The above inflow was partially offset by the following: -

(i) payments for the purchase of property, plant and equipment of RM1.23 million mainly attributable to the renovation of existing office located at Setapak, purchase of motor vehicles for business operations, and purchase of office equipments; and

(ii) increased in deposits pledged for our Group's banking facilities of approximately RM5.53 million.

(iii) Net cash used in financing activities

Our Group recorded net cash used in financing activities of approximately RM261.20 million for FPE 2022 due to the following: -

(i) drawdown of term loans of RM32.31 million of which RM13.87 million was used to part finance the land cost, development order charges and land conversion premium for Suite Canselor and RM10.85 million to refinance a term loan previously used to acquire a piece of land for future development;

(ii) drawdown of revolving credit of approximately RM30.00 million to part finance the land and development charges for Suite Canselor which were previously paid on behalf by a related party;

(iii) repayment of term loans of approximately RM32.94 million;

(iv) repayment of bridging loans of approximately RM12.68 million;

(v) payment of lease liabilities of approximately RM1.15 million;

(vi) net repayments of approximately RM190.39 million to related parties;

(vii) net repayments to directors of approximately RM14.19 million;

(viii) payments for interests for advances from a related party, term loans, bridging loans, revolving credit and lease liabilities totalling approximately RM2.16 million; and

(ix) dividend paid of RM70.00 million.

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12.3.3 Borrowings

Save as disclosed below, our Group does not have any borrowings which are non-interest bearing and/or in foreign currency denomination throughout the Financial Years and Period Under Review: -

	Purpose	Tenure/Maturity date	Interest Rate % per annum	Audited as at 31 October 2022 Payable within one (1) year RM'000	Audited as at 31 October 2022 Payable after one (1) year RM'000
Interest bearing borrowings					
Term loan	To part finance the acquisition of a development land held under Geran 80346, Lot 20069 Seksyen 90 for Residensi Platinum Mira	5 years/ 12 February 2023	BLR	1,992	3,819
Term loan	To part finance the acquisition of a parcel of vacant development land held under PN 53589, Lot 481729	5 years/ 7 December 2025	BFR - 2.00%	6,409	17,880
Term loan	To refinance the residential land held under GM 543 Lot 220 and for working capital	5 years/ 11 April 2027	BLR	10,909(i)	-
Term loan	To part finance the acquisition of a development land held under PT256 No. HSM 604, related development costs and the related development order charges	4 years/ 27 July 2026	BLR + 0.50%	-	13,956
Term loan	To part finance the development costs for development on land held under PT256 No. HSM 604 and the related insurance costs	3.5 years/ 31 March 2026	BLR + 0.50%	-	7,618
Lease liabilities	To finance the purchase of a motor vehicle	5 years/ 16 January 2022	2.78%	56	231
Revolving credit	For working capital	On demand	COF + 2.50%	30,154	-
			Sub-total	**49,520**	**43,504**
			Total borrowings		**93,024**
Pro forma gearing ratio (excluding lease liabilities for right-of-use assets classified under lease liabilities) (times)					
Before the Public Issue(ii)					0.24
After the Public Issue(iii)					0.12

Notes: -

(i) The term loan has been fully settled in January 2023.

(ii) Computed based on our pro forma total equity of RM391.51 million before the Public Issue disclosed in Reporting Accountants' Letter on the Pro Forma Combined Statements of Financial Position as set out in Section 14 of this Prospectus.

(iii) Computed based on our pro forma total equity of RM808.26 million after the Public Issue (and utilisation of proceeds) disclosed in Reporting Accountants' Letter on the Pro Forma Combined Statements of Financial Position as set out in Section 14 of this Prospectus.

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Our pro forma gearing ratio (excluding lease liabilities for right-of-use assets classified under lease liabilities) is expected to register approximately 0.24 times before the Public Issue, and approximately 0.12 times after the Public Issue (and utilisation of proceeds).

Our borrowings carry the following effective interest rates for the Financial Years and Period Under Review: -

	Audited			Unaudited	Audited
	FYE 2019	**FYE 2020**	**FYE 2021**	**FPE 2021**	**FPE 2022**
	% per annum				
Floating rates					
Term loans	6.70 - 8.00	3.40 - 7.72	3.40 – 6.47	3.40 – 6.47	3.65 – 7.07
Bridging loans	6.70 - 7.95	5.45 - 7.70	6.45	6.45	-
Overdraft	7.70 - 7.95	6.45 - 7.70	5.97 – 6.45	5.97 – 6.45	6.72 – 7.20
Revolving credit	-	-	-	-	5.27 – 6.04
Fixed rates					
Lease liabilities	5.24	5.24	5.24	5.24	3.80

As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency. We have not defaulted on payments of principal sums and/or interests in respect of any borrowings throughout the Financial Years and Period Under Review and the subsequent financial period up to the LPD.

For Financial Years and Period Under Review, we have not experienced any clawback or reduction in the facilities limit granted to us by our lenders.

As at the LPD, our Group is not in breach of any terms and conditions or covenants associated with credit arrangement or bank loans, which can materially affect the financial position and results of business operations or investment by holders of our Group's securities.

12.3.4 Types of financial instruments used

As at the LPD, our Group does not hold any other financial instruments for hedging purposes.

12.3.5 Funding and treasury policies and objectives

As at the LPD, save as disclosed in Section 12.3.1, our Group has been funding our operations through our internally-generated cash flows from operating activities and bank facilities. Our Group's policy is to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and bank balances deemed adequate to our Group's operations and development activities.

12.3.6 Material commitments for capital expenditures

As at the LPD, our Directors confirm that there are no material commitments incurred or known to be incurred by our Group which, upon becoming enforceable, may have material impact on the financial results or position of our Group.

12.3.7 Contingent liabilities

As at the LPD, our Directors confirm that there is no contingent liability incurred or known to be incurred by our Group which, upon becoming enforceable, may have material impact on the financial results or position of our Group.

12.3.8 Governmental, legal or arbitration proceedings

Save as disclosed in Section 16.4 of this Prospectus, we are not engaged in any material governmental, litigation or arbitration either as plaintiff or defendant, and there are no proceedings pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our financial position or business as at the LPD.

12.4 TREND INFORMATION

As at the LPD, save as disclosed in Section 12.2 of this Prospectus and to the best of our Group's knowledge and belief, the operation of our Group has not been and are not expected to be affected by any of the following: -

(i) known trends, demands, commitments, events or uncertainties that have had or that our Group reasonably expects to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations, save as disclosed in Sections 5, 6, 8 and 12 of this Prospectus;

(ii) material commitments for capital expenditure disclosed in Section 12.3.6 of this Prospectus;

(iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as discussed in Sections 8 and 12 of this Prospectus;

(iv) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue and/or profit as disclosed in this Section 12, business and industry overview as set out in Sections 5 and 6 of this Prospectus, and business strategies and future plans as set out in Section 5.15 of this Prospectus;

(v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save as disclosed in Section 8 of this Prospectus; and

(vi) known trends, demands, commitments, events or uncertainties that have had or that our Group reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, save as disclosed in Sections 5 and 8 of this Prospectus.

Our Board is optimistic about the future prospects of our Group given our Group's competitive strengths as set out in Section 5.5 of this Prospectus, the outlook of the high-rise residential property market in Kuala Lumpur and Selangor as set out in the IMR Report in Section 6 of this Prospectus and our commitment to implement the business strategies and future plans as set out in Section 5.15 of this Prospectus.

12.5 SIGNIFICANT CHANGES

Save as disclosed in Sections 1.6, 5.3.3, 8.1 and 12.1(xii) of this Prospectus, there is no significant change that has occurred which may have a material effect on the financial position and results of our Group subsequent to the Financial Years and Period Under Review.

12.6 ORDER BOOK

The nature of our Group's business is property development, and hence sales of properties are commonly on a one-off basis. As such, our Group does not have an order book.

12.7 DIVIDEND POLICY

Our Group presently does not have any formal dividend policy. The declaration and recommendation of any interim and final dividends for a particular financial year are subject to the discretion of our Board and any final dividend for a particular financial year is subject to the approval of our shareholders after recommendation by our Board. It is our intention to pay dividends to our shareholders to allow them to participate in our profits. However, our ability to pay dividends or make other distributions to our shareholders will depend upon a number of factors, including our earnings, capital requirements (including capital expenditures and financial covenants), general financial conditions, both nationally and internationally, our distributable reserves and other factors which may be considered relevant by our Board.

Our Board intends to adopt a policy of active capital management. We propose to pay dividends out of cash generated from our operations after setting aside necessary funding for capital expenditure and working capital requirements. As part of this policy and subject to compliance with the applicable laws, the Company targets a distribution of no less than 30% out of its consolidated profits after taxation attributable to shareholders available in each financial year in the form of dividends to the shareholders of the Company annually, commencing from the financial year ending 31 December 2022 and shall be reviewed by the Board every three (3) years.

This will be subject to the confirmation of our Board and to any applicable law, license and contractual obligations and provided that such distribution would not be detrimental to our capital requirements for any plans approved by our Board. As our Company is a holding company, our income and our ability to pay dividends is dependent upon the dividends and other distributions that we receive from our subsidiaries which shall be dependent on their operating results, financial condition, capital expenditure plans and other factors that their respective boards of directors deem relevant.

Subject to the Act, our Company, in general meeting, may from time to time approve dividend or other distribution. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board. Further, under the Act, our Company may not declare or pay dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that: -

(i) our Company is, or would after the payment be unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than its liabilities.

Save as disclosed below, there was no dividend declared, made or paid to our shareholders during the Financial Years and Period Under Review and up to the LPD: -

	Dividends declared RM'000	Dividends paid RM'000	PAT attributable to our shareholders RM'000	Dividend payout ratio(iii) %
<u>FYE 2019</u> In respect of the FYE 2019	-	-	127,999	-
<u>FYE 2020</u> In respect of the FYE 2020	-	-	87,894	-
<u>FYE 2021</u> In respect of the FYE 2021	40,000(i)	40,000(i)	101,589	39.37
<u>FPE 2022</u> In respect of the FYE 2022	50,000(ii)	50,000(ii)	89,585	55.81

Notes: -

(i) On 27 September 2021, we declared a dividend amounting to RM40.00 million from retained earnings, which was distributed by way of a dividend-in-specie of 400,000,000 RCPS in Radium, on the basis of one (1) RCPS for every six (6) Shares held to our shareholders. The Dividend-In-Specie was allotted and issued to our shareholders on 28 September 2021. The said RCPS was converted into 400,000,000 ICPS on 26 June 2022 (by way of removal of the redemption feature of the RCPS) and the ICPS was converted into new Shares on 18 October 2022. Please refer to Sections 4.3.3 and 4.3.4 of this Prospectus for further details.

(ii) On 1 and 8 September 2022, we declared and paid a dividend amounting to RM50.00 million respectively to our shareholders. The said dividend was funded via our internally-generated funds.

(iii) Calculated based on dividends paid divided by PAT attributable to our shareholders.

Subsequent to FPE 2022, we had on 21 December 2022 declared a dividend of RM15.00 million in respect of FYE 2022. The dividend was paid on 27 December 2022 and was funded via our internally-generated funds. We propose to declare and pay an interim dividend of RM35.00 million to our shareholders in respect of FYE 2023 in the third quarter of 2023. The said dividend will be funded via our internally-generated funds. The interim dividend is not subject to the approval by our shareholders.

The above dividends which were declared and paid will not affect the execution and implementation of our future plans or strategies moving forward. As we have planned our cash flows based on the project timeline and completion of the projects, our Board is of the opinion that we will have sufficient cash flows generated from our internally-generated funds to implement our Group's future plan and strategies moving forward. In the event of any shortfall of funds, we may source for additional funds either from bank borrowings or from the capital markets (after our Listing) to fund our future projects.

Investors should note that this dividend policy merely describes our Group's present intention and shall not constitute legally binding statements in respect of our Group's future dividends that are subject to modification at our Board's discretion. No influence should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

12.8 DIRECTORS' DECLARATION ON OUR GROUP'S FINANCIAL INFORMATION

Our Board is of the opinion that: -

(i) Our revenue will remain sustainable with expected growth trend;

(ii) Our liquidity will improve subsequent to the Public Issue given the additional funds to be raised for us to carry out our business strategies as stated in Sections 1.5 and 5.15 of this Prospectus; and

(iii) Our financial resources will strengthen, taking into account the amount to be raised from the IPO as well as internally generated funds. We may consider debt funding for our business expansion should the need arises.

In addition to the above, our Board is not aware of any circumstances which would result in a significant decline in our revenue and GP margins or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA)
Chartered Accountants (AF 0117)
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur, Malaysia

T : +603 2297 1000
F : +603 2282 9980

info@bakertilly.my
www.bakertilly.my

5 April 2023

The Board of Directors
Radium Development Berhad
62C, Jalan SS21/62
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Dear Sirs/Madam,

Reporting Accountants' opinion on the Combined Financial Statements contained in the Accountants' Report of Radium Development Berhad ("Radium" or the "Company")

Opinion

We have audited the accompanying combined financial statements of the Company as defined in Note 2 to the combined financial statements (the "Group"), which comprise of the combined statements of financial position as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 October 2022 of the Group, the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and financial period ended 31 October 2022, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages 7 to 132.

In our opinion, the accompanying combined financial statements contained in the Accountants' Report of the Company gives a true and fair view of the combined financial positions of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 October 2022, and of its financial performance and its cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021 and financial period ended 31 October 2022 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

RADIUM DEVELOPMENT BERHAD
(Incorporated 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 *Reporting Accountants' 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 Responsibilities

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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The directors of the Company are responsible for the preparation of the combined financial statements contained in the Accountants' Report of the Company, so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the 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 have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Reporting Accountants' 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 a Reporting Accountants' 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 these combined financial statements.

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)

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 scepticism 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 Reporting Accountants' 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 Reporting Accountants' 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 combined 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.

RADIUM DEVELOPMENT BERHAD
(Incorporated in Malaysia)

Other Matter

This report is made solely to the board of directors of the Company and has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire issued share capital of the Company on the Main Market of Bursa Malaysia Securities Berhad and should not be relied upon any other purpose. We do not assume responsibility to any other person for the content of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 5 April 2023

RADIUM DEVELOPMENT BERHAD
Accountants' Report

STATEMENT BY DIRECTORS

We, **DATUK GAN KAH SIONG** and **GAN TIONG KIAN**, being two of the directors of RADIUM DEVELOPMENT BERHAD, do hereby state that in the opinion of the directors, the accompanying combined financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 October 2022 and of its financial performance and cash flows for the financial years ended 31 December 2019, 31 December 2020, 31 December 2021 and financial periods ended 31 October 2021 and 31 October 2022.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

………………………………
DATUK GAN KAH SIONG
Director

………………………………
GAN TIONG KIAN
Director

Kuala Lumpur

Date: 0 5 APR 2023

RADIUM DEVELOPMENT BERHAD
Accountants' Report

STATUTORY DECLARATION

I, **SAM YAN LI**, being the officer primarily responsible for the financial management of RADIUM DEVELOPMENT BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying combined financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

…………………………………..
SAM YAN LI
(MIA Membership No:30416)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on

0 5 APR 2023

Before me,

PESURUHJAYA SUMPAH
W 761
HADINUR MOHD SYARIF
16.01.2022 - 31.12.2024
MALAYSIA

…………………………………..
Commissioner for Oaths

CHAMBERS TWENTY - FIVE
NO 25, JALAN TUNKU, BUKIT TUNKU
50480 KUALA LUMPUR

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF FINANCIAL POSITION

		Audited as at			
	Note	**31.12.2019 RM'000**	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
ASSETS					
Non-current assets					
Property, plant and equipment	**5**	2,366	1,968	4,278	4,827
Inventories	**6**	13,749	8,054	8,054	-
Goodwill	**7**	1,590	1,590	1,590	1,590
Other investments	**8**	31,013	29,313	29,313	10,584
Total non-current assets		**48,718**	**40,925**	**43,235**	**17,001**
Current assets					
Inventories	**6**	350,738	291,777	232,069	252,883
Current tax assets		705	4,027	5,007	4,265
Trade and other receivables	**9**	71,910	83,474	96,176	89,190
Contract assets	**10**	276,536	472,356	324,838	227,288
Cash and short-term deposits	**11**	21,117	33,723	128,747	35,126
Total current assets		**721,006**	**885,357**	**786,837**	**608,752**
TOTAL ASSETS		**769,724**	**926,282**	**830,072**	**625,753**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	**12**	*	*	2,400	42,400
Preference shares	**13**	-	-	40,000	-
Retained earnings		152,127	240,021	306,122	345,707
		152,127	240,021	348,522	388,107
Non-controlling interests		7,753	18,853	20,902	3,400
TOTAL EQUITY		**159,880**	**258,874**	**369,424**	**391,507**

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

	Note	Audited as at 31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
Non-current liabilities					
Loans and borrowings	**14**	64,849	84,653	73,612	44,085
Deferred tax liabilities	**15**	283	606	758	694
Total non-current liabilities		**65,132**	**85,259**	**74,370**	**44,779**
Current liabilities					
Loans and borrowings	**14**	13,061	7,296	17,985	50,757
Current tax liabilities		4,704	12,133	6,518	16,931
Trade and other payables	**16**	526,920	562,720	361,775	121,779
Contract liabilities	**10**	27	-	-	-
Total current liabilities		**544,712**	**582,149**	**386,278**	**189,467**
TOTAL LIABILITIES		**609,844**	**667,408**	**460,648**	**234,246**
TOTAL EQUITY AND LIABILITIES		**769,724**	**926,282**	**830,072**	**625,753**

* *Less than 1,000*

The accompanying notes form an integral part of these combined financial statements.

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Audited FYE 31 December 2019 RM'000	Audited FYE 31 December 2020 RM'000	Audited FYE 31 December 2021 RM'000	Audited FPE 31 October 2022 RM'000	Unaudited FPE 31 October 2021 RM'000
Revenue	**17**	472,806	588,067	563,691	302,011	505,765
Cost of sales		(325,190)	(421,995)	(385,589)	(170,529)	(332,456)
Gross profit		**147,616**	**166,072**	**178,102**	**131,482**	**173,309**
Other income	**18**	44,691	806	1,098	47,912	565
Marketing expenses		(15,560)	(18,897)	(15,671)	(12,780)	(12,717)
Administrative expenses		(3,838)	(6,219)	(10,787)	(9,700)	(6,885)
Other operating expenses		(321)	(1,068)	(1,789)	(20,568)	(1,468)
Operating profit		**172,588**	**140,694**	**150,953**	**136,346**	**152,804**
Finance costs	**19**	(9,186)	(8,967)	(6,052)	(2,823)	(4,951)
Profit before tax	**20**	**163,402**	**131,727**	**144,901**	**133,523**	**147,853**
Income tax expense	**22**	(28,801)	(32,733)	(35,951)	(41,440)	(35,077)
Profit for the financial year/period, representing total comprehensive income for the financial year/period		**134,601**	**98,994**	**108,950**	**92,083**	**112,776**
Profit attributable to:						
Owners of the Company		127,999	87,894	101,589	89,585	106,025
Non-controlling interests		6,602	11,100	7,361	2,498	6,751
		134,601	**98,994**	**108,950**	**92,083**	**112,776**
Total comprehensive income attributable to:						
Owners of the Company		127,999	87,894	101,589	89,585	106,025
Non-controlling interests		6,602	11,100	7,361	2,498	6,751
		134,601	**98,994**	**108,950**	**92,083**	**112,776**
Earnings per share (RM)						
- Basic and diluted	**23**	0.05	0.04	0.04	0.04	0.04

The accompanying notes form an integral part of these combined financial statements.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company					
		Share capital RM'000	Redeemable convertible preference shares RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2019		*	**-**	**24,070**	**24,070**	**1,002**	**25,072**
Total comprehensive income for the financial year							
Profit for the financial year, representing total comprehensive income for the financial year		-	-	127,999	127,999	6,602	134,601
Transactions with owners							
Non-controlling interests arising from acquisition of a new subsidiary	**1(a)**	-	-	-	-	7	7
Changes in ownership interests in a subsidiary	**1(a)**	-	-	58	58	142	200
Total transactions with owners		-	-	58	58	149	207
At 31 December 2019		*	**-**	**152,127**	**152,127**	**7,753**	**159,880**
Total comprehensive income for the financial year							
Profit for the financial year, representing total comprehensive income for the financial year		-	-	87,894	87,894	11,100	98,994
At 31 December 2020		*	**-**	**240,021**	**240,021**	**18,853**	**258,874**

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Note	Attributable to owners of the Company Share capital RM'000	Redeemable convertible preference shares RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021		*	**-**	**240,021**	**240,021**	**18,853**	**258,874**
Total comprehensive income for the financial year							
Profit for the financial year, representing total comprehensive income for the financial year		-	-	101,589	101,589	7,361	108,950
Transactions with owners							
Issue of ordinary shares	**12**	2,400	-	-	2,400	-	2,400
Issue of redeemable convertible preference shares	**13**	-	40,000	-	40,000	-	40,000
Changes in ownership interests in subsidiaries	**1(a)**	-	-	4,512	4,512	(5,312)	(800)
Dividend	**24**	-	-	(40,000)	(40,000)	-	(40,000)
Total transactions with owners		2,400	40,000	(35,488)	6,912	(5,312)	1,600
At 31 December 2021		**2,400**	**40,000**	**306,122**	**348,522**	**20,902**	**369,424**

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

		Attributable to owners of the Company						
	Note	Share capital RM'000	Redeemable convertible preference shares RM'000	Irredeemable convertible preference shares RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2022		**2,400**	**40,000**	**-**	**306,122**	**348,522**	**20,902**	**369,424**
Total comprehensive income for the financial period								
Profit for the financial period, representing total comprehensive income for the financial period		-	-	-	89,585	89,585	2,498	92,083
Transactions with owners								
Conversion of redeemable convertible preference shares into irredeemable convertible preference shares	**13**	-	(40,000)	40,000	-	-	-	-
Issuance of ordinary shares pursuant to conversion of irredeemable convertible preference shares	**12, 13**	40,000	-	(40,000)	-	-	-	-
Dividend								
- Owners of the Company	**24**	-	-	-	(50,000)	(50,000)	-	(50,000)
- Non-controlling interests	**24**	-	-	-	-	-	(20,000)	(20,000)
Total transactions with owners		40,000	(40,000)	-	(50,000)	(50,000)	(20,000)	(70,000)
At 31 October 2022		**42,400**	**-**	**-**	**345,707**	**388,107**	**3,400**	**391,507**

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

		Attributable to owners of the Company					
	Note	Share capital RM'000	Redeemable convertible preference shares RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021		*	**-**	**240,021**	**240,021**	**18,853**	**258,874**
Total comprehensive income for the financial period							
Profit for the financial period, representing total comprehensive income for the financial period		-	-	106,025	106,025	6,751	112,776
Transactions with owners							
Issue of ordinary shares	**12**	2,400	-	-	2,400	-	2,400
Issue of redeemable convertible preference shares	**13**	-	40,000	-	40,000	-	40,000
Changes in ownership interests in subsidiaries	**1(a)**	-	-	4,512	4,512	(5,312)	(800)
Dividend	**24**	-	-	(40,000)	(40,000)	-	(40,000)
Total transactions with owners		2,400	40,000	(35,488)	6,912	(5,312)	1,600
At 31 October 2021		**2,400**	**40,000**	**310,558**	**352,958**	**20,292**	**373,250**

* *Less than 1,000*

The accompanying notes form an integral part of these combined financial statements.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS

	Audited			Audited	Unaudited
	FYE 31 December			FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before tax	163,402	131,727	144,901	133,523	147,853
Adjustments for:					
Depreciation of property, plant and equipment	321	839	1,789	1,650	1,468
Gain on disposal of property, plant and equipment	-	-	-	(161)	-
Gain on lease modification	-	-	(4)	(9)	(4)
Recoupment income	-	-	-	(47,000)	-
Fair value adjustment on other investment	-	-	-	18,729	-
Finance costs	9,186	8,967	6,052	2,823	4,951
Finance income	(213)	(205)	(249)	(401)	(169)
COVID-19 related rent concession income	-	(24)	-	-	-
Dividend income	(44,100)	-	-	-	-
Operating profit before changes in working capital	**128,596**	**141,304**	**152,489**	**109,154**	**154,099**
Changes in working capital:					
Inventories	70,300	64,656	59,708	(12,628)	49,279
Trade and other receivables	(10,087)	(4,534)	(24,723)	6,945	(136,712)
Contract assets	(127,203)	(195,820)	147,518	97,550	143,776
Trade and other payables	12,536	64,247	(137,029)	(35,373)	(84,865)
Contract liabilities	(7,624)	(27)	-	-	-
Net cash generated from operations	**66,518**	**69,826**	**197,963**	**165,648**	**125,577**
Income tax paid	(25,260)	(28,453)	(45,744)	(30,349)	(36,447)
Income tax refunded	180	149	3,348	-	3,348
Interest received	213	205	249	401	169
Interest paid	(785)	(639)	(681)	(510)	(544)
Net cash from operating activities	**40,866**	**41,088**	**155,135**	**135,190**	**92,103**

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	Audited FYE 31 December 2019 RM'000	Audited FYE 31 December 2020 RM'000	Audited FYE 31 December 2021 RM'000	Audited FPE 31 October 2022 RM'000	Unaudited FPE 31 October 2021 RM'000
Cash flows from investing activities						
Purchase of property, plant and equipment	(a)	(237)	(54)	(1,842)	(1,232)	(1,478)
Proceeds from disposal of property, plant and equipment		-	-	-	161	-
Proceeds from disposal of other investments		1,200	1,700	-	-	-
Recoupment income received		-	-	-	47,000	-
Acquisition of subsidiary, net of cash acquired		(767)	-	-	-	-
Acquisition of additional interest in subsidiaries		-	-	(800)	-	(800)
Proceeds from acquisition of equity interest by non-controlling interests		200	-	-	-	-
Dividend received		44,100	-	-	-	-
Change in pledged deposits		(1,752)	(64)	(1,136)	(5,530)	(1,113)
Net cash from/(used in) investing activities		**42,744**	**1,582**	**(3,778)**	**40,399**	**(3,391)**
Cash flows from financing activities	**(b)**					
Proceeds from issuance of ordinary shares		-	-	2,400	-	2,400
Drawdown of term loans		17,892	33,000	47,000	32,307	44,780
Repayment of term loans		(68,535)	(27,134)	(28,817)	(32,937)	(16,029)
Drawdown of bridging loans		58,894	99,459	40,938	-	40,938
Repayment of bridging loans		(77,693)	(85,174)	(70,348)	(12,684)	(70,353)
Payment of lease liabilities		(211)	(811)	(1,212)	(1,147)	(966)
Drawdown of revolving credit		-	-	-	30,000	-
Net change in amount owing by/to former holding company		(16,471)	(2,311)	11,528	-	11,528
Net change in amount owing by/to related companies		6,346	(1,959)	-	-	-
Net change in amount owing by/to related parties		31,336	(38,371)	(63,934)	(190,387)	(77,642)
Net change in amount owing to directors		(19,039)	7,164	513	(14,192)	6,813
Dividend paid to:						
- Owners of the Company		-	-	-	(50,000)	-
- Non-controlling interests		-	-	-	(20,000)	-
Interest paid		(8,401)	(8,140)	(5,152)	(2,159)	(4,188)
Net cash used in financing activities		**(75,882)**	**(24,277)**	**(67,084)**	**(261,199)**	**(62,719)**
Net increase/(decrease) in cash and cash equivalents		7,728	18,393	84,273	(85,610)	25,993
Cash and cash equivalents at the beginning of the financial year/period		1,177	8,905	27,298	111,571	27,298
Cash and cash equivalents at the end of the financial year/period	11	**8,905**	**27,298**	**111,571**	**25,961**	**53,291**

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(a) Purchase of property, plant and equipment:

		Audited FYE 31 December			Audited FPE 31 October	Unaudited
	Note	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Purchase of property, plant and equipment	5	1,934	441	4,235	2,393	2,745
Operating leases recognised as right-of-use assets		(1,697)	(387)	(2,393)	(1,161)	(1,267)
Cash payments on purchase of property, plant and equipment		237	54	1,842	1,232	1,478

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

		Cash flows		Non-cash	
	01.01.2019 RM'000	Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others RM'000	31.12.2019 RM'000
Term loans	89,269	17,892	(68,535)	-	38,626
Bridging loans	46,608	58,894	(77,693)	-	27,809
Lease liabilities	211	-	(211)	1,698	1,698
Amount owing by/to former holding company	6,513	(9,544)	(6,927)	733	(9,225)
Amount owing by/to related companies	(4,387)	(1,259)	7,605	-	1,959
Amount owing by/to related parties	213,085	69,455	(38,119)	38,530	282,951
Amount owing to directors	35,104	11,776	(30,815)	-	16,065
	386,403	147,214	(214,695)	40,961	359,883

		Cash flows		Non-cash	
	01.01.2020 RM'000	Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others RM'000	31.12.2020 RM'000
Term loans	38,626	33,000	(27,134)	187	44,679
Bridging loans	27,809	99,459	(85,174)	-	42,094
Lease liabilities	1,698	-	(811)	363	1,250
Amount owing by/to former holding company	(9,225)	(1,740)	(571)	8	(11,528)
Amount owing by/to related companies	1,959	-	(1,959)	-	-
Amount owing by/to related parties	282,951	100,470	(138,841)	1,827	246,407
Amount owing to directors	16,065	8,125	(961)	1,996	25,225
	359,883	239,314	(255,451)	4,381	348,127

RADIUM DEVELOPMENT BERHAD
Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Reconciliation of changes in liabilities arising from financing activities are as follows: (continued)

		Cash flows		Non-cash	
	01.01.2021 RM'000	Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others RM'000	31.12.2021 RM'000
Term loans	44,679	47,000	(28,817)	219	63,081
Bridging loans	42,094	40,938	(70,348)	-	12,684
Lease liabilities	1,250	-	(1,212)	2,253	2,291
Amount owing by/to former holding company	(11,528)	(18,528)	30,056	-	-
Amount owing by/to related parties	246,407	73,675	(137,609)	13,661	196,134
Amount owing to directors	25,225	20,177	(19,664)	(11,545)	14,193
	348,127	163,262	(227,594)	4,588	288,383

		Cash flows		Non-cash	
	01.01.2022 RM'000	Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others RM'000	31.10.2022 RM'000
Term loans	63,081	32,307	(32,937)	132	62,583
Bridging loans	12,684	-	(12,684)	-	-
Lease liabilities	2,291	-	(1,147)	961	2,105
Revolving credit	-	30,000	-	154	30,154
Amount owing by/to related parties	196,134	13,646	(204,033)	3,906	9,653
Amount owing to directors	14,193	-	(14,192)	(1)	-
	288,383	75,953	(264,993)	5,152	104,495

		Cash flows		Non-cash	
	01.01.2021 RM'000	Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others RM'000	31.10.2021 RM'000
Term loans	44,679	44,780	(16,029)	219	73,649
Bridging loans	42,094	40,938	(70,353)	-	12,679
Lease liabilities	1,250	-	(966)	1,127	1,411
Amount owing by/to former holding company	(11,528)	(18,528)	30,056	-	-
Amount owing by/to related parties	246,407	48,984	(126,626)	13,459	182,224
Amount owing to directors	25,225	20,177	(13,364)	(11,520)	20,518
	348,127	136,351	(197,282)	3,285	290,481

(c) Total cash outflow for leases:

During the financial period/years, the Group has total cash outflow for leases of RM3,837,880 (31.12.2021: RM4,878,756, 31.12.2020: RM3,554,020 and 31.12.2019: RM2,480,110).

The accompanying notes form an integral part of these combined financial statements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Radium Development Berhad ("Radium" or the "Company") was incorporated on 19 March 2013 as a private limited liability company and is domiciled in Malaysia. The Company was converted to a public company limited by shares and assumed its present name on 14 September 2021. The registered office of the Company is located at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at No. 7-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal activity of the Company is investment holding. The details of the subsidiaries for the purposes of the listing on the Main Market of Bursa Malaysia Securities Berhad are as follows:

Subsidiaries	← Ownership interest → 31.12.2019 %	31.12.2020 %	31.12.2021 %	31.10.2022 %	Principal place of business/ country of incorporation	Principal activities
Ambanang Development Sdn. Bhd. ("Ambanang Development")	100	100	100	100	Malaysia	Property development
Total Solid Holdings Sdn. Bhd. ("Total Solid")	100	100	100	100	Malaysia	Property development
Vistarena Development Sdn. Bhd. ("Vistarena Development")	75	75	80	80	Malaysia	Property development
Constant Premium Sdn. Bhd. ("Constant Premium")	100	100	100	100	Malaysia	Property development
Pavilion Integrity Sdn. Bhd. ("Pavilion Integrity")	80	80	80	80	Malaysia	Property development
Idaman Sejiwa (Ampang) Sdn. Bhd. ("Idaman Sejiwa (Ampang)")	75	75	100	100	Malaysia	Property development
Omega Edisi Sdn. Bhd. ("Omega Edisi")	80	80	100	100	Malaysia	Provision of management services
Fitrah Resources Sdn. Bhd. ("Fitrah Resources")	80	80	80	80	Malaysia	Property development*
Montanica Development Sdn. Bhd. ("Montanica Development")	100	100	100	100	Malaysia	Property development
Rasa Wangi Development Sdn. Bhd. ("Rasa Wangi")	100	100	100	100	Malaysia	Property development
Tradisi Emas Sdn. Bhd. ("Tradisi Emas")	-	-	100	100	Malaysia	Hotel business

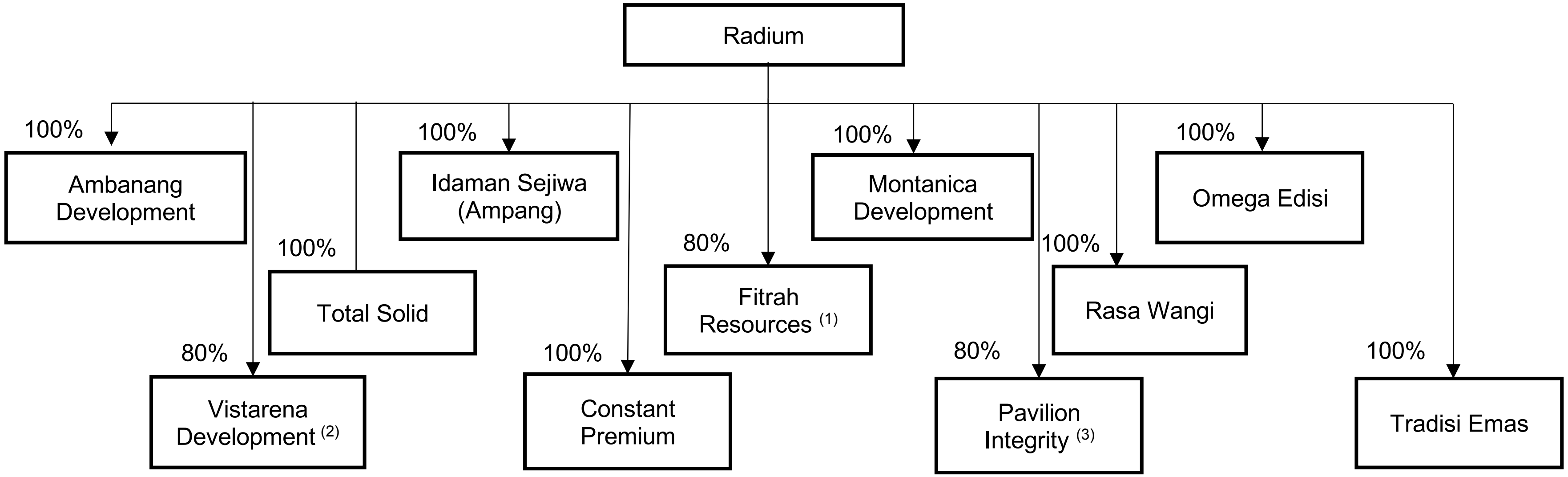
RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

* *The principal activities of Fitrah Resources were supplying safety and electrical equipment, general trading and general contractor. Fitrah Resources has ceased its supply of safety and electrical equipment and construction activities and engaged in property development in Financial Year Ended ("FYE") 31 December 2020. Fitrah Resources has also ceased its general trading activities in FYE 31 December 2021.*

As at the report date, the corporate structure of the Radium and its subsidiaries is as follows:



Notes:

(1) *The remaining substantial shareholders are Datuk Nokman bin Ahmad (6.80%), Wan Shafie bin Abdul Rashid (6.60%) and Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid (6.60%).*
(2) *The remaining substantial shareholder is LB Aluminium Berhad (20.00%).*
(3) *The remaining substantial shareholder is Sim Guan Yu (19.88%). The remaining 0.12% is held by two (2) minority shareholders.*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

There have been no significant changes in the nature of these activities during the financial years/periods under review.

The combined financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 5 April 2023.

(a) Increase/decrease in equity interests by Radium

(i) Movement of equity interests in Vistarena Development

FYE 31 December 2021

On 13 July 2021, the Company acquired an additional 5% equity interest, representing 100,000 ordinary shares in Vistarena Development for a total purchase consideration of RM100,000. The Company's effective ownership in Vistarena Development increased from 75% to 80% as a result of the additional shares acquired.

Effect of the increase in the Company's ownership interest is as follows:

	RM'000
Fair value of consideration transferred	100
Increase in share of net assets	(5,045)
Deficit charged directly to equity	(4,945)

(ii) Movement of equity interests in Idaman Sejiwa (Ampang)

FYE 31 December 2021

On 13 July 2021, the Company acquired an additional 25% equity interest, representing 500,000 ordinary shares in Idaman Sejiwa (Ampang) for a total purchase consideration of RM500,000. The Company's effective ownership in Idaman Sejiwa (Ampang) increased from 75% to 100% as a result of the additional shares acquired.

Effect of the increase in the Company's ownership interest is as follows:

	RM'000
Fair value of consideration transferred	500
Increase in share of net assets	(127)
Excess charged directly to equity	373

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(a) Increase/decrease in equity interests by Radium (continued)

(iii) Movement of equity interests in Omega Edisi

FYE 31 December 2019

On 8 March 2019, the Company subscribed to an additional of 999,900 ordinary shares in Omega Edisi for a total purchase consideration of RM999,900. The Company's effective ownership in Omega Edisi maintained at 100% as a result of the additional shares subscribed.

On 15 May 2019, the Company disposed 10% of its equity interest, representing 100,000 ordinary shares in Omega Edisi for a total consideration of RM100,000. The Company's effective ownership in Omega Edisi decreased from 100% to 90% as a result of the shares disposed.

On 15 August 2019, the Company disposed another 10% of its equity interest, representing 100,000 ordinary shares in Omega Edisi for a total consideration of RM100,000. The Company's effective ownership in Omega Edisi decreased from 90% to 80% as a result of the shares disposed.

Effect of the decrease in the Company's ownership interest is as follows:

	RM'000
Fair value of consideration received	200
Decrease in share of net assets	(142)
Excess charged directly to equity	58

FYE 31 December 2021

On 15 March 2021, the Company acquired an additional 20% equity interest, representing 200,000 ordinary shares in Omega Edisi for a total purchase consideration of RM200,000. The Company's effective ownership in Omega Edisi increased from 80% to 100% as a result of the additional shares acquired.

Effect of the increase in the Company's ownership interest is as follows:

	RM'000
Fair value of consideration transferred	200
Increase in share of net assets	(140)
Excess charged directly to equity	60

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(a) Increase/decrease in equity interests by Radium (continued)

(iv) Acquisition of Fitrah Resources

FYE 31 December 2019

On 28 August 2019, the Company acquired 80% equity interest, representing 800,000 ordinary shares in Fitrah Resources for a total purchase consideration of RM800,000.

The fair value and the carrying amounts of the identifiable assets and liabilities of Fitrah Resources as at the date of acquisition were as follows:

	RM'000
Total assets	39,660
Total liabilities	(39,626)
Total identifiable net assets acquired	34
Goodwill arising on acquisition (Note 7)	773
Non-controlling interest at fair value	(7)
Fair value of consideration transferred	800

Effect of the acquisition on cash flows:

	RM'000
Fair value of consideration transferred	800
Increase in share of net assets	(33)
Net cash outflows on acquisition	767

(v) Acquisition of Tradisi Emas

FYE 31 December 2021

On 10 March 2021, the Company acquired the entire equity interest, representing 1 ordinary share in Tradisi Emas for a total purchase consideration of RM1.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(b) Non-controlling interests in subsidiaries

The financial information of the Group's subsidiaries that have non-controlling interests are as follows:

Equity interest held by non-controlling interests:

	Ownership interest			
Name of company	**31.12.2019 (%)**	**31.12.2020 (%)**	**31.12.2021 (%)**	**31.10.2022 (%)**
Vistarena Development	25	25	20	20
Pavilion Integrity	20	20	20	20
Idaman Sejiwa (Ampang)	25	25	-	-
Omega Edisi	20	20	-	-
Fitrah Resources	20	20	20	20

Carrying amount of material non-controlling interests:

	Audited as at			
Name of company	**31.12.2019 RM'000**	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Vistarena Development	7,512	19,350	21,853	4,317
Pavilion Integrity	(64)	(712)	(834)	(551)
Idaman Sejiwa (Ampang)	167	127	-	-
Omega Edisi	141	140	-	-
Fitrah Resources	(3)	(52)	(117)	(366)

Profit or loss allocated to material non-controlling interests:

	Audited			
	FYE 31 December			FPE 31
Name of company	**2019 RM'000**	**2020 RM'000**	**2021 RM'000**	**October 2022 RM'000**
Vistarena Development	6,730	11,838	7,548	2,464
Pavilion Integrity	(109)	(648)	(122)	283
Idaman Sejiwa (Ampang)	(8)	(40)	(*)	-
Omega Edisi	(1)	(1)	(*)	-
Fitrah Resources	(10)	(49)	(65)	(249)

* *Less than 1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(c) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group that have non-controlling interest are as follows:

	Vistarena Development RM'000	Pavilion Integrity RM'000	Idaman Sejiwa (Ampang) RM'000	Omega Edisi RM'000	Fitrah Resources RM'000
Summarised statement of financial position					
As at 31 December 2019					
Assets and liabilities:					
Current assets	75,938	46,401	106,800	960	39,851
Non-current assets	1,089	366	5,696	-	-
Current liabilities	(37,198)	(37,022)	(111,827)	(254)	(39,869)
Non-current liabilities	(9,784)	(10,064)	-	-	-
Net assets/(liabilities)	30,045	(319)	669	706	(18)
Summarised statement of comprehensive income					
FYE/Financial Period Ended ("FPE") 31 December 2019					
Revenue	90,031	2,924	-	-	1,454
Profit/(loss) for the financial year/period	26,919	(544)	(30)	(20)	(51)
Summarised cash flow information					
FYE/FPE 31 December 2019					
Assets and liabilities:					
Cash flows used in operating activities	(18,308)	(14,724)	(4,255)	(26)	(489)
Cash flows used in investing activities	(15)	(57)	-	-	-
Cash flows from financing activities	9,426	14,822	4,492	25	-
Net (decrease)/increase in cash and cash equivalents	(8,897)	41	237	(1)	(489)

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(c) Summarised financial information of material non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group that have non-controlling interest are as follows: (continued)

	Vistarena Development RM'000	Pavilion Integrity RM'000	Idaman Sejiwa (Ampang) RM'000	Omega Edisi RM'000	Fitrah Resources RM'000
Summarised statement of financial position As at 31 December 2020 Assets and liabilities:					
Current assets	148,882	48,749	116,342	957	38,580
Non-current assets	735	162	-	-	-
Current liabilities	(70,546)	(44,769)	(115,832)	(256)	(14,786)
Non-current liabilities	(1,672)	(7,703)	-	-	(24,056)
Net assets/(liabilities)	77,399	(3,561)	510	701	(262)
Summarised statement of comprehensive income FYE 31 December 2020					
Revenue	165,001	130	-	-	737
Profit/(loss) for the financial year	47,353	(3,242)	(159)	(4)	(244)
Summarised cash flow information FYE 31 December 2020 Assets and liabilities:					
Cash flows from/(used in) operating activities	27,995	(4,969)	(3,744)	(4)	420
Cash flows used in investing activities	(*)	(21)	-	-	-
Cash flows (used in)/from financing activities	(9,609)	5,385	3,745	5	(358)
Net increase in cash and cash equivalents	18,386	395	1	1	62

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(c) Summarised financial information of material non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group that have non-controlling interest are as follows: (continued)

	Vistarena Development RM'000	Pavilion Integrity RM'000	Fitrah Resources RM'000
Summarised statement of financial position			
As at 31 December 2021			
Assets and liabilities:			
Current assets	180,954	51,432	39,552
Non-current assets	84	40	860
Current liabilities	(58,366)	(50,219)	(17,350)
Non-current liabilities	(13,404)	(5,424)	(23,647)
Net assets/(liabilities)	109,268	(4,171)	(585)
Summarised statement of comprehensive income			
FYE 31 December 2021			
Revenue	115,514	6,901	287
Profit/(loss) for the financial year	31,869	(611)	(323)
Summarised cash flow information			
FYE 31 December 2021			
Assets and liabilities:			
Cash flows used in operating activities	(27,983)	(285)	(1,711)
Cash flows used in investing activities	(6)	(14)	(1,032)
Cash flows from financing activities	9,814	619	2,809
Net (decrease)/increase in cash and cash equivalents	(18,175)	320	66

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

1. GENERAL INFORMATION (CONTINUED)

(c) Summarised financial information of material non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group that have non-controlling interest are as follows: (continued)

	Vistarena Development RM'000	Pavilion Integrity RM'000	Fitrah Resources RM'000
Summarised statement of financial position			
As at 31 October 2022			
Assets and liabilities:			
Current assets	36,806	62,362	67,752
Non-current assets	63	145	713
Current liabilities	(14,651)	(61,396)	(52,406)
Non-current liabilities	(631)	(3,868)	(17,886)
Net assets/(liabilities)	21,587	(2,757)	(1,827)
Summarised statement of comprehensive income			
FPE 31 October 2022			
Revenue	47,618	16,846	-
Profit/(loss) for the financial period	12,320	1,414	(1,243)
Summarised cash flow information			
FPE 31 October 2022			
Assets and liabilities:			
Cash flows from/ (used in) operating activities	156,331	2,291	(9,721)
Cash flows used in investing activities	-	(33)	(26)
Cash flows (used in)/from financing activities	(145,387)	(1,238)	13,295
Net increase in cash and cash equivalents	10,944	1,020	3,548

* *Less than 1,000*

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION

The combined financial statements of Radium consist of the financial statements of the following entities for each of the financial year/period:

	FYE 31 December			FPE 31 October	
Name of entity	**2019**	**2020**	**2021**	**2021**	**2022**
Radium	√, $	√, ^	√, ^	#	√, ^
Ambanang Development	√, $	√, ^	√, ^	#	√, ^
Total Solid	√, $	√, ^	√, ^	#	√, ^
Vistarena Development	√, $	√, ^	√, ^	#	√, ^
Constant Premium	√, $	√, ^	√, ^	#	√, ^
Pavilion Integrity	√, $	√, ^	√, ^	#	√, ^
Idaman Sejiwa (Ampang)	√, $	√, ^	√, ^	#	√, ^
Omega Edisi	√, $	√, ^	√, ^	#	√, ^
Fitrah Resources	√, @	√, @	√, @	#	√, @
Montanica Development	√, $	√, ^	√, ^	#	√, ^
Rasa Wangi	√, $	√, ^	√, ^	#	√, ^
Tradisi Emas	+	+	√, ^	#	√, ^

√ *The combined financial statements of the Group include the financial statements of these subsidiaries prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and the International Financial Reporting Standards ("IFRSs") for the respective financial year/period.*

$ *The combined financial statements of the Group for the FYE 31 December 2019 have been prepared based on the audited financial statements which were re-audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the combined financial statements of the Group. The audited financial statements which were lodged with Companies Commission of Malaysia were audited by a firm of chartered accountants other than Baker Tilly Monteiro Heng PLT.*

The combined statement of comprehensive income, combined statement of changes in equity, combined statement of cash flows and notes to the combined financial statements of the Group include the statement of comprehensive income, statement of changes in equity, statement of cash flows and notes to the financial statements of these subsidiaries prepared in accordance with the MFRSs and IFRSs for the respective financial period.

