

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF RADIUM DEVELOPMENT BERHAD (“RADIUM” OR “COMPANY”) DATED 27 APRIL 2023 (“ELECTRONIC PROSPECTUS”)

(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's (“**Bursa Securities**”) website at www.bursamalaysia.com (“**Website**”).

Availability and Location of Paper/Printed Prospectus

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper/printed copy of the Prospectus directly from the Company, Malacca Securities Sdn Bhd (“**Malacca Securities**”) or Tricor Investor & Issuing House Services Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, Malacca Securities and Radium take no responsibility for the distribution of the Electronic Prospectus and/or the sale of the units outside Malaysia, which may be restricted by law in other jurisdictions. The Electronic Prospectus does not constitute and may not be used for the purpose of an offer to sell or an invitation of an offer to buy any units, to any person outside Malaysia or in any jurisdiction in which such offer or invitation is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation.

Close of Application

Applications will be accepted from **10.00 a.m.** on **27 April 2023** and will close at **5.00 p.m.** on **16 May 2023**. In the event the Closing Date is extended, Radium will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users' access to the website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.

P R O S P E C T U S

RADIUM

BUILDING GOOD

RADIUM DEVELOPMENT BERHAD

(Registration No.: 201301009006 (1038848-V))
(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)



INITIAL PUBLIC OFFERING (“IPO”) OF 868,000,000 NEW ORDINARY SHARES IN RADIUM DEVELOPMENT BERHAD (“RADIUM”) (“IPO SHARES”) IN CONJUNCTION WITH THE LISTING OF RADIUM ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING: -

- 273,000,000 IPO SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 60,000,000 IPO SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE KEY SENIOR MANAGEMENT, EMPLOYEES AND BUSINESS ASSOCIATES (INCLUDING ANY OTHER PERSONS WHO HAVE CONTRIBUTED TO OUR SUCCESS);
 - 435,000,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED BUMIPUTERA INVESTORS APPROVED BY MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
 - 100,000,000 IPO SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,
- AT AN IPO PRICE OF RM0.50 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Managing Underwriter,
Joint Underwriter and Joint Placement Agent



MALACCA SECURITIES SDN BHD
(Registration No.: 197301002760 (16121-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter and
Joint Placement Agent



CIMB INVESTMENT BANK BERHAD
(Registration No.: 197401001266 (18417-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER SIX (6) MONTHS FROM THE DATE OF THIS PROSPECTUS. THE SECURITIES COMMISSION MALAYSIA (“SC”) HAS APPROVED THE ISSUE, OFFER OR INVITATION FOR THE OFFERING UNDER SECTION 214(1) OF THE CAPITAL MARKETS AND SERVICES ACT 2007.

THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE SAID APPROVAL AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 252.

THIS PROSPECTUS IS DATED 27 APRIL 2023

RADIUM DEVELOPMENT BERHAD

RADIUM
BUILDING GOOD

PROSPECTUS

ADDRESS

No. 7-2, PV7, Jalan Melati Utama 2,
Taman Melati Utama, Setapak, 53100 Kuala Lumpur

TELEPHONE

+603 41618218

www.radiumdevelopment.com

IMPORTANT NOTICE

RESPONSIBILITY STATEMENTS

Our Directors and Promoters (as defined herein) 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 herein false or misleading.

Malacca Securities Sdn Bhd ("**Malacca Securities**"), being our Principal Adviser, Managing Underwriter, Joint Underwriter and Joint Placement Agent, 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 on our initial public offering ("**IPO**").

STATEMENTS OF DISCLAIMER

The valuation utilised for the purpose of the IPO should not be construed as an endorsement by the Securities Commission Malaysia ("**SC**"), on the value of the subject assets.

Approval has been obtained from Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for our Shares (as defined herein). Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company, or our Shares.

This Prospectus, together with the Application Form (as defined herein), has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Company.

Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning the offering, for which any person set out in Section 236 of the CMSA, is responsible.

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC. This classification remains valid from the date of issue of the Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

Investors should note that any agreement by the Managing Underwriter and Joint Underwriters named in this Prospectus to underwrite our Shares is not to be taken as an indication of the merits of our Shares being offered.

This Prospectus is prepared in the context of an IPO under the laws of Malaysia. It does not comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

IMPORTANT NOTICE (cont'd)

This Prospectus is published solely in connection with our IPO under the laws of Malaysia. Our Shares being offered in our IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Promoters, Principal Adviser, Managing Underwriter, Joint Underwriters and Joint Placement Agents have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Promoters, Principal Adviser, Managing Underwriter, Joint Underwriters and Joint Placement Agents, or any of their respective directors or any other persons involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, the Promoter, Principal Adviser, Managing Underwriter, Joint Underwriters and Joint Placement Agents named in this Prospectus have not authorised and take no responsibility for the distribution of this Prospectus outside of Malaysia. No action has been taken to permit a public offering of our Shares in any jurisdiction other than Malaysia based on this Prospectus. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase any Shares offered under our IPO in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the subscription or sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

It shall be your sole responsibility to ensure that your application for our IPO Shares would be in compliance with the terms of our IPO as stated in this Prospectus and the Application Form and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected.

We will further assume that you had accepted our IPO in Malaysia and will be subjected to the laws of Malaysia in connection therewith. However, we reserve the right in our absolute discretion to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

It shall be your sole responsibility to consult your legal and/or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

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IMPORTANT NOTICE (cont'd)

ELECTRONIC PROSPECTUS

This Prospectus can be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus (as defined herein) are as per the contents of the copy of this Prospectus registered with the SC.

Investors are advised to note that the internet is not a fully secure medium and that your Internet Share Application (as defined herein) is subject to the risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined herein). These risks cannot be borne by the Internet Participating Financial Institutions. If you doubt the validity or the integrity of an Electronic Prospectus, you should immediately request from us, our Principal Adviser or the Issuing House (as defined herein), a paper/printed copy of the Prospectus. If there is any discrepancy between the contents of the Electronic Prospectus and the contents of the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus which are identical to the copy of this Prospectus registered with the SC shall prevail. The Electronic Prospectus submitted to the SC and Bursa Securities is the same as the registered paper printed copy.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that: -

- (a) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third Party Internet Sites and are not responsible for the availability of, or the content or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (b) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites referred to in this Prospectus, for fulfilling any of the terms of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (c) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the websites of the Internet Participating Financial Institutions, you are advised that: -

- (a) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the content of the Electronic Prospectus on the web servers of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or obtained from the web servers of the Internet Participating Financial Institutions and subsequently, communicated or disseminated in any manner to other parties; and
- (b) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed because the internet is not a fully secure medium.

IMPORTANT NOTICE (cont'd)

The Internet Participating Financial Institutions are not liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the websites of the Internet Participating Financial Institutions, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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TENTATIVE TIMETABLE

The tentative timetable for our IPO is set out below: -

Events	Dates
Issuance of Prospectus/Opening of Application	10:00 a.m., 27 April 2023
Closing of Application	5:00 p.m., 16 May 2023
Balloting of Application	19 May 2023
Allotment of IPO Shares to successful applicants	26 May 2023
Listing on the Main Market of Bursa Securities	31 May 2023

In the event there are any changes to the timetable, we will advertise a notice of the extension in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia.

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DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Prospectus: -

GENERAL: -

Act	:	Companies Act 2016, as may be amended from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent
ADA Code	:	ADA (Broker) Code
Admission	:	Admission of our Shares to the Official List of the Main Market of Bursa Securities
Application	:	The application for the Public Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form	:	The printed application form for the application of the Public Issue Shares accompanying this Prospectus
ATM	:	Automated Teller Machine
Authorised Financial Institution	:	The authorised financial institution participating in the Internet Share Application with respect to payments for the Public Issue Shares
BFR	:	Base financing rate
BLR	:	Base lending rate
BNM	:	Bank Negara Malaysia
Board	:	The Board of Directors of Radium
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account(s)	:	Account(s) established by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
Central Depositories Act	:	The Securities Industry (Central Depositories) Act 1991, as amended from time to time and any re-enactment thereof
CFO	:	Certificate of Fitness for Occupation
CIDB	:	Construction Industry Development Board
CIMB IB	:	CIMB Investment Bank Berhad (Registration No.: 197401001266 (18417-M))
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time