^ *The combined financial statements of the Group for the respective financial year/period have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT.*

@ *Fitrah Resources was acquired on 28 August 2019, the combined financial statements of the Company for the FYE 31 December 2019, FYE 31 December 2020, FYE 31 December 2021 and FPE 31 October 2022 have been prepared based on the audited financial statements which were audited by Baker Tilly Monteiro Heng PLT for the purpose of inclusion into the combined financial statements of the Group.*

\+ *No financial statements were available for Tradisi Emas as the company was incorporated on 2 February 2021.*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

The audited financial statements of all the operating entities within the Group for the relevant years/period reported above were not subject to any modifications.

The combined financial statements of the Group for the relevant periods were prepared in a manner as if the entities under common control were operating as a single economic enterprise from the beginning of the earliest comparative period covered by the relevant period or the dates of incorporation of the entities within the Group, if later.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory ("commonly controlled entities"). Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information presented in the combined financial statements may not correspond to those in the consolidated financial statements of the Group had the relevant transactions to legally constitute a group been incorporated in the consolidated financial statements for the respective financial years. Such financial information in the combined financial statements does not purport to predict the financial position, results and the cash flows of the entities under common control for those financial years/periods.

The combined financial statements are prepared under the historical cost convention except otherwise indicated in the summary of significant accounting policies.

The accounting policies applied by the Group are consistently applied for all the financial years/period presented in these combined financial statements.

2.1 Statement of compliance

The combined financial statements of the Group have been prepared in accordance with the MFRSs and IFRSs.

2.2 Changes in accounting policies

The Group has adopted MFRS 16 *Leases* which is effective for annual periods beginning on or after 1 January 2019, Amendment to MFRS 16 *Leases* which is effective for annual periods beginning on or after 5 June 2020 or/and 6 April 2021 and IFRS Interpretations Committee ("IFRIC")'s Agenda Decision on IAS 23 *Borrowing Costs* ("Agenda Decision") which is effective for annual periods beginning on or after 1 July 2020.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Changes in accounting policies (continued)

(a) MFRS 16 *Leases*

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 *Leases* and IC Int 4 *Determining whether an Arrangement contains a Lease*.

Under MFRS 117 *Leases*, leases are classified either as finance leases or operating leases. A lessee recognises on its combined statements of financial position assets and liabilities arising from the finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, Leases are brought onto the combined statements of financial position except for short-term and low value asset leases.

The Group has applied MFRS 16 using the modified retrospective approach with any cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at the date of initial application (i.e. 1 January 2019). As such, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

Definition of a lease

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group has elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 January 2019. Existing lease contracts that are still effective on 1 January 2019 will be accounted for as lease contracts under MFRS 16.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Changes in accounting policies (continued)

(a) MFRS 16 *Leases* (continued)

Impact of the adoption of MFRS 16

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to leases, which the Group has complied with in the financial year, the application of this standard does not have any significant effect on the combined financial statements of the Group, except for those as discussed below.

(i) Classification and measurement

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group.

On adoption of MFRS 16, for all its leases other than short-term and low value asset leases, the Group:

- recognised the right-of-use assets and lease liabilities in the combined statements of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the combined statements of cash flows for the current financial year.

For leases that were classified as operating lease under MFRS 117

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Changes in accounting policies (continued)

(a) MFRS 16 *Leases* (continued)

Impact of the adoption of MFRS 16 (continued)

(i) Classification and measurement (continued)

For leases that were classified as operating lease under MFRS 117 (continued)

The right-of-use assets are measured at either:
(a) their carrying amount as if MFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application. The Group applied this approach to its largest property leases; or
(b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. The Group applied this approach to all other leases.

The Group used the following practical expedients when applying MFRS 16 to leases previously classified as operating lease under MFRS 117.
(a) applied a single discount rate to a portfolio of leases with similar characteristics.
(b) adjusted the right-of-use assets by the amount of MFRS 137 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
(c) applied the exemption not to recognise right-of-use assets and liabilities for leases which the lease term ends within 12 months of the date of initial application.
(d) excluded initial direct costs from measuring the right-of-use assets at the date of initial application.
(e) used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance lease under MFRS 117

The Group had recognised the carrying amounts of the right-of-use assets and the lease liability at 1 January 2019 which determined at the carrying amount of the lease asset and finance lease liability under MFRS 117 immediately before the date of initial application.

For those leases, the Group accounts for the right-of-use assets and the lease liability applying this standard from the date of initial application.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Changes in accounting policies (continued)

(a) MFRS 16 *Leases* (continued)

Impact of the adoption of MFRS 16 (continued)

(ii) Short-term lease and low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) Amendments to MFRS 16 *Leases*

The Group has early adopted the amendments to MFRS 16 that exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the Coronavirus Disease 2019 ("COVID-19") pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19 related rent concessions that reduce lease payments due on or before 30 June 2021.

The Group elected the practical expedient not to assess whether a rent concession received from landlord is a lease modification. The effect of adoption of the above amendment is disclosed in Note 18 as rent concession income.

(c) IFRIC's Agenda Decision

In March 2019, the IFRIC has issued an agenda decision and concluded that receivable, contract asset and inventory (work-in-progress) for unsold units under construction are not qualifying assets.

The Malaysian Accounting Standards Board ("MASB") announced that non-private entities in the real estate industry might need to change their accounting policy as a result of the IFRIC's Agenda Decision. In ensuring consistent application of the MFRSs, which are word-for-word the IFRSs, the MASB decided that an entity shall apply the change in accounting policy as a result of the IFRIC's Agenda Decision to combined financial statements of annual periods beginning on or after 1 July 2020.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Changes in accounting policies (continued)

(c) IFRIC's Agenda Decision (continued)

In the previous financial years, borrowing costs incurred on property under development were capitalised in property under development of inventory. On 1 January 2021, the Group changed its accounting policy as a result of the IFRIC's Agenda Decision and accordingly, applied the new policy retrospectively according to the guidance set out therein.

The effects of the adoption of the IFRIC's Agenda Decision on the combined statements of financial position are as follows:

	Increase/(decrease)	
	31.12.2019	**31.12.2020**
	RM'000	**RM'000**
Assets		
Current assets		
Inventories	(5,886)	(5,363)
Total current assets/Total assets	**(5,886)**	**(5,363)**
Equity		
Retained earnings	(6,110)	(5,881)
Total equity	**(6,110)**	**(5,881)**
Non-current liabilities		
Deferred tax liabilities	224	518
Total non-current liabilities	**224**	**518**
Total equity and liabilities	**(5,886)**	**(5,363)**

The effects of the adoption of the IFRIC's Agenda Decision on the combined statements of comprehensive income are as follows:

	Increase/(decrease) FYE 31 December	
	2019	**2020**
	RM'000	**RM'000**
Cost of sales	(7,026)	(8,363)
Finance costs	7,725	7,840
Income tax expense	168	294

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Changes in accounting policies (continued)

(c) IFRIC's Agenda Decision (continued)

The effects of the adoption of the IFRIC's Agenda Decision on the combined statements of cash flows are as follows:

	Increase/(decrease) FYE 31 December 2019 RM'000	Increase/(decrease) FYE 31 December 2020 RM'000
Cash flows from operating activities		
Profit before tax	(699)	523
Adjustments for:		
Finance costs	7,725	7,840
Changes in working capital		
Inventories	699	(523)
	7,725	**7,840**
Cash flows from financing activities		
Interest paid	(7,725)	(7,840)
	(7,725)	**(7,840)**
Net movement in cash and cash equivalents	**-**	**-**

The effects of the adoption of the IFRIC's Agenda Decision on basic and diluted earnings per share:

	Increase/(decrease) FYE 31 December 2019 RM'000	Increase/(decrease) FYE 31 December 2020 RM'000
Earnings per share		
- Basic and diluted	(0.0003)	0.0002

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

(a) The Group has not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of MFRSs	1 January 2023#
MFRS 3	Business Combinations	1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operation	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2024
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#/ 1 January 2024
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 140	Investment Property	1 January 2023#

Consequential amendments as a result of MFRS 17 Insurance Contracts

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below:

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(b) The Group plans to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group are summarised below: (continued)

Amendments to MFRS 101 Presentation of Financial Statements (continued)

In another amendments, an entity is required to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

(c) The initial application of the above applicable new MFRS and amendments/ improvements to MFRSs are not expected to have any material impact on the combined financial statements.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The combined financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been round to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The combined financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years/periods presented in the combined financial statements of the Group.

3.1 Basis of consolidation

The combined financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the combined financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the merger method of accounting.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory. Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of subsidiaries are presented as if the business combination had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the difference between costs of acquisition over the nominal value of share capital of the subsidiaries is taken to merger reserve or merger deficit.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.6.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the combined statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(c) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the combined financial statements.

3.2 Financial instruments

Financial instruments are recognised in the combined statements of financial position when, and only when, the Group becomes a party to the contract provisions of the financial instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as FVPL. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(a) Subsequent measurement

The Group categorises the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income ("FVOCI") with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at FVPL

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group reclassifies financial assets when and only when its business models for managing those assets change.

<u>Debt instruments</u>
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment in accordance with Note 3.9(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group categorises the financial instruments as follows: (continued)

(i) Financial assets (continued)

Debt instruments (continued)

- **FVOCI**
  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.9(a). Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **FVPL**
  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at FVPL are carried in the combined statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group categorises the financial instruments as follows: (continued)

(i) Financial assets (continued)

Equity instruments
The Group subsequently measures all equity investments at fair value. Upon initial recognition, the Group can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group classifies its financial liabilities in the following measurement categories:
- Financial liabilities at FVPL
- Financial liabilities at amortised cost

Financial liabilities at FVPL
Financial liabilities at FVPL include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group has not designated any financial liability as at FVPL.

Financial liabilities at amortised cost
Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group commits itself to purchase or sell an asset).

Trade date accounting refers to:
(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:
(i) the contractual rights to receive cash flows from the financial asset expire; or
(ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either
  (a) the Group has transferred substantially all the risks and rewards of the asset; or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Group evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(e) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.3 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (continued)

(c) Depreciation

Property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Computer hardware and software	5
Furniture and fittings	10
Office equipment	10
Motor vehicles	5
Renovation	10

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.4 Leases

(a) Definition of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group presents right-of-use assets that do not meet the definition of investment property in Note 5 and lease liabilities in Note 14.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Leases (continued)

(b) Lessee accounting (continued)

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:
- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the combined statements of comprehensive income.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Leases (continued)

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group is an intermediate lessors, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.4(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the combined statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Inventories

Inventories are measured at lower of cost and net realisable value.

Land held for development

Land held for development consists of land where no significant development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Cost includes cost of land and attributable development expenditures.

Land held for development will be reclassified to property under development when significant development work has been undertaken and is expected to be completed within the normal operating cycle.

Property under development

Cost includes:

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

3.6 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(b).

In respect of equity-accounted associates and joint venture, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance) The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9(a).

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers.

3.8 Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value. Cash and cash equivalents are presented net of bank overdrafts.

3.9 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at FVOCI, lease receivables, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group measures loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 *Financial Instruments* to measure the loss allowance at an amount equal to lifetime expected credit losses.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:
- the debtor is unable to pay its credit obligations to the Group in full, without taking into account any credit enhancements held by the Group; or
- the contractual payment of the financial asset is more than 30 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the combined statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedure for recovery of amounts due.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and contract assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. For goodwill, the recoverable amount is estimated at each reporting date.

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 non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.10 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Preference shares

Preference shares are classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

Preference shares are classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

3.11 Compound financial instruments

Compound financial instruments issued by the Company comprise convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Compound financial instruments (continued)

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any transaction costs that are directly attributable are allocated to the liability and equity components in proportion to the allocated proceeds.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition except on conversion or expiry.

3.12 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, the Group contributes to the Employees Provident Fund, the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.13 Provisions

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income

The Group recognises revenue that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group reasonably expect that the effects on the combined financial statements would not differ materiality from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group measures revenue from sale of good or services at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and services tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group has assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income (continued)

Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Property development

The Group develops and sales of residential properties as well as sales of land. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

Revenue from residential properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

Revenue from sale of land are recognised at a point in time when the control of the land has been transferred to the purchaser.

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include advances received from customers. When the progress billings to-date and include advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income (continued)

(a) Property development (continued)

Based on the Group's customary business practice, the customers' legal fees are borne by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred. The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building are recognised as a provision.

(b) Construction contracts

The Group is a general construction contractor. It constructs properties under long-term and short-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the properties is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for construction of properties based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Revenue and other income (continued)

(c) Sales of goods

The Group sells a range of furniture and fittings to customers. Revenue from sale of furniture and fittings are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

A receivable is recognised when the customer accepts the delivery of goods as the consideration is unconditional other than the passage of time before the payment is due.

(d) Interest income

Interest income is recognised using the effective interest method.

(e) Rental income

Rental income is recognised on a straight-line basis over the term of the leases.

(f) Dividend income

Dividend income is recognised when the right to receive payment is established.

3.15 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the combined statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and fair value of the loan based on prevailing market interest rates.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group incurs in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying 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, until such time as the assets are substantially ready for their intended use or sale.

The Group begins capitalising borrowing costs when the Group has incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.17 Income tax

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

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the combined statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

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

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the combined statements of financial position.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.21 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:
(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the combined statements of financial position.

3.22 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:
(i) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(iii) the costs are expected to be recovered.

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Contract costs (continued)

(c) Impairment

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:
(i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
(ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognised any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount to the CGU to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that CGU.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

The Group has applied the practical expedient to recognise the incremental costs of obtaining contracts as an expense when incurred if the amortisation periods of the asset that the Group otherwise would have recognised are one year or less.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of combined financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the combined financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's combined financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's combined financial statements within the next financial year are disclosed as follows:

(a) Determination of lease term

The Group determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether they are reasonably certain to exercise the option to renew or terminate the lease. The Group considers all relevant factors that create an economic incentive for them to exercise the renewal or termination. After the commencement date, the Group reassessed the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

(b) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's combined statements financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different CGU, are disclosed in Note 7.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(c) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history and existing market conditions at the end of each reporting period.

The assessment of the correlation between historical observed default rates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's financial assets and contract assets are disclosed in Note 25(b).

(d) Measurement of income taxes

Significant judgement is required in determining the Group's estimation for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Group is disclosed in Note 22.

(e) Impairment of non-financial assets

The Group assesses impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may be irrecoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The Group uses fair value less cost to sell as the recoverable amount. Fair values are arrived at using comparison method and valuation technique method to suit the assets characteristic of the Group.

The carrying amounts of the non-financial assets are disclosed in Notes 5, 7 and 8.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(f) Property development revenue and expenses

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The property development revenue is disclosed in Note 17.

(g) Construction revenue and expenses

The Group recognised construction revenue and expenses in profit or loss by using the progress towards completion satisfaction of performance obligation. The progress towards completion satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards completion satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 10.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Computer hardware and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Right-of-use assets RM'000	Total RM'000
Cost							
At 1 January 2019		185	220	169	424	-	998
Adjustment on initial application of MFRS 16		-	-	-	(351)	351	-
At 1 January 2019 (restated)		185	220	169	73	351	998
Additions		71	1	9	156	1,697	1,934
At 31 December 2019		256	221	178	229	2,048	2,932
Accumulated depreciation							
At 1 January 2019		45	29	21	150	-	245
Adjustment on initial application of MFRS 16		-	-	-	(140)	140	-
At 1 January 2019 (restated)		45	29	21	10	140	245
Depreciation charge for the financial year	**20**	43	22	17	28	211	321
At 31 December 2019		88	51	38	38	351	566
Carrying amount							
At 1 January 2019		140	191	148	274	-	753
At 1 January 2019 (restated)		140	191	148	63	211	753
At 31 December 2019		168	170	140	191	1,697	2,366

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Computer hardware and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Right-of-use assets RM'000	Total RM'000
Cost							
At 1 January 2020		256	221	178	229	2,048	2,932
Additions		43	3	8	-	387	441
At 31 December 2020		299	224	186	229	2,435	3,373
Accumulated depreciation							
At 1 January 2020		88	51	38	38	351	566
Depreciation charge for the financial year	**20**	57	22	19	46	695	839
At 31 December 2020		145	73	57	84	1,046	1,405
Carrying amount							
At 1 January 2020		168	170	140	191	1,697	2,366
At 31 December 2020		154	151	129	145	1,389	1,968

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Computer hardware and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Right-of-use assets RM'000	Total RM'000
Cost								
At 1 January 2021		299	224	186	229	-	2,435	3,373
Additions		118	32	6	1,032	654	2,393	4,235
Written off		-	-	-	-	-	(273)	(273)
Derecognition due to end of lease term		-	-	-	-	-	(991)	(991)
At 31 December 2021		417	256	192	1,261	654	3,564	6,344
Accumulated depreciation								
At 1 January 2021		145	73	57	84	-	1,046	1,405
Depreciation charge for the financial year	**20**	65	23	19	218	34	1,430	1,789
Written off		-	-	-	-	-	(137)	(137)
Derecognition due to end of lease term		-	-	-	-	-	(991)	(991)
At 31 December 2021		210	96	76	302	34	1,348	2,066
Carrying amount								
At 1 January 2021		154	151	129	145	-	1,389	1,968
At 31 December 2021		207	160	116	959	620	2,216	4,278

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Computer hardware and software RM'000	Furniture and fittings RM'000	Office equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Right-of-use assets RM'000	Total RM'000
Cost								
At 1 January 2022		417	256	192	1,261	654	3,564	6,344
Additions		192	96	140	220	452	1,293	2,393
Disposals		-	-	-	-	-	(351)	(351)
Written off		-	-	-	-	-	(458)	(458)
Derecognition due to end of lease term		-	-	-	-	-	(821)	(821)
At 31 October 2022		609	352	332	1,481	1,106	3,227	7,107
Accumulated depreciation								
At 1 January 2022		210	96	76	302	34	1,348	2,066
Depreciation charge for the financial period	**20**	75	24	18	218	153	1,162	1,650
Disposals		-	-	-	-	-	(351)	(351)
Written off		-	-	-	-	-	(264)	(264)
Derecognition due to end of lease term		-	-	-	-	-	(821)	(821)
At 31 October 2022		285	120	94	520	187	1,074	2,280
Carrying amount								
At 1 January 2022		207	160	116	959	620	2,216	4,278
At 31 October 2022		324	232	238	961	919	2,153	4,827

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Right-of-use assets

Information about leases for which the Group is a lessee are presented below:

	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Carrying amount			
At 1 January 2019	-	211	211
Additions	1,697	-	1,697
Depreciation for the financial year	(141)	(70)	(211)
At 31 December 2019	1,556	141	1,697
Additions	387	-	387
Depreciation for the financial year	(625)	(70)	(695)
At 31 December 2020	1,318	71	1,389
Additions	2,393	-	2,393
Written off	(136)	-	(136)
Depreciation for the financial year	(1,359)	(71)	(1,430)
At 31 December 2021	2,216	-	2,216
Additions	861	432	1,293
Written off	(194)	-	(194)
Depreciation for the financial period	(1,134)	(28)	(1,162)
At 31 October 2022	1,749	404	2,153

The Group leases buildings for its office and sales galleries. The leases for the buildings have lease terms of 2 to 3 years.

The Group also leases certain motor vehicles with lease term of 5 years and has the option to purchase the assets at the end of the contract term.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

6. INVENTORIES

	Note	Audited as at 31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
At cost:					
Non-current					
Land held for development		13,749	8,054	8,054	-
Current					
Property under development costs		350,738	291,777	231,687	252,501
Completed properties		-	-	382	382
		350,738	291,777	232,069	252,883
Cumulative property under development costs					
At beginning of the financial year/period					
- Freehold land		111,073	117,446	117,740	117,864
- Leasehold land		228,481	249,560	254,740	256,359
- Development costs		268,058	531,624	888,441	1,211,916
		607,612	898,630	1,260,921	1,586,139
Reversal of land cost	(a)	(18,048)	(2,745)	(246)	-
Transfer from land held for development					
- Leasehold land		-	5,695	-	-
Transfer to completed properties		-	-	(382)	-
Costs incurred during the financial year/period					
- Freehold land		6,373	294	124	4,342
- Leasehold land		39,127	2,230	1,865	1,247
- Development costs		263,566	356,817	323,857	189,629
		309,066	359,341	325,846	195,218
Cumulative costs recognised in combined statements of comprehensive income					
At beginning of the financial year/period		(224,153)	(547,892)	(969,144)	(1,354,452)
Recognised during the financial year/period		(323,739)	(421,252)	(385,308)	(174,404)
At end of the financial year/period		(547,892)	(969,144)	(1,354,452)	(1,528,856)
Property under development costs at end of the financial year/period		350,738	291,777	231,687	252,501

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

6. INVENTORIES (CONTINUED)

(a) Reversal of land cost for FYE 31 December 2019 and FYE 31 December 2021 are pertaining to the changes of landowner's entitlement.

Reversal of land cost for FYE 31 December 2020 relates to the return of part of the land to Datuk Bandar Kuala Lumpur ("DBKL").

(b) The title of land under development of RM Nil (31.12.2021: RM Nil, 31.12.2020: RM28,272,531 and 31.12.2019: RM65,483,264) is in the name of third party with full power of attorney obtained by the Group.

(c) The inventories are pledged as security to secure loans and borrowings granted to the Group as disclosed in Note 14.

(d) Included in property under development at the reporting date are:

	Audited as at			
	31.12.2019 RM'000	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Borrowing costs	34,709	40,218	41,531	42,429

7. GOODWILL

	Audited as at			
	31.12.2019 RM'000	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
At beginning of the financial year/period	817	1,590	1,590	1,590
Acquisition of a subsidiary	773	-	-	-
At end of the financial year/period	1,590	1,590	1,590	1,590

Impairment of goodwill

Management reviews the business performance based on the type of services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Group's CGU which is also reportable operating segment, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

7. GOODWILL (CONTINUED)

Impairment of goodwill (continued)

The carrying amount of goodwill allocated to the CGU of the Group is as follow:

	Audited as at			
	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
Property development	1,590	1,590	1,590	1,590

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each CGU.

The recoverable amount of the CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering a three-year period, and an estimated discount rate of 8.67% (31.12.2021: 8.80%, 31.12.2020: 9.49% and 31.12.2019: 8.51%).

There is no reasonably possible change in any of the key assumptions used that would cause the carrying value of the CGU to exceed its recoverable amounts.

At the end of the reporting period, the Group assessed the recoverable amount of goodwill, and determined that no impairment of goodwill associated with property development division is required, management expects future cash flows will be generated from this CGU.

8. OTHER INVESTMENTS

	Audited as at			
	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
At cost:				
Unquoted shares	31,013	29,313	-	-
Financial assets designed at FVPL				
At fair value:				
Unquoted shares	-	-	29,313	10,584
	31,013	29,313	29,313	10,584

Other investments in unquoted ordinary shares for financial years ended 31 December 2019 and 31 December 2020 represents investments in the below subsidiaries and associate at cost.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

8. OTHER INVESTMENTS (CONTINUED)

The financial position, financial performance and cash flows of the below companies had been carved out from the combined financial statements as the management disposed the companies for the purposes of the listing on the Main Market of Bursa Malaysia Securities Berhad.

Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 31.12.2019 %	31.12.2020 %	31.12.2021 %	31.10.2022 %	Principal activities
Konsep Juara Sdn. Bhd.*	Malaysia	85	-	-	-	Dormant
Platinum Hebat Sdn. Bhd.*	Malaysia	100	-	-	-	Dormant
Southern Score Sdn. Bhd. *	Malaysia	-	-	-	-	Contractors

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

(a) Disposal of Konsep Juara Sdn. Bhd.

On 20 November 2019, the Company disposed 15% of its equity interest, representing 300,000 ordinary shares in Konsep Juara Sdn. Bhd. for a total consideration of RM300,000. The Company's effective ownership in Konsep Juara Sdn. Bhd. decrease from 100% to 85% as a result of the shares disposed.

On 13 February 2020, the Company disposed another 85% of its equity interest, representing 1,700,000 ordinary shares in Konsep Juara Sdn. Bhd. for a total consideration of RM1,700,000. Konsep Juara Sdn. Bhd. ceased to be a subsidiary of the Company.

(b) Disposal of Platinum Hebat Sdn. Bhd.

On 23 July 2020, the Company disposed its entire equity interest, representing 2 ordinary shares in Platinum Hebat Sdn. Bhd. for a total consideration of RM2. Platinum Hebat Sdn. Bhd. ceased to be a subsidiary of the Company.

(c) Disposal of Southern Score Sdn. Bhd.

On 4 July 2019, the Company disposed its 90% equity interest, representing 900,000 ordinary shares in Southern Score Sdn. Bhd. to a related party for a total consideration of RM900,000. Southern Score Sdn. Bhd. ceased to be a subsidiary of the Company.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

8. OTHER INVESTMENTS (CONTINUED)

Details of the associate is as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 31.12.2019 %	31.12.2020 %	31.12.2021 %	31.10.2022 %	Principal activities
Jayyid Land Sdn. Bhd. ("Jayyid Land")*	Malaysia	49	49	-	-	Property developer

* *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

(a) Movement of equity interests in PV M6 Sdn. Bhd.

On 30 October 2020, the Company subscribed to 35% equity interest, representing 35 ordinary shares in PV M6 Sdn. Bhd. for a total purchase consideration of RM35.

On 1 December 2020, the Company disposed its 35% equity interest, representing 35 ordinary shares in PV M6 Sdn. Bhd. to a related party or a total consideration of RM35. PV M6 Sdn. Bhd. ceased to be an associate of the Company.

(b) Deemed disposal of Jayyid Land

On 22 November 2021, Jayyid Land issued 9,000,000 new ordinary shares at a price of RM0.10 per ordinary share for working capital purposes. The Company's effective ownership of Jayyid Land decreased from 49% to 4.9% as a result of the dilution of shares and Jayyid Land ceased to be an associate of the Company.

On 21 October 2022, the Company received the recoupment income from a related party, which is the adjustment for the subsequent compensation for the fair value of the dilution of the Company's effective ownership in Jayyid Land from 49% to 4.9%. The fair value of the compensation is determined by the directors of the Company with reference to the valuation performed by an independent valuer.

9. TRADE AND OTHER RECEIVABLES

	Note	Audited as at 31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
Trade					
Trade receivables	(a)	41,398	42,695	32,802	33,768
Retention sums		-	28	50,587	40,446
		41,398	42,723	83,389	74,214

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Audited as at 31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
Non-trade					
Other receivables		121	444	184	865
Less: Impairment losses	**(b)**	(5)	-	-	-
		116	444	184	865
Deposits		718	4,131	5,171	6,957
Prepayments		1,129	2,283	2,315	2,080
Contract costs	**(c)**	11,891	10,205	5,073	5,071
Amount owing by former holding company	**(d)**	10,196	11,936	-	-
Amount owing by related companies	**(d)**	13	-	-	-
Amount owing by related parties	**(d)**	6,449	11,752	44	3
		30,512	40,751	12,787	14,976
Total trade and other receivables		71,910	83,474	96,176	89,190

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group is 30 days from the date of invoices.

(b) Receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Audited as at 31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
At beginning of the financial year/period	5	5	-	-
Written off	-	(5)	-	-
At end of the financial year/period	5	-	-	-

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Contract costs

Contract costs represent costs to obtain contracts relating to incremental sales person and agent commission for obtaining property sales contracts which are expected to be recovered. These costs are subsequently expensed off as marketing expenses by reference to the performance completed to date, consistent with the revenue recognition pattern.

During the financial period/years, the total costs to obtain contracts recognised by the Group as marketing expenses in profit or loss amounting to RM5,885,570 (31.12.2021: RM8,419,238, 31.12.2020: RM8,815,298 and 31.12.2019: RM9,044,985). There was no impairment loss in relation to the contract costs capitalised.

(d) Amount owing by former holding company, related companies and related parties

Amount owing by former holding company, related companies and related parties are unsecured, non-trade in nature, non-interest bearing, repayable on demand and are expected to be settled in cash.

The information about the credit risk exposures are disclosed in Note 25(b)(i).

10. CONTRACT ASSETS/(LIABILITIES)

	Audited as at			
	31.12.2019 RM'000	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Contract assets relating to property development contracts	274,912	472,356	324,838	227,288
Contract assets relating to construction services contracts	1,624	-	-	-
Total contract assets	276,536	472,356	324,838	227,288
Contract liabilities relating to sale of goods	27	-	-	-

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

10. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(a) Significant changes in contract balances

	Audited							
	FYE 31 December 2019		FYE 31 December 2020		FYE 31 December 2021		FPE 31 October 2022	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year/period	-	7,651	-	27	-	-	-	-
Increase due to consideration received from customers, but revenue not recognised	-	(27)	-	-	-	-	-	-
Acquisition of a subsidiary	639	-	-	-	-	-	-	-
Increase due to unbilled revenue recognised during the financial year/period	464,527	-	587,689	-	563,404	-	277,011	-
Transfer from contract assets recognised to receivables	(337,963)	-	(391,869)	-	(710,922)	-	(374,561)	-

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

10. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(b) Revenue recognised in relation to contract balances

	Audited			
	FYE 31 December			FPE 31 October
	2019	2020	2021	2022
	RM'000	RM'000	RM'000	RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year/period	7,651	27	-	-

Revenue recognised that was included in the contract liabilities balances at the beginning of the financial years/period represented primarily revenue from the sale of property development contracts when percentage of completion increases.

11. CASH AND SHORT-TERM DEPOSITS

	Audited as at			
	31.12.2019	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	RM'000
Cash in hand	7	7	9	12
Cash at bank	18,675	31,217	124,703	25,448
Short-term deposits	2,435	2,499	4,035	9,666
	21,117	33,723	128,747	35,126

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise of the following:

	Audited as at			
	31.12.2019	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	RM'000
Short-term deposits	2,435	2,499	4,035	9,666
Less: Pledged deposits	(2,435)	(2,499)	(3,635)	(9,165)
	-	-	400	501
Cash and bank balances	18,682	31,224	124,712	25,460
Bank overdrafts	(9,777)	(3,926)	(13,541)	-
	8,905	27,298	111,571	25,961

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

11. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

Included in cash and short-term deposits of the Group are amount of RM13,019,582 (31.12.2021: RM122,410,714, 31.12.2020: RM13,170,235 and 31.12.2019: RM15,619,473) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Short-term deposits placed with licensed banks of the Group have been pledged to the licensed banks to secure credit facilities granted to the Group as disclosed in Note 14.

12. SHARE CAPITAL

	Number of ordinary shares Audited as at			
	31.12.2019	31.12.2020	31.12.2021	31.10.2022
	Unit'000	Unit'000	Unit'000	Unit'000
Issued and fully paid-up (no par value):				
At beginning of the financial year/period	*	*	*	2,400,000
Issued during the financial year/period	-	-	2,400	-
Share Split	-	-	2,397,600	-
Conversion from ICPS to ordinary shares	-	-	-	200,000
At end of the financial year/period	*	*	2,400,000	2,600,000

	Amount Audited as at			
	31.12.2019	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	RM'000
Issued and fully paid-up (no par value):				
At beginning of the financial year/period	*	*	*	2,400
Issued during the financial year/period	-	-	2,400	-
Share Split	-	-	-	-
Conversion from ICPS to ordinary shares	-	-	-	40,000
At end of the financial year/period	*	*	2,400	42,400

* *Less than 1,000*

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

12. SHARE CAPITAL (CONTINUED)

On 19 February 2021, the Company issued 410,000 new ordinary shares at a price of RM1 per ordinary share for working capital purposes.

On 16 April 2021, the Company further issued 589,998 new ordinary shares at a price of RM1 per ordinary share for working capital purposes.

On 7 September 2021, the Company further issued 1,400,000 new ordinary shares at a price of RM1 per ordinary share for working capital purposes.

On 8 September 2021, the Company subdivided its number of ordinary shares from 2,400,000 to 2,400,000,000 by undertaking a subdivision of every one (1) existing ordinary share into one thousand (1,000) shares ("Share Split"). The Share Split were issued as fully paid, at nil consideration and without capitalisation of the Company's reserves.

On 18 October 2022, the Company issued 200,000,000 new ordinary shares from the conversion of Irredeemable Convertible Preference Shares ("ICPS") with the conversion ratio of two (2) ICPS is convertible into one (1) new ordinary share during the conversion period and no additional cash payment is required for the conversion of the ICPS by holder(s) of the ICPS ("ICPS holder(s)").

The new ordinary shares issued during the financial years/period 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 declared from time to time and are entitled to one vote per share at meeting of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

13. PREFERENCE SHARES

(a) Redeemable Convertible Preference Shares ("RCPS")

		Number of preference shares		Amount	
	Note	31.12.2021 Unit'000	31.10.2022 Unit'000	31.12.2021 RM'000	31.10.2022 RM'000
At beginning of the financial year/period		-	400,000	-	40,000
Issued during the financial year/period	(i)	400,000	-	40,000	-
Conversion of RCPS into ICPS	(ii)	-	(400,000)	-	(40,000)
At end of the financial year/period		400,000	-	40,000	-

(i) Issuance of RCPS

On 28 September 2021, the Company issued 400,000,000 units of RCPS to subscribers at an issue price of RM0.10 per unit, representing a total issue price of RM40,000,000.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

13. PREFERENCE SHARES (CONTINUED)

(a) RCPS (continued)

(i) Issuance of RCPS (continued)

The salient features of the RCPS are as follows:

(a) tenure of 6 years to maturity date on 28 September 2027;

(b) no dividend shall be paid during the tenure of the RCPS, unless otherwise declared by the Company;

(c) the RCPS can only be converted from the first anniversary of the admission to the Official List and the listing of and quotation for the RCPS on the Main Market of Bursa Malaysia Securities Berhad;

(d) any RCPS which remained outstanding at the end of the tenure shall be converted automatically, whereby the corresponding amount of ordinary shares of the Company will be issued and allotted to the holders of the RCPS at no additional cost; and

(e) each RCPS shall be, at the sole option of the Company, be redeemed by the Company at the redemption price of RM0.50 per RCPS, on any date during the tenure and before the maturity date.

(ii) Conversion of RCPS into ICPS

On 26 June 2022, the 400,000,000 RCPS was converted into 400,000,000 ICPS.

(b) ICPS

	Note	Number of preference shares 31.10.2022 Unit'000	Amount 31.10.2022 RM'000
At beginning of the financial period		-	-
Conversion of RCPS into ICPS	**(i)**	400,000	40,000
Conversion of ICPS into ordinary share	**(ii)**	(400,000)	(40,000)
At end of the financial period		-	-

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

13. PREFERENCE SHARES (CONTINUED)

(b) ICPS (continued)

(i) Conversion of RCPS into ICPS

On 26 June 2022, the 400,000,000 RCPS was converted into 400,000,000 ICPS.

The salient features of the ICPS are as follows:

(a) tenure of 6 years to maturity date on 28 September 2027;

(b) the ICPS shall not be redeemable;

(c) every two (2) ICPS can be converted to one (1) ordinary share and no additional cost or consideration shall be payable by the ICPS holders upon such exercise of the conversion rights;

(d) the registered ICPS holders shall have the right to convert the ICPS into new shares at the conversion price only commencing from the issue date up to 5 p.m on the market day immediately preceding the date which is the sixth (6th) anniversary from the issue date; and

(e) any ICPS which remain outstanding at the end of six (6) years commencing from and including the issue date shall be automatically converted to ordinary shares in accordance with the terms herein.

(ii) Conversion of ICPS into ordinary share

On 18 October 2022, the Company issued 200,000,000 new ordinary shares from the conversion of ICPS with the conversion ratio of two (2) ICPS is convertible into one (1) new ordinary share during the conversion period and no additional cash payment is required for the conversion of the ICPS by ICPS holders.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS

		Audited as at			
	Note	**31.12.2019 RM'000**	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Non-current:					
Term loans	**(a)**	36,128	42,262	59,874	43,273
Bridging loans	**(b)**	27,809	42,094	12,684	-
Lease liabilities	**(c)**	912	297	1,054	812
		64,849	84,653	73,612	44,085
Current:					
Term loans	**(a)**	2,498	2,417	3,207	19,310
Lease liabilities	**(c)**	786	953	1,237	1,293
Bank overdrafts	**(d)**	9,777	3,926	13,541	-
Revolving credit	**(e)**	-	-	-	30,154
		13,061	7,296	17,985	50,757
Total loans and borrowings:					
Term loans	**(a)**	38,626	44,679	63,081	62,583
Bridging loans	**(b)**	27,809	42,094	12,684	-
Lease liabilities	**(c)**	1,698	1,250	2,291	2,105
Bank overdrafts	**(d)**	9,777	3,926	13,541	-
Revolving credit	**(e)**	-	-	-	30,154
		77,910	91,949	91,597	94,842

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans

Term loan 1 of the Group of RM Nil (31.12.2021 and 31.12.2020: RM Nil and 31.12.2019: RM4,693,328) bears interest at Base Lending Rate ("BLR") add 1% per annum and is repayable by quarterly instalments of RM2,000,000 over 5 years commencing from the 34th month of first drawdown and is secured and supported as follows:
(i) Legal charge over inventories - land held for property development of the Group as disclosed in Note 6;
(ii) Debenture by way of fixed and floating charge over the project;
(iii) Assignment over the surplus sales proceeds and charge over all monies available in the designated Housing Development account of the project;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee of a related party.

Term loan 2 of the Group of RM Nil (31.12.2021 and 31.12.2020: RM Nil and 31.12.2019: RM9,084,066) bears interest at BLR add 1.0% per annum and is repayable by monthly instalments of RM104,077 over 15 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Legal charge over inventories - land held for property development of the Group as disclosed in Note 6;
(ii) Joint and several guarantee by certain directors of the Group; and
(iii) Corporate guarantee of a related party.

Term loan 3 of the Group of RM Nil (31.12.2021: RM Nil, 31.12.2020: RM6,763,834 and 31.12.2019: RM Nil) bears interest at Bank Base Financing Rate ("BFR") per annum and is repayable after 4 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Legal charge over inventories - land held for property development of the Group as disclosed in Note 6;
(ii) Specific debenture over the project;
(iii) Assignment over all sales proceeds in the designated Housing Development account of the project;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee of former holding company.

Term loan 4 of the Group of RM Nil (31.12.2021: RM27,383,766, 31.12.2020 and 31.12.2019: RM Nil) bears interest at BFR add 0.5% per annum and is repayable after 4 years commencing from the day of first drawdown and is secured and supported as follows:
(i) Legal charge over inventories - land held for property development of the Group as disclosed in Note 6;
(ii) Specific debenture over the project;
(iii) Assignment over all sales proceeds in the designated Housing Development account of the project;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee of former holding company.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 5 of the Group of RM5,810,587 (31.12.2021: RM7,697,431, 31.12.2020: RM9,853,024 and 31.12.2019: RM11,567,913) bears interest at BLR per annum and is repayable by 60 monthly instalments of RM226,360 over 5 years commencing from the 25th month of first drawdown and is secured and supported as follows:
(i) Legal charge over the inventories – land held for property development of the Group as disclosed in Note 6;
(ii) Legal charge over short-term deposits as disclosed in Note 11;
(iii) Joint and several guarantee by certain directors of the Group; and
(iv) Corporate guarantee of a related party.

Term loan 6 of the Group of RM Nil (31.12.2021 and 31.12.2020: RM Nil and 31.12.2019: RM9,279,572) bears interest at BLR per annum and is repayable by 8 quarterly instalments of RM1,312,500 over 7 years commencing from the 37th month of first drawdown and is secured and supported as follows:
(i) Legal charge over inventories – land held for property development of the Group as disclosed in Note 6;
(ii) Debenture by way of fixed and floating charge over the project;
(iii) Assignment over the surplus sales proceeds and charge over all monies available in the designated Housing Development account of the project;
(iv) Legal charge over the short-term deposits as disclosed in Note 11;
(v) Joint and several guarantee by certain directors of the Group; and
(vi) Corporate guarantee of a related party.

Term loan 7 of the Group of RM Nil (31.12.2021: RM3,725,283, 31.12.2020: RM4,006,974 and 31.12.2019: RM4,000,759) bears interest at BLR add 1% per annum and is repayable by monthly instalments of RM44,330 over 15 years commencing from the day of first drawdown and is secured and supported as follows:
(i) First party legal charge over inventories - land held for development of the Group as disclosed in Note 6;
(ii) Joint and several guarantee by certain directors of the Group; and
(iii) Corporate guarantee by a related party.

Term loan 8 of the Group of RM24,290,252 (31.12.2021: RM24,274,981, 31.12.2020: RM24,055,738 and 31.12.2019: RM Nil) bears interest at BFR minus 2% per annum and is repayable by monthly instalments of RM702,188 over 5 years commencing from the 25th month of first drawdown and is secured and supported as follows:
(i) First party legal charge over inventories - land held for development of the Group as disclosed in Note 6;
(ii) Joint and several guarantee by certain directors of the Group; and
(iii) Corporate guarantee by former holding company.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 9 of the Group of RM13,956,375 (31.12.2021, 31.12.2020 and 31.12.2019: RM Nil) bears interest at BLR add 0.5% per annum and is repayable by 24 monthly instalments of RM579,000 over 2 years commencing from the 25th month of first drawdown and is secured and supported as follows:
(i) Legal charge over the inventories – land held for property development of the Group as disclosed in Note 6;
(ii) Debenture by way of fixed and floating charge over the project;
(iii) Joint and several guarantee by certain directors of the Group; and
(iv) Corporate guarantee by the Company.

Term loan 10 of the Group of RM7,617,380 (31.12.2021, 31.12.2020 and 31.12.2019: RM Nil) bears interest at BLR add 0.5% per annum and is repayable by 18 monthly instalments of RM1,667,000 over 1.5 years commencing from the 25th month of first drawdown and is secured and supported as follows:
(i) Legal charge over the inventories – land held for property development of the Group as disclosed in Note 6;
(ii) Debenture by way of fixed and floating charge over the project;
(iii) Joint and several guarantee by certain directors of the Group; and
(iv) Corporate guarantee by the Company.

Term loan 11 of the Group of RM10,908,516 (31.12.2021, 31.12.2020 and 31.12.2019: RM Nil) bears interest at BLR per annum and is repayable by 60 monthly instalments of RM207,751 over 5 years commencing from 36 months from full drawdown date, whichever is earlier and is secured and supported as follows:
(i) Legal charge over the land held for development of the Group disposed during the year, which the title of the land held for development transferred in the subsequent year;
(ii) Legal charge over the short-term deposits as disclosed in Note 11;
(iii) Joint and several guarantee by certain directors of the Group; and
(iv) Corporate guarantee by the Company.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(b) Bridging loans

Bridging loan 1 of the Group of RM Nil (31.12.2021: RM12,683,785, 31.12.2020: RM1,104,365 and 31.12.2019: RM4,385,156) bears interest at BLR add 1% per annum and is repayable by quarterly instalments of RM8,750,000 over 5 years commencing from the 40th month of first drawdown and is secured and supported as follows:

(i) Legal charge over inventories - land held for property development of the Group as disclosed in Note 6;
(ii) Debenture by way of fixed and floating charge over the project;
(iii) Assignment over the surplus sales proceeds and charge over all monies available in the designated Housing Development account of the project;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee of a related party.

Bridging loan 2 of the Group of RM Nil (31.12.2021: RM Nil, 31.12.2020: RM40,989,588 and 31.12.2019: RM23,424,066) bears interest at BLR per annum and is repayable by 7 quarterly instalments of RM12,000,000 and final quarterly instalment of RM14,500,000 over 5 years commencing from the 37th month of first drawdown and is secured and supported as follows:

(i) Legal charge over inventories - land held for property development of the Group as disclosed in Note 6;
(ii) Debenture by way of fixed and floating charge over the project;
(iii) Assignment over the surplus sales proceeds and charge over all monies available in the designated Housing Development account of the project;
(iv) Legal charge over the short-term deposits as disclosed in Note 11;
(v) Joint and several guarantee by certain directors of the Group; and
(vi) Corporate guarantee of a related party.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(c) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Audited as at			
	31.12.2019 RM'000	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Minimum lease payments:				
- Not later than one year	865	996	1,290	1,349
- Later than one year and not later than five years	944	302	1,073	835
	1,809	1,298	2,363	2,184
Less: Future finance charges	(111)	(48)	(72)	(79)
Present value of minimum lease payments	1,698	1,250	2,291	2,105
Present value of minimum lease payment:				
- Not later than one year	786	953	1,237	1,293
- Later than one year and not later than five years	912	297	1,054	812
	1,698	1,250	2,291	2,105
Less: Amount due within twelve months	(786)	(953)	(1,237)	(1,293)
Amount due after twelve months	912	297	1,054	812

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

14. LOANS AND BORROWINGS (CONTINUED)

(d) Bank overdrafts

Bank overdraft 1 of the Group of RM Nil (31.12.2021: RM9,842,335, 31.12.2020: RM Nil and 31.12.2019: RM9,777,628) bears interest at BLR add 1% per annum and is secured and supported as follows:

(i) Legal charge over inventories - land held for property development of the Group as disclosed in Note 6;
(ii) Debenture by way of fixed and floating charge over the project;
(iii) Assignment over the surplus sales proceeds and charge over all monies available in the designated Housing Development account of the project;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee of a related party.

Bank overdraft 2 of the Group of RM Nil (31.12.2021: RM3,698,578, 31.12.2020: RM3,926,409 and 31.12.2019: RM Nil) bears interest at BFR add 0.5% per annum and is secured and supported as follows:

(i) Legal charge over inventories - land held for property development of the Company as disclosed in Note 6;
(ii) Specific debenture over the project;
(iii) Assignment over all sales proceeds in the designated Housing Development account of the project;
(iv) Joint and several guarantee by certain directors of the Group; and
(v) Corporate guarantee of former holding company.