DEFINITIONS (cont'd)

Constitution	:	Constitution of our Company
Conversion of ICPS into new Shares	:	Conversion of 400,000,000 ICPS into 200,000,000 new Shares on the basis of two (2) ICPS into one (1) Share
COS	:	Cost of sales
COVID-19	:	Coronavirus disease 2019
COVID-19 Act	:	Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) Act 2020
Datuk Sydney	:	Datuk Sydney Lim Tau Chin
DBKL	:	Dewan Bandaraya Kuala Lumpur
Depositor	:	A holder of a Securities Account
Director(s)	:	A natural person who holds a directorship in an executive or non-executive capacity in any company in the Radium Group
Dividend-In-Specie	:	Declaration of dividend amounting to RM40,000,000 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 of 400,000,000 RCPS 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)
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium, including but not limited to CD-ROMs
Electronic Application Share	:	Application for the Public Issue Shares through a Participating Financial Institution's ATM
EPF	:	Employees Provident Fund
EPS	:	Earnings per Share
Equity Guidelines	:	Equity Guidelines issued by the SC, as amended from time to time
Feasibility Study Report	:	Feasibility study report in respect of the hotel prepared by Ipsos
Financial Years and Period Under Review	:	Collectively, FYE 2019, FYE 2020, FYE 2021 and FPE 2022
FPE	:	Financial period ended 31 October
FYE(s)	:	Financial year(s) ended/ending 31 December
GDC	:	Gross development cost
GDP	:	Gross domestic product
GDV	:	Gross development value
Government	:	Government of Malaysia

DEFINITIONS (cont'd)

GP	:	Gross profit
HSD	:	Hakmilik Sementara Daftar
ICPS	:	Irredeemable convertible preference shares
IMR Report	:	Independent Market Research Report prepared by Smith Zander, as set out in Section 6 of this Prospectus
Independent Expert or Ipsos	:	Ipsos Sdn Bhd (Registration No.: 201001029021 (912941-X))
Independent Market Researcher or Smith Zander	:	Smith Zander International Sdn Bhd (Registration No.: 201301028298 (1058128-V))
Independent Valuer or Knight Frank	:	Knight Frank Malaysia Sdn Bhd (Registration No.: 200201017816 (585479-A))
Internet Participating Financial Institution	:	Participating financial institution in the Internet Share Application
Internet Share Application	:	The application for the Public Issue Shares through an Internet Participating Financial Institution
IPO	:	Initial public offering of IPO Shares comprising Public Issue only
IPO Price	:	The issue price of RM0.50 per IPO Share pursuant to the IPO
IPO Shares or Public Issue Shares	:	868,000,000 new Shares to be issued pursuant to the Public Issue
IRB	:	Inland Revenue Board
Jayyid Land	:	Jayyid Land Sdn Bhd (Registration No.: 201501023103 (1148432-A))
Joint Placement Agents	:	Collectively, Malacca Securities and CIMB IB
Joint Underwriters	:	Collectively, Malacca Securities and CIMB IB
Key Senior Management	:	The senior management team (excluding Directors) of our Company
KLCC	:	Kuala Lumpur City Centre
Large Companies	:	Companies on the FTSE Bursa Malaysia Top 100 Index; or companies with market capitalisation of RM2 billion and above, at the start of the companies' financial year
Listing	:	Admission to the Official List and the listing of and quotation for our entire enlarged share capital of RM476,400,000 comprising 3,468,000,000 Shares on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time

DEFINITIONS (cont'd)