(e) Revolving credit

Revolving credit of the Group of RM30,153,896 (31.12.2021, 31.12.2020 and 31.12.2019: RM Nil) bears interest at Cost of Fund add 2.5% per annum and is secured and supported by joint and several guarantee by certain directors of the Group.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

15. DEFERRED TAX LIABILITIES

	At 1 January 2019 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31 December 2019 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31 December 2020 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31 December 2021 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31 October 2022 RM'000
Deferred tax liabilities:									
Property, plant and equipment	51	10	61	27	88	(40)	48	24	72
Finance cost adjustment	47	175	222	296	518	192	710	(88)	622
	98	185	283	323	606	152	758	(64)	694

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

15. DEFERRED TAX LIABILITIES (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Audited as at			
	31.12.2019 RM'000	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Unutilised capital allowance	14	40	61	110
Unused tax losses	1,480	4,486	4,451	3,172
Finance cost adjustment	6,753	7,462	10,535	7,281
	8,247	11,988	15,047	10,563
Potential deferred tax benefit at 24%	1,979	2,877	3,611	2,535

The availability of unused tax losses for offsetting against future taxable profits in Malaysia are subject to requirements under the Income Tax, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of the above items as there is no probable future taxable profits will be available against which the unused tax losses can be utilised.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unused tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unused tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessment 2019 to 2028).

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

16. TRADE AND OTHER PAYABLES

		Audited as at			
	Note	**31.12.2019 RM'000**	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Trade					
Trade payables	**(a)**				
- Third parties		53,624	77,061	26,190	30,344
- Related parties		6,264	26,822	24,590	15,043
Retention sums		27,445	43,484	50,904	39,962
Accruals		119,236	111,660	36,321	17,812
		206,569	259,027	138,005	103,161
Non-trade					
Other payables		1,549	4,589	5,868	2,846
Accruals		10,274	14,940	7,428	5,830
Deposits		120	372	103	286
Amount owing to former holding company	**(b)**	971	408	-	-
Amount owing to related companies	**(b)**	1,972	-	-	-
Amount owing to related parties	**(c)**	289,400	258,159	196,178	9,656
Amount owing to directors	**(b)**	16,065	25,225	14,193	-
		320,351	303,693	223,770	18,618
Total trade and other payables		526,920	562,720	361,775	121,779

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranges from 30 days to 90 days.

(b) Amount owing to former holding company, related companies and directors

Amount owing to former holding company, related companies and directors are unsecured, non-trade in nature, non-interest bearing, repayable on demand and are expected to be settled in cash.

(c) Amount owing to related parties

Amount owing to related parties are unsecured, non-trade in nature, repayable on demand and are expected to be settled in cash.

Amount owing to related parties are non-interest bearing, other than the amount owing to a related party of RM Nil (31.12.2021: RM196,178,679, 31.12.2020: RM258,084,061 and 31.12.2019: RM289,265,334) bearing interest rate of Nil % (31.12.2021: 3.10%, 31.12.2020: 3.81% and 31.12.2019: 3.83%).

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

16. TRADE AND OTHER PAYABLES (CONTINUED)

For explanation on the Group's liquidity risk management processes, refer to Note 25(b)(ii).

17. REVENUE

	← Audited	FYE 31 December	→	Audited	Unaudited
				FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue from contract with customers:					
Over time:					
Property development	470,856	587,330	563,404	277,011	505,478
Construction contracts	1,321	359	-	-	-
	472,177	587,689	563,404	277,011	505,478
At a point in time:					
Property development	496	-	-	25,000	-
Sale of goods	133	378	287	-	287
	629	378	287	25,000	287
	472,806	588,067	563,691	302,011	505,765

18. OTHER INCOME

	← Audited	FYE 31 December	→	Audited	Unaudited
				FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	213	205	249	401	169
Gain on disposal of property,plant and equipment	-	-	-	161	-
Wage subsidy	-	244	-	6	-
Rental income	221	186	67	15	64
Recoupment income	-	-	-	47,000	-
COVID-19 related rent concession income	-	24	-	-	-
Gain on lease modification	-	-	4	9	4
Salvage income	-	-	420	-	-
Dividend income	44,100	-	-	-	-
Others	157	147	358	320	328
	44,691	806	1,098	47,912	565

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

19. FINANCE COSTS

	Audited			Audited	Unaudited
	FYE 31 December			FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Interest expense on:					
- Term loans	2,199	1,194	2,687	1,175	2,203
- Bridging loans	2,725	3,085	953	401	813
- Lease liabilities	28	85	65	68	53
- Bank guarantee commission	72	41	12	134	8
- Bank overdrafts	713	598	669	376	536
- Advances from a related party	3,449	3,964	1,666	121	1,338
- Revolving credit	-	-	-	548	-
	9,186	8,967	6,052	2,823	4,951

20. PROFIT BEFORE TAX

Other than as disclosed elsewhere in the combined financial statements, the following items have been charged in arriving at profit before tax:

		Audited			Audited	Unaudited
		FYE 31 December			FPE 31 October	
		2019	2020	2021	2022	2021
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration						
- Current year/period		78	133	120	133	100
- Prior year		(7)	9	-	-	-
Depreciation of property, plant and equipment	**5**	321	839	1,789	1,650	1,468
Incorporation expenses		-	-	3	-	3
Fair value adjustment on other investment		-	-	-	18,729	-
Employee benefits expense	**21**	6,539	7,255	9,266	7,084	6,387
Rental expense on:						
- Car park		30	34	39	49	32
- Office		585	333	290	487	70
- Office equipment		19	50	66	58	54
- Premise		1,607	2,243	3,207	2,028	2,426

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

21. EMPLOYEE BENEFITS EXPENSE

	Audited			Audited	Unaudited
	FYE 31 December			FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	5,256	6,204	7,746	6,154	5,307
Defined contribution plans	753	893	1,056	746	734
Other staff related benefits	530	158	464	184	346
	6,539	7,255	9,266	7,084	6,387
Included in employee benefits expense are:					
- Directors' remuneration	-	-	1,059	1,020	542
- Directors' defined contribution plans	-	-	173	148	82
- Directors' related benefits	17	17	27	10	3
	17	17	1,259	1,178	627

22. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and financial periods ended 31 October 2022 and 30 October 2021 are as follows:

	Audited			Audited	Unaudited
	FYE 31 December			FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Combined statements of comprehensive income					
Current income tax:					
- Current income tax charge	28,924	32,476	35,854	35,754	34,960
- Adjustment in respect of prior years	(308)	(66)	(55)	5,750	(54)
	28,616	32,410	35,799	41,504	34,906
Deferred tax (Note 15):					
- Origination of temporary differrence	185	333	152	65	171
- Adjustment in respect of prior years	-	(10)	*	(129)	*
	185	323	152	(64)	171
Income tax expense recognised in profit or loss	28,801	32,733	35,951	41,440	35,077

* *Less than 1,000*

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

22. INCOME TAX EXPENSE (CONTINUED)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial years/periods.

The income tax rate applicable to small and medium scale enterprise ("SME") incorporated in Malaysia with paid-up capital of RM2,500,000 and below and annual sales less than RM50,000,000 (31.12.2021 and 31.12.2020: RM50,000,000 and 31.12.2019: Nil) is subject to the statutory income tax rate of 17% (31.12.2021, 31.12.2020 and 31.12.2019: 17%) on chargeable income up to RM600,000 (31.12.2021 and 31.12.2020: RM600,000 and 31.12.2019: RM500,000). For chargeable income in excess of RM600,000 (31.12.2021 and 31.12.2020: RM600,000 and 31.12.2019: RM500,000), statutory income tax rate of 24% is still applicable.

The reconciliations from the tax amount at the statutory income tax rate to the Group's tax expenses are as follows:

	Audited			Audited	Unaudited
	FYE 31 December			FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before tax	163,402	131,727	144,901	133,523	147,853
Tax at Malaysian statutory income tax rate of 24%	39,216	31,614	34,776	32,046	35,485
SME tax savings	(105)	-	-	-	-
Adjustments:					
- Income not subject to tax	(10,584)	(18)	-	(6,332)	-
- Non-deductible expenses	388	315	496	11,181	342
- Deferred tax not recognised on tax losses, temporary differences and finance cost adjustment	600	1,502	1,096	520	637
- Utilisation of previously unrecognised tax losses, capital allowances and finance cost adjustment	(406)	(604)	(362)	(1,596)	(1,333)
- Adjustment in respect of current income tax of prior years	(308)	(66)	(55)	5,750	(54)
- Adjustment in respect deferred tax of prior years	-	(10)	*	(129)	*
Income tax expense	28,801	32,733	35,951	41,440	35,077

* *Less than 1,000*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

23. EARNINGS PER SHARE

Basic earnings per ordinary share and diluted earnings per ordinary share

Basic earnings per ordinary share are based on the profit for the financial years/periods attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial years/periods.

Diluted earnings per ordinary share are based on the profit for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year/period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The basic and diluted earnings per ordinary share are computed as follow:

	← Audited → FYE 31 December			Audited FPE 31 October	Unaudited
	2019	**2020**	**2021**	**2022**	**2021**
Profit attributable to owners of the Company (RM'000)	127,999	87,894	101,589	89,585	106,025
Weighted average number of ordinary shares in issue: (in '000 unit)					
Issued ordinary shares at beginning of financial year/period	*	*	*	2,400,000	*
Effect of ordinary shares issued pursuant to Share Split	2,400,000^	2,400,000^	2,400,000	-	2,400,000
Effect of ordinary shares issued during the financial year/period	-	-	1,217	8,581	979
Weighted average number of ordinary shares at end of financial year/period	2,400,000	2,400,000	2,401,217	2,408,581	2,400,979
Basic and diluted earnings per share (RM)	0.05	0.04	0.04	0.04	0.04

* *Less than 1,000*

^ *The weighted average number of ordinary shares in issue for the previous financial year has been restated to reflect the retrospective adjustment arising from the Share Split which was completed during the financial year ended 31 December 2021.*

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

24. DIVIDENDS

Dividend declared and paid to owners of the Company

On 27 September 2021, the Company declared a dividend amounting to RM40,000,000 from retained earnings, which was distributed by way of a dividend-in-specie of 400,000,000 RCPS in the Company on the basis of one (1) RCPS for every six (6) ordinary shares held in the Company ("Dividend-In-Specie"). The Dividend-In-Specie was issued and allotted to the existing shareholders on 28 September 2021.

On 1 September 2022, the Company declared an interim dividend of 2.08 sen per ordinary share, amounting to RM50,000,000 in respect of the financial year ending 31 December 2022. The dividend was paid on 8 September 2022.

Dividend declared and paid to non-controlling interests

On 1 August 2022, the Group declared an interim dividend of RM50.00 per ordinary share to non-controlling interest, amounting to RM20,000,000 in respect of the financial year ending 31 December 2022. The dividend was paid on 25 August 2022.

25. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned:
(i) Amortised cost
(ii) FVPL

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2019			
Financial assets			
Other investments	31,013	31,013	-
Trade and other receivables, less prepayments and contract costs	58,890	58,890	-
Cash and short-term deposits	21,117	21,117	-
	111,020	111,020	-
Financial liabilities			
Loans and borrowings	(77,910)	(77,910)	-
Trade and other payables	(526,920)	(526,920)	-
	(604,830)	(604,830)	-

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	Amortised cost RM'000	FVPL RM'000
At 31 December 2020			
Financial assets			
Other investments	29,313	29,313	-
Trade and other receivables, less prepayments and contract costs	70,986	70,986	-
Cash and short-term deposits	33,723	33,723	-
	134,022	134,022	-
Financial liabilities			
Loans and borrowings	(91,949)	(91,949)	-
Trade and other payables	(562,720)	(562,720)	-
	(654,669)	(654,669)	-
At 31 December 2021			
Financial assets			
Other investments	29,313	-	29,313
Trade and other receivables, less prepayments and contract costs	88,788	88,788	-
Cash and short-term deposits	128,747	128,747	-
	246,848	217,535	29,313
Financial liabilities			
Loans and borrowings	(91,597)	(91,597)	-
Trade and other payables	(361,775)	(361,775)	-
	(453,372)	(453,372)	-

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM '000	Amortised cost RM '000	FVPL RM'000
At 31 October 2022			
Financial assets			
Other investments	10,584	-	10,584
Trade and other receivables, less prepayments and contract costs	82,039	82,039	-
Cash and short-term deposits	35,126	35,126	-
	127,749	117,165	10,584
Financial liabilities			
Loans and borrowings	(94,842)	(94,842)	-
Trade and other payables	(121,779)	(121,779)	-
	(216,621)	(216,621)	-

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders. The Group does not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group is exposure to credit risk arises from its operating activities (primarily trade receivables). The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the combined statements of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile
At the end of the reporting periods, the Group does not have any significant exposure to its individual customers.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information. There is no impairment loss recognised during the financial years.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

		Trade receivables						
	Contract assets RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2019								
Gross carrying amount at default	276,536	26,743	3,918	5,658	1,864	890	2,325	41,398
Impairment losses	-	-	-	-	-	-	-	-
Net balance	276,536	26,743	3,918	5,658	1,864	890	2,325	41,398

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

			Trade receivables						
	Contract assets RM'000	Retention sums RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2020									
Gross carrying amount at default	472,356	28	27,634	7,076	2,163	1,288	814	3,720	42,695
Impairment losses	-	-	-	-	-	-	-	-	-
Net balance	472,356	28	27,634	7,076	2,163	1,288	814	3,720	42,695

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

			Trade receivables						
	Contract assets RM'000	Retention sums RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 December 2021									
Gross carrying amount at default	324,838	50,587	24,262	1,201	1,772	91	60	5,416	32,802
Impairment losses	-	-	-	-	-	-	-	-	-
Net balance	324,838	50,587	24,262	1,201	1,772	91	60	5,416	32,802

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows: (continued)

			Trade receivables						
	Contract assets RM'000	Retention sums RM'000	Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	> 120 days past due RM'000	Total RM'000
At 31 October 2022									
Gross carrying amount at default	227,288	40,446	31,255	637	423	76	493	884	33,768
Impairment losses	-	-	-	-	-	-	-	-	-
Net balance	227,288	40,446	31,255	637	423	76	493	884	33,768

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than credit terms in making a contractual payment.

Intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the debtor does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

Refer to Note 3.9(a) for the Group's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from loans and borrowings and trade and other payables.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group uses a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's finance department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

<u>Maturity analysis</u>
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		← Contractual cash flows →			
	Carrying amount RM'000	**On demand or within 1 year RM'000**	**Between 1 and 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**
At 31 December 2019					
Trade and other payables	526,920	526,920	-	-	526,920
Term loans	38,626	7,749	30,064	9,919	47,732
Bridging loans	27,809	1,614	29,760	-	31,374
Lease liabilities	1,698	865	944	-	1,809
Bank overdraft	9,777	9,777	-	-	9,777
	604,830	546,925	60,768	9,919	617,612

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)
The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (continued)

		Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
At 31 December 2020					
Trade and other payables	562,720	562,720	-	-	562,720
Term loans	44,679	4,468	46,828	2,874	54,170
Bridging loans	42,094	2,319	44,667	-	46,986
Lease liabilities	1,250	996	302	-	1,298
Bank overdraft	3,926	3,926	-	-	3,926
	654,669	574,429	91,797	2,874	669,100
At 31 December 2021					
Trade and other payables	361,775	361,775	-	-	361,775
Term loans	63,081	6,601	69,599	2,314	78,514
Bridging loans	12,684	813	14,101	-	14,914
Lease liabilities	2,291	1,290	1,073	-	2,363
Bank overdraft	13,541	13,541	-	-	13,541
	453,372	384,020	84,773	2,314	471,107
At 31 October 2022					
Trade and other payables	121,779	121,779	-	-	121,779
Term loans	62,583	21,793	46,101	-	67,894
Lease liabilities	2,105	1,349	835	-	2,184
Revolving credit	30,154	30,154	-	-	30,154
	216,621	175,075	46,936	-	222,011

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from its loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year/period:

	Carrying amount RM'000	Change in basis point	Effect on equity and profit for the financial year RM'000
31 December 2019			
Term loans	38,626	+ 50	(147)
		- 50	147
Bridging loans	27,809	+ 50	(106)
		- 50	106
Bank overdraft	9,777	+ 50	(37)
		- 50	37
31 December 2020			
Term loans	44,679	+ 50	(170)
		- 50	170
Bridging loans	42,094	+ 50	(160)
		- 50	160
Bank overdraft	3,926	+ 50	(15)
		- 50	15

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year/period: (continued)

	Carrying amount RM'000	Change in basis point	Effect on equity and profit for the financial year/period RM'000
31 December 2021			
Term loans	63,081	+ 50	(240)
		- 50	240
Bridging loans	12,684	+ 50	(48)
		- 50	48
Bank overdrafts	13,541	+ 50	(51)
		- 50	51
31 October 2022			
Term loans	62,583	+ 50	(238)
		- 50	238
Revolving credit	30,154	+ 50	(115)
		- 50	115

(c) Fair value measurement

The carrying amount of cash and cash equivalents, short-term receivables and payables and short-term loans and borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no material transfers between Level 1 and Level 2 during the financial years/period.

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
	Carrying amount RM'000	Fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2019									
Financial liabilities									
Non-current									
Term loans	(36,128)	-	-	-	-	-	-	(35,245)	(35,245)
Bridging loans	(27,809)	-	-	-	-	-	-	(25,932)	(25,932)
At 31 December 2020									
Financial liabilities									
Non-current									
Term loans	(42,262)	-	-	-	-	-	-	(43,572)	(43,572)
Bridging loans	(42,094)	-	-	-	-	-	-	(41,672)	(41,672)

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments: (continued)

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
	Carrying amount RM'000	Fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 31 December 2021									
Financial asset									
Non-current									
Other investment	29,313	-	-	29,313	29,313	-	-	-	-
Financial liabilities									
Non-current									
Term loans	(59,874)	-	-	-	-	-	-	(64,901)	(64,901)
Bridging loans	(12,684)	-	-	-	-	-	-	(12,361)	(12,361)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

The following table provides the fair value measurement hierarchy of the Group's financial instruments: (continued)

		Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Carrying amount RM'000	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
At 31 October 2022									
Financial asset									
Non-current									
Other investment	10,584	-	-	10,584	10,584	-	-	-	-
Financial liability									
Non-current									
Term loans	(43,273)	-	-	-	-	-	-	(48,583)	(48,583)

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

25. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value measurement (continued)

Level 3 fair value

Fair value of financial instruments not carried at fair value
The fair value of liability component of term loans and bridging loans are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

Fair value of financial instruments carried at fair value
The following table shows a reconciliation of fair value measurement of investment in unquoted equity securities classified as financial asset designated at fair value through profit or loss:

	Group 31.10.2022 RM'000
At 1 January	29,313
Fair value adjustment recognised in profit or loss	(18,729)
At 31 October	10,584

26. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	Audited as at			
	31.12.2019 RM'000	**31.12.2020 RM'000**	**31.12.2021 RM'000**	**31.10.2022 RM'000**
Approved and contracted for:				
- Motor vehicles	-	433	-	-

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. RELATED PARTIES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:
(i) Former holding company;
(ii) Entities in which certain directors have interests;
(iii) Persons connected to the Company;
(iv) Entity in which person connected to certain directors of the Company have interests; and
(v) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows:

	← Audited	FYE 31 December	→	Audited	Unaudited
				FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Construction costs charged by					
- Entity in which certain directors have interests	28,161	115,570	177,430	106,362	158,100
Services rendered from					
- Entity in which a director has interests	-	266	-	272	-
Interest expense					
- Entity in which certain directors have interests	8,256	9,072	4,608	224	2,651
Advances from/(to)					
- Former holding company	(9,544)	(1,740)	(18,528)	-	(18,528)
- Related companies	(1,259)	-	-	-	-
- Entity in which certain directors have interests	67,673	97,078	71,805	14,698	40,584
- Entity in which person connected to certain directors of the Company have interests	-	-	-	(1,052)	-
- Persons connected to the Company	(5,721)	(5,900)	-	-	-
- Directors	11,776	8,125	20,177	-	20,177

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows: (continued)

	Audited			Audited	Unaudited
	FYE 31 December			FPE 31 October	
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Repayment/receipt of advances from/to					
- Former holding company	7,008	-	(30,465)	-	(30,057)
- Related company	7,617	-	-	-	-
- Entity in which certain directors have interests	37,227	134,299	142,390	205,129	129,130
- Entity in which person connected to certain directors of the Company have interests	-	-	-	(1,096)	-
- Persons connected to the Company	-	-	(11,621)	-	(11,621)
- Directors	30,805	962	15,530	14,192	7,419
Rental income					
- Entity in which certain directors have interests	221	186	64	-	64
Recoupment income					
- Entity in which person connected to certain directors of the Company have interests	-	-	-	47,000	-
Rental expense					
- Entities in which certain directors have interests	1,389	1,761	1,637	1,518	1,289
Management fee					
- Former holding company	-	1,237	-	-	-
- Entity in which certain directors have interests	-	-	678	-	678
License fee					
- Entity in which certain directors have interests	-	-	360	300	300

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

27. RELATED PARTIES (CONTINUED)

(b) Significant related party transactions (continued)

Significant related party transactions other than disclosed elsewhere in the combined financial statements are as follows: (continued)

	Audited FYE 31 December			Audited FPE 31 October	Unaudited
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividend income					
- Related company	44,100	-	-	-	-
Disposal of other investments					
- Entity in which certain directors have interests	900	1,002	-	-	-

(c) Compensation of key management personnel

	Audited FYE 31 December			Audited FPE 31 October	Unaudited
	2019	2020	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses	465	461	1,893	2,228	1,241
Defined contribution plans	56	64	281	302	204
Other staff related benefits	25	32	44	64	28
	546	557	2,218	2,594	1,473

Significant outstanding balances with related parties at the end of the reporting periods are disclosed in Notes 9 and 16.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during financial years ended 31 December 2019, 31 December 2020 and 31 December 2021 and financial period ended 31 October 2022.

The Group monitors capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 October 2022 are as follows:

		Audited as at			
	Note	31.12.2019 RM'000	31.12.2020 RM'000	31.12.2021 RM'000	31.10.2022 RM'000
Loans and borrowings/total debts	14	77,910	91,949	91,597	94,842
Total equity		159,880	258,874	369,424	391,507
Gearing ratio (times)		0.49	0.36	0.25	0.24

There were no changes in the Group's approach to capital management during the financial years/period under review.

The Group is not subject to externally imposed capital requirements.

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIODS

(a) COVID-19 pandemic

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government had imposed the Movement Control Order ("MCO") to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operates.

The Group has performed an assessment of the overall impact of the situation on the Group's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurements of assets and liabilities and concluded that there was no material adverse effects on the financial statements for the financial years ended 31 December 2020 and 31 December 2021 and financial period ended 31 October 2022.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIODS (CONTINUED)

(b) Memorandum of understanding between China Automobile Parts Holdings Limited ("CAP") and Gan Kah Siong ("MOU")

On 22 February 2021, the Company entered into a MOU with CAP, a company incorporated in Bermuda, to set out the understanding and intention of the parties to negotiate in good faith with a view of entering into a definitive share sale agreement for the acquisition by CAP of the entire equity interest of the Company and other key proposals to be implemented under the proposed incorporation of a new holding company ("Newco"), proposed acquisition of the Company and other related companies by Newco via issuance of ordinary shares of Newco ("Newco Shares"), proposed share exchange of CAP shares with Newco Shares, proposed shares placement by Newco and proposed transfer of listing status from CAP to Newco ("Proposed Regularisation Plan") in respect of CAP.

On 12 May 2021, Gan Kah Siong, director of the Company has terminated the MOU.

(c) Information about a lawsuit

6 Judical Review Applications ("JR Applications") were filed by the several applicants against the Menteri Wilayah Persekutuan, Malaysia, DBKL, Kerajaan Malaysia and the subsidiary of the Company, Pavilion Integrity. Pavilion Integrity is the registered proprietor of Lot 810 and is developing a 46-storey building with 698 units of serviced apartments on Lot 810. Pavilion Integrity had obtained the development orders for the construction work.

When the applicants discovered that the Pavilion Integrity proposed to develop Lot 810, the applicants wrote to DBKL to reconsider the Pavilion Integrity's development project, specifically for DBKL to acquire a significant part of Lot 810 in order to build an access road known as Jalan Jejaka 1. Having failed to get DBKL to acquire part of Lot 810, the JR Applications were filed in respect of DBKL's refusal to acquire Lot 810.

The directors are of the opinion that provisions are not required in respect of these matters, as in the event the decision of the appeal at the Federal Court is not in Pavilion Integrity's favour, there will be a compulsory acquisition of Lot 810 by the relevant authority wherein Pavilion Integrity will be compensated in accordance with Sections 9A and the First Schedule of the Land Acquisition Act 1960. Thus, it is not probable that future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement. The directors do not expect the outcome of the action to have impact on the Group's financial position.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIODS (CONTINUED)

(d) Property under development of a subsidiary, Ambanang Development on fire

On 18 October 2021, a fire occurred on a property under development of a subsidiary of Radium, Ambanang Development, which had damaged the car park podium and some construction material.

There was no stop work order from the authorities, the main contractor was able to immediately reconvene work on site on the same day. The cost of damages resulting from the fire incident was fully borne by the main contractor. Hence, this will not result in any material impact to the financial performance of the Group.

(e) Disposal of land

On 19 September 2022, Montanica Development entered into a sales and purchase agreement with a third party for disposal of a piece of freehold land measuring approximately 0.698 hectares for a disposal consideration of RM25,000,000.

(f) Joint venture agreement

On 20 September 2022, Rasa Wangi entered into a joint venture agreement with a third party for the purpose of developing a piece of land.

30. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEARS/PERIODS

(a) Recoupment of investment cost in Jayyid Land

On 9 December 2022, Radium mutually agreed with the related party to increase the recoupment income from RM47,000,000 to RM60,000,000. The outstanding sum of RM13,000,000 will be paid by the related party within 12 months from 9 December 2022, failing which late payment interest of 10% per annum on daily basis will be imposed after 10 December 2023.

(b) Letter of intent

On 6 February 2023, Radium issued letter of intent to a third party for the purpose of jointly developing on all that piece of land held under H.S.(D) 123157, PT 50174, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 40,467 square meter with the third party by subscribing for 300,000 ordinary shares in the third party such that Radium will hold 75% of the enlarged issued share capital of the third party on a fully diluted basis as at the date such shares are subscribed.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

31. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decisions about resource allocation and performance assessment.

The three reportable operating segments are as follows:

Segments	**Product and services**
Sales of development properties	Develop and sales of residential properties, as well as sales of land
Construction contracts	Provision of general construction works
Sale of goods	Sale of furniture and fittings

Segment assets and liabilities
Segment assets and liabilities are not included in the internal reports that are reviewed by the directors, hence no disclosures are made on segment assets and liabilities.

Inter-segment pricing is determined on negotiated basis.

	Sales of development properties RM'000	**Construction contracts RM'000**	**Sale of goods RM'000**	**Total RM'000**
31 December 2019				
Revenue:				
Revenue from external customers	471,352	1,321	133	472,806
Segment profit	**147,612**	**1**	**3**	**147,616**
Other income				44,691
Unallocated expenses				(19,719)
Finance costs				(9,186)
Income tax expense				(28,801)
Profit for the financial year				**134,601**
Results:				
Included in the measure of segments profit are:				
Employee benefits expense				(6,539)
Depreciation of property, plant and equipment				(321)

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

31. SEGMENT INFORMATION (CONTINUED)

	Sales of development properties RM'000	Construction contracts RM'000	Sale of goods RM'000	Total RM'000
31 December 2020				
Revenue:				
Revenue from external customers	587,330	359	378	588,067
Segment profit	**166,062**	**2**	**8**	**166,072**
Other income				806
Unallocated expenses				(26,184)
Finance costs				(8,967)
Income tax expense				(32,733)
Profit for the financial year				**98,994**
Results:				
Included in the measure of segments profit are:				
Employee benefits expense				(7,255)
Depreciation of property, plant and equipment				(839)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

31. SEGMENT INFORMATION (CONTINUED)

	Sales of development properties RM'000	Construction contracts RM'000	Sale of goods RM'000	Total RM'000
31 December 2021				
Revenue:				
Revenue from external customers	563,404	-	287	563,691
Segment profit	**178,096**	**-**	**6**	**178,102**
Other income				1,098
Unallocated expenses				(28,247)
Finance costs				(6,052)
Income tax expense				(35,951)
Profit for the financial year				**108,950**
Results:				
Included in the measure of segments profit are:				
Employee benefits expense				(9,266)
Depreciation of property, plant and equipment				(1,789)

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

31. SEGMENT INFORMATION (CONTINUED)

	Sales of development properties RM'000	Construction contracts RM'000	Sale of goods RM'000	Total RM'000
31 October 2022				
Revenue:				
Revenue from external customers	302,011	-	-	302,011
Segment profit	**131,482**	**-**	**-**	**131,482**
Other income				47,912
Unallocated expenses				(43,048)
Finance costs				(2,823)
Income tax expense				(41,440)
Profit for the financial period				**92,083**
Results:				
Included in the measure of segments profit are:				
Recoupment income				47,000
Employee benefits expense				(7,084)
Depreciation of property, plant and equipment				(1,650)
Fair value adjustment on other investment				(18,729)

RADIUM DEVELOPMENT BERHAD
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

31. SEGMENT INFORMATION (CONTINUED)

	Sales of development properties RM'000	Construction contracts RM'000	Sale of goods RM'000	Total RM'000
31 October 2021				
Revenue:				
Revenue from external customers	505,478	-	287	505,765
Segment profit	**173,303**	**-**	**6**	**173,309**
Other income				565
Unallocated expenses				(21,070)
Finance costs				(4,951)
Income tax expense				(35,077)
Profit for the financial period				**112,776**
Results:				
Included in the measure of segments profit are:				
Employee benefits expense				(6,387)
Depreciation of property, plant and equipment				(1,468)

Geographical information
The Group operates solely in Malaysia, hence, no geographical segment is presented.

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5 April 2023

The Board of Directors
Radium Development Berhad
62C, Jalan SS21/62
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Dear Sirs,

RADIUM DEVELOPMENT BERHAD ("Radium" or the "Company")

REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2022 INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of the pro forma combined statements of financial position of Radium Development Berhad ("Radium" or the "Company") and the combining entities, namely Ambanang Development Sdn. Bhd., Total Solid Holdings Sdn. Bhd., Vistarena Development Sdn. Bhd., Constant Premium Sdn. Bhd., Pavilion Integrity Sdn. Bhd., Idaman Sejiwa (Ampang) Sdn. Bhd., Omega Edisi Sdn. Bhd., Fitrah Resources Sdn. Bhd., Montanica Development Sdn. Bhd., Rasa Wangi Development Sdn. Bhd. and Tradisi Emas Sdn. Bhd. (the "Group") for which the directors of Radium are solely responsible. The pro forma combined statements of financial position consists of the pro forma combined statements of financial position as at 31 October 2022 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification. The applicable criteria on the basis of which the directors of Radium have compiled the pro forma combined statements of financial position are as described in Note 2 to the pro forma combined statements of financial position and in accordance with the requirements of the *Prospectus Guidelines – Equity* issued by the Securities Commission Malaysia ("Prospectus Guidelines") ("Applicable Criteria").

The pro forma combined statements of financial position of the Group has been compiled by the directors of Radium, for illustrative purposes only, for inclusion in the prospectus of Radium ("Prospectus") in connection with the listing of and quotation for the entire enlarged issued share capital of Radium on the Main Market of Bursa Malaysia Securities Berhad comprising the Public Issue, after making certain assumptions and such adjustments to show the effects on the pro forma combined financial position of the Group as at 31 October 2022 adjusted for the Public Issue and utilisation of proceeds as described in Notes 1.2.1 and 3.2.2 respectively.

RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES
Reporting Accountants' Report on the Compilation of the
Pro Forma Combined Statements of Financial Position
as at 31 October 2022 Included in a Prospectus

As part of this process, information about the Group's pro forma combined financial position has been extracted by the directors of Radium from the audited combined financial statements of the Group for the Financial Period Ended ("FPE") 31 October 2022, on which a reporting accountants' report dated 5 April 2023 has been issued.

The audited combined financial statements of the Group for the FPE 31 October 2022 were reported by us to the members without any modifications.

Directors' Responsibility for the Pro Forma Combined Statements of Financial Position

The directors of Radium are responsible for compiling the pro forma combined statements of financial position based on the Applicable Criteria.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the *By-Laws (on Professional Ethics, Conduct and Practice)* issued by the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies *International Standard on Quality Control 1 (ISQC 1), Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, on whether the pro forma combined statements of financial position has been compiled, in all material respects, by the directors of Radium based on the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements (ISAE) 3420: Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the directors of Radium have compiled, in all material respects, the pro forma combined statements of financial position based on the Applicable Criteria.

RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES
Reporting Accountants' Report on the Compilation of the
Pro Forma Combined Statements of Financial Position
as at 31 October 2022 Included in a Prospectus

Reporting Accountants' Responsibilities (Continued)

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma combined statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma combined statements of financial position.

The purpose of the pro forma combined statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transaction had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statements of financial position has been compiled, in all material respects, based on the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of Radium in the compilation of the pro forma combined statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the Listing Scheme as described in Note 1.2 to the pro forma combined statements of financial position, and to obtain sufficient appropriate evidence about whether:

(a) The pro forma combined statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma combined statements of financial position, based on the audited combined financial statements of the Group for the FPE 31 October 2022, and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE 31 October 2022; and

(b) Each material adjustment made to the information used in the preparation of the pro forma combined statements of financial position of the Group is appropriate for the purpose of preparing the pro forma combined statements of financial position.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the pro forma combined statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES
Reporting Accountants' Report on the Compilation of the
Pro Forma Combined Statements of Financial Position
as at 31 October 2022 Included in a Prospectus

Opinion

In our opinion:

(a) the pro forma combined statements of financial position of the Group has been properly prepared on the basis and assumptions set out in the accompanying notes to the pro forma combined statements of financial position, based on the audited financial statements of the Group for the FPE 31 October 2022 and in a manner consistent with both the format of the financial statements and the accounting policies adopted by the Group in the preparation of its financial statements for the FPE 31 October 2022; and

(b) each material adjustment made to the information used in the preparation of the pro forma combined statements of financial position of the Group is appropriate for the purpose of preparing the pro forma combined statements of financial position.

Other matter

This report has been prepared for inclusion in the Prospectus of Radium in connection with the Listing. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

Baker Tilly Monteiro Heng PLT	Paul Tan Hong
201906000600 (LLP0019411-LCA) & AF 0117	No. 03459/11/2023 J
Chartered Accountants	Chartered Accountant

RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

1. INTRODUCTION

The pro forma combined statements of financial position of Radium Development Berhad ("Radium" or the "Company") and its combining entities, namely Ambanang Development Sdn. Bhd., Total Solid Holdings Sdn. Bhd., Vistarena Development Sdn. Bhd., Constant Premium Sdn. Bhd., Pavilion Integrity Sdn. Bhd., Idaman Sejiwa (Ampang) Sdn. Bhd., Omega Edisi Sdn. Bhd., Fitrah Resources Sdn. Bhd., Montanica Development Sdn. Bhd., Rasa Wangi Development Sdn. Bhd. and Tradisi Emas Sdn. Bhd. (hereinafter collectively referred to as the "Group") has been compiled by the directors of Radium, for illustrative purposes only, for inclusion in the prospectus of Radium in connection with the listing of and quotation for the entire enlarged issued share capital of RM476,400,000 comprising 3,468,000,000 ordinary shares in Radium ("Radium Share(s) or Share(s)") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

1.1 In conjunction with the admission of Radium Shares to the Official List of the Main Market of Bursa Securities and the Listing, Radium had undertaken the following transactions:

1.2 Listing Scheme

1.2.1 Public Issue

Public Issue of 868,000,000 new Shares, representing approximately 25.03% of the enlarged issued share capital, at an issue price of RM0.50 per Public Issue Share, is subject to the terms and conditions of the Prospectus and will be allocated and allotted in the following manner:

(i) 273,000,000 Public Issue Shares, representing approximately 7.87% of the enlarged issued share capital will be made available for application by the Malaysian Public by way of balloting, of which 50% of 273,000,000 Public Issue Shares shall be set aside for the Bumiputera public investors;

(ii) 60,000,000 Public Issue Shares, representing approximately 1.73% of the enlarged issued share capital will be made available for application by the eligible key senior management, employees of the Group and business associates, including any other persons who contributed to success of the Group;

(iii) 435,000,000 Public Issue Shares, representing approximately 12.54% of the enlarged issued share capital will be made available for application by way of private placement to selected Bumiputera investors approved by Ministry of International Trade and Industry; and

(iv) 100,000,000 Public Issue Shares, representing approximately 2.89% of the enlarged issued share capital will be made available for application by way of private placement to selected investors.

(Collectively hereinafter referred to as "Public Issue").

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RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

1. (Continued)

1.2 (Continued)

1.2.2 **Listing**

Upon completion of the IPO, Radium's entire enlarged issued share capital of RM476,400,000 comprising 3,468,000,000 Shares will be listed on the Main Market of Bursa Securities.

2. **BASIS OF PREPARATION OF THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION**

2.1 The pro forma combined statements of financial position have been prepared to illustrate the pro forma combined financial position of the Group as at 31 October 2022, adjusted for the Public Issue and utilisation of proceeds as described in Notes 1.2.1 and 3.2.2 respectively.

2.2 The pro forma combined statements of financial position have been prepared based on audited combined financial statements of the Group for the financial period ended ("FPE") 31 October 2022.

2.3 The audited combined financial statements of the Group for the FPE 31 October 2022 were reported by the auditors to the members without any modifications.

2.4 The pro forma combined statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and does not purport to predict the future financial position and results of the Group.

2.5 The pro forma combined statements of financial position of the Group have been properly prepared on the basis set out in the accompanying notes to the pro forma combined statements of financial position based on the audited combined financial statements of the Group for the FPE 31 October 2022, which have been prepared in accordance with the Malaysian Financial Reporting Standards and the International Financial Reporting Standards.

BAKER TILLY MONTEIRO HENG PLT
(LLP0019411-LCA)
AF 0117
For Identification Purposes Only

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP

3.1 The pro forma combined statements of financial position of the Group as set out below, for which the directors of Radium are solely responsible, have been prepared for illustrative purposes only, to show the effects on the audited combined statement of financial position of the Group as at 31 October 2022, had the transactions as described in Note 1.2.1 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

		Pro Forma I	Pro Forma II
	Combined Statements of Financial Position as at 31 October 2022# RM'000	After the Public Issue RM'000	After Pro Forma I and the utilisation of proceeds RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	4,827	4,827	4,827
Goodwill	1,590	1,590	1,590
Other investment	10,584	10,584	10,584
Total non-current assets	**17,001**	**17,001**	**17,001**
Current assets			
Inventories	252,883	252,883	285,905
Current tax assets	4,265	4,265	4,265
Trade and other receivables	89,190	89,190	85,272
Contract assets	227,288	227,288	227,288
Cash and short-term deposits	35,126	469,126	382,326
Total current assets	**608,752**	**1,042,752**	**985,056**
TOTAL ASSETS	**625,753**	**1,059,753**	**1,002,057**

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RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.1 (Continued)

		Pro Forma I	Pro Forma II
	Combined Statements of Financial Position as at 31 October 2022#	**After the Public Issue**	**After Pro Forma I and the utilisation of proceeds**
	RM'000	**RM'000**	**RM'000**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	42,400	476,400	471,394
Retained earnings	345,707	345,707	333,466
	388,107	822,107	804,860
Non-controlling interests	3,400	3,400	3,400
TOTAL EQUITY	**391,507**	**825,507**	**808,260**
Non-current liabilities			
Loans and borrowings	44,085	44,085	12,037
Deferred tax liabilities	694	694	694
Total non-current liabilities	**44,779**	**44,779**	**12,731**
Current liabilities			
Loans and borrowings	50,757	50,757	42,356
Current tax liabilities	16,931	16,931	16,931
Trade and other payables	121,779	121,779	121,779
Total current liabilities	**189,467**	**189,467**	**181,066**
TOTAL LIABILITIES	**234,246**	**234,246**	**193,797**
TOTAL EQUITY AND LIABILITIES	**625,753**	**1,059,753**	**1,002,057**

BAKER TILLY MONTEIRO HENG PLT (LLP0019411-LCA) AF 0117 For Identification Purposes Only

RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.1 (Continued)

		Pro Forma I	Pro Forma II
	Combined Statements of Financial Position as at 31 October 2022#	After the Public Issue	After Pro Forma I and the utilisation of proceeds
Number of ordinary shares assumed to be in issue ('000)	2,600,000	3,468,000	3,468,000
Net assets ("NA")^ (RM'000)	388,107	822,107	804,860
NA per ordinary share (RM)	0.15	0.24	0.23

^ attributable to owners of the Company

\# *Extracted from the Group's audited combined financial statements for the FPE 31 October 2022.*

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 Notes to the pro forma combined statements of financial position are as follows:

3.2.1 The pro forma combined statements of financial position of the Group, for which the directors of Radium are solely responsible, have been prepared for illustrative purposes only, to show the effects on the combined audited statements of financial position of the Group as at 31 October 2022, had the transactions as described in Note 1.2.1 and utilisation of proceeds as described in Note 3.2.2 been effected on that date, and should be read in conjunction with the notes accompanying thereto.

3.2.2 The proceeds from the Public Issue would be used in the following manner:

Details of utilisation	RM'million	%	Time frame for utilisation from the date of listing
Not reflected in pro forma combined statements of financial position			
Acquisition of landbanks and/or development expenditure (1)	139.00	32.03	Within 36 months
Repayment of bank borrowings (2)	53.42	12.31	Within 24 months
Hotel construction (3)	90.81	20.92	Within 36 months
Working capital	39.83	9.18	Within 24 months
Reflected in pro forma combined statements of financial position			
Acquisition of landbanks and/or development expenditure	32.00	7.37	Within 36 months
Repayment of bank borrowings	40.45	9.32	Within 24 months
Hotel construction	18.49	4.26	Within 36 months
Estimated listing expenses	20.00	4.61	Immediate
Gross proceeds	434.00	100.00	

(1) As at the latest practicable date, the Group has yet to enter into any contractual binding agreement for the acquisition of landbank and/or development expenditure of RM139.00 million. Accordingly, the utilisation of proceeds earmarked for the acquisition of landbank and/or development expenditure of RM139.00 million are not reflected in the pro forma combined statements of financial position.

(2) As at the latest practicable date, the Group has yet to enter into contractual binding agreement for the repayment of bank borrowings of RM53.42 million. Accordingly, the utilisation of proceeds earmarked for the repayment of bank borrowings of RM53.42 million are not reflected in the pro forma combined statements of financial position.

BAKER TILLY MONTEIRO HENG PLT (LLP0019411-LCA) AF 0117 For Identification Purposes Only

RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.2 (Continued)

(3) As at the latest practicable date, the Group has yet to enter into any contractual binding agreement for the hotel construction of RM90.81 million. Accordingly, the utilisation of proceeds earmarked for the hotel construction of RM90.81 million is not reflected in the pro forma combined statements of financial position.

3.2.3 The pro forma combined statements of financial position should be read in conjunction with the notes below:

(a) **Pro Forma I**

Pro Forma I incorporates the effects of the Public Issue as described in Note 1.2.1.

The Public Issue will have the following impact on the pro forma combined statements of financial position of the Group as at 31 October 2022:

	Increase	
	Effects on Total Assets RM'000	**Effects on Total Equity RM'000**
Cash and short-term deposits	434,000	-
Share capital	-	434,000
	434,000	434,000

(b) **Pro Forma II**

Pro Forma II incorporates the cumulative effects of Pro Forma I and the utilisation of proceeds from the Public Issue of RM434.00 million after netting off RM20.00 million of estimated listing expenses.

The remaining proceeds expected from the Public Issue of RM414.00 million will be used in the manner as described in Note 3.2.2.

The proceeds arising from the Public Issue earmarked for the working capital of RM39.83 million will be included in the Cash and Short-Term Deposits Account.

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.3 (Continued)

(b) **Pro Forma II (Continued)**

As at 31 October 2022, out of the RM171.00 million for acquisition of landbanks and/or development expenditure, the Group has entered into a joint venture agreement with a third party to pay landowner's entitlement of RM32.00 million for the purpose of developing on a piece of land in which the Group has paid RM3.00 million and recognised as deposit. The proceeds arising from the Public Issue earmarked for the development expenditure of RM29.00 million and amount previously recorded as deposit of RM3.00 million will be capitalised under Inventories Account. The unutilised proceeds for the acquisition of landbanks and/or development expenditure of RM139.00 million will be included in Cash and Short-term Deposit Account.

As at 31 October 2022, out of the RM93.87 million for repayment of bank borrowings, RM40.45 million has been included in Loans and Borrowings Account. The proceeds arising from the Public Issue earmarked for repayment of bank borrowings of RM40.45 million will be debited to Loans and Borrowings Account under current and non-current liabilities. The loans and borrowings of RM53.42 million yet to drawdown as at the latest practicable date will be included in Cash and Short-Term Deposit Account.

As at 31 October 2022, out of the RM109.30 million for hotel construction, RM17.47 million has been incurred and is recognised in Inventories Account. The proceeds arising from the Public Issue earmarked for hotel construction of RM1.02 million will be capitalised in Inventories Account and the remaining unutilised proceeds arising from the Public Issue earmarked for hotel construction of RM90.81 million will be included in Cash and Short-Term Deposit Account.

As at 31 October 2022, out of the RM20.00 million for listing expenses, RM3.67 million has been incurred of which RM2.75 million is charged to the Retained Earnings Account and RM0.92 million has been recognised as prepayment. The RM0.92 million is recognised as prepayment as this is direct attributable expenses relating to the new issuance of Shares which will be capitalised as Share Capital Account upon Listing.

Out of the remaining estimated listing expense to be incurred of RM16.33 million, RM12.24 million will be charged to Retained Earnings Account and RM4.09 million is recognised in Share Capital Account as this is directly attributable expenses relating to the new issuance of Shares. Together with the amount previously recorded as prepayment of RM0.92 million, a total of RM5.01 million will be capitalised under Share Capital Account.

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RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES

3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.3 (Continued)

(b) **Pro Forma II (Continued)**

The utilisation of proceeds will have the following impact on the pro forma combined statements of financial position of the Group as at 31 October 2022:

	Increase/(Decrease)	
	Effects on Total Assets RM'000	Effects on Total Equity/ Liabilities RM'000
Cash and short-term deposits	(86,800)	-
Inventories	33,022	-
Trade and other receivables	(3,918)	-
Share capital	-	(5,006)
Retained earnings	-	(12,241)
Loans and borrowings		
- Current	-	(8,401)
- Non-current	-	(32,048)
	(57,696)	(57,696)

3.2.4 Movements in share capital and reserves are as follows:

	Share capital RM'000	Retained earnings RM'000
Combined statements of financial position of the Group as at 31 October 2022	42,400	345,707
Arising from the Public Issue	434,000	-
As per Pro Forma I	476,400	345,707
Arising from the defrayment of estimated listing expenses in relation to the Listing	(5,006)	(12,241)
As per Pro Forma II	471,394	333,466

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3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)

3.2 (Continued)

3.2.5 Movements in cash and short-term deposits are as follows:

	RM'000
Combined statements of financial position of the Group as at 31 October 2022	35,126
Arising from the Public Issue	434,000
As per Pro Forma I	469,126
Arising from the utilisation of proceeds:	
- Acquisition of landbanks and/or development expenditure	(29,000)
- Repayment of bank borrowings	(40,449)
- Hotel construction	(1,022)
- Estimated listing expenses	(16,329)
As per Pro Forma II	382,326

RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES

APPROVAL BY BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Radium Development Berhad in accordance with a resolution dated 0 5 APR 2023

………………………………………………	………………………………………………
Datuk Gan Kah Siong	**Gan Tiong Kian**
Director	**Director**

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15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE

PRIVATE & CONFIDENTIAL

Radium Development Berhad
No. 7-2, PV7
Jalan Melati Utama 2
Taman Melati Utama, Setapak
53100 Kuala Lumpur

Date: 22nd September 2022

Reference: V/COR/22/0102(A) - (H)

Dear Sir / Madam,

VALUATION CERTIFICATE OF THE VARIOUS PROPERTIES OWNED BY RADIUM DEVELOPMENT BERHAD AND ITS SUBSIDIARIES

We were instructed by Radium Development Berhad (hereinafter referred to as the Client) to ascertain the Market Value of the respective legal interests in the properties listed overleaf (hereinafter referred to as the Subject Properties).

This Valuation Certificate is prepared for the inclusion in the Prospectus in relation to the proposed listing of Radium Development Berhad on the Main Market of Bursa Malaysia Securities Berhad.

The Valuation was prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia.

This Valuation Certificate is prepared in accordance with the general principles adopted and limiting conditions as enclosed at the end of our formal Valuation Reports. For all intents and purposes, this Valuation Certificate should be read in conjunction with our formal Valuation Reports.

We have conducted the site inspection on various occasions; being the latest on **14th September 2022**. For the purpose of this Report and Valuation, we were specifically instructed to adopt **22nd August 2022** as the material date of valuation.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

For the purpose of this Valuation, we have adopted the **Comparison Approach** and **Income Approach by Residual Method** of Valuation. The Comparison Approach of Valuation will be adopted for vacant development lands intended for future development (without proper detailed and approved development plans); whilst for on-going development which is under-construction, the primary method adopted will be the Income Approach by Residual Method.

Brief details of the methodology adopted are defined overleaf.

Knight Frank Malaysia Sdn Bhd Co. Reg. No. 200201017816 (585479-A) (VE (1) 0141)

Level 10, Menara Southpoint, Mid Valley City, Medan Syed Putra Selatan, 59200 Kuala Lumpur.

T + 603 228 99 688 | **F** + 603 228 99 788 | www.knightfrank.com.my

a) **Comparison Approach**

This approach considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market. Listings and offerings may also be considered.

In arriving at the Market Value of development lands intended for future development, we have considered the Comparison Approach as the primary and most reliable and appropriate method of valuation after having noted sufficient comparable properties in the locality. Without proper detailed and approved development plans, the Income Approach by Residual Method may not be appropriate as it requires many assumptions and estimations regarding the hypothetical improvements that the end result is very much speculative and subjective. In absence of definite, detailed and approved development plans, the Residual Method of Valuation is very much a theoretical methodology where the finer details of the hypothetical end product and estimated building costs are much more difficult to determine with precision. Merely relying on master planning, proposed developments, zoning or other planning controls are theoretical in nature as reliability of the Residual Method depends on the confidence placed on the Gross Development Value and Gross Development Cost computations.

b) Income Approach by Residual Method

This approach is based on the premise that the price which a purchaser can pay for a property is the present value of the surplus amount or residual value after deducting out the full cost of development (Gross Development Cost) and profit from the sales proceeds (Gross Development Value) of the completed development, which is then discounted at an appropriate rate to reflect the inherent risk and holding cost for the period of development to arrive at the current Market Value.

In arriving at the Gross Development Value ("GDV"), we have adopted the developer's gross selling prices and discounts / rebates granted to the respective purchasers (based on the Sales Status Report as of 22nd August 2022) for the sold units to be fair representation after having taken into consideration the take-up rates and sales performance of the development. In our valuation assessment of the unsold units, we have generally adopted the developer's gross selling price and applied similar discounts / rebates (wherever necessary); as well as to make reference to the secondary transacted data and surrounding upcoming development projects located within the immediate and surrounding vicinity.

In arriving at the Gross Development Cost ("GDC"), we have made reference to the total awarded contract sum, client's provision as well as the industry average costing as derived from analysis of other awarded contracts of similar projects and average building costs of similar type of properties published by JUBM and Arcadis Construction Cost Handbook Malaysia 2022.

Present value is the value on a given date of a future payment or series of future payments, discounted to adequately reflect and adjust for both risk and time value of money. In accordance to the Malaysian Valuation Standards, the discount rate used in the valuation should be market derived. In our valuation, we have adopted a discount rate of 8.25% in our Valuation.

Discount rate is a risk-weighted factor used to calculate the net present value of the future cash flows from the asset till the time of exit.

Our interpretation of the discount rate is based on the premise that the value of a dollar to be received in the future is equal to a dollar today minus some factor to account for the risk that the future dollar may not materialize (which can also be explained as opportunity cost, expected return of capital when invested elsewhere). A general way of determining the discount rate is to adopt the capitalisation rate together with the long-term growth rate or expected average annual appreciation of the asset.

In general, the long-term growth rate adopted will be the annual appreciation of an asset (whether in terms of values, rentals or any other measurable parameter). As a rule of thumb, the annual appreciation of an asset can also be assumed to be equal to the rate of inflation.

As such, a discount rate of 8.25% is adopted in our valuation (4.50% to 5.25% being the range of expected returns for development land + 3.00% to 3.75% for inflation).

Summary of the Subject Properties are as attached below and overleaf.

No.	Reference No.	Project / Scheme	Identification of Property	Market Value
1.	V/COR/22/0102(A)	Residensi Semarak Platinum	An apartment unit attached with forty (40) car parking bays held under Strata Title No. Pajakan Negeri 52878/M1C/33/2000, Parcel No. 2000, Storey No. 33, Building No. M1C, together with Accessory Parcel No(s). A138, A257, A343, A782, A1249, A1403, A1805 – A1817 (inclusive), A1983 – A1985 (inclusive), A2078 – A2085 (inclusive), A2087 – A2094 (inclusive) and A2197 (Car Parking Bays) sited on part of Parent Lot 201427, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur bearing postal address Unit No. C-32-22, Residensi Semarak Platinum, No. 4, Jalan Lestari, Kampung Padang Tembak, 54000 Kuala Lumpur.	RM1,080,000
2.	V/COR/22/0102(B)	Residensi Platinum OUG	An apartment unit designated for Perumahan Penjawat Awam Malaysia (PPA1M, now known as PPAM) held under Strata Title No. Pajakan Negeri 53175/M1/29/430, Parcel No. 430, Storey No. 29, Building No. M1, together with Accessory Parcel No(s). A196 (Car Parking Bay) and A1149 (A/C Ledge) sited on part of Parent Lot 102991, Locality of Lebuhraya Kesas / PPR Kg. Muhibbah, Mukim Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur bearing postal address Unit No. A-28-19, Residensi Platinum OUG, No. 2, Jalan Jalil Muhibah, Kampung Muhibah, Bukit OUG, 58200 Kuala Lumpur.	RM187,000
			Sub-Total	**RM1,267,000**

No.	Reference No.	Project / Scheme	Identification of Property	Market Value
			Brought Forward ("B/F")	**RM1,267,000**
3.	V/COR/22/0102(C)	Residensi PV9 / Residensi Vista Wirajaya 2	A parcel of residential land identified as Lot 201840 held under Title No. Pajakan Negeri 54235 (formerly known Lot PT 50146 held under Title No. HSD 121698, Locality of Persiaran Pertahanan, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks, piling and main building construction works certified completed to-date; approved for three (3) blocks of high-rise residential development (1,391 units) comprising a block of 26-storey medium cost (without price restrictions) apartment identified as Block A featuring Type B and Type D (429 units), a block 27-storey medium cost (without price restrictions) apartment identified as Block B featuring Type B and Type C (524 units) and a block of 21-storey Residensi Wilayah affordable apartment (formerly known as RUMAWIP) identified as Block C featuring Type A and Type A1 (438 units) all sited atop eight (8) levels of car park podium including two (2) sub-basement levels, a level of clubhouse and swimming pool located at Level 8 along with all common infrastructure and supporting amenities + facilities attached thereto	RM132,000,000
4.	V/COR/22/0102(D)	Residensi Vista Sentul	A parcel of commercial land identified as Lot 81449 held under Title No. Geran Mukim 9581, Locality of Sentul, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks, piling related works and main building construction works certified completed to-date; approved for the development of two (2) blocks of apartment suites sited atop an 8-storey car park podium and a level of residents' facilities along with all other supporting amenities + services attached thereto	RM68,000,000
5.	V/COR/22/0102(E)	Residensi Platinum Mira	A parcel of commercial land identified as Lot 20069 Section 90 held under Title No. Geran 80346, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks and piling related works certified completed to-date; approved for the development of a block of 35-storey (698 units) serviced apartments sited atop a 10-storey (car park and facilities) podium along with all other supporting amenities + facilities attached thereto	RM83,000,000
6.	V/COR/22/0102(F)	Lot PT 256 and Lot 80133, Off Jalan Ampang	Two (2) contiguous parcels of land identified as Lot PT 256 held under Title No. HSM 604, Locality of Jalan Ulu Klang and Lot 80133 held under Title No. Geran 80347, both located within Mukim Ampang, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks and piling works certified completed to-date; approved for a block of 51-storey commercial building comprising 944 SOHO units (Level 15 to Level 50), 145 hotel suites (Level 10 to Level 14), commercial space (restaurant) on the Lower and Mezzanine Levels, all sited atop a seven (7)-storey car park podium and two (2) basement car park levels; along with all common infrastructure and supporting amenities + facilities attached thereto	RM95,000,000
7.	V/COR/22/0102(G)	Lot 220, Setapak	A parcel of vacant land designated for residential use identified as Lot 220 held under Title No. Geran Mukim 543, Locality of Setapak 4th Mile, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	RM15,500,000
			Sub-Total	**RM394,767,000**

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

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No.	Reference No.	Project / Scheme	Identification of Property	Market Value
			B/F	**RM394,767,000**
8.	V/COR/22/0102(H)	Lot 481729, Salak South	A parcel of land with the benefit of planning approval for rezoning of the designated land use from commercial to mixed-use with an approved plot ratio of 1 : 6.27 and an approved density of up to 998 persons per acre; and approved thereafter for a mixed-use development comprising two (2) blocks of 26-storey "Residensi Wilayah" apartment tower (1,218 units) sited atop a six (6)-storey car park cum facility podium (Phase 1) and three (3) blocks of 44-storey apartment suite tower (1,218 units) sited atop an eight (8)-storey car park cum facility podium; along with all common infrastructure and supporting amenities + facilities attached thereto (Phase 2); held under Lot 481729, Title No. Pajakan Negeri 53589, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	RM120,000,000
			Total Market Value	**RM514,767,000**

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
(signed and sealed by)

Knight Frank Malaysia Sdn Bhd
Knight Frank
VE(1)0141
200201017816 (585479A)

OOI HSIEN YU
Registered Valuer, V-692
MRICS, MRISM, FPEPS, MMIPFM

Date: 22 SEP 2022

Notes: -

i) Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.

ii) The above valuation is peer reviewed by Knight Frank Malaysia Sdn Bhd (Head Office), Mr. Justin Chee Ting Hwang (Registered Valuer, V-774)

1.0 V/COR/22/0102(A) – RESIDENSI SEMARAK PLATINUM

1.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in an apartment unit attached with forty (40) car parking bays held under Strata Title No. Pajakan Negeri 52878/M1C/33/2000, Parcel No. 2000, Storey No. 33, Building No. M1C, together with Accessory Parcel No(s). A138, A257, A343, A782, A1249, A1403, A1805 – A1817 (inclusive), A1983 – A1985 (inclusive), A2078 – A2085 (inclusive), A2087 – A2094 (inclusive) and A2197 (Car Parking Bays) sited on part of Parent Lot 201427, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur bearing postal address Unit No. C-32-22, Residensi Semarak Platinum, No. 4, Jalan Lestari, Kampung Padang Tembak, 54000 Kuala Lumpur.

Locality

Strategically located within the vicinity of Semarak and is sited off the southern (left) side of the Duta-Ulu Kelang Expressway (DUKE), travelling from Setiawangsa to Setapak. Geographically, the Kuala Lumpur city centre is located approximately three (3) kilometres due south-west of Residensi Semarak Platinum.

Tenure

Leasehold interest for a term of 99 years, expiring on 17th November 2114.

Registered Proprietor

Alaf MRR Two Station Sdn Bhd.

Strata Floor Area(s)

Description	Parcel No.	Strata Floor Area
Main Parcel Area	2000	99 square metres
Accessory Parcel Area(s)	A138 – 2 Car Parking Bays	23 square metres
	A257 – Car Parking Bay	12 square metres
	A343 – Car Parking Bay	12 square metres
	A782 – Car Parking Bay	12 square metres
	A1249 – Car Parking Bay	15 square metres
	A1403 – Car Parking Bay	12 square metres
	A1805 – Car Parking Bay	12 square metres
	A1806 – Car Parking Bay	12 square metres
	A1807 – Car Parking Bay	12 square metres
	A1808 – Car Parking Bay	12 square metres
	A1809 – Car Parking Bay	12 square metres
	A1810 – Car Parking Bay	12 square metres
	A1811 – Car Parking Bay	12 square metres
	A1812 – Car Parking Bay	12 square metres
	A1813 – Car Parking Bay	12 square metres
	A1814 – Car Parking Bay	12 square metres
	A1815 – Car Parking Bay	12 square metres
	A1816 – Car Parking Bay	12 square metres
	A1817 – Car Parking Bay	12 square metres
	A1983 – Car Parking Bay	12 square metres
	A1984 – Car Parking Bay	12 square metres
	A1985 – Car Parking Bay	12 square metres
	A2078 – Car Parking Bay	12 square metres
	A2079 – Car Parking Bay	12 square metres

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1.1 IDENTIFICATION OF PROPERTY (CONT'D)

Strata Floor Area(s) (Cont'd)

Description	Parcel No.	Strata Floor Area
Accessory Parcel Area(s) (Cont'd)	A2080 – Car Parking Bay	12 square metres
	A2081 – Car Parking Bay	12 square metres
	A2082 – Car Parking Bay	12 square metres
	A2083 – Car Parking Bay	12 square metres
	A2084 – Car Parking Bay	14 square metres
	A2085 – Car Parking Bay	14 square metres
	A2087 – Car Parking Bay	12 square metres
	A2088 – Car Parking Bay	12 square metres
	A2089 – Car Parking Bay	12 square metres
	A2090 – Car Parking Bay	12 square metres
	A2091 – Car Parking Bay	12 square metres
	A2092 – Car Parking Bay	12 square metres
	A2093 – Car Parking Bay	12 square metres
	A2094 – Car Parking Bay	12 square metres
	A2197 – Car Parking Bay	12 square metres

Property Description

The Subject Block (within which the Subject Property forms part thereof) is generally constructed of reinforced concrete frame with brick infills rendered externally and plastered internally supporting a reinforced concrete flat roof. The ceilings within the common area are generally of cement plaster; whilst the floor finishes are of ceramic tiles throughout. Vertical access between various floors within the Subject Block is by means of passenger lifts and reinforced concrete staircases, strategically located within the building.

General Building Description		
Accommodations	:	Entrance foyer, living area, dining area, study area, master bedroom with an attached bathroom / w.c., two (2) other bedrooms, a common bathroom / w.c., kitchen, yard and balcony.
Ceiling	:	Cement plaster and plaster boards.
Wall Finishes	:	Cement plaster and ceramic wall tiles.
Floor Finishes	:	Ceramic tiles.
Doors	:	Timber flush and fire rated door.
Windows	:	Aluminium casement incorporating glass panels, adjustable glass louvres and top hung units.

Building Services

Sanitary facilities are modern and waterborne.

State of Repair

The Subject Block and Subject Property are in good state of decorative repair.

Occupancy

Presently, the Subject Property is tenanted to Kim Chong Plumbing Sdn. Bhd. for a period of one (1) year; commencing from 5th November 2021 to 4th November 2022 at a monthly rental of RM1,500 /-.

Planning

The Subject Property is designated for residential use as stipulated in the strata title document and was issued with the Certificate of Completion and Compliance (CCC) by the Lembaga Arkitek Malaysia bearing Reference No. LAM/WP/No. 13485 dated 1st October 2021.

1.2 MARKET VALUE

Valuation Methodology In arriving at our opinion of the Market Value, we have considered the **Comparison Approach** as the only preferred and appropriate method of valuation.

Market Value RM1,080,000.

Comparison Approach Using the Comparison Approach, the following sale evidences of similar apartment units within Residensi Semarak Platinum, amongst others, were noted in the table attached below.

Sales Comparison and Analysis of Apartment Units			
	Comparable 1	Comparable 2	Comparable 3
Identification	Unit No. C-21-26, Residensi Semarak Platinum, No. 4, Jalan Lestari, Kampung Padang Tembak, 54000 Kuala Lumpur.	Unit No. B-30-05, Residensi Semarak Platinum, No. 4, Jalan Platinum Semarak, Kampung Padang Tembak, 54000 Kuala Lumpur	Unit No. C-15-13A, Residensi Semarak Platinum, No. 4, Jalan Platinum Semarak, Kampung Padang Tembak, 54000 Kuala Lumpur
Scheme / Project	Residensi Semarak Platinum		
Property Type	An apartment unit	An apartment unit	An apartment unit
Strata Floor Area	110 square metre (1,184 square feet)	99 square metre (1,066 square feet)	86 square metre (926 square feet)
Tenure	Leasehold interest for a term of 99 years, expiring on 17th November 2114		
Consideration	RM563,850	RM500,400	RM487,500
Net Consideration	RM563,850	RM500,400	RM438,750 (Note)
Date	6th April 2021	6th April 2021	17th November 2020
Analysis	RM476.21 per square foot	RM469.58 per square foot	RM473.97 per square foot
Vendor	Total Solid Holdings Sdn Bhd	Total Solid Holdings Sdn Bhd	Total Solid Holdings Sdn Bhd
Purchaser	Lim Soon Kiat	Lim Chiew Yin	Teo Ying Min
Source	Sale and Purchase Agreement(s)		
Adjustments	General adjustments are made for prevailing market condition / time, floor adjustment and unit orientation / view / configuration.		
Adjusted Value	RM480.86 per square foot	RM479.91 per square foot	RM506.85 per square foot

Note: Based on past Sales Status Report provided to us by the Client, we note that a further sales rebate of RM48,750 was given by the developer. Thus, we have deducted the said rebate and adopted a net transacted price of RM438,750 in our assessment.

Valuation Rationale (Apartment Unit) With total effective adjustments made for all Comparable(s); we have placed greater reliance on Comparable 1 (being the latest sale transaction within the same Block C) after having considered and made diligent adjustments for floor / level. We did not adopt Comparable 2 albeit also being the latest sale transaction because Comparable 2 is located at a different block (Block B) with different orientation / view.

Having regards to the foregoing, we have thus adopted a round-up value of RM510,000 (analysed to be RM478.42 per square foot) in our valuation as fair representation for the Market Value of apartment unit.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

1.2 MARKET VALUE (CONT'D)

Additional Car Parking Bays

As compared to the standard provision of two (2) car parking bays for all other units within Residensi Semarak Platinum, the Subject Property (Unit No. C-32-22) is attached with forty (40) car parking bays in the form of thirty-nine (39) accessory parcels. As such, we have assessed the values for the thirty-eight (38) additional car parking bays accessorised to the parcel.

Using the Comparison Approach, the following sales evidences of car parking bays within other similar apartment developments by the same developer, amongst others, were noted in the tables attached as follows.

Sales Comparison and Analysis of Car Parking Bays			
	Comparable 1	**Comparable 2**	**Comparable 3**
Identification	One (1) car parking bay within Residensi Platinum OUG, Jalan 1/152, Bukit OUG, 58200 Kuala Lumpur	One (1) car parking bay within Residensi Platinum OUG, Jalan 1/152, Bukit OUG, 58200 Kuala Lumpur	One (1) tandem car parking bay within the upcoming development of Residensi Vista Wirajaya 2, Jalan Kampung Wira Jaya, Kampung Wirajaya, 53000 Kuala Lumpur
Scheme / Project	Residensi Platinum OUG	Residensi Platinum OUG	Residensi Vista Wirajaya 2
Property Type	One (1) car parking bay	One (1) car parking bay	One (1) tandem car parking bay
Tenure	Leasehold interest for a term of 97 years, expiring on 3rd April 2115	Leasehold interest for a term of 97 years, expiring on 3rd April 2115	Leasehold interest for a term of 99 years, expiring on 14th October 2119
Consideration	RM15,000	RM15,000	RM10,000
Date	30th July 2021	12th June 2020	28th June 2019
Analysis	RM15,000 per bay	RM15,000 per bay	RM10,000 per bay
Vendor	Vistarena Development Sdn Bhd	Vistarena Development Sdn Bhd	Ambanang Development Sdn Bhd
Purchaser	Razmi Bin Osman & Muhammad Amirul Adhwa' Bin Razmi	Ang Chai Hoon	Chow Wei Li
Source	Extract copy of payment letter		
Adjustments	General adjustments are made for location / establishment, car park type and bulk discount.		
Adjusted Value	RM15,000 per bay	RM15,000 per bay	RM14,500 per bay

Valuation Rationale (Additional Car Parking Bays)

With total effective adjustments made for all Car Park Comparable(s); we have placed greater reliance on Car Park Comparable 1 (being the latest sale transaction) after having considered and made diligent adjustments for location / establishment, type of car park and bulk discount. Having regards to the foregoing, we have thus adopted a total value of RM570,000 (analysed to be RM15,000 per bay) in our valuation as fair representation for the Market Value of the additional 38 car parking bays.

We have thus arrived at **RM1,080,000** as fair representation of the total Market Value for the Subject Property (apartment unit + additional 38 car parking bays).

2.0 V/COR/22/0102(B) – RESIDENSI PLATINUM OUG

2.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in an apartment unit designated for PPA1M (now known as PPAM) held under Strata Title No. Pajakan Negeri 53175/M1/29/430, Parcel No. 430, Storey No. 29, Building No. M1, together with Accessory Parcel No(s). A196 (Car Parking Bay) and A1149 (A/C Ledge) sited on part of Parent Lot 102991, Locality of Lebuhraya Kesas / PPR Kg. Muhibbah, Mukim Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur bearing postal address Unit No. A-28-19, Residensi Platinum OUG, No. 2, Jalan Jalil Muhibah, Kampung Muhibah, Bukit OUG, 58200 Kuala Lumpur.

Locality

Strategically located within the vicinity of Bukit OUG / Kampung Muhibbah, approximately 12 kilometres due south-west from the Kuala Lumpur city centre; bordered and bounded by the KESAS highway to its north, PPR Kampung Muhibbah to its south-east and the Muhibbah Community Complex to its south-west.

Tenure

Leasehold interest for a term of 97 years, expiring on 3rd April 2115.

Registered Proprietor

Vistarena Development Sdn Bhd.

Strata Floor Area(s)

Description	Parcel No.	Strata Floor Area
Main Parcel Area	430	102 square metres
Accessory Parcel Area(s)	A196 – Car Parking Bay	12 square metres
	A1149 – A/C Ledge	2 square metres

Property Description

The Subject Block (within which the Subject Property forms part thereof) is generally constructed of reinforced concrete frame with brick infills rendered externally and plastered internally supporting a reinforced concrete flat roof. The ceilings within the common area are generally of cement plaster; whilst the floor finishes are of ceramic tiles throughout. Vertical access between various floors within the Subject Block is by means of passenger lifts and reinforced concrete staircases, strategically located within the building.

General Building Description		
Accommodations	:	Entrance foyer, living cum dining area, master bedroom with an attached bathroom / w.c., two (2) other bedrooms, common bathroom / w.c., kitchen and yard.
Ceiling	:	Cement plaster and plaster boards.
Wall Finishes	:	Cement plaster and ceramic wall tiles.
Floor Finishes	:	Ceramic tiles.
Doors	:	Timber flush and fire rated door.
Windows	:	Aluminium casement incorporating glass panels and top hung units.

2.1 IDENTIFICATION OF PROPERTY (CONT'D)

Building Services Sanitary facilities are modern and waterborne.

State of Repair The Subject Block and Subject Property are in good state of decorative repair.

Occupancy The Subject Property is currently unoccupied.

Planning The Subject Property is designated for residential use (PPA1M) as stipulated in the strata title document and was issued with the Certificate of Completion and Compliance (CCC) by the Lembaga Arkitek Malaysia bearing Reference No. LAM/WP/No. 13072 dated 13th June 2022.

2.2 MARKET VALUE

Valuation Methodology In arriving at our opinion of the Market Value, we have considered the Comparison Approach as the only preferred and appropriate method of valuation.

Market Value RM187,000.

Comparison Approach Using the Comparison Approach, the following sales evidences of similar PPA1M (now known as PPAM) units within the same scheme, amongst others, were noted in the table attached below and overleaf.

Sales Comparison and Analysis of PPA1M (now known as PPAM) Units			
	Comparable 1	Comparable 2	Comparable 3
Identification	Unit No. A-18-18, Residensi Platinum OUG, No. 2, Jalan Jalil Muhibah, Kampung Muhibah, Bukit OUG, 58200 Kuala Lumpur.	Unit No. A-08-19, Residensi Platinum OUG, No. 2, Jalan Jalil Muhibah, Kampung Muhibah, Bukit OUG, 58200 Kuala Lumpur	Unit No. A-35-17, Residensi Platinum OUG, No. 2, Jalan Jalil Muhibah, Kampung Muhibah, Bukit OUG, 58200 Kuala Lumpur
Scheme / Project	Residensi Platinum OUG		
Property Type	A PPA1M unit (now known as PPAM)	A PPA1M unit (now known as PPAM)	A PPA1M unit (now known as PPAM)
Proposed Strata Floor Area (based on Schedule of Parcels)	102 square metre (1,098 square feet)	102 square metre (1,098 square feet)	102 square metre (1,098 square feet)
Tenure	Leasehold interest for a term of 97 years, expiring on 3rd April 2115		
Consideration	RM187,000	RM187,000	RM187,000
Date	4th May 2020	13th March 2020	22nd January 2020
Analysis	RM170.32 per square foot	RM170.32 per square foot	RM170.32 per square foot
Vendor	Vistarena Development Sdn Bhd	Vistarena Development Sdn Bhd	Vistarena Development Sdn Bhd
Purchaser	Zahidah Helmy Binti Zabri	Norhasmalinda Binti Yusoff	Siti Arfah Binti Bainuri
Source	Sale and Purchase Agreement(s)		

2.2 MARKET VALUE (CONT'D)

Sales Comparison and Analysis of PPA1M (now known as PPAM) Units (Cont'd)			
	Comparable 1	Comparable 2	Comparable 3
Adjustments	All comparable(s) are categorised as PPA1M (now known as PPAM) unit, thus no adjustments have been considered as all PPA1M (now known as PPAM) units pricing are pre-determined and fixed upon by relevant authorities.		
Adjusted Value	RM170.32 per square foot	RM170.32 per square foot	RM170.32 per square foot

Valuation Rationale

In our valuation assessment, we have categorised all comparable(s) as PPA1M (now known as PPAM) unit, thus no adjustments have been considered as all PPA1M (now known as PPAM) units pricing are pre-determined and fixed upon by relevant authorities in accordance to the Development Order approval letter bearing Reference No. (14) dlm.DBKL.JPRB.3331/2015 dated 17th November 2016.

3.0 V/COR/22/0102(C) – RESIDENSI PV9 / RESIDENSI VISTA WIRAJAYA 2

3.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in a parcel of residential land identified as Lot 201840 held under Title No. Pajakan Negeri 54235 (formerly known as Lot PT 50146 held under Title No. HSD 121698, Locality of Persiaran Pertahanan), Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks, piling and main building construction works certified completed to-date; approved for three (3) blocks of high-rise residential development (1,391 units) comprising a block of 26-storey medium cost (without price restrictions) apartment identified as Block A featuring Type B and Type D (429 units), a block 27-storey medium cost (without price restrictions) apartment identified as Block B featuring Type B and Type C (524 units) and a block of 21-storey Residensi Wilayah affordable apartment (formerly known as RUMAWIP) identified as Block C featuring Type A and Type A1 (438 units) all sited atop eight (8) levels of car park podium including two (2) sub-basement levels, a level of clubhouse and swimming pool located at Level 8 along with all common infrastructure and supporting amenities + facilities attached thereto (hereinafter collectively known as "**Residensi PV9 / Residensi Vista Wirajaya 2**").

Locality

Strategically located within the vicinity of Kampung Wirajaya / Taman Melati, approximately 7 kilometres due north-east from Kuala Lumpur city centre; bordered and bounded by the housing development of Taman Melati to its immediate north, a university college known as Tunku Abdul Rahman University College to its east and the residential and commercial establishments of Gombak Setia and Taman Setapak Indah to its west and south-west respectively.

Tenure

Leasehold interest for a term of 99 years, expiring on 14th October 2119.

Registered Proprietor

Perbadanan Pengurusan Residensi PV9.

3.1 IDENTIFICATION OF PROPERTY (CONT'D)

Provisional Land Area

22,560 square metres (5.57 acres).

Category of Land Use

"Bangunan".

Site Description

The subject site is generally flat in terrain and gently sloping downwards along the south-eastern boundary to north-western boundary however, it lies at about the same level as the street elevations of Persiaran Pertahanan and Jalan Kampung Wira Jaya respectively. Presently, we note that the main building construction works for Residensi PV9 / Residensi Vista Wirajaya 2 are in progress with approximately 92.56% work completed to-date; whilst the site boundaries are demarcated by metal hoarding sheets.

Planning

Designated for residential use; and approved for three (3) blocks of high-rise residential development (1,391 units) comprising a block of 26-storey medium cost (without price restrictions) apartment identified as Block A featuring Type B and Type D (429 units), a block 27-storey medium cost (without price restrictions) apartment identified as Block B featuring Type B and Type C (524 units) and a block of 21-storey Residensi Wilayah affordable apartment (formerly known as RUMAWIP) identified as Block C featuring Type A and Type A1 (438 units) all sited atop eight (8) levels of car park podium including two (2) sub-basement levels, a level of clubhouse and swimming pool located at Level 8 along with all common infrastructure and supporting amenities + facilities attached thereto; with an approved density of 998 persons per acre.

Proposed Gross Floor Area (GFA) / Estimated Net Floor Area (NFA)

Component	Proposed Gross Floor Area (GFA) (1)		Net Floor Area (NFA) (2)	
	(sq m)	(sq ft) (3)	(sq m)	(sq ft)
Block A	129,382.86	1,392,655	45,485.33	489,600
Block B			50,883.00	547,700
Block C	48,675.00	523,933	36,051.02	388,050
Car Park Podium (Block A, B and C) (4)	104,298,13	1,122,656	-	-
Grand Total	**282,355.99**	**3,039,254**	**132,419.35**	**1,425,350**

Notes:

(1) Proposed Gross Floor Area (GFA) as extracted from the Approved Building Plans (ABP) prepared by Jazlan Azmi Architects Sdn Bhd; approved on 24th May 2019.

(2) Estimated Net Floor Area (NFA) as obtained from the Sale and Purchase Agreement / Sales Status Report (as at 22nd August 2022).

(3) We note that the ABP have adopted a conversion of 1 square metre : 10.76000 square feet. In our valuation, we have adopted the conversion of 1 square metre : 10.76391 square feet. As such, for the purpose of this Report and Valuation, we have adopted the conversion of 10.76391 square feet in disclosing the measurements.

(4) Car park podium within Block A, B and C includes facilities and amenities comprising surau, mortuary room(s), kindergarten / nursery, shop(s), dobby, fire control room(s), management office(s), mail room(s), toilet(s), basketball / futsal court, mechanical and electrical & janitor room(s), fan room and TNB substation; all located within ground floor of Block A and B and two (2) sub-basement levels of Block C.

Sales Status and Performance

Vide a copy of the Sales Status Report (as at 22nd August 2022) provided to us by the Client, we note that 1,351 units (97.12%) of the total 1,391 units have been sold. The following table outlines the summary of the aforementioned sales status and performance for Block A, B and C of Residensi PV9 / Residensi Vista Wirajaya 2 are as shown overleaf.

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3.1 IDENTIFICATION OF PROPERTY (CONT'D)

Block	Type	No. of Units (Total)	No. of Units (Sold)	Take-Up Rate	Total Gross Selling Price	Bumiputra + Developer's Discount	Total SPA Selling Price (*)	Progress Billing
A	B	227	227	100.00%	RM122,763,500	RM4,624,196	RM118,139,304	RM85,541,049
	D	202	202	100.00%	RM136,003,000	RM5,393,074	RM130,609,926	RM92,638,735
B	B	287	287	100.00%	RM155,415,500	RM4,520,791	RM150,894,709	RM108,701,174
	C	237	237	100.00%	RM138,422,000	RM5,291,249	RM133,130,751	RM95,571,920
C	A	333	333	100.00%	RM99,900,000	-	RM99,900,000	RM71,917,500
	A1	105	65	61.90%	RM2,730,000	-	RM2,730,000	RM1,927,800
Total		1,391	1,351	97.12%	RM655,234,000	RM19,829,310	RM635,404,690	RM456,298,178

Note: (*) The total selling prices as listed in the Sale and Purchase Agreements are subject to further developer's rebates amounting to total of RM46,473,657.47 in the form of Credit Note (CN) which are deductible from progress billings.

Sales Status and Performance (Cont'd)

We were made to understand by the Client that twenty-three (23) additional car parking bays have been sold for a total consideration of RM225,000 (analysed at RM9,783 per bay) and full amount has been billed to the respective purchasers.

Contracts Awarded and Works Certified Completed To-Date

At the date of our inspection, we note that earthwork and piling related works have been completed and the construction of main building works are in progress on the subject site.

We wish to draw attention that on 18th October 2021, a fire has occurred at the project site and the incident had affected the 1st floor car park level of Vista Wirajaya 2 building. We were made to understand that no casualties and injuries were reported and the construction progress were able to proceed as planned as the fire incident did not affect other floors of the building and / or impaired the physical structure of the building.

From our understanding, the cost of damages resulting from the fire incident will be borne by Client's contractor in which the appointed contractor will be reimbursed with claims made on their insurance policy. As at the date of valuation, we have been informed by the Client that the rectification works are still ongoing and is expected to be completed by end of September 2022.

The table overleaf outlines the summary of the awarded contracts and construction works certified completed to-date (based on the Interim Certificates and Letters made available to us by the Client).

3.1 IDENTIFICATION OF PROPERTY (CONT'D)

Contractor	Contract Works	Contract Sum	Interim Certificate No. / Date of Certificate	Value of Work Done	% of Completion
Geohan Sdn Bhd (1)	Site Clearance, Earthwork, Piling, Pilecap, Stump & Retaining Wall	RM22,256,733.70	Certificate No. 12 / 11th June 2020	RM22,256,733.70	100.00%
Southern Score Sdn Bhd (2)	Main Building Works	RM312,131,761.51 (3)	Interim Certificate No. 37 / 24th August 2022	RM281,644,091.16	92.10%
Lion Merge Construction Sdn Bhd	Upgrading Existing Sewer Pipes and Manholes	RM1,705,488.90	Interim Certificate No. 3 / 12th August 2022	RM1,102,410.09	64.11%

Notes:

(1) We note that the awarded contract sum for Geohan Sdn Bhd was originally at RM22,500,000 vide awarded contract bearing Ref No. ADSB/Geohan/WJ1/069 dated 4th April 2018. However, in accordance to the Certificate No. 12 dated 11th June 2020, we note that the original amount awarded was revised to RM22,256,733.70 due to cost saving amounting to RM243,266.30. As such, for this Report and Valuation, we have adopted the certified work-done at a completed sum of RM22,256,733.70 in our valuation.

(2) We were made to understand that Southern Score Sdn Bhd is affiliated / a related party to the Client (by way of common director), however, we were informed by the Client that the designated Director has since resigned on 8th June 2021.

(3) Pursuant to the copy of Financial Statement No. 2 prepared by Jurukur Bahan FPS Sdn. Bhd. dated 10th January 2022, the anticipated final account sum is RM305,816,658.45.

Expected Date of Completion

We were made to understand by the Client that the overall development of Residensi PV9 / Residensi Vista Wirajaya 2 is scheduled to be completed by Q4 2022.

3.2 MARKET VALUE

Valuation Methodology

In arriving at our opinion of the Market Value, we have considered the **Income Approach by Residual Method** as the only preferred and appropriate method of valuation.

Market Value

RM132,000,000.

Income Approach by Residual Method

The following table outlines the salient valuation assumptions adopted in undertaking our valuation assessment.

3.2 MARKET VALUE (CONT'D)

Summary of Parameters		
GDV	**Medium Cost (Without Price Restrictions) and Affordable (Residensi Wilayah) Apartments**	
	Sold Units	RM637,309,691 (1) (net amount to be billed: RM179,106,512)
	Unsold Unit	RM1,680,000
	Additional Car Parking Bays	
	Sold Bays	RM225,000
Remaining GDC	RM43,835,730 (2)	
Remaining Development Period	0.50 year.	
Present Value (Discount Rate)	8.25%.	

Notes:

(1) The total selling prices as listed in the Sale and Purchase Agreements are subject to further developer's rebates amounting to total of RM46,473,657 in the form of Credit Note (CN) which are deductible from progress billings.

(2) The remaining Gross Development Cost may not tally with the total cost adopted less the total value of works completed / certified amount to-date as tabulated in the summary of Gross Development Cost (GDC) due to rounding.

GDV

In arriving at the Gross Development Value (GDV), we have adopted the developer's gross selling prices and discounts / rebates granted to the respective purchasers (based on Sales Status Report as of 22nd August 2022) for the sold units to be fair representation after having taken into consideration the take-up rates and sales performance of the development [100.00% sold for all types (medium cost – apartment units without price restrictions and affordable – Residensi Wilayah units – Type A: 850 sf) save and except for affordable – Residential Wilayah units – Type A1: 1,000 sf is designated and strictly required to be allocated to the natives of Kampung Wirajaya and are bonded by the terms and conditions expressly stipulated in the Settlement Agreement that was signed prior to the commencement of the construction of the development.

Summary of GDV Adopted in Income Approach by Residual Method

Component	Type (Net Floor Area)	No. of Units	Total Gross Selling Price	Bumiputra + Developer's Discount	Average SPA Selling Price per unit (*)	Total GDV (*) (After Bumiputra + Developer's Discount)
Sold Units						
Block A (Medium Cost – Without Price Restrictions)	Type B (1,000 sf)	227	RM122,763,500	RM4,624,196	RM520,437 (RM520 psf)	RM118,139,304
	Type D (1,300 sf)	202	RM136,003,000	RM5,393,074	RM646,584 (RM497 psf)	RM130,609,926
Block B (Medium Cost – Without Price Restrictions)	Type B (1,000 sf)	287	RM155,415,500	RM4,520,791	RM525,593 (RM526 psf)	RM150,894,709
	Type C * (1,100 sf)	237	RM138,422,000	RM5,291,249	RM561,564 (RM511 psf)	RM133,130,751

Summary of GDV Adopted in Income Approach by Residual Method (Cont'd)						
Component	**Type (Net Floor Area)**	**No. of Units**	**Total Gross Selling Price**	**Bumiputra + Developer's Discount**	**Average SPA Selling Price per unit (*)**	**Total GDV (*) (After Bumiputra + Developer's Discount)**
Sold Units						
Block C (Affordable – Residensi Wilayah)	Type A (850 sf)	333	RM99,900,000	N/A	RM300,000 (RM353 psf)	RM99,900,000
	Type A1 * (1,000 sf)	65	RM2,730,000	N/A	RM42,000 (RM49 psf)	RM2,730,000
Additional Car Parking Bays			23 bays	RM225,000	-	RM9,783 per bay
Unsold Units						
Block C (Affordable – Residensi Wilayah)	Type A1 * (1,000 sf)	40	RM1,680,000	-	RM42,000 (RM49 psf)	RM1,680,000
Total		**1,391**	**RM657,124,000**	**RM19,829,310**	**-**	**RM637,094,623**

Note: (*) The total selling prices as listed in the Sale and Purchase Agreements are subject to further developer's rebates amounting to total of RM46,473,657 in the form of Credit Note (CN) which are deductible from progress billings.

GDC

In arriving at the Gross Development Cost (GDC), we have made reference to the total awarded contract sum, client's actual / proposed costings as well as the industry average costing as derived from analysis of other awarded contracts of similar projects and average building costs of similar type of properties published by JUBM and Arcadis Construction Cost Handbook Malaysia 2022.

Summary of Gross Development Cost (GDC)				
Description	**Analysis**	**Total Cost Adopted**	**Total Value of Works Completed / Certified Amount To-Date**	**Remarks**
Land Related Charges and Statutory Contribution	Analysed at 4.08 % of total net GDV	RM24,121,457	RM16,902,596	We have made reference to actual amount payable, Client's proposed provisions (inclusive of the provisional sum amounting to RM518,972 payable to Kuala Lumpur City Hall due to the non-fulfilment of Bumiputra quota based on Sales Status Report as of 22nd August 2022) and industry average costings.
Preliminaries and Infrastructure	Analysed at RM48 psf over land area	RM11,597,439	RM10,254,907	We have made reference to Client's proposed / actual costings, industry average costing and awarded contracts for similar projects.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

Summary of Gross Development Cost (GDC) (Cont'd)				
Description	**Analysis**	**Total Cost Adopted**	**Total Value of Works Completed / Certified Amount To-Date**	**Remarks**
Building Construction Cost	RM109 psf over total GFA (inclusive of Piling and Pile Cap Works, Main Building Works and Show Unit Construction Cost)	RM331,382,737	RM307,210,170	We have made reference to Client's proposed / actual costings, awarded contract sum, industry average costing and awarded contracts for similar projects.
Professional Fees	Analysed at 3.76% of Total of Preliminaries and Infrastructure Cost, and Building Construction Cost	RM12,888,304	RM9,390,574	We have made reference to Client's proposed / actual costings, awarded contracts / letter of award, industry average costing as well as awarded contracts of other similar projects.
Contingencies	5.00% of total remaining preliminaries, infrastructure costs, building construction cost and professional fees	RM1,450,641	-	We have adopted a rate of 5.00% of the total remaining preliminaries, infrastructure costs, building construction costs and professional fees as contingencies to be fair representation and reflective of market industry for the intended development. A higher contingencies rate was adopted to reflect higher construction costs resulting from worsening supply chain disruptions.
Marketing, Agency and Legal Fees	2.00% of total net GDV of remaining unsold units for medium cost (without price restrictions) apartment	RM19,234	-	We have adopted 2.00% of the total net GDV of remaining unsold medium cost (without price restrictions) apartment units as marketing, agency and legal fees to be fair and reflective of industry practice and no provision was allocated for the affordable (Residensi Wilayah) units (Type A1 [(1)]) where the designated units are strictly required to be allocated and sold to the natives of Kampung Wirajaya at a fixed pricing of RM42,000 per unit. As at the date of valuation, there are no remaining unsold units for medium cost (without price restriction).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

Summary of Gross Development Cost (GDC) (Cont'd)				
Description	**Analysis**	**Total Cost Adopted**	**Total Value of Works Completed / Certified Amount To-Date**	**Remarks**
Financial Charges	30.00% of remaining of Total Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees and Contingencies capitalized at 6.75% per annum for a period of 0.25 years	RM154,221	-	Bridging finance is based on 30.00% of the remaining of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies, at an interest rate of 6.75% per annum over a period of 0.25 years; after having taken into consideration of the construction progress and development phasing. In arriving at the borrowing rate, we have generally benchmarked against the average base rate offered by banks at 2.50% + a spread in the region of 4.00% for any typical project financing.
Developer's Profit	Medium Cost (apartment units without price restrictions): 15.00% of Total Net GDV; less profit recognised	RM72,945,155	RM67,518,594	Typically, a rate of return of about 10.00% to 20.00% of GDV is required for a developer to commit to a project development; whilst a lower rate of return is applicable for affordable housing developments. We have thus adopted 15.00% for the total remaining net GDV of medium cost (apartment units without price restrictions); whilst 7.50% of the total remaining net GDV for the affordable (Residensi Wilayah) apartment units (excluding Type A1 (2)) as developer's profit as fair representation and reflective of industry average.
	Affordable (exclude Type A1): 7.50% of Total Net GDV; less profit recognised	RM7,697,250	RM7,124,634	
TOTAL		**RM462,237,204**	**RM418,400,475**	

Notes:

(1) Type A1 consist a total of 105 units with NFA of 1,000 square feet per unit where the designated units are strictly required to be allocated are bonded by the terms and conditions expressly stipulated in the Settlement Agreement that was signed prior to the commencement of the construction of the development whereby it is to be sold to the natives of Kampung Wirajaya at a fixed pricing of RM42,000 per unit.

(2) We have not allocated any developer's profit for Type A1 as the pricing for those designated units are capped at RM42,000 per unit (where is below replacement cost new).

Development Period

We have adopted a remaining development period of **0.50** year as reasonable after having considered the current status of the development, demand, take-up rates and sales performance of other similar developments, the type and intensity of the development as well as the product features being offered.

4.0 V/COR/22/0102(D) – RESIDENSI VISTA SENTUL

4.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in a parcel of commercial land identified as Lot 81449 held under Title No. Geran Mukim 9581, Locality of Sentul, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks, piling related works and main building construction works certified completed to-date; approved for the development of two (2) blocks of apartment suites sited atop an 8-storey car park podium and a level of residents' facilities along with all other supporting amenities + services attached thereto (hereinafter collectively to be known as "**Residensi Vista Sentul**").

Locality

Strategically located within the locality of Sentul in Kuala Lumpur; and is sited off the southern (left) side of the Duta-Ulu Kelang Expressway (DUKE), travelling from Setapak towards Segambut. Geographically, the Kuala Lumpur city centre is located approximately 5 kilometres due south-east of the Subject Property.

Tenure

Interest in perpetuity.

Registered Proprietor

Constant Premium Sdn Bhd.

Surveyed Land Area

9,647 square metres (2.38 acres).

Category of Land Use

"Bangunan".

Site Description

The subject site is generally flat in terrain and lies at about the same level as the street elevations / neighbouring lots. Presently, we note that the main building construction works of Residensi Vista Sentul are in progress with approximately 69.66% work done to-date; whilst the site boundaries are generally demarcated by metal hoarding sheets.