Lot 810	:	Geran 80346, Lot 20069 Seksyen 90, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur (formerly known as HSD 121090, PT 50000 Seksyen 90, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, and previously known as Geran 11255, Lot 810, Mukim Ampang, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur)
LPD	:	31 March 2023, being the latest practicable date prior to the registration of this Prospectus or as otherwise stated
Main Market	:	Main Market of Bursa Securities
Malacca Securities	:	Malacca Securities Sdn Bhd (Registration No.: 197301002760 (16121-H))
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Management	:	Our Directors and Key Senior Management
Managing Underwriter	:	Malacca Securities
Market Day(s)	:	Any day between Monday and Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading in securities
MCCG	:	Malaysian Code on Corporate Governance 2021
MCO	:	Movement Control Order imposed by the Government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of Investment, Trade and Industry
MHLG	:	Ministry of Housing and Local Government
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
NRP	:	National Recovery Plan
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
Participating Institution	Financial :	The participating financial institution for the Electronic Share Application as listed in Section 17 of this Prospectus
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price-to-earnings multiple

DEFINITIONS (cont'd)

Pink Form Allocation	: Allocation of 60,000,000 IPO Shares to our eligible Key Senior Management, employees and business associates (including any other persons who have contributed to our success)
Pre-Listing Exercise	: Collectively, the Subscription, Share Split, Dividend-In-Specie and Conversion of ICPS into new Shares
Prescribed Security	: Shares of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the Central Depositories Act and the Rules
Principle Adviser	: Malacca Securities
Promoters	: Collectively, Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng, Cengal 2020 Sdn Bhd, Java Citarasa Sdn Bhd and Tambun Team Sdn Bhd
Prospectus	: This Prospectus dated 27 April 2023 issued by our Company in respect of our IPO
Prospectus Guidelines	: Prospectus Guidelines issued by the SC, as amended from time to time
Public Issue	: Public Issue of 868,000,000 new Shares, at the IPO Price, payable in full upon application, subject to the terms and conditions of this Prospectus
PV Development	: Platinum Victory Development Sdn Bhd (Registration No.: 200401029080 (667588-X))
PV Holdings	: Platinum Victory Holdings Sdn Bhd (Registration No.: 200901038655 (881788-K))
R&D	: Research and development
Radium or Company	: Radium Development Berhad (Registration No.: 201301009006 (1038848-V))
Radium Group or Group	: Radium and its subsidiaries namely, Ambanang Development, Constant Premium, Fitrah Resources, Idaman Sejiwa (Ampang), Montanica Development, Omega Edisi, Pavilion Integrity, Rasa Wangi, Total Solid, Tradisi Emas and Vistarena Development
Radium Shares or Shares	: Ordinary shares in Radium
Record of Depositors	: Record of securities holders established and maintained by Bursa Depository pursuant to the Rules
Reporting Accountants or Baker Tilly	: Baker Tilly Monteiro Heng PLT (Registration No.: 201906000600 (LLP0019411-LCA) & AF 0117)
RCPS	: Redeemable convertible preference shares
ROC	: Registrar of Companies
Rules	: The Rules of Bursa Depository
SC	: Securities Commission Malaysia

DEFINITIONS (cont'd)

Share Registrar or Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd (Registration No.: 197101000970 (11324-H))
Share Split	:	Subdivision of one (1) existing Share into one thousand (1,000) new Shares after the Subscription pursuant to the Pre-Listing Exercise
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SOCOSO	:	Social Security Organisation
SOP	:	Standard operating procedures
Subscription	:	Subscription of 1,400,000 Shares or RM1,400,000 into the capital of Radium pursuant to the Pre-Listing Exercise
sq. ft.	:	Square feet
Underwriting Agreement	:	The underwriting agreement dated 3 April 2023 entered into between Radium, the Managing Underwriter and the Joint Underwriters pursuant to the IPO
YA	:	Year of assessment
% or per cent	:	Per centum or percentage