Planning

Located within an area designated for commercial use; and granted with development approvals for two (2) blocks of apartment suites (Block A: 24-storey | 262 units and Block B: 37-storey | 443 units) sited atop an 8-storey car park podium and a level of residents' facilities along with all other supporting amenities + services attached thereto; with an approved plot ratio of 1 : 8.00.

Proposed Gross Floor Area (GFA)

Component	Proposed Gross Floor Area (GFA) (1)	
	(sq m)	(sq ft)
Block A	22,221.54	239,191
Block B	51,605.44	555,476
Podium (2)	46,924.48	505,091
Total	**120,751.46**	**1,299,758**

Notes:
(1) Proposed Gross Floor Area (GFA) as extracted from the Approved Building Plan(s) prepared by Messrs. KSKA Arkitek Sdn Bhd; approved on 30th June 2020.
(2) Inclusive of car parking area measuring approx. 43,476.63 sq m (467,979 sq ft).

4.1 IDENTIFICATION OF PROPERTY (CONT'D)

Proposed Strata Floor Area / Net Floor Area (NFA)

Block	Type	Schedule of Parcels (sq m)	Schedule of Parcels (sq ft)
Block A	Type A	64.00	689
	Type A1	75.00	807
	Type B	76.00	818
Block B	Type C	89.00	958
	Type D	113.00	1,216

Our valuation is on the basis / assumption that strata title(s) conveying interest(s) in perpetuity are forthcoming and when issued, will be free from all encumbrances and restrictive conditions over the strata floor areas as stipulated above for the respective unit types. As such, we have adopted the proposed Strata Floor Area based on the Schedule of Parcels as fair representation of the NFA for the respective unit types in our valuation.

Detailed breakdown of the proposed Strata Floor Area of the upcoming Residensi Vista Sentul are scheduled here below.

Component	Building No.	Main Parcel Area (sq m)	Accessory Parcel Area (sq m)
Block A	Menara A	17,377	3,361
Block B	Menara B	41,203	10,962
Total		**58,580**	**14,323**

Note: Based on the Proposed Strata Plan(s) bearing Plan No(s). JP 200529-01 to JP 200529-72 (inclusive).

Sales Status and Performance

Vide a copy of the Sales Status Report (as at 22nd August 2022) provided to us by the Client, we note that 701 units (99.43%) of the total 705 units have been sold. The following table outlines the summary of the aforementioned sales status and performance for Residensi Vista Sentul.

Block	Type	No. of Units (Total)	No. of Units (Sold)	Take-Up Rate	Gross Selling Price	Bumiputera Discount	SPA Selling Price (*)	Progress Billing
A	A	211	211	100.00%	RM72,859,800	RM2,105,239	RM70,754,561	RM42,796,734
	A1	3	3	100.00%	RM1,193,400	-	RM1,193,400	RM656,370
	B	48	48	100.00%	RM19,192,800	RM600,575	RM18,592,225	RM11,206,313
B	C	369	365	98.92%	RM177,085,000	RM4,959,800	RM172,125,200	RM84,011,875
	D	74	74	100.00%	RM41,921,800	RM1,050,670	RM40,871,130	RM19,841,109
Total		**705**	**701**	**99.43%**	**RM312,252,800**	**RM8,716,284**	**RM303,536,516**	**RM158,512,401**

Note: (*) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to a total of RM31,362,741; which will be deducted from the Progress Billings in the form of Credit Note (CN).

4.1 IDENTIFICATION OF PROPERTY (CONT'D)

Contracts Awarded and Works Certified Completed To-Date

At the date of our site inspection, we note that earthworks and piling related works have been completed; whilst the main building construction works are in progress on the subject site. The following table outlines the summary of the contracts awarded and construction works certified completed to-date (based on the latest Interim Certificates made available to us by the Client).

Contractor	Contract Works	Contract Sum	Interim Certificate No. / Date of Certificate	Value of Work Done	% of Completion
Southern Score Sdn Bhd (1)	Piling and pilecap works	RM10,583,087 (2)	Cert No. 13 (Final) dated 22.06.2021	RM10,583,087	100.00%
	Main building works	RM149,373,865 (3)	Cert No. 26 dated 24.08.2022	RM100,156,776	67.05%

Notes:

(1) We were made to understand that Messrs. Southern Score Sdn Bhd is affiliated / a related party to the Client (by way of common director). However, we were informed by the Client that the Director has since resigned on 1st June 2021.

(2) The accepted contract sum was originally at RM10,618,000 vide a Letter of Acceptance issued by Messrs. KSKA Arkitek Sdn Bhd bearing Reference No. KSKA/146/SSSB/L01 dated 8th April 2019. However, based on the Interim Certificate No. 13 (Final) prepared by Messrs. Juruukur Bahan FPS Sdn Bhd dated 22nd June 2021, we note that the original contract sum has been revised downwards to RM10,583,087 due to price fluctuation for steel bar and concrete / variation order amounting to RM172,937. As such, we have adopted the certified work done at a completed sum of RM10,583,087 as fair representation in our valuation.

(3) Pursuant to the copy of Financial Statement No. 4 prepared by Jurukur Bahan FPS Sdn. Bhd. dated 25th March 2022, the anticipated final account sum is RM149,373,865.

Expected Date of Completion

We were made to understand by the Client that the overall development of Residensi Vista Sentul is scheduled to be completed by Q2 2023.

4.2 MARKET VALUE

Valuation Methodology

In arriving at our opinion of the Market Value, we have considered the **Income Approach by Residual Method** as the only preferred and appropriate method of valuation.

Market Value

RM68,000,000.

Income Approach by Residual Method

The following table outlines the salient valuation assumptions adopted in undertaking our valuation assessment.

4.2 MARKET VALUE (CONT'D)

Income Approach by Residual Method (Cont'd)

Summary of Parameters		
GDV	Sold Units	RM303,536,516 (*) (Net Unbilled Amount: RM145,024,115)
	Unsold Unit	RM1,670,064
Remaining GDC	RM73,143,218	
Remaining Development Period	1.00 years	
Present Value (Discount Rate)	8.25%	

Note: (*) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to a total of RM31,362,741; which will be deducted from the Progress Billings in the form of Credit Note (CN).

GDV

In arriving at the Gross Development Value (GDV), we have generally adopted the developer's gross selling prices and discounts / rebates granted to the respective purchasers (based on the Sales Status Report as at 22nd August 2022) for the sold units to be fair representation after having taken into consideration the take-up rates (99.43% sold) and sales performance of the development.

In our valuation assessment of the unsold units on the other hand, we have generally benchmarked the developer's gross selling prices (for unsold units); against the net prices of the units that have been sold at within the same development; coupled with selling + asking prices of other similar developments located within the immediate and surrounding vicinity. As such, we have adopted the developer's average gross selling price of about RM518 per square foot (subject to developer's promotional discounts and rebates) for the unsold units to be fair representation.

Summary of Parameters – Gross Development Value (GDV)

Type	No. of Units	Total Gross Selling Price	Bumiputera / Developer's Discounts	Average SPA Selling Price	Total GDV (*)
Sold Units					
Type A (64 sm / 689 sf)	211	RM72,859,800	RM2,105,239	RM335,330 (RM487 psf)	RM70,754,561
Type A1 (75 sm / 807 sf)	3	RM1,193,400	-	RM397,800 (RM493 psf)	RM1,193,400
Type B (76 sm / 818 sf)	48	RM19,192,800	RM600,575	RM387,338 (RM473 psf)	RM18,592,225
Type C (89 sm / 958 sf)	365	RM177,085,000	RM4,959,800	RM471,576 (RM492 psf)	RM172,125,200
Type D (113 sm / 1,216 sf)	74	RM41,921,800	RM1,050,670	RM552,313 (RM454 psf)	RM40,871,130

Summary of Parameters – Gross Development Value (GDV) (Cont'd)					
Type	**No. of Units**	**Total Gross Selling Price**	**Bumiputera / Developer's Discounts**	**Average SPA Selling Price**	**Total GDV (*)**
Unsold Units					
Type C (89 sm / 958 sf)	4	RM1,984,100	RM314,036	RM417,516 (RM436 psf)	RM1,670,064
Total	**705**	**RM314,236,900**	**RM9,030,320**	**–**	**RM305,206,580**

Note: (*) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to a total of RM31,362,741; which will be deducted from the Progress Billings in the form of Credit Note (CN).

GDC

In arriving at the Gross Development Cost (GDC), we have made reference to the total awarded contract sum, client's actual / proposed costings as well as the industry average costing as derived from analysis of other awarded contracts of similar projects and average building costs of similar type of properties published by JUBM and Arcadis Construction Cost Handbook Malaysia 2022.

Summary of Parameters – Gross Development Cost (GDC)				
Description	**Analysis**	**Total Amount**	**Value of Work Done / Certified Completed**	**Remarks**
Land Related Charges and Statutory Contribution	Analysed at 6.11% of Total Net GDV	RM16,738,612	RM13,222,711	We have made reference to the actual amount payable, Client's proposed costings and the industry average costing.
Preliminaries and Infrastructure Cost	Analysed at RM42 psf over land area	RM4,338,738	RM3,326,755	We have made reference to the Client's proposed / actual costings, industry average costing as well as awarded contracts of other similar projects.
Building Construction Cost	Analysed at RM124 psf over Total GFA (inclusive of Piling and pilecap works, Main building works and Sales gallery construction cost)	RM161,088,049	RM111,870,959	We have made reference to the Client's proposed / actual costings, awarded contract sum, industry average costing as well as awarded contracts of other similar projects.
Professional Fees	Analysed at 4.57% of Total of Preliminaries and Infrastructure Cost, and Building Construction Cost	RM7,552,738	RM3,925,484	We have made reference to the Client's proposed / actual costings, awarded contracts / letter of award, industry average costing as well as awarded contracts of other similar projects.

Summary of Parameters – Gross Development Cost (GDC) (Cont'd)				
Description	**Analysis**	**Total Amount**	**Value of Work Done / Certified Completed**	**Remarks**
Contingencies	5.00% of remaining Total of Preliminaries and Infrastructure Cost, Building Construction Cost, and Professional Fees	RM2,692,816	–	We have adopted a rate of 5.00% of the total remaining preliminaries, infrastructure costs, building construction costs and professional fees as contingencies to be fair representation and reflective of market industry for the intended development. A higher contingencies rate was adopted to reflect higher construction costs resulting from worsening supply chain disruptions.
Marketing, Agency and Legal Fees	2.00% of Total Net GDV of remaining unsold units	RM33,401	–	We have adopted a rate of 2.00% of the Total Net GDV of remaining unsold units; as Marketing, Agency and Legal Fees to be fair representation and reflective of the market industry.
Financial Charges	30.00% of remaining of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies; at an interest rate of 6.75% per annum over a period of 0.50 years	RM572,560	–	Bridging finance is based on 30.00% of the remaining of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies; at an interest rate of 6.50% per annum over a period of 1.25 years; after having taken into consideration of the construction progress and development phasing. In arriving at the borrowing rate, we have generally benchmarked against the average base rate offered by banks at 2.50% + a spread in the region of 4.00% for any typical project financing.
Developer's Profit	15.00% of Total Net GDV; less profit recognised	RM41,076,576	RM28,604,362	Typically, a rate of return of about 10.00% to 20.00% of the GDV is required for a developer to commit / undertake a project development. We have adopted a rate of 15.00% of the Total Net GDV; less profit recognised; to be fair representation and reflective of the market industry.
Total		**RM234,093,490**	**RM160,950,272**	**–**

Development Period

We have adopted a remaining development period of **1.00 year** as reasonable after having considered the current status of the development, demand, take-up rates and sales performance of other similar developments, the type and intensity of the development as well as the product features being offered.

5.0 V/COR/22/0102(E) – RESIDENSI PLATINUM MIRA

5.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in a parcel of commercial land identified as Lot 20069 Section 90 held under Title No. Geran 80346, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks and piling related works certified completed to-date; approved for the development of a block of 35-storey (698 units) serviced apartments sited atop a 10-storey (car park and facilities) podium along with all other supporting amenities + facilities attached thereto (hereinafter collectively to be known as "**Residensi Platinum Mira**").

Locality

Strategically located along Lorong Peel in Maluri, Cheras; bordered by AEON Taman Maluri Shopping Centre (to its immediate south), Amaya Maluri (to its immediate east) and the under-construction Laville Kuala Lumpur development (to its immediate west). Geographically, the Kuala Lumpur city centre is located approximately 3.5 kilometres due north-west of the Subject Property.

Tenure

Interest in perpetuity.

Registered Proprietor

Pavilion Integrity Sdn Bhd.

Surveyed Land Area

7,271 square metres (1.80 acres).

Category of Land Use

"Bangunan".

Site Description

The terrain of the subject site is generally flat and lies at about the same level as the street elevations / neighbouring lots. Presently, we note that the piling related works of Residensi Platinum Mira are in progress with approximately 5.18% work done to-date; whilst the site boundaries are generally demarcated by metal hoarding sheets.

Planning

Located within an area designated for commercial use; and granted with development approvals for a block of 35-storey (698 units) serviced apartments sited atop a 10-storey (car park and facilities) podium along with all other supporting amenities + facilities attached thereto; with an approved plot ratio of 1 : 9.67.

Proposed Gross Floor Area (GFA) / Estimated Net Floor Area (NFA)

Component	Gross Floor Area (GFA) (1)		Net Floor Area (NFA) (2)	
	(sq m)	(sq ft)	(sq m)	(sq ft)
Serviced Apartment Block	70,163.66	755,235	53,058.13	571,113
Podium (3)	38,220.55	411,403	–	–
Total	**108,384.21**	**1,166,638**	**53,058.13**	**571,113**

Notes:
(1) Proposed Gross Floor Area (GFA) as extracted from the Approved Building Plan(s) prepared by Messrs. Kun Lim Architect; approved on 18th July 2018.
(2) Estimated Net Floor Area (NFA) as obtained from the Sales Status Report (as at 15th July 2021) provided to us by the Client.
(3) Inclusive of car parking area measuring approx. 29,444.26 sq m (316,935 sq ft).

5.1 IDENTIFICATION OF PROPERTY (CONT'D)

Proposed Gross Floor Area (GFA) / Estimated Net Floor Area (NFA) (Cont'd)

We wish to highlight that there are discrepancies in the Net Floor Area (NFA) (by unit types and their corresponding sizes) between the aforementioned Approved Building Plan(s), the Sales Status Report (as at 22nd August 2022) and the Revised Building Plan(s).

We were made to understand by the Client that the Revised Building Plan(s) to amend the NFA (by unit types and their corresponding sizes) in the original Approved Building Plan(s) to be in line with the Sales Status Report; have been submitted to the relevant authorities for approvals. Notwithstanding the above, our valuation is on the basis and assumption that the abovementioned Revised Building Plan(s) will be approved by the relevant authorities; with all relevant fees (if any) fully paid. As such, we have adopted the NFA for the respective unit types based on the Sales Status Report and the Revised Building Plan(s) as fair representation in our valuation.

Sales Status and Performance

Vide a copy of the Sales Status Report (as at 22nd August 2022) provided to us by the Client, we note that 274 units (39.26%) of the total 698 units have been sold. The following table outlines the summary of the aforementioned sales status and performance for Residensi Platinum Mira.

Type	No. of Units		Take-Up Rate	Gross Selling Price	Bumiputera Discount	SPA Selling Price (*)	Progress Billing
	(Total)	(Sold)					
Type A	210	53	25.24%	RM33,293,500	RM31,650	RM33,261,850	RM3,326,185
Type A1	35	19	54.29%	RM11,669,000	RM0	RM11,669,000	RM1,166,900
Type A2	35	8	22.86%	RM6,249,940	RM36,600	RM6,213,340	RM621,334
Type B / B1	348	189	54.31%	RM92,366,000	RM71,425	RM92,205,450	RM9,220,545
Type C	35	5	14.29%	RM3,791,000	RM0	RM3,791,000	RM379,100
Type C1	35	0	0.00%	RM0	RM0	RM33,261,850	RM0
Total	**698**	**274**	**39.26%**	**RM147,369,440**	**RM139,675**	**RM147,140,640**	**RM14,714,064**

Note: (*) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to RM7,123,731 and RM7,544.973; which will be deducted from the Progress Billings and Unbilled Amount respectively; in the form of Credit Note (CN).

Contracts Awarded and Works Certified Completed To-Date

At the date of our site inspection, we note that earthworks and piling related works are in progress on the subject site. The following table outlines the summary of the contracts awarded and construction works certified completed to-date (based on the latest Interim Certificates / Certificate of Payment made available to us by the Client).

Contractor	Contract Works	Contract Sum	Interim Certificate No. / Date of Certificate	Value of Work Done	% of Completion
G-Pile Sistem Sdn Bhd	Site clearance, piling and associated works	RM11,496,789 (1)	ACS/388/CP034 dated 23.08.2022	RM7,222,810	62.82%
Pembinaan Bina Bumi Sdn Bhd	Main building works	RM142,641,748 (2)	Cert No. 2 dated 03.01.2020	RM206,865	0.15%

Notes:

(1) The accepted contract sum was originally at RM9,438,000 vide a Letter of Acceptance issued by Messrs. Pavilion Integrity Sdn Bhd bearing Reference No. PISB/GPS/LT.310/PL/2018/004(LA) dated 9th August 2018. However, we note that there is a Variation Order amounting to RM2,058,789 to the original contract sum. As such, we have adopted the total sum of RM11,496,789 as fair representation in our valuation.

(2) The accepted contract sum was originally at RM132,641,748 vide a Letter of Acceptance issued by Messrs. Pavilion Integrity Sdn Bhd bearing Reference No. PISB/PBBSB/LT.810/MBW/2019/021(LOA) dated 24th June 2019. However, we note that there will be an additional cost amounting to RM10,000,000 to the original contract sum vide a Letter issued by Messrs. ELP Quantity Surveyors Sdn Bhd bearing Reference No. ELP/3747/MBW/POS/01 dated 31st May 2021. As such, we have adopted the total sum of RM142,641,748 as fair representation in our valuation.

Expected Date of Completion

We were made to understand that construction works / development activities of the Subject Property were temporarily suspended following a Stay Pending Appeal Order ("Stay Order") from the High Court (dated 22nd November 2021); arising from ongoing litigation cases involving the Client in relation to the Subject Property.

Following the decisions by the Court of Appeal on 5th April 2022, the Client was advised by solicitors to re-commence on development activities during April 2022 as the development order granted was not affected, unless a suspension order of the development order and / or injunction order to stop construction was issued. Thus, we were further made to understand that the overall development of Residensi Platinum Mira is now scheduled to be completed by Q3 2025.

Notwithstanding the above, our Valuation is on the basis that there will not be any adverse effect / material impact nor any further undue disruptions to the construction works / development activities; and that the ongoing development will be completed in good faith within the new expected date of completion without any unreasonable claims for Liquidated Ascertained Damages (LAD).

5.2 MARKET VALUE

Valuation Methodology

In arriving at our opinion of the Market Value, we have considered the **Income Approach by Residual Method** as the only preferred and appropriate method of valuation.

Market Value

RM83,000,000.

Income Approach by Residual Method

The table overleaf outlines the salient valuation assumptions adopted in undertaking our valuation assessment.

5.2 MARKET VALUE (CONT'D)

Summary of Parameters		
GDV	Sold Units	RM147,140,640 (*) (Net Unbilled Amount: RM124,881,603)
	Unsold Unit	RM215,973,181
Remaining GDC	RM227,449,857	
Remaining Development Period	4.00 years	
Present Value (Discount Rate)	8.25%	

Note: (*) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to RM7,123,731 and RM7,544.973; which will be deducted from the Progress Billings and Unbilled Amount respectively; in the form of Credit Note (CN).

GDV

In arriving at the Gross Development Value (GDV), we have generally adopted the developer's gross selling prices and discounts / rebates granted to the respective purchasers (based on the Sales Status Report as at 22nd August 2022) for the sold units to be fair representation after having taken into consideration the take-up rates (39.26% sold) and sales performance of the development.

In our valuation assessment of the unsold units on the other hand, we have generally benchmarked the developer's gross selling prices (for unsold units); against the net prices of the units that have been sold at within the same development; coupled with selling + asking prices of other similar developments located within the immediate and surrounding vicinity. As such, we have adopted the developer's average gross selling price of about RM630 per square foot to RM744 per square foot (depending on unit types / sizes and further subject to developer's promotional discounts and rebates) for the unsold units to be fair representation.

Summary of Parameters – Gross Development Value (GDV)

Type	No. of Units	Total Gross Selling Price	Bumiputera / Developer's Discounts	Average SPA Selling Price	Total GDV (*)
Sold Units					
Type A (876 sq ft)	53	RM33,293,500	RM31,650	RM627,582 per unit (RM716 psf)	RM33,261,850
Type A1 (880 sq ft)	19	RM11,669,000	RM0	RM614,518 per unit (RM698 psf)	RM11,669,000
Type A2 (1,196 sq ft)	8	RM6,249,940	RM36,600	RM776,668 per unit (RM649 psf)	RM6,213,340
Type B / B1 (691 sq ft)	189	RM92,366,000	RM160,550	RM487,860 per unit (RM706 psf)	RM92,205,450
Type C (1,063 sq ft)	5	RM3,791,000	RM0	RM758,200 per unit (RM713 psf)	RM3,791,000

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

Summary of Parameters – Gross Development Value (GDV) (Cont'd)					
Type	No. of Units	Total Gross Selling Price	Bumiputera / Developer's Discounts	Average SPA Selling Price	Total GDV (*)
Unsold Units					
Type A (876 sq ft)	157	RM99,797,500	RM17,382,182	RM524,938 per unit (RM599 psf)	RM82,415,318
Type A1 (880 sq ft)	16	RM10,167,500	RM1,770,920	RM524,786 per unit (RM596 psf)	RM8,396,580
Type A2 (1,196 sq ft)	27	RM20,348,000	RM3,544,103	RM622,367 per unit (RM520 psf)	RM16,803,897
Type B / B1 (691 sq ft)	159	RM81,771,000	RM14,242,425	RM424,708 per unit (RM615 psf)	RM67,528,575
Type C (1,063 sq ft)	30	RM22,933,500	RM3,994,432	RM631,302 per unit (RM594 psf)	RM18,939,068
Type C1 (1,052 sq ft)	35	RM26,506,500	RM4,616,757	RM625,421 per unit (RM595 psf)	RM21,889,743
Total	**698**	**RM408,893,440**	**RM45,779,619**	**–**	**RM363,113,821**

Note: (*) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to RM7,123,731 and RM7,544.973; which will be deducted from the Progress Billings and Unbilled Amount respectively; in the form of Credit Note (CN).

GDC

In arriving at the Gross Development Cost (GDC), we have made reference to the total awarded contract sum along with its value of work done to-date, Client's proposed / actual costings; as well as the industry average costing as derived from analysis of other awarded contracts of similar projects and average building costs of similar type of properties published in JUBM and Arcadis Construction Cost Handbook Malaysia 2022.

Summary of Parameters – Gross Development Cost (GDC)				
Description	Analysis	Total Amount	Value of Work Done / Certified Completed	Remarks
Land Related Charges and Statutory Contribution	Analysed at 5.78% of Total Net GDV	RM20,145,648	RM15,406,658	We have made reference to the actual amount payable, Client's proposed costings and the industry average costing.
Preliminaries and Infrastructure Cost	Analysed at RM2 psf over land area	RM150,000	RM104,736	We have made reference to the Client's proposed / actual costings, industry average costing as well as awarded contracts of other similar projects.
Building Construction Cost	Analysed at RM133 psf over Total GFA (inclusive of Site clearance, piling and associated works, Main building works and Sales gallery construction cost)	RM154,627,324	RM7,918,462	We have made reference to the Client's proposed / actual costings, awarded contract sum, industry average costing as well as awarded contracts of other similar projects.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

Summary of Parameters – Gross Development Cost (GDC) (Cont'd)				
Description	**Analysis**	**Total Amount**	**Value of Work Done / Certified Completed**	**Remarks**
Professional Fees	Analysed at 4.61% of Total of Preliminaries and Infrastructure Cost, and Building Construction Cost	RM7,140,833	RM2,247,799	We have made reference to the Client's proposed / actual costings, awarded contracts / letter of award, industry average costing as well as awarded contracts of other similar projects.
Contingencies	7.00% of remaining Total of Preliminaries and Infrastructure Cost, Building Construction Cost, and Professional Fees	RM10,615,301	–	We have adopted a rate of 7.00% of the total remaining preliminaries, infrastructure costs, building construction costs and professional fees as contingencies to be fair representation and reflective of market industry for the intended development. A higher contingencies rate was adopted to reflect higher construction costs resulting from worsening supply chain disruptions and also the Stay Order notice previously issued and served to the intended development.
Marketing, Agency and Legal Fees	2.00% of Total Net GDV of remaining unsold units	RM4,319,464	–	We have adopted a rate of 2.00% of the Total Net GDV of remaining unsold units; as Marketing, Agency and Legal Fees to be fair representation and reflective of the market industry.
Financial Charges	30.00% of remaining of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies; at an interest rate of 6.75% per annum over a period of 2.00 years	RM6,571,630	–	Bridging finance is based on 30.00% of the remaining of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies; at an interest rate of 6.75% per annum over a period of 2.00 years; after having taken into consideration of the construction progress and development phasing. In arriving at the borrowing rate, we have generally benchmarked against the average base rate offered by banks at 2.75% + a spread in the region of 4.00% for any typical project financing.
Developer's Profit	15.00% of Total Net GDV; less profit recognised	RM52,266,767	RM2,709,355	Typically, a rate of return of about 10.00% to 20.00% of the GDV is required for a developer to commit / undertake a project development. We have adopted a rate of 15.00% of the Total Net GDV; less profit recognised; to be fair representation and reflective of the market industry.
Total		**RM255,836,968**	**RM28,387,111**	**–**

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5.2 MARKET VALUE (CONT'D)

Development Period

Vide a copy of the Sales Status Report (as at 22nd August 2022) provided to us by the Client, we note that 274 units (39.26%) of the total 698 units of Residensi Platinum Mira have been sold during their soft launch to business associates.

In view that the project has a remaining of 424 unsold units, a remaining development period of 4.00 years will require about 106 units to be sold per annum (or 9 units per month) on average for the project to be fully sold out. Such projected take-up rate is deemed fair and reasonable in the current market after having benchmarked against the take-up rates of other similar developments located within the immediate and surrounding vicinity.

As such, we have adopted a remaining development period of **4.00 years** as reasonable and fair representation after having taken into consideration the current construction stage of the development, demand, take-up rates and sales performance along with the type and intensity of the development, the product features being offered as well as the potential impact of the COVID-19 outbreak.

6.0 V/COR/22/0102(F) – LOT PT 256 AND LOT 80133, OFF JALAN AMPANG

6.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in two (2) contiguous parcels of land identified as Lot PT 256 held under Title No. HSM 604, Locality of Jalan Ulu Klang and Lot 80133 held under Title No. Geran 80347, both located within Mukim Ampang, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur; with earthworks and piling works certified completed to-date; approved for a block of 51-storey commercial building comprising 944 SOHO units (Level 15 to Level 50), 145 hotel suites (Level 10 to Level 14), commercial space (restaurant) on the Lower and Mezzanine Levels, all sited atop a seven (7)-storey car park podium and two (2) basement car park levels; along with all common infrastructure and supporting amenities + facilities attached thereto.

Locality

Strategically located Off Jalan Ampang, Kuala Lumpur; bounded and bordered by Jalan Ampang Ulu to its immediate north and north-west, Jalan Ampang to its far south-west and the Kuala Lumpur Middle Ring Road 2 (MRR2) to its south-east. Geographically, the Kuala Lumpur city centre is located approximately four (4) kilometres due south-west of the Subject Property.

Tenure

- Leasehold interest for a term of 99 years, expiring on 3rd September 2072; in respect of Lot PT 256.
- Interest in perpetuity; in respect of Lot 80133.

Note: The Approval Letter bearing Reference No. PTGKL/6/PSBB/2022/2 dated 10th June 2022 along with the pre-computation plan bearing Plan No. 64/2021/U3 has revealed that the application of surrender and re-alienation of Lot 80133 held under Title No. Geran 80347 and Lot PT 256 held under Title No. HSM 604 has been approved; with a combined land area of about 8,217.1 square metres, conveying an interest in perpetuity; with all the relevant premium / fee(s) fully paid on 30th June 2022.

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6.1 IDENTIFICATION OF PROPERTY (CONT'D)

Registered Proprietor

Idaman Sejiwa (Ampang) Sdn Bhd; in respect of both titles.

Land Area

Lot No.	Square Metres	Acres
Lot PT 256	836.1	0.21
Lot 80133	7,381.0	1.82
Total	8,217.1	2.03

Category of Land Use

"Bangunan", in respect of both titles.

Site Description

The site(s) are generally flat in terrain and lies at about the same level as the street elevations and neighbouring lots. Presently, we note that the earthworks and piling works are in progress with approximately 47.11% work completed to-date; whilst the site boundaries are generally demarcated by metal hoarding sheets.

Planning

Located with an area designated for commercial use; approved for a block of fifty-one (51)-storey commercial building comprising 944 SOHO units (Level 15 to Level 50), 145 hotel suites (Level 10 to Level 14), commercial space (restaurant) on the Lower and Mezzanine levels, all sited atop a seven (7)-storey car park podium and two (2) basement car park levels; along with all common infrastructure and supporting amenities + facilities attached thereto; with an approved plot ratio of 1 : 8.9.

Proposed Gross Floor Area (GFA) / Estimated Net Floor Area (NFA)

Component	Gross Floor Area (GFA)		Net Floor Area (NFA)	
	(sq m)	(sq ft)	(sq m)	(sq ft)
SOHO	63,747.79	686,175	46,576.18	501,346
Hotel	13,184.70	141,919	6,928.65	74,580
Car Park Podium	45,738.29	492,313	-	-
Total	122,670.78	1,320,407	53,504.83	575,926

Sources: Proposed Gross Floor Area (GFA) and Net Floor Area (NFA) are extracted from the Approved Building Plans (ABP) prepared by Ping Ng Architect; approved on 4th August 2022.

Contracts Awarded and Works Certified Completed To-Date

At the date of our inspection, we note that earthworks and piling related works are in progress on the subject site. The following table outlines the summary of the awarded contract available and construction works certified completed to-date (based on the interim certificate made available to us by the Client).

6.1 IDENTIFICATION OF PROPERTY (CONT'D)

Contractor	Contract Works	Contract Sum	Interim Certificate No. / Date of Certificate	Value of Work Done	% of Completion
Borneo Geotechnic Sdn Bhd	Site clearance, earthwork, piling and sub-structure works for Lot PT 2670 and PT 256	RM33,312,194.41*	Certificate No. 8 / 25th August 2022	RM15,890,222.84	47.11%

Note:
(1) We note that the awarded contract sum for Borneo Geotechnic Sdn Bhd was originally at RM32,749,075.00 vide awarded contract bearing Ref No. ASA/BORNEO/LOA/052 dated 10th January 2022. However, Interim Certificate No. 8 indicated there has been a variation order amounting to RM563,119.41 to the original contract sum. As such, we have adopted the adjusted contact sum of RM33,312,194.41 as fair representation in our valuation.

Expected Date of Completion

We were made to understand by the Client that the overall development is scheduled to be completed by Q4 2025.

6.2 MARKET VALUE

Valuation Methodology

In arriving at our opinion of the Market Value, we have considered the **Income Approach by Residual Method** as the only preferred and appropriate method of valuation.

Market Value

RM95,000,000.

Income Approach by Residual Method

The table overleaf outlines the salient valuation assumptions adopted in undertaking our valuation assessment.

Summary of Parameters		
GDV	SOHO Units	RM474,369,162 (after bumiputera 7% discount and 30% allocation and developer's discount)
	Hotel Suites	RM110,000,000
Remaining GDC	RM449,338,784 (1)	
Remaining Development Period	4.50 years	
Present Value (Discount Rate)	8.25%	

Note: (1) The remaining Gross Development Cost may not tally with the total cost adopted less the total value of works completed / certified amount to-date as tabulated in the summary of Gross Development Cost (GDC) due to rounding.

GDV – SOHO Units

We have made reference to the selected secondary transactions located within competitive development(s) by using the Comparison Approach to determine the fair selling price.

6.2 MARKET VALUE (CONT'D)

Sales Comparables and Analysis of SOHO			
	GDV Comparable 1	GDV Comparable 2	GDV Comparable 3
Address	Strata No. 126819 (M1B/35/1012), Liberty Arc @ Ampang Ukay, Persiaran Ampang Ukay, 68000 Ampang Jaya, Selangor	Developer Parcel No. 80140(T1/23A/07), Arte+ @ Jalan Ampang, Jalan Bemban, 55000 Kuala Lumpur	Developer Parcel No. 274 (B/20/06), The Elements, Jalan Bemban, 55000 Kuala Lumpur
Property Type	A SOHO unit	A serviced apartment unit	A serviced apartment unit
Tenure	Interest in perpetuity	Interest in perpetuity	Interest in perpetuity
Built-up Area (square metre)	42.00	68.47	65.00
Consideration	RM377,000	RM600,000	RM630,000
Transaction Date	31st March 2022	11th November 2021	4th August 2021
Vendor(s)	Ecofirst Land Sdn Bhd	Chai Shong Wui	Wong Kuan Lai
Purchaser(s)	Goh Su Lin	Chan Wen Yee	Muhamad Alif Bin Ibrahim
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)		
Analysis	RM8,976.19 psm (RM833.92 psf)	RM8,763,35 psm (RM814.14 psf)	RM9,692.31 psm (RM900.44 psf)
Adjustments	General adjustments are made for location / establishment, accessibility / infrastructure, exposure / frontages, unit size, building condition / age / specification and development concept		
Adjusted Analysis	RM11,220.24 psm (RM1,042.39 psf)	RM10,954.18 psm (RM1,017.68 psf)	RM12,170.58 psm (RM1,170.58 psf)

Valuation Rationale

With total effective adjustments made for all Comparable(s), we have placed greater emphasis and reliance on GDV Comparable 1 (being the latest transaction and least adjusted) after having considered and made diligent adjustments for location / establishment, accessibility / infrastructure and building condition / age / specifications.

Based on the foregoing, we have thus adopted the effective adjusted value of RM1,050 per square foot in our valuation after having made the necessary adjustments for the base plot (441sf).

6.2 MARKET VALUE (CONT'D)

Summary of Adjustments of the SOHO units		
Base Unit Analysis		
Typical Sizing	441 square feet	@ RM1,050 psf

Built-up Ranges (Square Feet)	General Adjustments	Adjusted Value (RM psf)
441 sf to 527 sf	No adjustment	RM1,050 psf
840 sf to 861 sf	Size (-10%)	RM998 psf
1,399 sf to 1,464 sf	Size (-15%)	RM893 psf
1,055 sf	Size (-10%)	RM945 psf
1,873 sf	Size (-20%)	RM840 psf

Using the base unit of a typical unit sizing (441 sf), general adjustment was made for differential in sizing by range. Typically, a larger unit is lower rate per square foot and thus, a downward adjustment is made as the built-up range increases.

Therefore, we consider a lower rate per square foot is applicable to the respective built-up range based on the base plot of typical sizing (441sf) at RM1,050 psf.

Sales Comparison and Analysis of Hotel Transactions	Comparable 1	Comparable 2	Comparable 3
Address	Impiana KLCC Hotel & Spa, No. 13, Jalan Pinang, Kuala Lumpur, 50450 Kuala Lumpur	Sunway Clio Hotel, Jalan PJS 11/15, Bandar Sunway, 47500 Petaling Jaya, Selangor Darul Ehsan	The Boulevard – St Giles Premier Hotel, Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur
Tenure	Interest in perpetuity	Leasehold interest for a term of 99 years	Leasehold interest for a term of 99 years
No. of Room	519 rooms	401 rooms	390 rooms
Star Rating	4-star	4-star	4-star
Age of Building	Approximately 15 years	Approximately 13 months from the latest issuance date of CCC	Approximately 13 years
Consideration	RM468,000,000	RM230,000,000	RM305,700,000
Date of Transaction	12th April 2018	3rd August 2017	27th October 2017.
Vendor	Impiana Sdn Bhd.	Sunway Forum Hotel Sdn. Bhd.	IGB Corporation Berhad
Purchaser	Bio Osmo Berhad.	RHB Trustees Berhad, as the trustee of Sunway REIT	Goldis Berhad
Source	Bursa Malaysia Securities Berhad / Circular dated 31st January 2019	Bursa Malaysia Securities Berhad / Circular dated 10th October 2017 / Knight Frank Research	Bursa Malaysia Securities Berhad / Circular dated 27th October 2017
Analysis	RM901,734 per room	RM573,566 per room	RM783,846 per room
Remark(s)	-	The above transaction consideration excludes the retail & car park components.	-

Sales Comparison and Analysis of Hotel Transactions (Cont'd)	Comparable 1	Comparable 2	Comparable 3
Adjustments	General adjustments made for location, establishment of the development / maturity of the asset, hotel facilities, condition / age of building, hotel operator and ownership status	General adjustments made for location, tenure, condition / age of building, ownership status, ownership of car park and master lease arrangement	General adjustments made for location, accessibility / infrastructure, tenure, establishment of the development / maturity of the asset, hotel facilities, condition / age of building, hotel operator and ownership of car park
Adjusted Value	RM766,474 per room	RM745,636 per room	RM783,846 per room

Valuation Rationale

With total effective adjustments made for all Comparable(s); we have thus placed greater reliance on Comparable 1 (Impiana KLCC Hotel & Spa) (being the most recent transaction among the selected Comparables) after having considered and made diligent adjustments for location, establishment of the development / maturity of the asset, hotel facilities, condition / age of building, hotel operator and ownership status.

Based on the foregoing, we have thus adopted a value for the Subject Property to be RM110,000,000 (analysed to be RM758,621 per room) as fair representation by using the Comparison Approach.

GDC

In arriving at the Gross Development Cost (GDC), we have made reference to the total awarded contract sum along with its value of work done to-date, Client's proposed / actual costings; as well as the industry average costing as derived from analysis of other awarded contracts of similar projects and average building costs of similar type of properties published in JUBM and Arcadis Construction Cost Handbook Malaysia 2022.

Summary of Parameters – Gross Development Cost (GDC)				
Description	**Analysis**	**Total Amount**	**Value of Work Done / Certified Completed**	**Remarks**
Land Related Charges and Statutory Contribution	Analysed at 7.15% of total GDV (including the relevant land premium and development order / charges)	RM41,794,080	RM29,420,894	We have made reference to actual amount payable, Client's proposed / actual costings, provisions and industry average costings.
Preliminaries and Infrastructure Cost	Analysed at RM355.34 psf over land area (including piling related works and substructure)	RM33,732,145	RM15,890,223	We have made reference to Client's proposed / actual costings, awarded contracts / letter of award, industry average costing and awarded contracts for similar projects.
Building Construction Cost	RM215 psf over total GFA	RM283,405,105	RM1,589,224	We have made reference to Client's proposed / actual costings, awarded contract sum, industry average costing and awarded contracts for similar projects.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

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Summary of Parameters – Gross Development Cost (GDC) (Cont'd)				
Description	**Analysis**	**Total Amount**	**Value of Work Done / Certified Completed**	**Remarks**
Professional Fees	Analysed at 5.00% of Total of Preliminaries and Infrastructure Cost, and Building Construction Cost	RM15,856,862	RM2,009,575	We have made reference to Client's proposed / actual costings, awarded contracts / letter of award, industry average costing as well as awarded contracts of other similar projects.
Contingencies	3.00% of total remaining preliminaries, infrastructure costs, building construction cost and professional fees	RM9,405,153	-	We have adopted a rate of 3.00% of the total remaining preliminaries, infrastructure costs, building construction costs and professional fees as contingencies to be fair representation and reflective of market industry for the intended development.
Marketing, Agency and Legal Fees	2.00% of total net GDV of remaining unsold units for medium cost (without price restrictions) apartment	RM11,687,383	-	We have adopted 2.00% of the total GDV as marketing, agency and legal fees to be fair and reflective of industry practice.
Financial Charges	30.00% of remaining of Total Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees and Contingencies capitalized at 6.75% per annum for a period of 2.25 years	RM14,712,598	-	Bridging finance is based on 30.00% of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies, at an interest rate of 6.75% per annum over a period of 2.25 years; after having taken into consideration of the construction progress and development phasing. In arriving at the borrowing rate, we have generally benchmarked against the average base rate offered by banks at 2.50% + a spread in the region of 4.00% for any typical project financing.
Developer's Profit	15.00% of Total GDV	RM87,655,374		Typically, a rate of return of about 10.00% to 20.00% of GDV is required for a developer to commit to a project development. We have thus adopted 15.00% for the total GDV as developer's profit as fair representation and reflective of industry average.
Total		**RM498,248,700**	**RM48,909,916**	**–**

Development Period

We have adopted a remaining development period of **4.50 years** as reasonable after having considered the current status of the development, demand, take-up rates and sales performance of other similar developments, the type and intensity of the development, the product features being offered as well as the potential impact of the COVID-19 outbreak.

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7.0 V/COR/22/0102(G) – LOT 220, SETAPAK

7.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in a parcel of vacant land designated for residential use identified as Lot 220 held under Title No. Geran Mukim 543, Locality of Setapak 4th Mile, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

Locality

Located within the locality of Setapak, approximately 5 kilometres due north-east from Kuala Lumpur city centre; bordered and bounded by residential settlement of Kampung Kuantan and Residensi Platinum Teratai to its immediate east; and the residential and commercial establishment of Danau Kota and KL Traders Square to its north-east.

Tenure

Interest in perpetuity.

Registered Proprietor

Montanica Development Sdn Bhd.

Land Area

6,980.00 square metres (1.725 acres | 0.698 hectares).

Note: Based on Certified Plan No. PA 14-101679, we note that Lot 220 is having a surveyed land area of 7,031 square metres (1.737 acres | 0.703 hectares). For the purpose of this Report and Valuation, we have adopted the surveyed land area of 7,031 square metres (1.737 acres | 0.703 hectares) in our valuation assessment.

Category of Land Use

"Tidak dinyatakan".

Site Description

The subject site is regular shaped with existing accessibility on its north-western and south-eastern boundary via unnamed metalled road bordering its neighbouring lot, Lot 218 and Lot 226 respectively. Upon redevelopment, the Client intends to jointly developed Lot 220 (Subject Property) along with its neighbouring lot, Lot 226 (discussion in progress); which will further enhance the existing accessibility of Lot 220 by having future accessibility from Jalan Kuraman, off Jalan Langkawi which forms part of Platinum Teratai development (leading towards Lot 226).

In accordance to the Topography Plan bearing Plan No. G12114T-DE2 prepared by Jurukur Generasi Sdn Bhd, we note the subject site is generally flat in terrain and lies at about the same level as the street elevations. Presently, we note that the Subject Property is located within close proximity (approx. 100 metres due north) to a transmission line and part of the site accommodates temporary buildings / structures comprising of semi-concrete buildings, garage(s), shrine(s) and an old wooden house with a chicken coop and to the east of the site erected upon with a store and a semi-concrete building which was constructed and encroached onto the Subject Property along its southern site boundary by the neighbouring lot (Lot 226); which are generally unoccupied and in fair state of decorative repair condition with a combined estimated gross floor area of approximately 410.91 square metres (4,423 square feet). The balance portion of the site are generally covered with heavy undergrowth and wild trees; with the site(s) boundaries generally demarcated by metal hoardings.

7.1 IDENTIFICATION OF PROPERTY (CONT'D)

Site Description (Cont'd)

However, we were made to understand by the Client that the buildings and structures constructed thereon have not been issued with any Certificate of Fitness for Occupation (CFO) or Certificate of Completion and Compliance (CCC). **As such, for the purpose of this Report and Valuation, we have <u>excluded</u> the value(s) of all existing buildings and structures constructed thereon.**

Planning

The Subject Property is currently an unconverted development land located within an area designated and zoned for residential use with permitted density of 80 persons per acre.

7.2 MARKET VALUE

Valuation Methodology

In arriving at the Market Value of vacant land without detailed and approved development plans, we have considered the **Comparison Approach** as the only preferred and appropriate method of valuation.

Market Value

RM15,500,000.

Comparison Approach

We have identified and analysed the selected land sales transactions in the immediate and surrounding vicinity of the Subject Property and summarised the details in the tables attached below and overleaf.

Sales Comparison and Analysis of Vacant Residential Land			
	Comparable 1	**Comparable 2**	**Comparable 3**
Identification	Lot 201687 held under Title No. PN 54009 (formerly known as Lot PT 50068 held under Title No. HSD 121169), Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot 201562 held under Title No. GM 2545, Locality of Sungei Untot and Lot 30259 held under Title No. GM 2273; both located within Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot 201437 & Lot 201438 held under Title No(s). PN 52873 & PN 52872; both located within Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Location	Located along Jalan Prima Setapak, Off Jalan Pahang, Kuala Lumpur	Located along Jalan Sentul Pasar, Kuala Lumpur	Located along Jalan Dato Senu 3, Off Jalan Senu, Kuala Lumpur
Property Type	A parcel of residential land designated for affordable housing development	Two (2) parcels of development lands	Two (2) parcels of residential lands
Title Land Area	2.415 acres (105,212 square feet)	97,865 square feet	90,180 square feet
Tenure	Leasehold interest for a term of 99 years, expiring on 13th October 2087	Interest in perpetuity; in respect of all titles	Leasehold interest for a term of 99 years, expiring on 19th March 2116
Planning	Zoned for residential use with permissible density of up to 1,000 persons per acre	Zoned for commercial use with permissible plot ratio of 1:4	Zoned for residential use with permissible density of up to 400 persons per acre

Sales Comparison and Analysis of Vacant Residential Land (Cont'd)			
	Comparable 1	Comparable 2	Comparable 3
Consideration	RM25,700,000	RM29,000,000	RM29,000,000
Date	28th October 2021	25th January 2021	3rd August 2019
Analysis	RM244.27 per square foot	RM308.00 per square foot	RM321.58 per square foot
Vendor	Anting Holdings Sdn Bhd.	Sunsuria Genlin Development Sdn Bhd.	Nik Hussain Holdings Sdn Bhd
Purchaser	Prominent Maxim Sdn Bhd (previously known as Tadmax Builders (Labuan) Sdn Bhd), 51%-owned subsidiary of Maxim Global Berhad.	Kerjaya Property Sdn Bhd, wholly-owned subsidiary of Kerjaya Prospek Property Berhad.	Skyawani 5 Development Sdn Bhd
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH) / Bursa Malaysia Securities Berhad.		
Remark	-	We note that Comparable 2 has obtained approval for 559 units of serviced apartment development comprising a block of 37-storey serviced apartment together with 7-levels of car park podium and a sub-basement on 28th May 2019 which believed to have lapsed as at the date of transaction	We note that Comparable 3 ha3 obtained approval for a residential development (615 units of affordable housing) comprising a block of 31-storey apartment together with 9-levels of car park podium on 30th March 2017 held under previous lot number identification as Lot PT 10104 & Lot PT 10105 before the date of transaction
Adjustments	General adjustments are made for location / establishment, accessibility / infrastructure, tenure, shape, exposure / frontages, category of land use, zoning / express condition, plot ratio / density, planning approval and adverse features		
Adjusted Value	RM207.63 per square foot	RM200.20 per square foot	RM209.03 per square foot

Valuation Rationale

From the above adjusted values, we note that the derived values ranged between RM200.20 per square foot to RM209.03 per square foot. In view of limited recorded transactions of identical land sales transactions in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued. Although total adjustments (in selected comparable(s) are up to 85%) were considered and made in our assessment, we are of the view that the selected comparable(s) adopted are still considered relevant as the selected comparable(s) are located within the same locality (Mukim Setapak) and to have relatively similar attributes as compared to the Subject Property.

With total effective adjustments made for all Comparable(s); we have placed greater reliance on Comparable 1 being the latest transaction with least adjusted by factors) after having considered and made diligent adjustments for accessibility / infrastructure, tenure, exposure / frontage, category of land use, zoning / express condition and plot ratio / density.

7.2 MARKET VALUE (CONT'D)

Valuation Rationale (Cont'd)

In arriving at the final value of the Subject Property, we have allocated and considered a quantitative adjustment amounting to RM44,234 to be incurred over 6 months period (works relating to demolition of the existing buildings constructed thereon which are required to be carried out prior to commencement of any development on site) and discounted at a rate of 3.50%. After having considered the industry average costing as derived from analysis of other awarded contracts of similar demolition work (ranging from RM5.00 per square foot to RM15.00 per square foot), we have allocated RM10.00 per square foot over the total gross floor area of the existing buildings constructed thereon as fair and adequate.

The present value for development period of 6 months was considered to reflect the time required to reinstate the land prior to any development being able to take place. In our opinion, the lack of land transactions (as investment asset) in the market has resulted in continued difficulties in assessing a benchmark for yields. From our investigation and informal survey from land owners, the most probable expected return would be in the region of 3.00% - 4.00%; and thus, we have adopted 3.50% as fair representation.

The value derived from our Comparison Approach together with the costing stated above is summarised as below.

Land Size	Adopted Value	Market Value
Land Area: 75,681 sf	RM207.63 psf	RM15,713,609
Less: Demolition Cost	Estimated Floor Area of 4,423 sf @ RM10.00 psf	(RM44,234)
		RM15,669,375
	Present Value @ Discount Rate of 3.50% for 0.50 years	0.9829
	Market Value	**RM15,402,155**
	say	**RM15,500,000**

Based on the foregoing, we have thus adopted a round-up value of **RM15,500,000 (analysed to be RM204.81 per square foot**) in our valuation as fair representation by using the Comparison Approach.

8.0 V/COR/22/0102(H) – LOT 481729, SALAK SOUTH

8.1 IDENTIFICATION OF PROPERTY

Interest Valued / Type of Property

Legal interest in a parcel of land with the benefit of planning approval for rezoning of the designated land use from commercial to mixed-use with an approved plot ratio of 1 : 6.27 and an approved density of up to 998 persons per acre; and approved thereafter for a mixed-use development comprising two (2) blocks of 26-storey "Residensi Wilayah" apartment tower (1,218 units) sited atop a six (6)-storey car park cum facility podium (Phase 1) and three (3) blocks of 44-storey apartment suite tower (1,218 units) sited atop an eight (8)-storey car park cum facility podium; along with all common infrastructure and supporting amenities + facilities attached thereto (Phase 2); held under Lot 481729, Title No. Pajakan Negeri 53589, Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

Locality

Located within the locality of Salak South; bordering Taman Desa and Sungai Besi within Mukim Kuala Lumpur; and the location of the site is strategically flanked by various highways / expressways; with the Kuala Lumpur - Seremban Expressway located to its west, the East - West Link Expressway (SALAK) to its south, the Sungai Besi Expressway (SBE) to its east and the Maju Expressway (MEX) to its south-east.

Tenure

Leasehold interest for a term of 99 years, expiring on 13th November 2118.

Registered Proprietor

Fitrah Resources Sdn Bhd.

Surveyed Land Area

39,530 square metres (9.768 acres | 3.953 hectares).

Category of Land Use

"Bangunan".

Site Description

The subject site is generally flat in terrain and accessible via the said internal service road off Jalan Sungai Besi which extends from the Sungai Besi Expressway (SBE). Other future accessibilities by roads or interchanges from the surrounding highways / expressways will be available upon development of the subject site. Based on our inspection, we note that the site is generally covered with light undergrowth and the perimeters are generally delineated with metal hoarding sheets.

Planning

Pursuant to a letter dated 17th December 2021 issued by Dewan Bandaraya Kuala Lumpur, we noted that the below applications have been made: -

(i) Rezoning from commercial to mixed-use at a permitted density of 800 persons per acre and an average permitted plot ratio of 1:6.27; and

(ii) Planning approval for a mixed-use development comprising one (1) block of 21-storey "Residensi Wilayah" apartment tower (977 units) sited atop a five (5)-storey car park cum facility podium (Phase 1) and one (1) block of 52-storey apartment suite tower (977 units) sited atop an eight (8)-storey car park cum facility podium; along with all common infrastructure and supporting amenities + facilities attached thereto (Phase 2).

8.1 IDENTIFICATION OF PROPERTY (CONT'D)

Planning (Cont'd)

The total development charges payable to Dewan Bandaraya Kuala Lumpur for the abovementioned applications amounted to RM20,956,000 (after waiver of RM7,832,000 from the total amount of RM28,788,000), with total chargeable ISF contributions for road and drainage of RM1,158,840 (payment made via bank draft on 14th January 2022).

Pursuant to a subsequent letter issued by Dewan Bandaraya Kuala Lumpur dated 28th January 2022, it is revealed that a further discount of RM3,105,000 has been granted to the aforementioned development charges of RM20,956,000. Thus, based on the revised payment schedule prepared by Dewan Bandaraya Kuala Lumpur, the revised amount payable is tabulated as follows.

Date	Principal	Interest	Total
7th February 2022	RM1,000,000.00	RM0.00	RM1,000,000.00 (payment made on 14th Jan 2022)
7th May 2022	RM2,106,375.00	RM3,693.37	RM2,110,068.37 (Note)
7th August 2022	RM2,106,375.00	RM339,790.03	RM2,446,165.03 (Note)
7th November 2022	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7th February 2023	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7th May 2023	RM2,106,375.00	RM328,709.92	RM2,435,084.92
7th August 2023	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7th November 2023	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7th February 2024	RM2,106,375.00	RM339,790.03	RM2,446,165.03
Total	**RM17,851,000.00**	**RM2,371,143.45**	**RM20,222,143.45**

Note: We were made to understand by the Client that the scheduled payments of RM2,110,068.37 and RM2,446,165.03 have been made via bank cheques on 12th May 2022 and 11th August 2022 respectively. However, official receipts have yet to be issued by Dewan Bandaraya Kuala Lumpur as of the date of valuation.

Vide a copy of the Development Order (DO) approval letter issued by Dewan Bandaraya Kuala Lumpur bearing Reference No. (78)dlm.DBKL.JPRB.8117/2020 dated 28th February 2022, we note that the relevant planning approval based on the abovementioned application has been granted, subject to the terms and conditions stated therein.

Subsequently, pursuant to an Amended DO (ADO) Approval Letter dated 19th August 2022 issued by Jabatan Perancangan Bandaraya of Dewan Bandaraya Kuala Lumpur, we note that an application for amendment on the aforementioned DO was made for increased density of up to 998 persons per acre with similar plot ratio of 1 : 6.27; and with amended development components comprising two (2) blocks of 26-storey "Residensi Wilayah" apartment tower (1,218 units) sited atop a six (6)-storey car park cum facility podium (Phase 1) and three (3) blocks of 44-storey apartment suite tower (1,218 units) sited atop an eight (8)-storey car park cum facility podium; along with all common infrastructure and supporting amenities + facilities attached thereto (Phase 2). The approval was granted for the ADO submission with condition to allocate 10% provision for visitor and OKU car park based on Garis Panduan Perancangan Keperluan Tempat Letak Kenderaan (Edisi 2021).

8.2 MARKET VALUE

Valuation Methodology

In arriving at the Market Value of vacant land without detailed and approved development plans, we have considered the **Comparison Approach** as the only preferred and appropriate method of valuation.

Despite the ADO approval was granted, we were made to understand that, as of the date of valuation, the revised proposed layout plan (detailing unit sizing and specifications of the respective components) relating to the ADO has yet to be approved. Thus, without proper detailed approved building plans with defined unit sizing and specifications together with proposed developer's pricings and awarded contracts for construction works, the Income Approach by Residual Method may not be appropriate as it requires many assumptions and estimations regarding the hypothetical improvements that the end result is very much speculative and subjective.

In absence of definite, detailed and approved building plans, the Residual Method of Valuation is very much a theoretical methodology where the finer details of the hypothetical end product and estimated building costs are much more difficult to determine with precision. Merely relying on master planning, proposed developments, zoning or other planning controls are theoretical in nature as reliability of the Residual Method depends on the confidence placed on the Gross Development Value and Gross Development Cost computations.

Market Value

RM120,000,000.

Comparison Approach

We have identified and analysed the selected land sales transactions in the immediate and surrounding vicinity of the Subject Property and summarised the details in the tables attached below and overleaf.

Sales Comparison and Analysis of Vacant Development Land			
	Comparable 1	Comparable 2	Comparable 3
Identification	Lot 20034 Section 69 held under Title No. PN 53546, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot PT 6584 and Lot PT 6585 held under Title No. HSD 103596 and HSD 103595 respectively, both located within Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Lot 1560, Lot 1561, Lot 101468, Lot 304, Lot 305 and Lot 598 held under Title No. GM 1210, GM 1211, GM 4375, HSD 77771, HSD 77772 and HSD 95318 respectively, all located within Mukim Petaling, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Location	Located along Lorong Belfield, Kampung Attap	Located within Taman Pertama, Cheras	Located within Taman Salak South
Property Type	A parcel of mixed-use land	Two (2) parcels of residential land	Six (6) adjoining parcels of development land with the benefit of planning approval for development of serviced apartments
Title Land Area	209,616 square feet	498,778 square feet	201,821 square feet

Sales Comparison and Analysis of Vacant Development Land (Cont'd)			
	Comparable 1	Comparable 2	Comparable 3
Tenure	Leasehold interest for a term of 99 years, expiring on 3rd December 2118	Leasehold interest for a term of 99 years, expiring on 1st July 2102; in respect of both titles	Interest in perpetuity; in respect of all titles
Planning	Zoned for mixed-use with permitted plot ratio of 1 : 5. According to the title document, we note that Lot 20034 conveys an express condition whereby it is designated for 30% affordable housing and 70% serviced apartment.	Zoned for residential use with permitted density of 800 persons per acre	Zoned for commercial use; and approved for the development of two (2) blocks of 22-storey serviced apartment tower (440 units) sited atop a 7-storey car park podium, and two (2) blocks of 22-storey serviced apartment tower (550 units) sited atop a 7-storey car park podium with one (1) level of basement car park; along with all common infrastructure and supporting amenities + facilities attached thereto; with approved plot ratio of 1 : 5.08
Consideration	RM1125,000,000	RM170,000,000	RM90,300,000
Date	23rd May 2022	28th August 2020	28th March 2019
Analysis	RM596.33 per square foot	RM340.83 per square foot	RM447.43 per square foot
Vendor	Cahaya Tinggi Sdn Bhd	Pacific Mutiara Sdn Bhd	TC Goldyear Sdn Bhd
Purchaser	EUPE Belfield Sdn Bhd (an indrect wholly-owned subsidiary of EUPE Corporation Berhad)	UEM Land Berhad	Mah Sing Properties Sdn Bhd (a wholly owned subsidiary of Mah Sing Group Berhad)
Source	Bursa Malaysia Securities Berhad	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)	Bursa Malaysia Securities Berhad
Adjustments	General adjustments are made for prevailing market condition / time, location / establishment, accessibility / infrastructure, tenure, land size, terrain / level, exposure / frontages, category of land use, zoning, express condition, restriction-in-interest, plot ratio / density, planning approval and adverse features		
Adjusted Value	RM268.35 per square foot	RM304.19 per square foot	RM223.71 per square foot

Valuation Rationale

From the above adjusted values, we note that the derived values ranged between RM223.71 per square foot to RM304.19 per square foot. In view of limited recorded transactions of identical land sales transactions in the immediate and surrounding localities, we have resorted to adopt the selected comparable(s) in our assessment by Comparison Approach; as it is not possible to identify exactly alike properties to make reference to, hence appropriate adjustments are made to reflect the differences of the comparable(s) and the property being valued.

Although total adjustments (are in excess of 65%) were considered and made in our assessment, we are of the view that the selected comparable(s) adopted are still considered relevant as the selected comparable(s) have relatively similar attributes as compared to the Subject Property. With total effective adjustments made for all Comparable(s); we have placed greater reliance on Comparable 1 (being the most recent transaction with least adjustments) after having considered and made diligent adjustments for location / establishment, accessibility / infrastructure, land size, express condition, restriction-in-interest, planning approval and adverse features.

8.2 MARKET VALUE (CONT'D)

Valuation Rationale (Cont'd)

Based on the foregoing, we have thus adopted a value for the Subject Property to be **RM114,181,088 (analysed to be RM268.35 per square foot)** as fair representation by using the Comparison Approach.

We have further included the payments made for development charges to-date which amounts to RM5,556,233.40, and noted that the remaining outstanding scheduled payments amounting to RM14,665,910.07 are currently unpaid. The value derived from our Comparison Approach together with the abovementioned inclusion of payments made for development charges to-date is summarised as below.

Description		Market Value
425,497 square feet @ RM268.35 psf		RM114,181,088
Add: Payments Made to DBKL for Development Charges To-Date	Down payment made on 14th January 2022	RM1,000,000
	Payment made on 12th May 2022	RM2,110,068
	Payment made on 11th August 2022	RM2,446,165
	Total Market Value	**RM119,737,321**
	say	**RM120,000,000**

PRIVATE & CONFIDENTIAL

Radium Development Berhad
No. 7-2, PV7
Jalan Melati Utama 2
Taman Melati Utama, Setapak
53100 Kuala Lumpur

Date: 08 MAR 2023

Reference: V/COR/23/0003(A) to (G)

Dear Sir / Madam,

UPDATE VALUATION CERTIFICATE OF THE VARIOUS PROPERTIES OWNED BY RADIUM DEVELOPMENT BERHAD AND ITS SUBSIDIARIES

We were instructed by **Radium Development Berhad** (hereinafter referred to as the "Client") to prepare this Update Valuation Certificate for the inclusion in the Prospectus in relation to the proposed listing of Radium Development Berhad on the Main Market of Bursa Malaysia Securities Berhad.

The Valuation Report(s) of the abovementioned properties were previously prepared by us bearing Reference Nos. V/COR/22/0102(A) to (H) dated 22 September 2022 ("Valuation Report") and the relevant date of valuation stipulated therein was 22 August 2022. For all intents and purposes, this Update Valuation Certificate bearing Reference No. V/COR/23/0003(A) to (G) dated 8 March 2023 should be read in conjunction with our formal Valuation Reports.

Pursuant to Client's instruction, we have reviewed the latest information provided to us by the Client and re-inspected the Subject Properties on 21 February 2023 and adopted **31 January 2023** as the material date of valuation for this Update Valuation.

The basis of valuation adopted is the **Market Value** which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

We have prepared and provided this Update Valuation Certificate which outlines factors that have been considered in arriving at our opinion of Market Value and reflects all information known by us and based on present market condition.

Residential Sector

Malaysia's transition to the endemic phase since 1 April 2022 has been positive for the economy and real estate market. For the full year of 2022, the domestic economy is expected to expand 6.5% to 7.0%, revised upwards from earlier forecast of 5.3% to 6.3% (source: Bank Negara Malaysia). This follows strong economic expansions of 14.2% in 3Q2022 and 8.9% in 2Q2022 (1Q2022: 5.0%), underpinned by robust domestic demand amid improving labour market conditions following reopening of all economic sectors as well as on-going policy support.

On the lending front, due to the positive growth prospect of the Malaysian economy, the central bank raised the overnight policy rate (OPR) by 25-basis points to 2.75% on 3 November 2022. This fourth rate hike in the year, coupled with the steep increase in prices of building materials translating to higher construction costs, will likely influence purchasing decisions due to higher borrowing costs.

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Notwithstanding this and the end of home ownership campaign (HOC) in December 2021, the residential property market has improved in the first nine months of 2022. The volume of transactions in the high-rise residential segment (including serviced apartments and SOHO/SOFO/SOVO) in Kuala Lumpur was higher by 29.5% as of 3Q2022, likely supported by the resumption of economic activities, improved labour market, reopening of international borders and the return of expatriates, following the country's transition to the endemic phase. The corresponding value of transactions was, however, lower – this indicates that there may be higher demand for lower priced and affordable housing units during the period as well as property sellers being more realistic on prices.

In the earlier tabling of Budget 2023 in October, one of the main highlights is the 2% reduction in income tax, which indicates higher disposable income. Another highlight is the increase in stamp duty exemption from 50% to 75% for residential properties priced between RM500,000 and RM1 million which will end on 31 December 2023. The latter will complement the previously announced 100% stamp duty exemption for the memorandum of transfer (MOT) for houses priced RM500,000 and below until the end of 2025. Looking ahead, Budget 2023 which will be re-tabled in late February, is expected to include new measures and initiatives to boost the overall economy and the property market.

On a positive note, Phase 1 of the MRT Putrajaya Line commenced operations on 16 June 2022. The scheduled completion of Phase 2 in 2023 and the revived MRT Circle Line with completion slated by 2030, will further improve connectivity within Greater Klang Valley and lift property values along the routes.

More developers are expected to unveil attractive campaigns to boost sales of unsold inventories and new property products following the end of the popular HOC. For example, Land & General Bhd (L&G) and Sunsuria Bhd are collaborating with Affin Bank Bhd for an easy homeownership campaign under the Home Step Fast/-i mortgage product while Sunway Property launched its Signature Series 2022 campaign, offering sale promotion deals, including free MOT, an interest-free period until year-end and 100% financing from the Maybank Islamic HouzKey programme.

Environmentally friendly homes are becoming more important for sustainability and climate change mitigation. As more purchasers move towards sustainable developments incorporating eco-friendly features, property developers are gradually weaving the environmental, social, and governance (ESG) aspects into their projects' conceptualisation, design and construction stages.

SP Setia Bhd has signed a memorandum of understanding (MoU) with Tenaga Nasional Bhd (TNB) to provide smart energy and renewable energy (RE) solutions for the future primary source of electricity to potential buyers. The MoU was signed to ensure that the properties are future-ready to support the installation of battery solutions in SP Setia's upcoming developments. TNB will equip Setia properties and developments with solar, battery and electric vehicle (EV) infrastructure.

CUCKOO International, a maker of healthy home products, intends to work with more property developers to promote a healthy lifestyle and living following the COVID-19 pandemic. The company partnered with EXSIM Group to install 1,000 water purifiers throughout the building of Scarletz Suites, a serviced apartment located in Jalan Yap Kwan Seng.

In promoting and addressing sustainability in projects, Eco World Development Group Bhd and Sunway Property have signed MOUs with Public Bank to provide Special Sustainable Financing Package for customers who purchase their green-certified properties.

Meanwhile, AmBank has entered into a RM100 million green financing facility with Kerjaya Prospek Property Bhd for the development of Courtyard by Marriot Hotel. The mixed development project will be certified with GreenRE's platinum rating for its residential and gold rating for the commercial buildings.

The prolonged health-crisis has also accelerated the adoption of new and technology-driven business models for the real estate sector. Digital marketing and virtual site tours have helped developers in increasing sales and retaining customers during periods of lockdown.

The unprecedented crisis has also brought health and hygiene in high-rise living to the forefront. Moving forward, more upcoming developments are expected to incorporate touchless technology in elevator buttons and door handles, antimicrobial material / surfaces in common areas, customised sensors to adjust air quality, temperature and humidity, etc. Other trends that we foresee may come into place are dedicated workplace in homes as the work-from-home trend firmly settles in, parcel lockers due to higher demand for contactless deliveries, more open spaces, vertical / community urban farms, etc.

The short-term outlook for the housing market remains challenging due to elevated inflation and potential (further) hikes in OPR. However, with improved transactional activity and better political stability, the outlook remains cautiously optimistic.

Affordable Housing Sector

Residensi Wilayah (RW) [formerly known as Rumah Mampu Milik Wilayah Persukutuan (Rumawip)], Perumahan Penjawat Awam Malaysia (PPAM), PR1MA and Rumah Selangorku are part of the federal and Selangor state governments' initiatives to boost home ownership among the lower income group. The 'TEDUH' one-stop centre portal under the National Housing Department, Ministry of Housing and Local Government is an official channel that provides information regarding these private and public housing programmes.

Berjaya Land Berhad has launched a programme called 'Better Malaysia Foundation (BMF)' to assist the government in addressing home ownership aspirations of the country's low-income group.

Notable financial campaigns in the affordable segment include PR1MA Innovative Home Financing Scheme which is benchmarked for easy financial access. The initiative opens up more opportunities for Keluarga Malaysia (Malaysian Family), especially the young and middle-income groups to own a PR1MA house without having to worry about the loan. In line with this, Syarikat Jaminan Kredit Perumahan Berhad (SJKP), a company wholly owned by the Ministry of Finance, has been allocated RM2 billion to help provide guarantees and facilitate those who are not able to produce income statements in applying for a housing loan.

Budget 2022 introduced the 'Housing Credit Guarantee Scheme' to assist gig workers and small traders without fixed income who face difficulties in applying for financial facilities / mortgage loans while the Rent-to-Own (RTO) scheme, unveiled under Budget 2021, involved 5,000 PR1MA homes worth over RM1 billion.

However, with the rising cost of living and the unequal distribution of income, it appears that the provision of more affordable housing may not be the solution. Instead, it is imperative for the government to improve and address the struggles of Malaysians with stagnating wages, inflation, and its nexus to affordability.

Development Lands

The scarcity of sizeable development land near Kuala Lumpur leads to greater development opportunities. We foresee more developers expanding their land banks into the immediate fringe areas of the Klang Valley, particularly those along the rail transportation routes to offer a wider mix of housing products with good accessibility. These properties continued to be sought after due to their strategic locations, supported by good accessibility and connectivity to the various conurbations within Klang Valley as well as the availability of amenities and facilities.

Moving forward, the on-going mega projects such as Tun Razak Exchange (TRX), Bukit Bintang City Centre (BBCC), and Merdeka 118 project as well as the revival and continuation of large-scale infrastructure projects such as the Mass Rapid Transit Circle Line (MRT3), Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line phase 2 (MRT2) and Light Rail Transit Bandar Utama–Klang Line (LRT3) are positive for Klang Valley's real estate market.

Hotel

There is newfound optimism for the country's hospitality and tourism sector following Malaysia's transition to the endemic phase on 1 April 2022. The reopening of the country's international borders coupled with the gradual revival of the economy continue to bring relief to the heavily impacted sector.

The International Air Transport Association (IATA) expects global air travel to bounce back strongly in 2023 as countries roll out COVID-19 vaccines and learn to manage the pandemic.

Domestic tourism continues to lead the way to recovery supported by the availability of incentives / funds and government measures to back the industry as well as the new National Tourism Policy 2020 – 2030, which aims to position the country as among the top ecotourism destination.

Meanwhile, Tourism Malaysia has re-embarked on its 'Malaysia, Truly Asia' global campaign following reopening of the country's international borders on 1 April 2022.

The Malaysian government has allocated RM1.16 billion for the management and development of the tourism, arts and culture sector, including RM200 million for the recovery efforts and RM90 million for the Geran Padanan Galakan Melancong (Gamelan) programme, which involves promotion and marketing campaigns.

Under the earlier tabling of Budget 2023 in October 2022, the government had also allocated RM25 million for incentives to encourage Keluarga Malaysia (Malaysian Family) to travel domestically. The incentives will be in the form of discounts, vouchers and rebates for lodgings, tourism packages, handicrafts and artwork up to RM100.

Moving forward, the government targets to attract more than 15 million tourists with corresponding tourism receipts of RM47.6 billion for year 2023.

This Update Valuation was prepared in conformity with the Asset Valuation Guidelines issued by the Securities Commission Malaysia and the Malaysian Valuation Standards published by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia; and in accordance with the general principles adopted and limiting conditions as enclosed at the end of our formal Valuation Reports.

Brief summaries of the Subject Properties are as attached overleaf.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

No.	Reference No.	Project / Scheme	Market Value Valuation (22 August 2022)	Market Value Update Valuation (31 January 2023)
1.	V/COR/23/0003(A)	Residensi Semarak Platinum	RM1,080,000	RM1,080,000
2.	V/COR/23/0003(B)	Residensi Platinum OUG	RM187,000	RM187,000
3.	V/COR/23/0003(C)	Residensi Vista Wirajaya 2	RM132,000,000	RM1,176,000
4.	V/COR/23/0003(D)	Residensi Vista Sentul	RM68,000,000	RM85,000,000
5.	V/COR/23/0003(E)	Residensi Platinum Mira	RM83,000,000	RM78,000,000
6.	V/COR/23/0003(F)	Suite Canselor (Lot PT 50008, Off Jalan Ampang)	RM95,000,000	RM103,000,000
7.	V/COR/23/0003(G)	Residensi Desa Timur (Lot 481729, Salak South)	RM120,000,000	RM125,000,000
		Total Market Value	*** RM499,267,000**	**RM393,443,000**

* Note: The previous reported Total Market Value as at the date of valuation on 22 August 2022 is RM514,767,000. As at 31 January 2023, we note that the disposal of the vacant land identified as Lot 220, Setapak under Reference No. V/COR/22/0102(G)/hhw had been concluded on 23 December 2022. As such, for the purpose of this Update Valuation, we have excluded the aforesaid vacant land in our valuation.

For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
(signed and sealed by)

OOI HSIEN YU
Registered Valuer, V-692
MRICS, MRISM, FPEPS, MMIPEM

Date: 08 MAR 2023

Notes: -

i) Please note that this certificate shall only be valid provided always that a signature of our authorised signatory and an official seal have been affixed hereto.

ii) The above valuation is peer reviewed by Knight Frank Malaysia Sdn Bhd (Head Office), Mr. Justin Chee Ting Hwang (Registered Valuer, V-774)

1.0 V/COR/23/0003(A) – RESIDENSI SEMARAK PLATINUM

1.1 PROPERTY DESCRIPTION

Type of Property / Property Address

An apartment unit attached with forty (40) car parking bays identified as Unit No. C-32-22, Residensi Semarak Platinum, No. 4, Jalan Lestari, Kampung Padang Tembak, 54400 Kuala Lumpur.

Physical Aspect

As at the date of re-inspection, the physical state of the Residensi Semarak Platinum remained unchanged as per our previous valuation.

Legal Aspect

A private strata title search conducted on 16 February 2023 has revealed that the title particulars and legal status of the Subject Property remain unchanged as per our previous valuation.

Strata Floor Area / Occupancy Status

There is no change in terms of strata floor area as compared to our previous valuation and the Subject Property is currently unoccupied.

1.2 MARKET VALUE

Valuation Methodology

Similar to our previous valuation, we have considered the **Comparison Approach** as the only preferred and appropriate method of valuation in arriving at our opinion of the Market Value of the Subject Property.

Market Value

RM1,080,000.

Comparison Approach

We have reassessed the Market Value of the Subject Property with the latest selected secondary transactions within the same scheme, amongst others, were noted in the table attached below and overleaf.

Sales Comparison and Analysis of Apartment Units			
	Comparable 1	Comparable 2	Comparable 3
Identification	Unit No. B-23-13A, Residensi Semarak Platinum, No. 4, Jalan Platinum Semarak, Kampung Padang Tembak, 54000 Kuala Lumpur	Unit No. B-13A-13, Residensi Semarak Platinum, No. 4, Jalan Platinum Semarak, Kampung Padang Tembak, 54000 Kuala Lumpur	Unit No. B-07-13, Residensi Semarak Platinum, No. 4, Jalan Platinum Semarak, Kampung Padang Tembak, 54000 Kuala Lumpur
Scheme / Project	Residensi Semarak Platinum		
Property Type	An apartment unit	An apartment unit	An apartment unit
Strata Floor Area	86 square metres (926 square feet)	86 square metres (926 square feet)	86 square metres (926 square feet)
Tenure	Leasehold interest for a term of 99 years, expiring on 17 November 2114		
Consideration	RM450,000	RM450,000	RM470,000
Date	12 May 2022	23 March 2022	3 March 2022
Analysis	RM486.12 per square foot	RM486.12 per square foot	RM507.73 per square foot

1.2 MARKET VALUE (CONT'D)

Sales Comparison and Analysis of Condominium Units (Cont'd)			
	Comparable 1	**Comparable 2**	**Comparable 3**
Vendor	Lee Siew Hui	Lee Siew Hoong +1	Lai Ching Kuan
Purchaser	Mohd Zahir Bin Harun +1	Afiq Bin Ya'akop	Azrina Rafiq Binti Mahamd Adikan
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)		
Adjustments	General adjustments are made for floor adjustments, unit orientation / view / configuration and marketability.		
Adjusted Value	RM481.83 per square foot	RM481.31 per square foot	RM505.43 per square foot

Valuation Rationale

With total effective adjustments made for all Comparable(s); we have placed greater reliance on Comparable 1 (being the latest sale transaction) after having considered and made diligent adjustments for floor / level, unit orientation / view / configuration and marketability. Thus, we have adopted a round up value of **RM510,000 (analysed to be RM478.42 per square foot)** in our valuation as fair representation for the Market Value of the apartment unit.

As for the 38 additional car parking bays accessorised to the parcel, we have adopted the same comparables as per our previous valuation due to a dearth of new comparable transactions during the review period; and we have thus adopted a total value of **RM570,000 (analysed to be RM15,000 per bay)** in our valuation as fair representation for the Market Value of the additional car parking bays.

We have thus arrived at **RM1,080,000** as fair representation of the total Market Value for the Subject Property (apartment unit + additional 38 car parking bays).

2.0 V/COR/23/0003(B) – RESIDENSI PLATINUM OUG

2.1 PROPERTY DESCRIPTION

Type of Property / Property Address

An apartment unit designated for Perumahan Penjawat Awam Malaysia (PPA1M, now know as PPAM) identified as Unit No. A-28-19, Residensi Platinum OUG, No. 2, Jalan Jalil Muhibah, Kampung Muhibah, Bukit OUG, 58200 Kuala Lumpur.

Physical Aspect

As at the date of re-inspection, the physical state of the Residensi Platinum OUG remained unchanged as per our previous valuation.

Legal Aspect

A private strata title search conducted on 16 February 2023 has revealed that the title particulars and legal status of the Subject Property remain unchanged as per our previous valuation.

Strata Floor Area / Occupancy Status

There is no change in terms of strata floor area and occupancy status as compared to our previous valuation.

2.1 PROPERTY DESCRIPTION (CONT'D)

Registered Transaction History of the Subject Property	Pursuant to the Sale and Purchase Agreement dated 2 December 2022 made between Vistarena Development Sdn. Bhd. (the 'Developer') and Pu Nyoke Moy (the 'Purchaser'), we note that the Subject Property was transacted for a consideration of RM187,000/-.

2.2 MARKET VALUE

Valuation Methodology	Similar to our previous valuation, we have considered the **Comparison Approach** as the only preferred and appropriate method of valuation in arriving at our opinion of the Market Value of the Subject Property.
Market Value	RM187,000.
Comparison Approach	We have adopted the same comparables as per our previous valuation due to a dearth of new comparable transactions during the review period.

3.0 V/COR/23/0003(C) – RESIDENSI PV9 / RESIDENSI VISTA WIRAJAYA 2

3.1 PROPERTY DESCRIPTION

Project / Scheme	Residensi PV9 / Residensi Vista Wirajaya 2.
Physical Aspect	The overall development has been completed and was issued with a Certificate of Completion and Compliance (CCC) bearing Certificate No. LAM/WP/No.14472 dated 31 October 2022.
Interest Valued / Type of Property	Since the overall development of Residensi PV9 and Residensi Vista Wirajaya 2 have now been fully completed with CCC issued during our review period, the legal interest(s) to be valued now is based on the twenty-eight (28) remaining unsold (inventory) units with the details of individual strata titles tabulated below; all sited on **Parent Lot 201840 held under Master Title No. Pajakan Negeri 54235, Locality of Persiaran Pertahanan, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur**; bearing a main postal address as **Residensi Vista Wirajaya 2. No. 36, Jalan Tumbuhan, Taman Melati, Setapak 53300 Kuala Lumpur**.

Summary of Strata Title Particulars of the Subject Property

The following strata title particulars are common unless otherwise stated:-

Tenure	:	Leasehold interest for a term of 99 years, expiring on 14 October 2119.
Registered Proprietor	:	Ambanang Development Sdn Bhd.
Category of Use	:	"Bangunan".
Express Condition	:	"Pangsapuri Mampu Milik".

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

3.1 PROPERTY DESCRIPTION (CONT'D)

Interest Valued / Type of Property (Cont'd)

Summary of Strata Title Particulars of the Subject Property (Cont'd)

Restriction-In-Interest : (i) "Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur."

(ii) "Unit-unit pangsapuri mampu milik tidak boleh dipindah milik dalam tempoh 10 tahun daripada tarikh perjanjian jual beli ditandatangani oleh pembeli pertamanya."

Unit No	Strata Title No	Building No. (Type A1)	Storey No.	Parcel No.	Accessory Parcel No.
C-09-01	PN 54235/M1C/10/969	M1C	10	969	A476
* C-09-07	PN 54235/M1C/10/954		10	954	A480
C-09-13A	PN 54235/M1C/10/961		10	961	A487
* C-09-15	PN 54235/M1C/10/962		10	962	A488
* C-19-01	PN 54235/M1C/20/1176		20	1176	A225
C-21-01	PN 54235/M1C/22/1218		22	1218	A164
* C-21-06	PN 54235/M1C/22/1223		22	1223	A168
C-21-07	PN 54235/M1C/22/1203		22	1203	A169
* C-21-13A	PN 54235/M1C/22/1210		22	1210	A175
C-21-15	PN 54235/M1C/22/1211		22	1211	A176
* C-22-01	PN 54235/M1C/23/1239		23	1239	A143
C-22-06	PN 54235/M1C/23/1244		23	1244	A148
C-22-07	PN 54235/M1C/23/1224		23	1224	A149
* C-22-13A	PN 54235/M1C/23/1231		23	1231	A156
C-22-15	PN 54235/M1C/23/1232		23	1232	A157
C-23-01	PN 54235/M1C/24/1260		24	1260	A122
* C-23-06	PN 54235/M1C/24/1265		24	1265	A127
* C-23-07	PN 54235/M1C/24/1245		24	1245	A128
C-23-13A	PN 54235/M1C/24/1252		24	1252	A135
C-23-15	PN 54235/M1C/24/1253		24	1253	A136
* C-23A-01	PN 54235/M1C/25/1281		25	1281	A102
* C-23A-06	PN 54235/M1C/25/1286		25	1286	A106
C-23A-07	PN 54235/M1C/25/1266		25	1266	A107
C-23A-13A	PN 54235/M1C/25/1273		25	1273	A114
* C-23A-15	PN 54235/M1C/25/1274		25	1274	A115
C-25-01	PN 54235/M1C/26/1302		26	1302	A206
* C-25-13A	PN 54235/M1C/26/1294		26	1294	A95
C-25-15	PN 54235/M1C/26/1295		26	1295	A96

* Note: Sample strata title searches conducted on 21 February 2023 for this update valuation.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

Knight Frank

3.1 PROPERTY DESCRIPTION (CONT'D)

Strata Floor Area(s)

Unit No	Parcel No.	Main Parcel Area (sqm)	Accessory Parcel No.	Accessory Parcel Area (sqm)
C-09-01	969	92	A476 – Car Parking Bay	14
C-09-07	954	92	A480 – Car Parking Bay	14
C-09-13A	961	92	A487 – Car Parking Bay	12
C-09-15	962	92	A488 – Car Parking Bay	14
C-19-01	1176	92	A225 – Car Parking Bay	14
C-21-01	1218	92	A164 – Car Parking Bay	12
C-21-06	1223	92	A168 – Car Parking Bay	14
C-21-07	1203	92	A169 – Car Parking Bay	14
C-21-13A	1210	92	A175 – Car Parking Bay	14
C-21-15	1211	92	A176 – Car Parking Bay	12
C-22-01	1239	92	A143 – Car Parking Bay	14
C-22-06	1244	92	A148 – Car Parking Bay	12
C-22-07	1224	92	A149 – Car Parking Bay	14
C-22-13A	969	92	A156 – Car Parking Bay	14
C-22-15	954	92	A157 – Car Parking Bay	14
C-23-01	1260	92	A122 – Car Parking Bay	14
C-23-06	1265	92	A127 – Car Parking Bay	14
C-23-07	1245	92	A128 – Car Parking Bay	14
C-23-13A	1252	92	A135 – Car Parking Bay	14
C-23-15	1253	92	A136 – Car Parking Bay	12
C-23A-01	1281	92	A102 – Car Parking Bay	14
C-23A-06	1286	92	A106 – Car Parking Bay	14
C-23A-07	1266	92	A107 – Car Parking Bay	12
C-23A-13A	1273	92	A114 – Car Parking Bay	14
C-23A-15	1274	92	A115 – Car Parking Bay	14
C-25-01	1302	92	A206 – Car Parking Bay	24
C-25-13A	1294	92	A95 – Car Parking Bay	14
C-25-15	1295	92	A96 – Car Parking Bay	12

Property Description

The Subject Block (within which the Subject Property form part thereof) is generally constructed of reinforced concrete frame with brick infills rendered externally and plastered internally supporting a reinforced concrete flat roof. The ceilings within the common area are generally of cement plaster; whilst the floor finishes are of ceramic tiles throughout. Vertical access between various floors within the Subject Block is by means of passenger lifts and reinforced concrete staircases, strategically located within the building.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE *(cont'd)*

3.1 PROPERTY DESCRIPTION (CONT'D)

Property Description (Cont'd)

General Building Description		
Accommodations	:	Entrance foyer, living cum dining area, master bedroom with an attached bathroom / w.c., two (2) other bedrooms, common bathroom / w.c., kitchen and yard.
Ceiling	:	Cement plaster and plaster ceiling.
Wall Finishes	:	Cement plaster and ceramic wall tiles.
Floor Finishes	:	Ceramic tiles.
Doors	:	Aluminium framed incorporating glass panel, timber flush and fire rated door.
Windows	:	Aluminium casement incorporating glass panels and top hung units.

Building Services Sanitary facilities are modern and waterborne.

State of Repair The Subject Block and Subject Property are in good state of decorative repair.

Occupancy The Subject Property is currently unoccupied.

3.2 MARKET VALUE

Valuation Methodology In arriving at our opinion of the Market Value of the Subject Property (apartment units), we have considered the **Comparison Approach** as the only preferred and appropriate method of valuation.

Market Value RM1,176,000.

Comparison Approach Using the Comparison Approach, the following sales evidences of similar affordable apartments under Residensi Wilayah (with price restriction designated and strictly required to be allocated to the natives of Kampung Wirajaya) units within the same scheme, amongst others, were noted in the table attached below.

Sales Comparison and Analysis of Affordable Apartments (Per Unit)			
	Comparable 1	Comparable 2	Comparable 3
Identification	Unit No. C-28-13A, Residensi Vista Wirajaya 2, No. 36, Jalan Tumbuhan, Taman Melati, Setapak, 53300 Kuala Lumpur	Unit No. C-11-01, Residensi Vista Wirajaya 2, No. 36, Jalan Tumbuhan, Taman Melati, Setapak, 53300 Kuala Lumpur	Unit No. C-10-15, Residensi Vista Wirajaya 2, No. 36, Jalan Tumbuhan, Taman Melati, Setapak, 53300 Kuala Lumpur
Scheme / Project	Residensi Vista Wirajaya 2		
Property Type	An affordable apartment unit	An affordable apartment unit	An affordable apartment unit
Strata Floor Area	92.00 square metre (990 square feet)	92.00 square metre (990 square feet)	92.00 square metre (990 square feet)
Tenure	Leasehold interest for a term of 99 years, expiring on 14 October 2119		
Consideration	RM42,000	RM42,000	RM42,000

3.2 MARKET VALUE (CONT'D)

Sales Comparison and Analysis of Affordable Apartments (Per Unit) (Cont'd)			
	Comparable 1	Comparable 2	Comparable 3
Date	30 August 2022	2 July 2022	2 July 2022
Analysis	RM42.41 per square foot	RM42.41 per square foot	RM42.41 per square foot
Vendor	Ambanang Development Sdn Bhd	Ambanang Development Sdn Bhd	Ambanang Development Sdn Bhd
Purchaser	Zurida Binti Samsudin	Mohamad Khairil Annuar Bin Yusof	Jamaliah Binti Md Noor
Source	Sale and Purchase Agreement(s)		
Adjustments	All comparable(s) are categorised as Residensi Wilayah (with price restriction designated and strictly required to be allocated to the natives of Kampung Wirajaya) unit, thus no adjustments have been considered as all the units pricing are pre-determined and fixed upon by relevant authorities.		
Adjusted Value	RM42.41 per square foot	RM42.41 per square foot	RM42.41 per square foot

Comparison Approach (Cont'd)

In our valuation assessment, we have categorised all comparable(s) as affordable apartments under Residensi Wilayah (with price restriction designated and strictly required to be allocated to the natives of Kampung Wirajaya) unit, thus no adjustments have been considered as all the aforesaid units pricing are pre-determined and fixed upon by relevant authorities in accordance to the Development Order approval letter bearing Reference No. (77) dlm.DBKL.JPRB.3287/2015 and (78) dlm.DBKL.JPRB.3287/2015 dated 5 December 2017.

Based on the foregoing, the price per unit is RM42,000 and there are a total of twenty-eight (28) units hence, the total Market Value for the Subject Property is RM1,176,000.

4.0 V/COR/23/0003(D) – RESIDENSI VISTA SENTUL

4.1 PROPERTY DESCRIPTION

Project / Scheme

Residensi Vista Sentul.

Physical Aspect

A copy of the Interim Certificate No. 31 dated 3 February 2023; issued by Jurukur Bahan FPS Sdn. Bhd. has revealed that the main building works completed as of 31 January 2023 is about 83.49% (as compared to 69.64% completed as of 22 August 2022).

Legal Aspect

A private title search conducted on 16 February 2023 has revealed that the title particulars and legal status of the Subject Property remain unchanged as per our previous valuation.

Planning Status

The original Development Order(s) and Building Plan Approval(s) as stated in our previous valuation remain unchanged.

4.1 PROPERTY DESCRIPTION (CONT'D)

Sales Status and Performance

Block	Type	Total Units	Take-Up Rate	
			Valuation (22 August 2022)	Update Valuation (31 January 2023) *
Block A	Type A	211	100.00%	100.00%
	Type A1	3	100.00%	100.00%
	Type B	48	100.00%	100.00%
Block B	Type C	369	98.92%	100.00%
	Type D	74	100.00%	100.00%
Total		**705**	**99.43%**	**100.00%**

* Note: Based on the Sales Status Report as of 31 January 2023.

4.2 MARKET VALUE

Valuation Methodology

In valuing on-going developments which are under construction, the primary method of valuation is the **Income Approach by Residual Method** and as such, we have only adopted the Market Value as derived from the Income Approach by Residual Method.

Market Value

RM85,000,000.

Income Approach by Residual Method

The salient valuation assumptions adopted in undertaking our valuation assessment as of 31 January 2023; as compared to our previous valuation dated 22 August 2022; are outlined below.

i) Gross Development Value (GDV)

Type / Status	Valuation (22 August 2022)		Update Valuation (31 January 2023)	
	Total GDV	Net Unbilled Amount	Total GDV	Net Unbilled Amount
Sold Units	RM303,536,516 (Note 1)	RM145,024,115	RM305,538,111 (Note 2)	RM129,868,585
Unsold Units	–	RM1,670,064	–	-
Total Remaining GDV	**RM146,694,180**		**RM129,969,585**	

Notes:

(1) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to a total of RM31,362,741; which will be deducted from the Progress Billings in the form of Credit Note (CN).

(2) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to a total of RM31,562,901; which will be deducted from the Progress Billings in the form of Credit Note (CN).

4.2 MARKET VALUE (CONT'D)

ii) Gross Development Cost (GDC)

Description	Valuation (22 August 2022)		Update Valuation (31 January 2023)	
	Total Cost Adopted	Value of Work Done / Certified Completed	Total Cost Adopted	Value of Work Done / Certified Completed
Land Related Charges and Statutory Contribution	RM16,738,612	RM13,222,711	RM16,836,956	RM13,327,628
Preliminaries and Infrastructure Cost	RM4,338,738	RM3,326,755	RM4,377,557	RM3,637,181
Building Construction Cost	RM161,088,049	RM111,870,959	RM161,656,727	RM134,959,713
Professional Fees	RM7,552,738	RM3,925,484	RM7,578,221	RM5,216,903
Contingencies	RM2,692,816	–	RM1,489,935	–
Marketing, Agency and Legal Fees	RM33,401	–	-	–
Financial Charges	RM572,560	–	RM158,399	–
Developer's Profit	RM41,076,576	RM28,604,362	RM41,096,282	RM34,305,065
Total Remaining GDC	**RM160,950,272**		**RM41,747,586**	
Remaining Development Period	1.00 years		0.50 years	

- The increase in total cost adopted for land related charges and statutory contribution is attributed to the adjustments in the estimated amount payable for strata title application charges, Indah Water Konsortium Sdn Bhd (IWK) contribution and Tenaga Nasional Berhad (TNB) contribution.
- The increase in total cost adopted for preliminaries and infrastructure cost is attributed to the adjustments in the budgeted / estimated amount payable for common infrastructure costs (road and drainage, electrical and lighting, sewerage treatment plant and landscaping and turfing).
- The increase in total building construction cost is attributed to the adjustment of anticipated final account sum from the financial statement.
- The increase in total cost adopted for professional fees is attributed to the additional amount paid to the Consultants.
- The parameters adopted for contingencies, financial charges and developer's profit remain unchanged as per our previous valuation.
- In view of the current development progress (with main building works being 83.49% completed as of 31 January 2023; as compared to 69.64% completed as of 22 August 2022), we have adopted 0.50 years for the current remaining development period (as opposed to 1.00 years adopted in our previous valuation).

5.0 V/COR/23/0003(E) – RESIDENSI PLATINUM MIRA

5.1 PROPERTY DESCRIPTION

Project / Scheme

Residensi Platinum Mira.

Physical Aspect

A copy of the Interim Certificate No. 36 dated 30 November 2022 issued by ACS Jurutera Perunding Sdn Bhd has revealed that the site clearance, piling and associated works completed as of 31 January 2023 is about 90.73% (as compared to 62.82% completed as of 22 August 2022); whilst a copy of the Interim Certificate No. 3 dated 30 November 2022 issued by Kun Lim Architect has revealed that the main building works completed as of 31 January 2023 is about 0.51% (as compared to 0.15% completed as of 22 August 2022).

Legal Aspect

A private title search conducted on 16 February 2023 has revealed that the title particulars and legal status of the Subject Property remain unchanged as per our previous valuation.

Planning Status

The original Development Order(s) and Building Plan Approval(s) as stated in our previous valuation remain unchanged.

Sales Status and Performance

Type	Total Units	Take-Up Rate	
		Valuation (22 August 2022)	Update Valuation (31 January 2023) *
Type A	210	25.24%	55.71%
Type A1	35	54.29%	62.86%
Type A2	35	22.86%	51.43%
Type B / B1	348	54.31%	74.14%
Type C	35	14.29%	31.43%
Type C1	35	0.00%	8.57%
Total	**698**	**39.26%**	**61.46%**

* Note: Based on the Sales Status Report as of 31 January 2023.

Expected Date of Completion

We were made to understand that construction works / development activities of the Subject Property were voluntarily halted following a Mandamus Order, amongst other decisions delivered by the Panel Judges of the Court of Appeal on 3 October 2022, against DBKL to issue a notice of acquisition to initiate acquisition proceedings of the Subject Property under Section 47(3) of the Federal Territory (Planning) Act 1982; arising from ongoing litigation cases involving the Client in relation to the Subject Property.

Following the decisions by the Court of Appeal on 3 October 2022, the Client has filed for leave applications to appeal to the Federal Court on 1 November 2022. Subsequently, the Client has on 30 November 2022 filed motions for stay of execution of the Court of Appeal orders dated 3 October 2022.

Notwithstanding the above, for the purpose of this Update Valuation and as requested by the Client, our valuation is on the assumption and basis that there will not be any further adverse effect / material impact nor any further undue disruptions to the construction works / development activities upon successful appeal(s) by the Client; and that the ongoing development will be completed in good faith within a later revised expected date of completion without any unreasonable claims for Liquidated Ascertained Damages (LAD).

5.2 MARKET VALUE

Valuation Methodology

In valuing on-going developments which are under construction, the primary method of valuation is the **Income Approach by Residual Method** and as such, we have only adopted the Market Value as derived from the Income Approach by Residual Method.

Market Value

RM78,000,000.

Income Approach by Residual Method

The salient valuation assumptions adopted in undertaking our valuation assessment as of 31 January 2023; as compared to our previous valuation dated 22 August 2022; are outlined below.

i) Gross Development Value (GDV)

Type / Status	Valuation (22 August 2022)		Update Valuation (31 January 2023)	
	Total GDV	Net Unbilled Amount	Total GDV	Net Unbilled Amount
Sold Units	RM147,140,640 (Note 1)	RM124,881,603	RM239,382,310 (Note 2)	RM205,095,277
Unsold Units	RM215,973,181	RM215,973,181	RM137,648,113	RM137,648,113
Total Remaining GDV	**RM340,854,784**		**RM342,743,390**	

Notes:

(1) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to RM7,123,731 and RM7,544,973; which will be deducted from the Progress Billings and Unbilled Amount respectively; in the form of Credit Note (CN).

(2) The total selling prices listed in the Sale and Purchase Agreements for the Sold Units are subject to further developer's discounts / rebates amounting to RM13,544,069 and RM10,348,802; which will be deducted from the Progress Billings and Unbilled Amount respectively; in the form of Credit Note (CN).

ii) Gross Development Cost (GDC)

Description	Valuation (22 August 2022)		Update Valuation (31 January 2023)	
	Total Cost Adopted	Value of Work Done / Certified Completed	Total Cost Adopted	Value of Work Done / Certified Completed
Land Related Charges and Statutory Contribution	RM20,145,648	RM15,406,758	RM20,284,815	RM15,406,758
Preliminaries and Infrastructure Cost	RM150,000	RM104,736	RM150,000	RM104,736
Building Construction Cost	RM154,627,324	RM7,918,462	RM154,627,324	RM11,643,964
Professional Fees	RM7,140,833	RM2,247,799	RM7,140,833	RM2,670,249
Contingencies	RM10,615,301	–	RM14,749,921	–
Marketing, Agency and Legal Fees	RM4,319,464	–	RM2,752,962	–
Financial Charges	RM6,571,630	–	RM8,213,862	–
Developer's Profit	RM52,266,767	RM2,709,355	RM52,970,633	RM4,020,848
Total Remaining GDC	**RM227,449,857**		**RM227,043,794**	
Remaining Development Period	4.00 years		5.00 years	

5.2 MARKET VALUE (CONT'D)

- The parameters adopted for land related charges and statutory contributions, preliminaries and infrastructure cost, building construction cost, professional fees, marketing, agency and legal fees, financial charges and developer's profit remain unchanged as per our previous valuation.
- In view of the aforesaid decision by the Court of Appeal, we have adopted a higher contingency rate of 10.00% on remaining preliminaries and infrastructure cost, building construction cost and professional fees (as compared to 7.00% adopted in our previous valuation), and adopted a longer remaining development period of 5.00 years (as opposed to 4.00 years adopted in our previous valuation) to account for the uncertainties towards the overall development progress.

6.0 V/COR/23/0003(F) – SUITE CANSELOR (LOT PT 50008, OFF JALAN AMPANG)

6.1 PROPERTY DESCRIPTION

Project / Scheme

Suite Canselor.

Physical Aspect

A copy of the Interim Certificate No. 13 dated 3 February 2023 issued by MY Consultancy Surveyor & Project Management Sdn Bhd has revealed that the site clearance, piling and substructure works completed as of 31 January 2023 is about 66.82% (as compared to 47.11% completed as of 22 August 2022).

Legal Aspect

A title search conducted on 21 February 2023 has revealed that a new title has been issued; after the completion of the application for surrender and re-alienation by amalgamating the two (2) contiguous parcels of land (Lot PT 256 and Lot 80347) to the new Lot PT 50008 held under Title No. HSD 123214, Mukim Ampang, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur as disclosed in the previous valuation; conveying an interest in perpetuity with a provisional land area of about 8,217.1 square metres with the remaining legal status of the Subject Property remains unchanged as per our previous valuation.

Planning

The original Development Order(s) and Building Plan Approval(s) as stated in our previous valuation remain unchanged.

Sales Status and Performance

Type	Total Units	Take-Up Rate	
		Valuation (22 August 2022)	Update Valuation (31 January 2023)
SOHO	944	Yet to launch	➢ Soft launched on 13 January 2023. ➢ Official launched date was on 4 February 2023
Hotel	145	Yet to launch	100%

6.2 MARKET VALUE

Valuation Methodology

In valuing on-going developments which are under construction, the primary method of valuation is the **Income Approach by Residual Method** and as such, we have only adopted the Market Value as derived from the Income Approach by Residual Method.

Market Value

RM103,000,000.

Income Approach by Residual Method

The salient valuation assumptions adopted in undertaking our valuation assessment as of 31 January 2023; as compared to our previous valuation dated 22 August 2022; are outlined below.

i) Gross Development Value (GDV)

Component / Type	Valuation (22 August 2022)		Update Valuation (31 January 2023)	
	Total GDV	Net Unbilled Amount	Total GDV	Net Unbilled Amount
SOHO	RM474,369,162	RM474,369,162	RM474,369,162	RM474,369,162
Hotel (Note 1 & 2)	RM110,000,000	RM110,000,000	RM135,000,000	RM114,750,000
Total Remaining GDV	**RM584,369,162**		**RM589,119,162**	

Notes:

(1) As at the date of valuation, we note that the hotel component (comprising 145 fully furnished hotel rooms with four (4) star rating furnishings to be constructed and situated from Level 10 to Level 14 together with 192 car parking bays located at Level L1M, Level L1, Level B1 and Level B2, 2 disabled parking bays located at Level L1, 56 motorcycle bays located at Level B2 and Level L1 and hotel facilities located at Level 1, Level 1 Mezzanine and part of Level 44 to 51 (inclusive)) has entered into a Sale and Purchase Agreement dated 23 August 2022 between Idaman Sejiwa (Ampang) Sdn Bhd (the "Developer") and Tradisi Emas Sdn Bhd (the "Purchaser") for a total consideration of RM135,000,000; with RM20,250,000 paid.

(2) We were made to understand that Tradisi Emas Sdn Bhd is affiliated / a related party to the Client (by way of being one of the subsidiaries of Radium Development Berhad).

ii) Gross Development Cost (GDC)

Description	Valuation (22 August 2022)		Update Valuation (31 January 2023)	
	Total Cost Adopted	Value of Work Done / Certified Completed	Total Cost Adopted	Value of Work Done / Certified Completed
Land Related Charges and Statutory Contribution	RM41,794,080	RM29,420,894	RM41,988,572	RM29,557,612
Preliminaries and Infrastructure Cost	RM33,732,145	RM15,890,223	RM33,723,673	RM22,535,064
Building Construction Cost	RM283,405,105	RM1,589,224	RM283,439,032	RM2,079,231
Professional Fees	RM15,856,862	RM2,009,575	RM15,858,135	RM2,536,807
Contingencies	RM9,405,153	–	RM9,176,092	–
Marketing, Agency and Legal Fees	RM11,687,383	–	RM11,782,383	–
Financial Charges	RM14,712,598	–	RM14,354,276	–
Developer's Profit	RM87,655,374	–	RM88,367,874	–
Total Remaining GDC	**RM449,338,784**		**RM441,981,325**	
Remaining Development Period	4.50 years		4.50 years	

Note:
The remaining Gross Development Cost may not tally with the total cost adopted less the total value of works completed / certified amount to-date as tabulated in the summary of Gross Development Cost (GDC) due to rounding.

6.2 MARKET VALUE (CONT'D)

- The increase in total cost adopted for land related charges and statutory contribution is attributed to the adjustments in the additional costing from processing fees in relation to building plan / infrastructure fees and the land conversion premium / extension together with re-alienation of land charges including the increased in GDV result to increase in the Contribution to Air Selangor and IWK which is based on the percentage GDV.
- The decrease in total cost adopted for preliminaries and infrastructure cost is attributed to the adjustments in the budgeted / estimated amount payable for the material onsite and variation order.
- The slight increase in total cost adopted for building construction cost is attributed to the adjustments in the budgeted / estimated amount payable for construction of the showroom / sales gallery.
- The slight increase in total cost adopted for professional fees is attributed to the additional amount paid to the Consultants for the showroom / sales gallery.
- The parameters adopted for contingencies, marketing, agency and legal fees, financial charges and developer's profit remain unchanged as per our previous valuation.
- In view of the current development progress (with the concluded sale of the hotel component and the minimal progress having only the preliminary site works is in progress and the main building works has yet to commenced as of 31 January 2023 with no awarded contracts for main building works being awarded since the previous valuation), we have adopted the period of 4.50 years for the current remaining development period (similar as per the previous valuation).

7.0 V/COR/23/0003(G) – RESIDENSI DESA TIMUR (LOT 481729, SALAK SOUTH)

7.1 PROPERTY DESCRIPTION

Project / Scheme

Vide a letter issued by Dewan Bandaraya Kuala Lumpur bearing Reference No. DBKL.JPRB.1017/70 Bhg.XV( ) [NB 87/2022] dated 12 December 2022, the development has been named as "Residensi Desa Timur".

Physical Aspect

Vide various copies of awarded contracts and interim certificates, we noted that site clearance works, rock probing works, site hoardings, earthworks, piling works and other relevant common infrastructure works have been awarded and commenced on site since the previous valuation as of 22 August 2022. The following table outlines the summary of the contracts awarded and construction works certified completed to-date (based on the latest Interim Certificates / Certificate of Payment made available to us by the Client).

7.1 PROPERTY DESCRIPTION (CONT'D)

Contract Works	Contract Sum / Anticipated Final Sum	Value of Work Done to-date	% of Completion
Site clearance works	RM70,548	RM70,548	100.00%
Dismantling and removal of existing TNB structure	RM404,500	RM93,000	22.99%
Dilapidation survey	RM7,250	RM7,250	100.00%
Rock probing works	RM885,080	RM214,274	24.21%
Hoarding works	RM129,452	RM129,452	100.00%
External sewerage and drainage works	RM6,000,000	RM55,000	0.92%
Utilities mapping works	RM73,583	RM50,579	68.74%
TNB high voltage installation	RM33,800	RM33,800	100.00%
Earthwork, piling work, pilecap, stump and RC wall	RM34,380,000	-	-
Sales gallery and show unit	RM496,282	RM268,493	54.10%

Legal Aspect

A private title search conducted on 16 February 2023 has revealed that the title particulars and legal status of the Subject Property remain unchanged as per our previous valuation.

Planning Status

Vide copies of the Amended Development Order (ADO) approval letter bearing Reference No. DBKL.JPRB.8117/2020 Jld 1 dated 30 September 2022 along with its corresponding Approved Layout Plan, we noted that the ADO submission (as stated in the previous valuation) in relation to the amended development components comprising two (2) blocks of 26-storey "Residensi Wilayah" apartment tower (1,218 units) sited atop a six (6)-storey car park cum facility podium (Phase 1) and three (3) blocks of 44-storey apartment suite tower (1,218 units) sited atop an eight (8)-storey car park cum facility podium; along with all common infrastructure and supporting amenities + facilities attached thereto (Phase 2) have been granted with approval.

7.2 MARKET VALUE

Valuation Methodology

In view that the Subject Property has now been granted with ADO approval with detailed unit sizing and specifications of the respective components coupled with the awarded contracts + interim certificates made available, we have considered the **Income Approach by Residual Method** supported by the **Comparison Approach**.

Market Value

RM125,000,000.

Reconciliation of Value

Method of Valuation	Derivation of Market Values
Income Approach by Residual Method	RM125,000,000
Comparison Approach	RM123,000,000

7.2 MARKET VALUE (CONT'D)

Reconciliation of Value (Cont'd)

We have adopted the Income Approach by Residual Method as the most appropriate valuation methodology in assessing the Market Value of the Subject Property. The Residual Method of valuation derives the land value by estimating values of hypothetically improved properties representing the highest and best use of the site or in the case of a site with master planning approval, the proposed development and thereafter deducting estimated construction costs. In our assessment for lands granted with development approval coupled with an upcoming development plan, it would be more appropriate to adopt the Income Approach by Residual Method as our valuation would rely on the proposed / approved development plan as opposed to those lands intended for future development (without definite plan).

Income Approach by Residual Method

The table below outlines the salient valuation assumptions adopted in undertaking our valuation assessment.

Summary of Parameters		
GDV	Apartment Suites	RM629,127,380
	Residensi Wilayah	RM365,400,000
Remaining GDC	RM809,272,117	
Remaining Development Period	5.00 years	
Present Value (Discount Rate)	8.25%	

GDV – Apartment Suites

In arriving at the GDV of the apartment suites, we have made reference to the selected secondary transactions of serviced apartment / condominium units located within competitive development(s) in the vicinity by using the Comparison Approach.

Sales Comparables and Analysis of Serviced Apartment / Condominium Units	GDV Comparable 1	GDV Comparable 2	GDV Comparable 3
Address	Unit No. 1-11-3, Desa Green Serviced Apartments, Jalan Desa Bakti, Taman Desa, 58000 Kuala Lumpur	Unit No. B-15-6, The Hipster, Jalan Desa, Taman Desa, 58100 Kuala Lumpur	Unit No. F1-13A-7, Midfields 2, Jalan Besi Kawi, Taman Sungai Besi, 57100 Sungai Besi, Kuala Lumpur
Property Type	A serviced apartment unit	A condominium unit	A condominium unit
Tenure	Interest in perpetuity	Leasehold interest for a term of 99 years, expiring on 12 April 2121	Leasehold interest for a term of 99 years, expiring on 17 June 2108
Approximate Floor Area	67.00 square metres (721 square feet)	85.56 square metres (921 square feet)	100.51 square metres (1,082 square feet)
Consideration	RM400,000	RM470,000	RM500,000
Transaction Date	19 September 2022	2 August 2022	21 June 2022
Vendor(s)	Soh King Wei +1	Tang Kam Fei	Yap Lee Koon +1
Purchaser(s)	Teh Anni	Kunaseelan A/L Alagu	Christopher Chi Chee Yen
Source	Jabatan Penilaian dan Perkhidmatan Harta (JPPH)		
Analysis	RM554.65 psf	RM510.33 psf	RM462.16 psf
Adjustments	General adjustments are made for location / establishment, tenure, unit size and building condition / age / specifications.		
Adjusted Analysis	RM471.45 psf	RM484.81 psf	RM462.16 psf

7.2 MARKET VALUE (CONT'D)

With total effective adjustments made for all Comparable(s), we have placed greater emphasis and reliance on GDV Comparable 1 (being the latest transaction and the nearest scheme) after having considered and made diligent adjustments for location / establishment, tenure, unit size and building condition / age / specifications.

Based on the foregoing, we have thus adopted the effective adjusted value of RM470 per square foot in our valuation after having made the necessary adjustments for the base unit type (1,050 square feet).

Summary of Adjustments of the Apartment Suite units

Base Unit Analysis

Typical Sizing 1,050 square feet @ RM470 psf

Built-up Ranges (Square Feet)	General Adjustments	Adjusted Value (RM psf)	say
850 sf to 900 sf	Unit Size (+5%)	RM494 psf	RM495 psf
1,250 sf to 1,260 sf	Unit Size (-5%)	RM447 psf	RM450 psf
2,300 sf to 2,500 sf	Unit Size (-15%)	RM400 psf	RM400 psf

Using the base unit of a typical unit sizing (1,050 sf), general adjustment was made for differential in sizing by range. Typically, a larger unit commands lower rate per square foot and thus, a downward adjustment is made as the built-up range increases, and vice versa.

GDV – Residensi Wilayah

In arriving at the GDV of the Residensi Wilayah component, we have adopted the fixed selling price of maximum RM300,000 per unit according to the aforesaid ADO approval letter issued by Dewan Bandaraya Kuala Lumpur.

Summary of Parameters – Gross Development Value (GDV)

Type / Size	No. of Units	Total Gross Selling Price	Bumiputera Discounts	Average Net Selling Price	Total Net GDV
Apartment Suites					
Type A (850 sq ft)	440	RM185,130,000	RM2,776,950	RM414,439 per unit (RM488 psf)	RM182,353,050
Type B (900 sq ft)	86	RM38,313,000	RM574,695	RM438,818 per unit (RM488 psf)	RM37,738,305
Type C (1,050 sq ft)	344	RM169,764,000	RM2,546,460	RM486,098 per unit (RM463 psf)	RM167,217,540
Type D (1,250 sq ft)	176	RM99,000,000	RM1,485,000	RM554,063 per unit (RM443 psf)	RM97,515,000
Type E (1,260 sq ft)	43	RM24,381,000	RM365,715	RM558,495 per unit (RM443 psf)	RM24,015,285
Type F (2,300 sq ft)	86	RM79,120,000	RM1,186,800	RM906,200 per unit (RM394 psf)	RM77,933,200
Type G (2,500 sq ft)	43	RM43,000,000	RM645,000	RM985,000 per unit (RM394 psf)	RM42,355,000

7.2 MARKET VALUE (CONT'D)

Summary of Parameters – Gross Development Value (GDV) (Cont'd)					
Type / Size	**No. of Units**	**Total Gross Selling Price**	**Bumiputera Discounts**	**Average Net Selling Price**	**Total Net GDV**
Residensi Wilayah					
800 sq ft	1,218	RM365,400,000	N/A	RM300,000 per unit (RM375 psf)	RM365,400,000
Total	**2,436**	**RM1,004,108,000**	**RM9,580,620**	**–**	**RM994,527,380**

GDC

In arriving at the GDC, we have made reference to the total awarded contract sum along with its value of work done to-date, Client's proposed / actual costings; as well as the industry average costing as derived from analysis of other awarded contracts of similar projects and average building costs of similar type of properties published in JUBM and Arcadis Construction Cost Handbook Malaysia 2022.

Summary of Parameters – Gross Development Cost (GDC)				
Description	**Analysis**	**Total Amount**	**Value of Work Done / Certified Completed**	**Remarks**
Land Related Charges and Statutory Contribution	Analysed at 5.47% of Total Net GDV	RM54,374,652	RM16,278,924	We have made reference to the actual amount payable, Client's proposed costings and the industry average costing.
Preliminaries and Infrastructure Cost	Analysed at RM83 psf over land area	RM35,261,542	RM653,902	We have made reference to the Client's proposed / actual costings, awarded contract sum, industry average costing as well as awarded contracts of other similar projects.
Building Construction Cost	Analysed at RM131 psf over Total GFA (inclusive of earthworks, piling and associated works, main building works and sales gallery construction cost)	RM519,864,202	RM268,493	We have made reference to the Client's proposed / actual costings, awarded contract sum, industry average costing as well as awarded contracts of other similar projects.
Professional Fees	Analysed at 5.00% of total remaining preliminaries and infrastructure cost, and building construction cost	RM27,710,167	-	We have made reference to Client's proposed / actual costings, awarded contracts / letter of award, industry average costing as well as awarded contracts of other similar projects.
Contingencies	3.00% of total remaining preliminaries, infrastructure costs, building construction cost and professional fees	RM17,457,405	-	We have adopted a rate of 3.00% of the total remaining preliminaries, infrastructure costs, building construction costs and professional fees as contingencies to be fair representation and reflective of market industry for the intended development.
Marketing, Agency and Legal Fees	2.00% of total net GDV	RM19,890,548	-	We have adopted 2.00% of the total net GDV as marketing, agency and legal fees to be fair and reflective of industry practice.

Knight Frank

7.2 MARKET VALUE (CONT'D)

Summary of Parameters – Gross Development Cost (GDC) (Cont'd)				
Description	**Analysis**	**Total Amount**	**Value of Work Done / Certified Completed**	**Remarks**
Financial Charges	30.00% of remaining of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies; at an interest rate of 6.75% per annum over a period of 2.50 years	RM30,343,153	-	Bridging finance is based on 30.00% of Total of Preliminaries and Infrastructure Cost, Building Construction Cost, Professional Fees, and Contingencies, at an interest rate of 6.75% per annum over a period of 2.25 years; after having taken into consideration of the construction progress and development phasing. In arriving at the borrowing rate, we have generally benchmarked against the average base rate offered by banks at 2.50% + a spread in the region of 4.00% for any typical project financing.
Developer's Profit	Free Cost Apartment Suites: 15.00% of total net GDV; less profit recognised	RM94,369,107	RM156,803	Typically, a rate of return of about 10.00% to 20.00% of GDV is required for a developer to commit to a project development; whilst a lower rate of return is applicable for affordable housing developments. We have thus adopted 7.50% of the Total Net GDV for the Residensi Wilayah whilst 15.00% for the free cost apartment suites; less profit recognised; as developer's profit as fair representation and reflective of industry average.
	Residensi Wilayah: 7.50% of total net GDV; less profit recognised	RM27,405,000	RM45,536	
Total		**RM826,675,776**	**RM17,403,659**	**–**

Development Period

We have adopted a remaining development period of **5.00 years** as reasonable after having considered the current status of the development, demand, take-up rates and sales performance of other similar developments, the type and intensity of the development, the product features being offered.

Comparison Approach

Due to a dearth of recent sales transactions in the surrounding vicinity, the selected Comparables as adopted in our previous valuation as of 22 August 2022 and general adjustments remain unchanged.

However, we noted that there has been further payment made for the development charges of RM2,446,165.03 as of 7 November 2022, which results in total amount paid to-date of RM8,002,398.43 (as compared to RM5,556,233.40 in our previous valuation as of 22 August 2022).

In addition to the above, we have further included the amount certified completed to-date in relation to site clearance works, rock probing works, site hoardings and other relevant common infrastructure works which totaled to RM653,902.41 since our previous valuation.

7.2 MARKET VALUE (CONT'D)

Comparison Approach (Cont'd)

Thus, the value derived from our Comparison Approach together with the abovementioned inclusion of payments made for development charges and amount certified completed to-date is summarised as below.

<table>
<tr><th colspan="2">Description</th><th>Market Value</th></tr>
<tr><td colspan="2">425,497 square feet @ RM268.35 psf</td><td>RM114,181,088</td></tr>
<tr><td rowspan="4">Add: Payments Made to DBKL for Development Charges To-Date</td><td>Down payment made on 14 January 2022</td><td>RM1,000,000</td></tr>
<tr><td>Payment made on 12 May 2022</td><td>RM2,110,068</td></tr>
<tr><td>Payment made on 11 August 2022</td><td>RM2,446,165</td></tr>
<tr><td>Payment made on 7 November 2022</td><td>RM2,446,165</td></tr>
<tr><td colspan="2">Add: Site Clearance Works, Rock Probing Works, Site Hoardings Common Infrastructure Works Certified Completed To-Date</td><td>RM653,902</td></tr>
<tr><td colspan="2">Total Market Value</td><td>RM122,837,388</td></tr>
<tr><td colspan="2">say</td><td>RM123,000,000</td></tr>
</table>

16. STATUTORY AND OTHER INFORMATION

16.1 EXTRACTS OF OUR CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by the remainder of our Constitution and by applicable law. The words and expressions appearing in the following provisions shall bear the same meanings used in our Constitution unless otherwise defined or the context otherwise requires: -

16.1.1 Remuneration, voting and borrowing of Directors

The provision in our Constitution dealing with remuneration, voting and borrowing of Directors are as follows: -

(i) Clause 122 – Remuneration of Directors

The fees and any benefits payable to the Directors of the Company and its subsidiaries including any compensation for loss of employment of Director or former Director shall be approved by an Ordinary Resolution of the Company in general meeting annually and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that: -

(1) fee payable to non-executive Directors shall be a fixed sum, and not by a commission on or percentage of profits or turnover and which shall not exceed the amount approved by the shareholders in general meeting;

(2) remuneration and other emoluments (including bonus, benefits or any other emoluments) payable to executive directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in general meeting but such remuneration and emoluments may not include a commission on or percentage of turnover. Nothing herein shall prejudice the powers of the Directors to appoint any of their members to be the employee or agent of the Company at such remuneration and upon such terms as they think fit provided that such remuneration shall not include commission on or percentage of turnover;

(3) fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting;

(4) any fee paid to an Alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

(5) the fees and/or benefits payable to non-executive Directors who is also Director of the subsidiaries includes fees, meeting allowances, travelling allowances, benefits, gratuity and compensation for loss of employment of Director or former Director of the Company provided by the Company and subsidiaries, but does not include insurance premium or any issue of securities.

(ii) Clause 123 – Reimbursement of expenses to Directors

The Company may repay to any Directors all such reasonable expenses as he may incur in attending and returning from meetings of the Directors, or any committee of the Directors or general meeting of the Company or in connection with the business of the Company, whether within or outside his country of domicile or residence.

(iii) Clause 124 – Special Remuneration

The Directors may grant special remuneration to Director who (on request by the Director) is willing to render any special or extra services to the Company. If by any arrangement with the other Directors, any Director shall perform or render any duties, outside his ordinary duties as a Director, the Board may pay him special remuneration in addition to his fees.

(iv) Clause 133 – Directors' powers to obtain financing

Subject to the Applicable Laws, the Directors may exercise all the powers of the Company to obtain financing and to mortgage or charge its undertaking, property, and uncalled capital or any part thereof, and to issue debentures and other securities whether outright or as security for any debt, liability, or obligation of the Company or subsidiaries or associate company or any related third party. The Directors may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon with power to the Directors to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or hypothecation of or charge upon any property and asset of the Company or otherwise.

(v) Clause 134 – Restrictions on Directors' powers to obtain financing

The Directors shall not obtain financing or mortgage or charge any of the Company or the subsidiaries' undertaking, property or any uncalled capital, or issue any debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

(vi) Clause 136

(1) Subject always to Section 221 of the Act, a Director may hold any office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, lender, agent, broker or otherwise nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested, be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(2) The nature of the interest of the Director must be declared by him at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Board held after he became so interested, and in case where the Director becomes interested in a contract or arrangement after it is made, then at the first meeting of the Board held after he becomes so interested. A general notice in writing given to the Board by any Director to the effect that he is a member of any specified company or firm, and is to be regarded as interested in any contract which may thereafter be made with the company or firm shall (if such Director shall give the same at a meeting of the Board or shall take reasonable steps to secure that the same is brought up and read at the next meeting of the Board after it is given) be deemed a sufficient declaration of interest in relation to any contract so made.

(vii) Clause 137 – Director may become director of other corporation

A Director of the Company may be or become a director or other officer of or otherwise be interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise in any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment.

(viii) Clause 138 – Disclosure of interest and restriction on discussion and voting

Every Director shall comply with the provisions of Sections 219 and 221 of the Act and shall declare his interest in the Company and his interest in any contract or proposed contract with the Company as may be required by the Applicable Laws. Subject to Section 222 of the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, provided that none of the other Directors present disagree, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested provided always that he has complied with Section 221 and all other relevant provisions of the Act and this Constitution.

(ix) Clause 139 – Power to vote

Subject to Clause 138 hereof, a Director may vote in respect of: -

(1) any arrangement for giving the Director himself or any other Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;

(2) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of security;

(3) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(4) any proposal concerning any other company in which he is interested directly or indirectly and whether as an officer or member or otherwise howsoever, but is not the holder of or beneficially interested in one per centum (1%) or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interested being deemed for the purpose of this Clause to be a material interest in all circumstances);

(5) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the relevant authorities for taxation purposes.

(x) Clause 140 – Voting in respect of directors' appointment or employment with the Company

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any other company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case, each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(xi) Clause 141 – Chairman's ruling final and conclusive

If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

16.1.2 Changes to share capital

The provision in our Constitution dealing with changes to our share capital are as follows: -

(i) Clause 8 – Power to issue Shares with special rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, Applicable Laws, any other requirements of the Securities Commission, and to the provisions of any resolution of the Company, the Board may issue, allot or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine, by Ordinary Resolution, but the Board in making any issue of shares shall comply with the following conditions: -

(1) in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;

(2) no issue of shares shall be made which will have the effect of transferring a controlling interest in the Company to any person or corporation without the prior approval of the Members in general meeting;

(3) except in the case of an issue of securities on a pro rata basis to shareholders or pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements, no Director shall participate in a scheme that involves a new issuance of shares or other convertible securities to employees unless the Members in a general meeting have approved the specific allotment to be made to such Director.

(ii) Clause 10 – Issue of preference shares

Subject to the Applicable Laws, any preference shares may, with the sanction of an Ordinary Resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed on such terms and in such manner as shall be provided in this Constitution at the time such preference shares are issued.

(iii) Clause 11 – Rights of preference shareholders

Preference shareholders shall have the same rights as ordinary shareholders as regards receiving notices, reports and audited financial statements, and attending general meetings of the Company.

A holder of preference shares must be entitled to a right to vote in each of the following circumstances: -

(a) when the dividend or part of the dividend on the preference shares is in arrears for more than 6 months;

(b) on a proposal to reduce the Company's share capital;

(c) on a proposal for the disposal of the whole of the Company's property, business and undertaking;

(d) on a proposal that affects their rights attached to the preference shares;

(e) on a proposal to wind up the Company; and

(f) during the winding up of the Company.

The holder of a preference share shall be entitled to a return of capital in preference to holders of ordinary shares when the Company is wound up.

(iv) Clause 12(1) – Modification of class rights

Subject to the provisions of Sections 71 and 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the sanction of an Ordinary Resolution passed at a separate meeting of the shareholders of that class. Where necessary majority of such an Ordinary Resolution is not obtained at the meeting, consent in writing if obtained from the holders of not less than fifty-one per centum (51%) of the total voting rights of the shareholders of that class within two (2) months of the meeting, shall be as valid and effectual as an Ordinary Resolution carried at the meeting. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons who are shareholders present in person or represented by proxy holding at least one-third (1/3) of the number of issued shares of the class, excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll. For adjourned meeting, quorum is one (1) person present holding shares of such class. To every such Ordinary Resolution, the provisions of Section 291 of the Act shall with such adaptations as are necessary, apply.

(v) Clause 13 – Issue of securities

(1) The Company must not allot or issue securities or cause or authorise its Registrars to cause the Securities Accounts of the allottees to be credited with securities until after it has filed with the Exchange an application for listing for such additional securities and been notified by the Exchange that they have been authorised for listing.

(2) The Company must ensure that all new issues of securities for which listing is sought on the Exchange are made in accordance with the Applicable Laws, and shall be by way of crediting the Securities Accounts of the allottees with such securities save and except where it is specifically exempted from compliance with Section 38 of the SICDA, in which event it shall so similarly be exempted from compliance with this requirement. For this purpose, the Company must notify the Bursa Depository of the names of the allottees and all such particulars required by the Bursa Depository, to enable the Bursa Depository to make the appropriate entries in the Securities Accounts of such allottees.

(3) Subject to the provisions of the Applicable Laws, the Company shall allot or issue securities and despatch notices of allotment to all allottees within such period as prescribed by the Exchange and make application for the quotation of such securities within the stipulated time frame as may be prescribed by the Exchange and deliver to the Bursa Depository the appropriate certificate, if any, in such denomination as may be specified by the Bursa Depository registered in the name of Bursa Depository or its nominee company.

(vi) Clause 62 – Power to alter capital

The Company may alter its share capital in any one or more of the following ways by passing as Ordinary Resolution to: -

(1) consolidate and divide all or any of its share capital into shares of larger amount than its existing Shares;

(2) subdivide its share capital or any part thereof into Shares of smaller amount than is fixed by this Constitution by subdivision of its existing Shares or any of them, subject nevertheless to the provision of the Act and so that as between the resulting shares, one (1) or more of such Shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividend, return of capital, voting or otherwise over the others or any of such other Shares;

(3) cancel Shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the Shares so cancelled; and

(4) subject to the provision of this Constitution and the Act, convert and/or re-classify any class of Shares into any other class of Shares.

(vii) Clause 63 – Power to reduce capital

The Company may by Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.

(viii) Clause 64 – Purchase of own shares

Subject to the provisions of the Applicable Laws, the Company may from time to time by resolution of a general meeting, acquire by purchase in good faith, and in the best interests of the Company, the Company's own Shares through the Exchange on which the Shares are quoted provided always that the Company is solvent at the date of purchase of the Company's Shares and will not become insolvent by incurring the debt arising from the obligation to pay for Shares so purchased. Any Shares in the Company so purchased by the Company shall be dealt with as provided by the Applicable Laws.

16.1.3 Transfer of securities

The provision in our Constitution dealing with transfer of securities of our Company are as follows: -

(i) Clause 35 – Transfer of shares

Subject to the restrictions imposed by this Constitution and the Applicable Laws, Shares shall be transferable, but every transfer must be in writing and in such form prescribed and approved by the Exchange, or such form as may from time to time be prescribed under the Act or approved by the Exchange or such authorities of the stock exchange on which the Company's Shares are listed.

(ii) Clause 36 – Registration of transfer

All transfer of Deposited Security shall be effected in accordance with the Applicable Laws. The instrument shall be executed by or on behalf of the transferor and transferee; the transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Register in respect thereof.

(iii) Clause 37 – Procedure for transfer

The transfer of any securities or class of securities of the Company which have been deposited with the Bursa Depository, shall be by way of book entry by the Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to subsection 148(2) of the Act and any exemption that may be made from compliance with subsection 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such securities.

(iv) Clause 38(1) – Refusal to register transfer

Subject to the restrictions imposed by this Constitution and the provisions of any other law, there shall be no restrictions on the transfer of fully paid securities. No shares shall be in any circumstances be knowingly transferred to any infant, bankrupt or person of unsound mind. In case of Deposited Securities, the Bursa Depository may refuse to register any transfer that does not comply with the Applicable Laws.

(v) Clause 38(2) – Renunciation

Subject to the provisions of this Constitution, the Directors may recognise a renunciation of any share by the allottee thereof, in favour of some other person.

(vi) Clause 39 – Closure of Register or Records of Depositors

The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine not exceeding thirty (30) days in aggregate in any calendar year. Notice of Ten (10) Market Days' (or such other period of notice as may be prescribed under the Applicable Laws from time to time) to close the Register shall be published in a daily newspaper circulating in Malaysia and also be given to the Exchange. In relation to the closure, the Company shall give written notice in accordance with the Applicable Laws to the Bursa Depository to prepare the appropriate Record of Depositors.

(vii) Clause 40 – No liability of Directors etc

Subject to any law in Malaysia for the time being in force, neither the Company nor the Directors nor any of its officers shall incur any liability for the act of the Bursa Depository in registering or acting upon a transfer of securities apparently made by a Member or any person entitled to the securities by reason of death, bankruptcy or insanity of a Member although the same may, by reason of any fraud or other causes not known to the Company or the Directors or the Bursa Depository or other officers, be legally inoperative or insufficient to pass the property in the securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside and notwithstanding that the Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in the blank as to the name of the transferee, of the particulars of the securities transferred or otherwise in defective manner. And in every case, the person registered as transferee, his executors, administrators and assignees alone shall be entitled to be recognised as the holder of such securities and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

(viii) Clause 41(1) – Whereabouts of Member unknown

Where by the exercise of reasonable diligence, the Company is unable to discover the whereabouts of a Member for a period of not less than ten (10) years, the Company may cause an advertisement to be published in a newspaper circulating in the place shown in the Register or the Record of Depositors as the address of the Member stating that the Company, after expiration of thirty (30) days from the date of the advertisement, intends to transfer the shares to the Minister charged with responsibility for finance.

(ix) Clause 41(2) – Transfer of such Member's shares

If after the expiration of thirty (30) days from the date of the advertisement the whereabouts of the Member remains unknown, the Company may transfer the shares held by the Member to the Minister charged with the responsibility for finance and for that purpose may execute for and on behalf of such Member, a transfer of those shares to the Minister charged with the responsibility for finance.

(x) Clause 42 – Death of a Member

Subject to the provisions of the Applicable Laws, in case of the death of a Member, the legal personal representatives of the deceased shall be the only persons recognised by law as having any title to his interest in the Shares, but nothing herein contained shall release the estate of a deceased Member from any liability in respect of any Share which had been held by him.

(xi) Clause 43(1) – Share of deceased or bankrupt Member and as hereinafter provided

Any person becoming entitled to a Share in consequence of the death or bankruptcy of a Member shall, on such evidence being produced as may from time to time properly be required by the Board and subject to the Rules and as hereinafter provided, elect either to have himself registered as a Member in respect of the Share or to have some person nominated by him registered as the transferee thereof but the Board shall, in either case, have the same right to decline or suspend registration as they would have in the case of transfer of the Share by that Member before his death or bankruptcy PROVIDED ALWAYS that where the Share is a Deposited Security, subject to the Applicable Laws, a transfer or withdrawal of the Share may be carried out by the person becoming so entitled.

(xii) Clause 43(2) – Notice of elect oneself or another to be registered

If any person so becoming entitled to a share in consequence of the death or bankruptcy of a Member elects to register himself as the holder of the share, he shall deliver or send to the Company, a notice in writing signed by him and stating that he so elects, provided that where the share is a Deposited Security and the person becoming entitled elects to have the share transferred to him, the aforesaid notice must be served by him on the Bursa Depository. If he elects to have another person registered, he shall evidence his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer is a transfer signed by that Member.

(xiii) Clause 44 – Person entitled to receive and give discharge for dividend

Subject to the provisions of any law, where the registered holder of any Share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be required by the Directors and/or the Bursa Depository in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to the meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt. The Directors may at any time give notice requiring any person so becoming entitled to a Share in consequence of the death or bankruptcy of a Member, elects to register himself or to transfer the share, and if the notice is not complied within sixty (60) days, the Directors may thereafter withhold payment of all dividends or monies payable in respect of the shares until the requirement of the notice have been complied with.

(xiv) Clause 45 – Transmission of securities from Foreign Register

Where: -

(1) the securities of the Company are listed on other stock exchange; and

(2) the Company is exempted from compliance with Section 14 of the SICDA or Section 29 of the Securities Industry (Central Depositories) (Amendment) (No.2) Act 1998, as the case may be, under the Rules in respect of such securities, and subject to compliance with and there being no contravention of any Applicable laws, regulations and/or directives, the Company shall, upon request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of companies in the jurisdiction of the other stock exchange to the register of holders maintained by the Registrar of Companies in Malaysia and vice-versa provided that there shall be no change in the ownership of such securities.

16.1.4 Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

As at the date of this Prospectus, we have one (1) class of shares, being the Radium Shares, all of which rank *pari passu* with one another. There are no special rights attached to our Shares.

(i) Clause 94 – Voting rights

Subject to any special rights or restrictions for the time being attached to any Shares or classes of shares, at meetings of Members or classes of Members, on a show of hands, each Member who: -

(1) being an individual, is present in person or by proxy or by attorney; or

(2) being a corporation is present by a duly authorised representative or by proxy or by attorney,

shall have one (1) vote and on a poll every Member shall have one (1) vote for each Share he holds.

(ii) Clause 96 – Vote of Member of unsound mind

A Member who is of unsound mind or be a lunatic, idiot or non-compos mentis or whose person of estate is liable to be dealt with in any way under the law relating to mental disorder may vote, by his committee, receiver, curator bonis or other legal curator or by such other person who properly has the management of his estate and any such committee or other person may vote by proxy or attorney.

(iii) Clause 97 – Member barred from voting while call unpaid

Subject to the provision in Clause 74, a Member shall be entitled to be present and vote at any general meeting or at a meeting of any class of Members in respect of any Share or Shares upon which all calls or other sums presently payable by him due to the Company have been paid. No Member shall be entitled to be present or to vote on any question either personally or otherwise by proxy or attorney at any general meeting or at a meeting of any class of Members or upon a poll to be reckoned in the quorum in respect of any shares upon which calls are undue or unpaid, and/or the instrument of proxy, the power of attorney or other authority, if any, naming another person/party (other than the said Member) as proxy, attorney, or person/party authorised to so act has not been deposited with the Company in accordance with Clause 102 hereof.

16.2 SHARE CAPITAL

(i) No Shares will be allotted or issued on the basis of this Prospectus later than six (6) months after the date of issue of this Prospectus.

(ii) There is no founder, management or deferred shares in our Company. We have one (1) class of shares, being the Shares, all of which rank *pari passu* with one another.

(iii) Save as disclosed in this Prospectus, no shares and/or debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries have been issued or are proposed to be issued as fully or partly paid-up in cash or otherwise, within the two (2) preceding years from the date of this Prospectus.

(iv) Save for the Pink Form Allocation, there is no other scheme involving our employees in the capital of our Group.

(v) As at the date of this Prospectus, neither our Company nor our subsidiaries has any outstanding convertible debt securities.

(vi) There is no limitation on the right to own our Shares, including limitations on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by law or by the constituent documents of our Company.

16.3 PUBLIC TAKE-OVERS

Since our incorporation up to the LPD, there were: -

(i) no public take-over offers by third parties in respect of our Shares; and

(ii) no public take-over offers by our Company in respect of other companies' shares.

16.4 MATERIAL LITIGATION

Save as disclosed below, as at the LPD, our Group is not engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on the financial position or profitability, in the 12 months immediately preceeding the date of this Prospectus: -

(A) Pavilion Integrity

Pavilion Integrity acquired Lot 810 via a sale and purchase agreement dated 21 March 2017 between Pavilion Integrity (as the purchaser) and Yap Ah Hing, Yap Chee Kien, Yap Chee Leong, Yap Chee Wei, Loh Kim Moey, Chin Yoon, Yap Yoke Ling, as trustee for Yap Yoke Ling, Yap Yoke Ling as trustee for Yap Chee Meng, and Yap Yoke Ling, as trustee for Yap Chee Kong (as the vendors).

On 13 July 2017, DBKL issued a letter to Messrs. Arkitek Rekacipta Sdn. Bhd., the architect for Orando Realty Sdn Bhd (the applicant as set out in Section 16.4(A)(b) below), whereby DBKL had decided not to acquire Lot 810 as DBKL had approved an alternative road to serve the entire area.

On 8 November 2017, DBKL had approved the application for the development order in favour of Pavilion Integrity with conditions pending development charges and contribution to Improvement Service Fund to be determined by DBKL's Jabatan Penilaian dan Perkhidmatan Harta.

Six (6) Judicial Review Applications as set out in Section 16.4(A)(a) to (f) below ("**JR Applications**") were filed by the respective applicants as they had failed to get DBKL to acquire part of Lot 810, and Pavilion Integrity was named as one of the respondents in the JR Applications.

On 14 March 2018, Pavilion Integrity had obtained the approved development order in relation to Lot 810 from DBKL. Premised on this, Pavilion Integrity had on 16 August 2018 commenced the construction of the development of project Residensi Platinum Mira on Lot 810.

On 7 December 2018, DBKL issued a letter to Pavilion Integrity's architect, Messrs. Kun Lim Architect, stating that the DBKL will acquire Lot 810.

Notwithstanding the above, on 3 April 2019, DBKL had issued a letter to Pavilion Integrity's architect, Messrs. Kun Lim Architect, reaffirming its decision via the DBKL letter dated 13 July 2017 not to acquire Lot 810.

Subsequently, on 18 April 2019, Pavilion Integrity had obtained the developer's Advertising Permit and Developer's License.

On 19 January 2021, a new land title in respect of Lot 810 with Pavilion Integrity registered as the proprietor thereon was issued.

The details of the JR Applications relating to Pavilion Integrity's development project in Lot 810 is as set out below: -

(a) Kuala Lumpur High Court Judicial Review Application No.: WA-25-265-10/2017 ("265 Application")

On 12 October 2017, the applicant, Ng Chee Hao and another 120 applicants have filed the 265 Application at Kuala Lumpur High Court ("**KLHC**") against the Minister of Federal Territories, Malaysia, DBKL, Government and Pavilion Integrity. Pavilion Integrity is the registered proprietor of Lot 810 and is developing a 46-storey building with 698 units of serviced apartments on Lot 810. Pavilion Integrity had obtained the development orders for the construction work.

When the applicants discovered that Pavilion Integrity proposed to develop Lot 810, they wrote to DBKL to reconsider Pavilion Integrity's development project, specifically for DBKL to acquire a significant part of Lot 810 in order to build an access road known as Jalan Jejaka 1. Having failed to get DBKL to acquire part of Lot 810, the 265 Application was filed in respect of DBKL's refusal to acquire part of Lot 810.

The applicants were granted leave to seek the reliefs of, *inter alia*: -

(i) an Order of Certiorari to quash the decision of the Minister of Federal Territories, Malaysia, DBKL and/or Government, whether made jointly and/or severally, which revoked an earlier decision to acquire a strip of land designated for road reserve and for the construction of one Jalan Jejaka 1 on Lot 810 ("**Decision to Revoke**"); and

(ii) an Order of Mandamus to compel the Minister of Federal Territories, Malaysia, DBKL and/or Government, whether jointly and/or severally, to acquire such relevant portion of Lot 810 for the purpose of constructing Jalan Jejaka 1.

The KLHC dismissed the 265 Application on 17 October 2018 and awarded Pavilion Integrity with costs of RM5,000.

On 25 October 2018, Ng Chee Hao and another 120 appellants filed the Notice of Appeal to Court of Appeal against the respondents, Minister of Federal Territories, Malaysia, DBKL, Government and Pavilion Integrity via Court of Appeal Civil Appeal No.: W-01(A)-629-11/2018 ("**629 Appeal**").

(b) Kuala Lumpur High Court Judicial Review Application No.: WA-25-267-10/2017 ("267 Application")

On 13 October 2017, the applicant, Orando Realty Sdn Bhd filed the 267 Application at KLHC against Government, Minister of Federal Territories, Malaysia, DBKL and Pavilion Integrity.

Similar to the 265 Application described in paragraph (a) above, having failed to get DBKL to acquire part of Lot 810, the 267 Application was filed by Orando Realty Sdn Bhd in respect of DBKL's refusal to acquire part of Lot 810.

Orando Realty Sdn Bhd was granted leave to seek the reliefs of, *inter alia*: -

(i) an Order of Certiorari to quash the Government, Minister of Federal Territories, Malaysia and/or the DBKL's Decision to Revoke;

(ii) alternative to the first relief, a declaration that the Government, Minister of Federal Territories, Malaysia and/or the DBKL's Decision to Revoke is invalid, null and void and of no legal effect;

(iii) an Order of Mandamus to compel the Government, Minister of Federal Territories, Malaysia and/or the DBKL, to acquire such relevant portion of Lot 810 for the purpose of constructing Jalan Jejaka 1; and

(iv) an order for damages to be paid to the applicant.

The KLHC dismissed the 267 Application on 17 October 2018 and awarded Pavilion Integrity with costs of RM5,000.

On 31 October 2018, Orando Realty Sdn Bhd filed the Notice of Appeal to Court of Appeal against the respondents, Government, Minister of Federal Territories, Malaysia, DBKL and Pavilion Integrity via Court of Appeal Civil Appeal No.: W-01(A)-643-11/2018 ("**643 Appeal**").

(The 265 Application and 267 Application are collectively referred to as the "**2017 JR Applications**", and the 629 Appeal and 643 Appeal are collectively referred to as the "**2017 Appeals**")

(c) Kuala Lumpur High Court Judicial Review Application No.: WA-25-293-07/2019 ("293 Application")

On 2 July 2019, the applicant, Khoo Yok Sian and another nine (9) applicants filed the 293 Application at KLHC against Minister of Federal Territories, Malaysia, DBKL and Pavilion Integrity.

The 293 Application was filed in the KLHC on grounds largely similar to both the 2017 JR Applications in paragraphs (a) and (b) above, again with a view to having a part of Lot 810 acquired by DBKL for a road reserve.

The applicants were granted leave to seek the reliefs of, *inter alia*: -

(i) an Order of Certiorari to quash the decision by DBKL as contained in its letter dated 3 April 2019 to Pavilion Integrity's architect, Messrs. Kun Lim Architect informing among others that DBKL has decided not to proceed with the acquisition of Lot 810 for the purpose of constructing a road i.e., Jalan Jejaka 1 and Pavilion Integrity is to apply to amend its development order to surrender six (6) meters of land for the purpose of constructing Jalan Jejaka 1 ("**DBKL's 3 April 2019 Decision**");

(ii) a declaration that DBKL's decision contained in its letter dated 7 December 2018 to Pavilion Integrity's architect, Messrs. Kun Lim Architect informing among others that they have decided to maintain the original plan to construct Jalan Jejaka 1 through Lot 810 and will proceed to acquire the necessary portion of Lot 810 to facilitate the construction of Jalan Jejaka 1 as planned ("**DBKL's 7 December 2018 Decision**") is valid and binding; and

(iii) an Order of Mandamus compelling the Minister of Federal Territories, Malaysia and DBKL to proceed to act in accordance with the DBKL's 7 December 2018 Decision.

The KLHC dismissed the 293 Application on 27 May 2021, and awarded Pavilion Integrity with costs of RM8,000. The 293 Application was appealed via Court of Appeal Civil Appeal No.: W-01(A)-318-06/2021 ("**318 Appeal**").

(d) Kuala Lumpur High Court Judicial Review Application No.: WA-25-295-07/2019 ("295 Application")

On 3 July 2019, the applicant, Ng Chee Hao and another 120 applicants filed the 295 Application at KLHC against Minister of Federal Territories, Malaysia, DBKL and Pavilion Integrity. Having failed to get DBKL to acquire part of Lot 810, the 295 Application was filed by the applicants in respect of DBKL's refusal to acquire part of Lot 810 for a road reserve.

The applicants were granted leave to seek the reliefs of, *inter alia*: -

(i) an Order of Certiorari to quash the DBKL's 3 April 2019 Decision;

(ii) a declaration that the DBKL's 7 December 2018 Decision is valid and binding; and

(iii) an Order of Mandamus compelling the Minister of Federal Territories, Malaysia and DBKL to proceed to act in accordance with the DBKL's 7 December 2018 Decision.

The KLHC dismissed the 295 Application on 27 May 2021, and awarded Pavilion Integrity with costs of RM8,000. The 295 Application was appealed via Court of Appeal Civil Appeal No.: W-01(A)-315-06/2021 ("**315 Appeal**").

(e) Kuala Lumpur High Court Judicial Review Application No.: WA-25-296-07/2019 ("296 Application")

On 3 July 2019, the applicant, Orando Realty Sdn Bhd filed the 296 Application at KLHC against Minister of Federal Territories, Malaysia, DBKL and Pavilion Integrity. Having failed to get DBKL to acquire part of Lot 810, the 296 Application was filed by the applicant in respect of DBKL's refusal to acquire part of Lot 810 for a road reserve.

The applicant was granted leave to seek the reliefs of, *inter alia*: -

(i) an Order of Certiorari to quash the DBKL's 3 April 2019 Decision;

(ii) a declaration that the DBKL's 7 December 2018 Decision is valid and binding; and

(iii) an Order of Mandamus compelling the Minister of Federal Territories, Malaysia and DBKL to proceed to act in accordance with the DBKL's 7 December 2018 Decision.

The KLHC dismissed the 296 Application on 27 May 2021 and awarded Pavilion Integrity with costs of RM8,000. The 296 Application was appealed via Court of Appeal Civil Appeal No.: W-01(A)-323-06/2021 ("**323 Appeal**").

(f) Kuala Lumpur High Court Judicial Review Application No.: WA-25-326-07/2019 ("326 Application")

On 18 July 2019, the applicant, Low Kee Yoong and another 70 applicants filed the 326 Application at KLHC against DBKL, Minister of Federal Territories, Malaysia and Pavilion Integrity. Having failed to get DBKL to acquire part of Lot 810, the 326 Application was filed by the applicants in respect of DBKL's refusal to acquire part of Lot 810 for a road reserve.

The applicants were granted leave to seek the reliefs of, *inter alia*: -

(i) a declaration that the DBKL's 3 April 2019 Decision is null, void and of no legal effect;

(ii) an Order of Certiorari to quash the DBKL's 3 April 2019 Decision; and

(iii) an Order of Mandamus to compel DBKL to proceed with the acquisition of Lot 810.

The KLHC dismissed the 326 Application on 27 May 2021 and awarded Pavilion Integrity with costs of RM8,000. The 326 Application was appealed via Court of Appeal Civil Appeal No.: W-01(A)-325-06/2021 ("**325 Appeal**").

(The 293 Application, 295 Application, 296 Application and 326 Application are collectively referred to as the "**2019 JR Applications**", and the 318 Appeal, 315 Appeal, 323 Appeal and 325 Appeal are collectively referred to as the "**2019 Appeals**")

The Court of Appeal had on 13 October 2021 allowed the motion to consolidate all the 2017 Appeals and 2019 Appeals to be heard together. The hearing for the 2017 Appeals and 2019 Appeals took place on 28 July 2022, whereby the solicitors for Pavilion Integrity informed that the decision for the 2017 Appeals and 2019 Appeals have been delivered by the Court of Appeal on 3 October 2022, the details of which are provided in the subsequent paragraphs below.

Apart from the consolidation of the appeals, the applicants in the 2019 JR Applications referred to in paragraphs (c) to (f) have each filed an application for stay of the DBKL's 3 April 2019 Decision pending disposal of their respective appeals to the Court of Appeal ("**Stay Pending Appeals**"). On 22 November 2021, the KLHC granted the Stay Pending Appeals ("**Stay Orders**"). Pavilion Integrity has filed four (4) appeals at the Court of Appeal against the Stay Orders on 20 December 2021 via the following appeal number and parties: -

(i) Court of Appeal Civil Appeal No.: W-01(IM)-801-12/2021 - Pavilion Integrity (being the appellants) and Orando Realty Sdn Bhd (being the respondents);

(ii) Court of Appeal Civil Appeal No.: W-01(IM)-800-12/2021 - Pavilion Integrity (being the appellants) and Low Kee Yoong & 70 Ors (being the respondents);

(iii) Court of Appeal Civil Appeal No.: W-01(IM)-785-12/2021 - Pavilion Integrity (being the appellants) and Ng Chee Hao & 120 Ors (being the respondents); and

(iv) Court of Appeal Civil Appeal No.: W-01(IM)-784-12/2021 - Pavilion Integrity (being the appellants) and Khoo Yok Sian & 9 Ors (being the respondents).

(collectively, the "**Appeals Against Stay Orders**")

The hearing for the Appeals Against Stay Orders took place on 5 April 2022, wherein the Court of Appeal held the following: -

(i) For Court of Appeal Civil Appeal No.: W-01(IM)-784-12/2021 and Court of Appeal Civil Appeal No.: W-01(IM)-785-12/2021, the appeal is unanimously allowed in part. The Court of Appeal set aside the respective Stay Orders and substituted with the following and cost in the cause of the appeal proper: -

"An order of stay on the decision by DBKL dated 3.4.2019 until disposal of the appeal of the judicial review application."

(ii) For Court of Appeal Civil Appeal No.: W-01(IM)-800-12/2021 and Court of Appeal Civil Appeal No.: W-01(IM)-801-12/2021, the appeals are withdrawn by consent, subject to the penal notice being deleted and costs in the cause of the appeal proper.

Pursuant to the aforesaid Court of Appeal's decisions on 5 April 2022, our Board was advised by the solicitors for Pavilion Integrity that: -

(a) the Stay Orders are made directly to stay the DBKL's 3 April 2019 Decision without subjecting Pavilion Integrity and/or its directors to comply with the same; and

(b) subject to any suspension order issued by DBKL, the development order granted to Pavilion Integrity is not affected, and Pavilion Integrity can continue to proceed with the construction on Lot 810 unless there is a suspension order of the development order and/or injunction order to stop Pavilion Integrity from constructing on Lot 810.

The decision for the 2017 Appeals and 2019 Appeals was delivered by the Court of Appeal on 3 October 2022, wherein the Court of Appeal held the following: -

(i) Both the two (2) KLHC judgements dated 17 October 2018 and 27 May 2021 are set aside;

(ii) A Certiorari Order is granted to quash the decisions of the DBKL in respect of its letters dated 13 July 2017 and 3 April 2019 (the content of both letters whereby DBKL will not acquire Lot 810);

(iii) A declaration that the decision of the DBKL in respect of its letter dated 7 December 2018 being valid and binding is granted (the content of the letter whereby DBKL will acquire Lot 810);

(iv) A Mandamus Order against DBKL to issue a notice of acquisition to initiate the acquisition proceedings under Section 47(3) of the Federal Territory (Planning) Act 1982 on the whole of Lot 810 to Pavilion Integrity;

(v) No damages to be assessed as sought by the appellants was awarded; and

(vi) Cost of RM5,000.00 for each appeal to be paid by Minister of Federal Territories Malaysia, DBKL and Pavilion Integrity respectively subject to allocator fees.

Pursuant to the aforesaid Court of Appeal's decision on 3 October 2022, our Board was advised by the solicitors for Pavilion Integrity that: -

(i) Pavilion Integrity should consider filing for a leave application to appeal to the Federal Court against the Court of Appeal's decision on 3 October 2022; and

(ii) in the event Pavilion Integrity is agreeable to proceed as per item (i) above, Pavilion Integrity should also file a stay pending appeal against the Mandamus Order against DBKL to issue notice of acquisition to initiate the acquisition proceedings under Section 47(3) of the Federal Territory (Planning) Act 1982 on the whole of Lot 810.

On 18 October 2022, Pavilion Integrity had appointed a new panel of solicitors.

Additionally, Pavilion Integrity has on 9 July 2021 filed an application at KLHC on the assessment of damages against the applicants in all the 2019 JR Applications ("**Notice for Direction for Assessment of Damages**").

Pursuant to the aforesaid Court of Appeal's decision on 3 October 2022 and the case management for the Notice for Direction for Assessment of Damages which was fixed on 11 October 2022, the KLHC had struck out the Notice for Direction for Assessment of Damages and gave no further order in respect of this as the two (2) KLHC judgements dated 17 October 2018 and 27 May 2021 have been overruled.

The new panel of solicitors for Pavilion Integrity had informed and opined as follows: -

(i) That the development order granted by the DBKL in favour of Pavilion Integrity pertaining to the development project in relation to Lot 810 is still valid and has not been retracted. However, our Board was advised by the new solicitors for Pavilion Integrity to temporarily suspend the ongoing construction on site to avoid any unnecessary further legal proceedings;

(ii) That the motion for leave to appeal to the Federal Court in respect of the Appeal Against the Court of Appeal Decision will be filed on or before 2 November 2022; and

(iii) That there is strong likelihood of success pertaining to the Appeal Against the Court of Appeal Decision to be filed, and the new solicitors for Pavilion Integrity are hopeful to seek the leave to appeal from the Federal Court. Further, the new solicitors for Pavilion Integrity opined that the contracts pertaining to the development project in relation to Lot 810 will not be terminated as the matter is still pending appeal at the Federal Court.

Pavilion Integrity has on 1 November 2022 filed six (6) motions in respect of the leave to appeal against the Court of Appeal's decision dated 3 October 2022 at the Federal Court, whereby the said motions were registered as Civil Application No. 08(f)-489-11/2022(W), 08(f)-490-11/2022(W), 08(f)-491-11/2022(W), 08(f)-493-11/2022(W), 08(f)-494-11/2022(W) and 08(f)-495-11/2022(W) (collectively, the "**Leave to Appeal Against the Court of Appeal Decision**").

In addition, the new panel of solicitors have informed that Pavilion Integrity has on 30 November 2022 filed six (6) motions for the stay of execution of the Court of Appeal's decision on 3 October 2022 (collectively, the "**Stay Against the Court of Appeal Decision**").

Subsequently, the new panel of solicitors for Pavilion Integrity have informed the following: -

(i) With regard to the motions in respect of the Leave to Appeal Against the Court of Appeal Decision, the court has fixed for case management (by email) on 30 March 2023; and

(ii) With regard to the motions in respect of the Stay Against the Court of Appeal Decision, the court has fixed the hearing date vide online on 27 March 2023.

Pursuant to the hearing on 27 March 2023 with regard to the motions in respect of the Stay Against the Court of Appeal Decision, the Court of Appeal has allowed the stay on one of the prayers of the order of the Court of Appeal made on 3 October 2022 upon the condition that Pavilion Integrity and DBKL agree to stay any further construction on Lot 810 and to refrain from taking any steps in accordance with the development order granted to Pavilion Integrity on 14 March 2018. The prayer reads as follows: -

"Suatu Perintah mandamus diberikan terhadap DBKL untuk mengeluarkan satu Notis Pengambilan Tanah (Notice of Acquisition) di bawah Seksyen 47(3) Akta (Perancangan) Wilayah Persekutuan 1982 untuk memulakan pemerolehan tanah yang terletak di Geran 11125, Lot 810, Mukim Ampang, Daerah Kuala Lumpur (Lot 810)".

Subsequently, pursuant to the case management on 30 March 2023 with regard to the motions in respect of the Leave to Appeal Against the Court of Appeal Decision, the Federal Court has fixed a new hearing date on 21 June 2023. Directions were given for parties to file written submission, bundle of authorities, common core bundle and executive case summary by 6 June 2023. The Federal Court has also fixed the final case management on 7 June 2023 by way of email for parties to update the status of compliance with the directive.

Premised on the above and in the event the decision of the appeal at the Federal Court is not in Pavilion Integrity's favour, there will be a compulsory acquisition of Lot 810 by the relevant authority wherein Pavilion Integrity will be compensated in accordance with Sections 9A and the First Schedule of the Land Acquisition Act 1960. Following thereto, the financial impact to our Group via the compensation to be received and the compulsory acquisition of the development project on Lot 810 by the relevant authority, is expected to include the refund and compensation of progress billings of approximately RM13.58 million and compensation amounts of approximately RM35.56 million to our contractors due to termination of construction contracts i.e., piling and substructure work, main building works and other expenses such as professional fee and the loss of revenue and profit from the project of approximately RM363.11 million and RM83.00 million respectively. As Pavilion Integrity is our 80.00%-owned subsidiary, the impact to our Group's revenue and profit is approximately RM290.49 million and RM66.40 million respectively. In addition, in view that the development activities have been temporarily suspended, no revenue and profit from Residensi Platinum Mira will be recognised from the aforesaid date onwards which is expected to affect the revenue and profitability of our Group for FYE 2022 and onwards.

Pavilion Integrity had received the approval from the MHLG for Residensi Platinum Mira to extend the delivery of vacant possession to home buyers from 36 months to 54 months. In this regard, in the event Pavilion Integrity receives compensation from DBKL after October 2024 (based on our estimation of timing after taking into account the approval for extension from the MHLG and the extensions granted under the COVID-19 Act or the decision delivered by the Federal Court, whichever is the earlier), Pavilion Integrity will refund and compensate home buyers approximately RM13.58 million before the expiry of the said extension of time to deliver vacant possession to home buyers. To-date, 14 home buyers have approached Pavilion Integrity for the termination of sale and purchase agreements. In relation to the compensation amounts of approximately RM35.56 million to our contractors due to termination of construction contracts, we are confident that we should be able to negotiate for staggered payments by instalments over a period of time, instead of a lump sum payment. It is likely that our contractors will accept the negotiation as we still have other projects and recurring business with our contractors. To-date, no contractors have approached Pavilion Integrity for the termination of contract relating to the above. Nevertheless, if any home buyers and/or contractors intends to terminate the relevant sale and purchase agreement and contract, Pavilion Integrity will negotiate with such parties and if required, terminate and refund/compensate them accordingly.

In the event that the decision of the appeal at the Federal Court is not in Pavilion Integrity's favour, the non-financial impact to our Group arising from the litigation cases against Pavilion Integrity may include adverse impact to our Group as follows: -

(i) reputation and branding due to the loss of confidence from home buyers who have purchased our units and we may lose some potential home buyers for our future projects. Nevertheless, we are confident that the compensation to the home buyers will be acceptable to them, and the amount offered will be reasonable enough to instil and enhance their confidence in our ability to deliver future projects. We will also enhance our communication with the home buyers and to offer any assistance that they may require including but not limited to opportunities to purchase home units from our other projects;

(ii) bankers i.e., end financiers may have additional concerns with our future projects. However, we have maintained a healthy loan servicing history and business relationship with our bankers over the years, coupled with our upcoming projects, we are confident that the end financiers will continue to support our Group;

(iii) development expenditures in respect of Residensi Platinum Mira incurred up to 31 October 2022 is approximately RM47.26 million (of which only RM6.54 million was financed by bank borrowings). This means that an amount of RM40.72 million from our internally-generated funds would need to be utlised for this project, which would have been utilised for other purposes such as acquiring new landbank, which is the loss of opportunity to our Group;

(iv) potential contractors/consultants may be reluctant to tender for our future projects due to loss of confidence on us;

(v) future investors/shareholders may have concerns to invest in our Company. However, we will embark a comprehensive investor relations or public relations exercise to mitigate the loss of reputation; and

(vi) our ability to motivate and/or retain employees who were involved in this project and future recruitment of potential employees may also be affected.

Further, if we are unable to resume the development of Residensi Platinum Mira, the financial resources and time spent on promoting this project (including cost spent for billboard advertisement and marketing events) thus far may not be fully recoverable although we will receive compensation for the compulsory acquisition.

In addition to the above impact to our Group, the said decision may also impact the home buyers who have purchased our units such as loss of time and/or opportunity. The home buyers who have made their plans based on the original timeline of the project might be required to change their plans or find alternatives e.g., purchase or rent another house, which may be limited by their ability to obtain bank borrowing for a new purchase. The home buyers who decide to wait for the outcome of Federal Court's decision or until the completion of the project might file for liquidated ascertain damages if the project completion prolong beyond 54 months and the extensions granted under the COVID-19 Act.

If the decision of the appeal at the Federal Court is in Pavilion Integrity's favour, work will resume in respect of Residensi Platinum Mira. However, the full recognition of the project revenue is expected to delay for a period of one (1) year to 2026 from the original target of 2025.

As at the LPD, the progress of the development of Residensi Platinum Mira is approximately 13.92% where the costs incurred in this project is approximately RM50.16 million. The revenue and GP contribution of Residensi Platinum Mira to our Group during the Financial Years and Period Under Review was less than 6% to our Group's revenue and GP as follows: -

FYE/FPE	Revenue contribution of Residensi Platinum Mira RM'000	% to total revenue	GP contribution of Residensi Platinum Mira RM'000	% to total GP
FYE 2019	2,924	0.62	1,226	0.83
FYE 2020	130	0.02	55	0.03
FYE 2021	6,901	1.22	2,317	1.30
FPE 2022	16,846	5.58	6,652	5.06

Our Board is of the view that in the worst-case scenario, Residensi Platinum Mira shall be compulsorily acquired by the Minister of Federal Territories, Malaysia in accordance with the Land Acquisition Act 1960 and Pavilion Integrity is expected to be compensated accordingly including the amount of refund and compensation to be paid to its home buyers and contractors. In addition, Pavilion Integrity shall be entitled to claim for the costs that it has incurred in relation to its project as a development order has been awarded by DBKL. In the best-case scenario where the Federal Court rules in favour of Pavilion Integrity, Pavilion Integrity would be able to resume the work progress of Residensi Platinum Mira, and receive the expected earnings. In addition, our Group reserves the rights to claim for loss and damages from the relevant parties.

(B) Total Solid

(1) Total Solid had initiated a claim to seek an order of the court ordering the first defendant, the Controller of Housing, Ministry of Urban Wellbeing, Housing and Local Government ("**Ministry**") to uphold and give effect to the letter of extension of time dated 4 April 2017 ("**EOT Letter**") issued by the Ministry in respect of the development of "Residensi Semarak Platinum", and that the EOT Letter is valid and binding on all parties, including the second to seventh defendants who are purchasers (as described below) of the project "Residensi Semarak Platinum" via civil suit in **Kuala Lumpur High Court Suit No.: WA-24NCVC-2706-12/2021** ("**Total Solid Suit**"). The brief summary of the Total Solid Suit is as set out below: -

(a) On 31 December 2021, Total Solid had commenced legal action against the Ministry as the first defendant; one Jaya Kumar A/L Salliah as the second defendant, one Kaitri A/P Kandiah as the third defendant; one Salliah A/L Govindasamy as the fourth defendant, one Letchimy A/P Rathinam as the fifth defendant, one Suresh Kumar A/L Loganathan as the sixth defendant, and one S. Prema A/P Subramaniam as the seventh defendant. The second to seventh defendants refers to the purchasers of five (5) units of the project "Residensi Semarak Platinum" with one unit having joint-purchasers.

(b) Total Solid is seeking for the court inter-alia as follows: -

(i) to uphold and give full effect to the EOT Letter issued by the first defendant to Total Solid amending the terms of the sale and purchase agreements as per Schedule H of the Housing Developers (Control and Licensing) Regulations 1989 ("**the Agreements**") in the project known as "Cadangan Pembangunan 1 Blok Pangsapuri Mampu Milik 33 Tingkat (600 unit) Dan 2 Blok Pangsapuri 33 Tingkat (1400 unit) Dengan 5 Tingkat Podium Tempat Letak Kereta Berserta 1 Tingkat Tempat Letak Kereta Separa Tanah Di Atas Lot PT 9929, HSD 119968 (Dahulunya PT 9588, HSD 118654) Bersebelahan Lebuhraya Duta - Ulu Kelang (DUKE), Mukim Setapak, Daerah Kuala Lumpur" so as to extend the construction period of the said project from 36 months to 54 months;

(ii) a declaration that the EOT Letter to extend the construction period from 36 months to 54 months of the said project is valid and binds the parties; and

(iii) a declaration that the time of handing over vacant possession of the unit and also the common facilities of the said project as per Clauses 25 (1) and 29 (1) of the Agreements within 54 months from the date of the Agreements is valid, binding and enforceable.

(c) The solicitors acting for Total Solid in the Total Solid Suit informed that the second to seventh defendants have filed an application under Order 14A and/or Order 33 Rule 5 of the Rules of Court 2012 ("**Application under O. 14A/O. 33 r.5**"), seeking for a determination of the matter on the preliminary point of law of whether the originating summons is required to name all the purchasers in the project "Residensi Semarak Platinum" in order to be sustainable. However, the Application under O. 14A/O. 33 r.5 have been withdrawn by the second to seventh defendants without orders as to cost on the understanding that their objection to the non-joinder of certain parties will be ventilated at the hearing of the originating summons.

(d) The solicitors acting for Total Solid in the Total Solid Suit opined that based on recent decisions in cases with comparable factual matrices, there is a likelihood of success for Total Solid in seeking the court to grant a declaration in Total Solid's favour. However, in the event that the Total Solid Suit do not conclude in Total Solid's favour, the Board was advised by the solicitors acting for Total Solid that it may still be open to Total Solid to initiate a civil suit against the relevant authorities for damages.

(e) The Total Solid Suit hearing took place on 22 December 2022 in the KLHC, wherein the KLHC had fixed the Total Solid Suit for clarification/decision on 6 March 2023. During the hearing on 6 March 2023, the KLHC has taken note of a few matters which are currently before the Federal Court which may have bearing on the issues of law that are before the KLHC. The solicitors acting for Total Solid in the Total Solid Suit informed that the aforesaid matters are the appeal cases of *Obata-Ambak v Prema Bonanza* and *Sri Damansara v Tribunal Tuntutan Pembeli Rumah & Ors.* Accordingly, the KLHC has fixed the next case management on 28 March 2023 to find out the outcomes or progress of such Federal Court matters before the KLHC delivers its decision.

(f) Pursuant to the case management on 28 March 2023, the solicitors acting for Total Solid in the Total Solid Suit informed that the KLHC was informed by the Attorney General's Chambers of Malaysia that the aforesaid appeal cases of *Obata-Ambak v Prema Bonanza* and *Sri Damansara v Tribunal Tuntutan Pembeli Rumah & 2 Ors* are still pending before the Federal Court. The KLHC has fixed the next case management on 10 May 2023 to update the aforesaid appeals at the Federal Court.

(2) A legal suit has been initiated by a purchaser in respect of the project "Residensi Semarak Platinum" against Total Solid to claim for liquidated ascertained damages for late delivery of vacant possession via **Kuala Lumpur Magistrates Court Writ Summons No: WA-A72NCVC-6702-12/2021** ("**the LAD Suit Against Total Solid**"). The brief summary of the LAD Suit Against Total Solid is as set out below: -

(a) On 23 December 2021, one Ho Say Lan @ Hor Yoke Lan as the plaintiff had filed a suit against Total Solid as the defendant to claim for the sum of RM78,073.64 as liquidated ascertained damages for late delivery of vacant possession of the project "Residensi Semarak Platinum". The plaintiff is alleging that Total Solid had failed to deliver vacant possession within the statutory period of 36 months, notwithstanding that prior to the signing of the sale and purchase agreement with the plaintiff on 4 March 2017, Total Solid had already obtained an extension of 54 months from the Ministry to deliver vacant possession of the project "Residensi Semarak Platinum".

(b) On 23 February 2022, the plaintiff had filed a summary judgement application against Total Solid ("**the Plaintiff's Summary Judgment Application**").

(c) On 1 March 2022, Total Solid had filed an application under Order 15 Rule 6 of the Rules of Court 2012 ("**Application under O.15 r.6**") to include the National Housing Department (Jabatan Perumahan Negara), Ministry of Housing and Local Government (Menteri, Kementerian Perumahan dan Kerajaan Tempatan) and the Controller of the Ministry of Housing and Local Government (Pengawal Perumahan Kementerian Perumahan dan Kerajaan Tempatan) as co-defendants who were responsible in granting Total Solid the extension of time from 36 months to 54 months to complete the relevant project "Residensi Semarak Platinum".

(d) On 29 April 2022, KLMC had dismissed the Plaintiff's Summary Judgement Application with cost of RM1,000.00 and Total Solid's Application under O.15 r.6 with cost of RM1,000.00, resulting in both parties filing their appeals at the KLHC, whereby the KLHC had fixed the hearing for both appeals together on 8 November 2022. The details of the appeals are as follows: -

Case No.	Filing Date	Description
WA-11ANCVC-57-05/2022	11 May 2022	Plaintiff's appeal for Summary Judgement Application
WA-11ANCVC-59-05/2022	12 May 2022	Total Solid's appeal for Application under O.15 r.6

On 8 November 2022, the KLHC dismissed both the appeals bearing Case No. WA-11ANCVC-57-05/2022 and WA-11ANCVC-59-05/2022 with cost of RM4,000.00 each subject to allocator.

(e) Subsequently, due to the dismissal of the appeals bearing Case No. WA-11ANCVC-57-05/2022 and WA-11ANCVC-59-05/2022 as stipulated in the preceding paragraph (d) above, the solicitors for Total Solid in respect of the LAD Suit Against Total Solid informed that the following motions for leave in the Court of Appeal on the same have been filed. The details of the appeals are as follows: -

Case No.	Filing Date
W-08-423-12/2022 ("**Motion No. 423**")	2 February 2022
W-08-425-12/2022 ("**Motion No. 425**")	6 February 2022

(f) During the hearing for the plaintiff's stay of proceedings application that was fixed on 2 February 2023, the KLMC had dismissed the said stay application without cost. The solicitors for Total Solid for the LAD Suit Against Total Solid have also informed that, upon being informed of the hearing for both Motion No. 423 and Motion No. 425 that is fixed on 5 April 2023 at the Court of Appeal, the KLMC had sought for the parties' common trial dates, whereby the parties have proposed an early trial date in September 2023. However, as at the LPD, the parties have yet to receive any response from the KLMC regarding the new trial date.

(g) On 16 March 2023, the KLMC has informed vide a notification that the full trial date of 20 March 2023 has been converted to a case management date, whereby during the case management on 20 March 2023, the KLMC has informed that the LAD Suit Against Total Solid has now been fixed for full trial on 12 June 2023 to 13 June 2023 and a new case management date was fixed on 27 April 2023 (via e-review) in order to update the KLMC on the outcome of the hearing for both Motion No. 423 and Motion No. 425 that is fixed on 5 April 2023 at the Court of Appeal.

(h) During the hearing for both Motion No. 423 and Motion No. 425 that was fixed on 5 April 2023, the Court of Appeal held that the motion for leave for Motion No. 423 that was filed by the plaintiff is allowed with cost in the cause whereas the motion for leave for Motion No. 425 that was filed by Total Solid is dismissed with costs of RM3,000.00 payable by Total Solid to the plaintiff. As Motion No. 423 has been allowed, the solicitors acting for Total Solid in the LAD Suit Against Total Solid informed that they have been notified by the plaintiff's solicitors that they have filed their Notice of Appeal on behalf of the plaintiff on 13 April 2023 against the KLHC's decision dated 8 November 2022 in respect of the dismissal of the plaintiff's appeal for the Plaintiff's Summary Judgement Application, as described in Section 16.4(B)(2)(d) above. As such, the plaintiff's solicitors have a period of eight (8) weeks (from 13 April 2023) to file their Record of Appeal. The Court of Appeal has fixed the matter for case management on 12 July 2023 via e-review. The solicitors acting for Total Solid in the LAD Suit Against Total Solid opined that it is very likely that the plaintiff will request for the full trial dates on 12 June 2023 to 13 June 2023 to be adjourned pending the disposal of the appeal. Further, the solicitors acting for Total Solid in the LAD Suit Against Total Solid has informed that, since Motion No. 425 was dismissed with costs, the proposed defendants described in Section 16.4(B)(2)(c) above will not be included as parties to the LAD Suit Against Total Solid.

(3) A legal suit has been initiated by 27 purchasers in respect of the project "Residensi Semarak Platinum" against Total Solid to claim for liquidated ascertained damages pursuant to their respective sale and purchase agreements pertaining to their purchase of parcels in the said project via **Kuala Lumpur High Court Suit No.: WA-24NCVC-1479-05/2022** ("**the LAD Suit Against Total Solid No. 2**"). The brief summary of the LAD Suit Against Total Solid No. 2 is as set out below: -

(a) On 30 May 2022, 27 individuals as the plaintiffs had filed a suit against Total Solid as the defendant to claim for the sum of RM1,349,615.25 (as at 30 May 2022) as liquidated ascertained damages for late delivery of vacant possession of the project "Residensi Semarak Platinum".

(b) Similar to the Total Solid Suit, the LAD Suit Against Total Solid No. 2 also hinges on the question of the validity of the EOT Letter.

(c) The solicitors acting for Total Solid on the LAD Suit Against Total Solid No. 2 informed that if the EOT Letter is upheld by the court, then the Plaintiffs' claim for liquidated ascertained damages would be extinguished.

(d) The solicitors acting for Total Solid in the Total Solid Suit opined that based on recent decisions in cases with comparable factual matrices, there is a likelihood of success for Total Solid in seeking the court to grant a declaration in Total Solid's favour. However, in the event that the Total Solid Suit do not conclude in Total Solid's favour, the Board was advised by the solicitors acting for Total Solid that it may still be open to Total Solid to initiate a civil suit against the relevant authorities for damages.

(e) The LAD Suit Against Total Solid No. 2 hearing took place on 22 December 2022 in the KLHC, wherein the KLHC had fixed the LAD Suit Against Total Solid No. 2 for clarification/decision on 6 March 2023. During the hearing on 6 March 2023, the KLHC has taken note of a few matters which are currently before the Federal Court which may have bearing on the issues of law that are before the KLHC. The solicitors acting for Total Solid in the LAD Suit Against Total Solid No. 2 informed that the aforesaid matters are the appeal cases of *Obata-Ambak v Prema Bonanza* and *Sri Damansara v Tribunal Tuntutan Pembeli Rumah & Ors.* Accordingly, the KLHC has fixed the next case management on 28 March 2023 to find out the outcomes or progress of such Federal Court matters before the KLHC delivers its decision.

(f) Pursuant to the case management on 28 March 2023, the KLHC has fixed the same case management date as the Total Solid Suit and the solicitors acting for Total Solid in the LAD Suit Against Total Solid No. 2 has also informed the same as per the Total Solid Suit, both of which were more particularly described in Section 16.4(B)(1)(f) above.

16.5 ALLEGATIONS/COMPLAINTS

As at the date of this Prospectus, the following are the allegations or complaints against our Company and any corporation within our Group, Directors, proposed directors, key executive officers or Promoters, which may affect our Group's business operations and financial condition: -

(i) On 17 September 2022, a protest was held by certain home buyers of Residensi Platinum OUG at our project site in relation to issues pertaining, *inter alia* the design concept of common area, provision of common facilities and rate of maintenance fees whereby home buyers escalated their discontent on the aforesaid issues. On 18 October 2022, a meeting was held between our Group, the representatives of the aforementioned home buyers, MHLG and the Commissioner of Building DBKL ("**COB**") to discuss the issues raised. Pursuant to the meeting and under the advice of MHLG and COB, our Group and the home buyers had agreed to engage in active communication to improve and enhance the design concept of common area while ensuring compliance with the prevailing laws and regulations. On 20 October 2022, another meeting was held between our Group, the representatives of the aforementioned home buyers, COB and Jabatan Perancangan Bandaraya DBKL to further discuss the issues raised. Pursuant to the meeting and under the advice of MHLG and COB, our Group will continue to engage with home buyers to arrive at an agreement on the rate of maintenance fees that is deemed acceptable by home buyers upon taking into consideration their access to the common facilities while ensuring compliance to the prevailing laws and regulations. However, the negative publicity may adversely affect our Group's reputation in the market, thus affecting potential home buyer's confidence towards our Group's properties which will, in turn, affect our results of operations and prospects. The financial impact on the protest cannot be ascertained at this juncture.

(ii) On 9 January 2023, a tribunal claim has been initiated by a purchaser in respect of the project "Residensi Platinum OUG" against Total Solid via Claim No. TTPR/W/0003(T)/23 under Regulation 6 of the Housing Development (Tribunal for Homebuyer Claims) Regulations 2002, to claim for the sum of RM23,357.27 as liquidated ascertained damages for the costs of defect rectification and incidental costs for unit parcel A-27-21. The hearing date for the said tribunal claim was fixed on 31 January 2023 but was rescheduled to 24 February 2023 and subsequently was adjourned to 3 May 2023 pending the inspection of the aforesaid unit parcel by the technical experts.

Our Board does not expect the allegations/complaints to have material impacts to the operations and financial performance of our Group.

16.6 GENERAL INFORMATION

(i) Save for the Directors' remuneration as disclosed in Section 3.2.4 of this Prospectus, there are no other amount or benefit paid or given within the past two (2) years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.

(ii) None of our Directors or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(iii) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the procedures for application of our Shares are set out in Section 17 of this Prospectus.

(iv) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

16.7 CONSENTS

(i) The written consent of our Principal Adviser, Managing Underwriter, Joint Underwriters, Joint Placement Agents, Company Secretary, Solicitors for our IPO, Solicitors to our Manging Underwriter, Joint Underwriters and Joint Placement Agents, Share Registrars and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn.

(ii) The written consent of our Reporting Accountants and Auditors to the inclusion in this Prospectus of their names, Accountants' Report and letter relating to the pro forma combined statements of financial position and audit reports in the form and context in which they are contained in this Prospectus has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

(iii) The written consent of our Independent Market Researcher to the inclusion in this Prospectus of their name and the IMR Report in the form and context in which they are contained in this Prospectus, has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

(iv) The written consent of our Independent Valuer to the inclusion in this Prospectus of their name and the valuation certificate and update valuation certificate in the form and context in which they are contained in this Prospectus, has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

(v) The written consent of our Independent Expert to the inclusion in this Prospectus of their name and the Feasibility Study Report in the form and context in which they are contained in this Prospectus, has been given before the issuance of this Prospectus and has not subsequently been withdrawn.

16.8 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan during ordinary business hours for a period of six (6) months from the date of this Prospectus: -

(i) our Constitution;

(ii) the audited financial statements of Radium for the Financial Years and Period Under Review;

(iii) the audited financial statements of Ambanang Development, Constant Premium, Fitrah Resources, Idaman Sejiwa (Ampang), Montanica Development, Omega Edisi, Pavilion Integrity, Rasa Wangi, Total Solid and Vistarena Development for the past three (3) FYEs 2019 to 2021;

(iv) the audited financial statements of Tradisi Emas for the financial period ended 31 December 2021 (since incorporation);

(v) the existing service contracts referred to in Section 3.6;

(vi) the material contracts referred to in Section 5.20;

(vii) the IMR Report by Smith Zander as set out in Section 6;

(viii) the Executive Summary of the Feasibility Study Report as set out in Section 7 and Feasibility Study Report prepared by Ipsos;

(ix) the Accountants' Report as set out in Section 13;

(x) Reporting Accountants' letter on the pro forma combined statements of financial position as set in Section 14;

(xi) Valuation certificate and update valuation certificate as set out in Section 15 and valuation reports prepared by Knight Frank dated 22 September 2022;

(xii) the cause papers as referred to in Section 16.4; and

(xiii) the letters of consent as referred to in Section 16.7.

16.9 RESPONSIBILITY STATEMENTS

Our Directors and Promoters have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

Malacca Securities acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning the IPO.

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

17.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 27 April 2023

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 16 May 2023

In the event there is any change to the dates and times stated above, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

17.2 METHODS OF APPLICATION

17.2.1 Public Issue

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application	Application Method
Applications by eligible Key Senior Management, employees and business associates (including any other persons who have contributed to our success)	Pink Application Form only
Applications by the Malaysian Public: -	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

17.2.2 Private Placement

Types of Application		Application Method
Applications by: -		
(a)	Selected investors	The Joint Placement Agents will contact the selected investors directly. They should follow the Joint Placement Agents' instructions
(b)	Bumiputera investors approved by MITI	MITI will contact the Bumiputera Investors directly. They should follow MITI's instructions

Selected investors and Bumiputera Investors approved by MITI may still apply for our Public Issue Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

17.3 ELIGIBILITY

17.3.1 General

You must have a CDS Account and a correspondence address in Malaysia. If you do not have a CDS Account, you may open a CDS Account by contacting any of the ADAs set out in the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS Account must be in your own name. **Invalid, nominee or third party CDS Accounts** will not be accepted for the Applications.

Only **ONE (1)** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 PUBLIC ISSUE SHARES OR MULTIPLES OF 100 PUBLIC ISSUE SHARES**.

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO TEN (10) YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

17.3.2 Application by the Malaysian Public

You can only apply for our Public Issue Shares if you fulfill all of the following: -

(i) you must be one (1) of the following: -

(a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Public Issue Shares; or

(b) a corporation/institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(ii) you must not be a director or employee of the Issuing House, or an immediate family member of a director or employee of the Issuing House; and

(iii) you must submit Applications by using only one (1) of the following methods: -

(a) White Application Form;

(b) Electronic Share Application; or

(c) Internet Share Application.

17.3.3 Application by eligible Key Senior Management, employees and business associates who have contributed to our success

The eligible Key Senior Management, employees and business associates (including any other persons who have contributed to our success) will be provided with Pink Application Forms and letters by us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated Public Issue Shares. Applicants must follow the notes and instructions in the said documents and where relevant, in this Prospectus.

The eligible Key Senior Management, employees and business associates (including any other persons who have contributed to our success) may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Issuing House, Malacca Securities, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

17.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Applications Form or which do not conform **STRICTLY** to the terms of this Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.50 for each Public Issue Share.

Payment must be made out in favour of "**TIIH SHARE ISSUE ACCOUNT NO. 738**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Please refer to the detailed procedures and terms and conditions as set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

Each completed Application Form, accompanied by the appropriate remittance and clear photocopy of the relevant documents may be submitted using one (1) of the following methods: -

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address: -

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No.: 197101000970(11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

or

(ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Tricor Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 16 May 2023 or by such other time and date specified in any change to the date or time for closing. We will not accept late Applications.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to our Issuing House.

Please refer to the detailed procedures and terms and conditions as set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the Issuing House for further enquiries.

17.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATION

Only Malaysian individuals may apply for our Public Issue Shares by way of Electronic Share Application made available to the Malaysian Public.

Electronic Share Applications may be made through an ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the respective Participating Financial Institution.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

17.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATION

Only Malaysian individuals may use the Internet Share Application to apply for our Public Issue Shares made available to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad and Public Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

Please read carefully and follow the terms of this Prospectus, the procedures, terms and conditions for Internet Share Application and the exact procedures as set out on the internet financial services website of the Internet Participating Financial Institution before making an Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institution.

Please refer to the detailed procedures and terms and conditions of Electronic Share Application set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of this Prospectus on the website of Bursa Securities or contact the relevant Participating Financial Institution for further enquiries.

17.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to: -

(i) reject Applications which: -

- do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

- are illegible, incomplete or inaccurate; or

- are accompanied by an improperly drawn up, or improper form of, remittance; or

(ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without assigning any reason therefor; and

(iii) bank in all Application monies (including those from unsuccessful/partially successful applicants) which would subsequently be refunded, where applicable (without interest or any share of revenue or benefit arising therefrom), in accordance with Section 17.9 below.

If you are successful in your application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor shall it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

17.8 OVER/UNDER-SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of alloting and allocating our Public Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market in the trading of our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at https://tiih.online within one (1) Market Day after the balloting date.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's enlarged issued share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon completion of this IPO and at the time of Listing. We expect to achieve this at the point of Listing. In the event that the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest or any share of revenue or benefit arising therefrom).

In the event of an under-subscription of Public Issue Shares by the Malaysian Public, subject to the reallocation and underwriting arrangement as set out in Section 2.4.1 of this Prospectus, any of the abovementioned Public Issue Shares not applied for will then be fully subscribed by our Joint Underwriters based on the terms of the Underwriting Agreement as set out in Section 2.10 of this Prospectus.

17.9 UNSUCCESSFUL/PARTIALLY SUCCESSFUL APPLICANTS

Application monies in respect of the unsuccessful/partially successful applicants will be refunded without interest or any share of revenue or benefit arising therefrom in the following manner: -

17.9.1 For applications by way of Application Forms

(i) The Application monies or the balance of it, as the case may be, will be returned to you via the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary post to your address maintained at Bursa Depository (for partially successful applications) within ten (10) Market Day(s) from the date of the final ballot if you have not provided such bank account information to Bursa Depository at your own risk.

(ii) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/registered post to your address as stated in the National Registration Identity Card or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications which are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest or any share of revenue or benefit arising therefrom) by the Issuing House as per item (i) and (ii) above (as the case may be).

(iv) The Issuing House reserves the right to bank in all Application monies from unsuccessful Applicants. These monies will be refunded (without interest) within ten (10) Market Day(s) from the date of the final ballot by crediting into your bank account for purposes of cash dividend/distribution if you have provided such bank account information to Bursa Depository or by ordinary/registered post to your address maintained at Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

17.9.2 For applications by way of Electronic Share Application and Internet Share Application

(i) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within two (2) Market Day(s) after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest or any share of revenue or benefit arising therefrom into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within two (2) Market Day(s) after the receipt of confirmation from the Issuing House.

(ii) You may check your account on the 5th Market Day from the balloting day.

(iii) A number of Applications will be reserved to replace any successfully balloted Applications which are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than ten (10) Market Day(s) from the final balloting date.

(iv) For Applications that are held in reserve and are subsequently unsuccessful (or only partly successful), the Issuing House shall inform the relevant Participating Financial Institutions of the non-successful or partly successful Applications within two (2) Market Day(s) after the final balloting date. The Internet Participating Financial Institutions will then credit the application monies (or any part thereof but without interest or any share of revenue or other benefit arising therefrom) into your account within two (2) Market Day(s) after the receipt of written confirmation from the Issuing House.

17.10 SUCCESSFUL APPLICANTS

If you are successful in your application: -

(i) Our Public Issue Shares allotted to you will be credited into your CDS Account.

(ii) A notice of allotment will be despatched to you at the address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of the application.

(iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed the shares as Prescribed Securities. As such, the Public Issue Shares issued/offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

17.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows: -

Mode of application	Parties to direct the enquiries
Application Forms	Issuing House Enquiry Services at telephone no. (03) 2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of Public Issue Shares derived from successful balloting will be made available to the public at the Issuing House website at https://tiih.online, **one (1) Market Day** after the balloting date.

You may also check the status of your Application at the above website, **five (5) Market Day(s)** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in the "**Detailed Procedures for Application and Acceptance**" accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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