SUBSIDIARIES: -

Ambanang Development	:	Ambanang Development Sdn Bhd (Registration No.: 201401037213 (1113356-A))
Constant Premium	:	Constant Premium Sdn Bhd (Registration No.: 201401017703 (1093790-P))
Fitrah Resources	:	Fitrah Resources Sdn Bhd (Registration No.: 199801009044 (465171-T))
Idaman Sejiwa (Ampang)	:	Idaman Sejiwa (Ampang) Sdn Bhd (Registration No.: 201101011792 (939926-H))
Montanica Development	:	Montanica Development Sdn Bhd (Registration No.: 201501029848 (1155171-A))
Omega Edisi	:	Omega Edisi Sdn Bhd (Registration No.: 200301027344 (629764-W))
Pavilion Integrity	:	Pavilion Integrity Sdn Bhd (Registration No.: 201301017191 (1047024-H))
Rasa Wangi	:	Rasa Wangi Development Sdn Bhd (Registration No.: 201501028349 (1153673-K))
Total Solid	:	Total Solid Holdings Sdn Bhd (Registration No.: 201201025636 (1010126-U))
Tradisi Emas	:	Tradisi Emas Sdn Bhd (Registration No.: 202101003868 (1404167-H))

DEFINITIONS (*cont'd*)

Vistarena Development : Vistarena Development Sdn Bhd (Registration No.: 201001007242 (891863-T))

CURRENCY: -

RM and sen : Ringgit Malaysia and sen, respectively

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GLOSSARY OF TECHNICAL TERMS

Technical terms used throughout this Prospectus shall have the same meaning as set out below unless the term is defined otherwise or the context requires otherwise: -

Advertising Permit	: An approval granted by the local housing ministry that allows developers to advertise and sell the particular property development applied under the Advertising Permit
Certificate of Practical Completion	: A certificate issued, before the issuance of CCC, certifying that practical completion has been achieved and all works described in the contract have been met and verified by consultants
Certificate of Making Good Defects	: A certificate issued when the contractor has rectified and made good all defects described in the schedule of defects and any other faults raised during the DLP
CCC	: Certificate of Completion and Compliance, a document issued by the development project's principal submitting person who is either a professional architect or professional engineer to certify that the development project is completed in accordance with the approved building plans and is supported with supporting letter from the respective authorities
commercial-residential	: A property development project that is developed under a commercial title but is used for residential and commercial purposes
Developer's License	: An approval granted by the local housing ministry that allows developers to carry out development works to the particular development applied under the Developer's License
DLP	: Defect liability period, a period of time, typically of two (2) years, after a development project has been completed where the developer is obliged to return to the site to remedy defects, if any
development order	: A permission granted by the Government to develop a proposed project
EOT	: Extension of time, a clause which allows developers to extend the scheduled completion date without being subject to penalty as a result of a delay in handing over the vacant possession
freehold land	: A private land by which the owner of the land owns it for perpetuity
Geran	: A land title issued by the state land office for freehold land
GM	: Geran Mukim, a land title issued by the district land office for freehold land
HSM	: Hakmilik Sementara Mukim, a title issued by the district land office for freehold and leasehold land, in advance of a survey and before the issuance of a final land title, in which the area of land held under the title is not final and is merely provisional
LAD	: Liquidated and ascertained damages, damages due to a customer calculated at a rate as stated in the contract agreement when a developer fails to deliver the completed work within a period stipulated in the said contract agreement
landbank	: Land owned for future sale or development

GLOSSARY OF TECHNICAL TERMS (cont'd)

leasehold land	: A government-owned land by which the lessee is granted the right to occupy the land for a given period of time until the lease expires
M&E	: Mechanical and electrical, a branch of engineering works involving the mechanical and electrical systems in buildings such as heating, ventilation and air-conditioning systems, fire protection systems, building control systems, escalators and lifts, plumbing works and electrical wiring works
mezzanine floor	: An intermediate floor which is built between two main floors
PN	: Pajakan Negeri, a land title issued by the state land office for leasehold land
QLASSIC	: Quality Assessment System in Construction, a system or method to measure and evaluate the workmanship quality of a building construction work based on Construction Industry Standard (CIS7:2006). QLASSIC enables the quality of workmanship between construction projects to be objectively compared through a scoring system
SOHO	: Small office home office, a property development project that is developed under a commercial title but can be used for residential purposes
squatter	: Individuals who occupy an area of land which they do not own, rent or have lawful permission to use the land
vacant possession	: The delivery of housekeys to home buyers

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PRESENTATION OF INFORMATION

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

Any reference in this Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Prospectus shall be a reference to Malaysian time, unless otherwise stated.

Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “Radium” and “our Company” in this Prospectus are to Radium Development Berhad, references to “our Group” are to our Company and our subsidiary companies taken as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and Key Senior Management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

The word “approximately” used in this Prospectus is to indicate that a number is not exact, but that number is usually rounded off to the nearest hundredth or two (2) decimal places. Any discrepancies in the tables included herein between the amounts listed and the totals thereof are due to rounding.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry in which we operate. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originates from us. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by Smith Zander and Ipsos. In compiling data for review, Smith Zander and Ipsos had relied on industry sources, published materials, their own private databanks and direct contacts within the industry. We believe that the statistical data and projections cited in this Prospectus are useful in helping you understand the major trends in the industry in which we operate.

The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than those of historical facts included in this Prospectus, including, without limitation, those regarding our Group's financial position, business strategies, plans and objectives of our Management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Group's present and future business strategies and the environment in which our Group will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

Some of these forward-looking statements can be identified by the use of forward-looking terminology such as the words "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to: -

- (a) demand for our products;
- (b) our business strategies;
- (c) our future plans;
- (d) our financial position; and
- (e) our future earnings, cash flows and liquidity.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation: -

- (a) the economic, political and investment environment in Malaysia and globally; and
- (b) government policy, legislation or regulation.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 8 - Risk factors and Section 12 - Management's discussion and analysis of financial condition and results of operations of this Prospectus. Due to these and other uncertainties, we cannot assure you that the forward-looking statements included in this Prospectus will be realised.

Such forward-looking statements are made only as at the date of this Prospectus. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of our Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6 on Supplementary and Replacement Prospectus) of the Prospectus Guidelines.

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I CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality/ Profession	Address
Tan Sri Mhd Amin Nordin bin Abd Aziz (m)	Independent Non-Executive Chairman	Malaysian/ Company Director	No. 3, Lorong 5, Kg Desa Pahlawan, Ampang Hilir, 55000 Kuala Lumpur, Wilayah Persekutuan
Datuk Gan Kah Siong (m)	Non-Independent Group Managing Director	Malaysian/ Company Director	No. 1, Jalan Perdana 2/16, Pandan Perdana, 55300 Kuala Lumpur, Wilayah Persekutuan
Gan Tiong Kian (m)	Non-Independent Executive Director	Malaysian/ Company Director	No. 1, Jalan Perdana 2/16, Pandan Perdana, 55300 Kuala Lumpur, Wilayah Persekutuan
Gan Kok Peng (m)	Non-Independent Executive Director	Malaysian/ Company Director	No. 1, Jalan Perdana 2/16, Pandan Perdana, 55300 Kuala Lumpur, Wilayah Persekutuan
Chai Woon Hou (m)	Non-Independent Executive Director	Malaysian/ Company Director	B-4-2, Lorong Padang Rengas Satu, Taman Kok Lian, 51200 Kuala Lumpur, Wilayah Persekutuan
Datuk Sydney (m)	Non-Independent Non-Executive Director	Malaysian/ Company Director	A3-05-01, Kondominium Mirage, Jalan Mirage 2, Perdana Lakeview West, 63000 Cyberjaya, Selangor Darul Ehsan
Nor Zaemah binti Dato' Zainuddin (f)	Independent Non-Executive Director	Malaysian/ Company Director	Lot 3656/3657, Jalan Ikan Puyu, Kg Bukit Lanchong, 40400 Shah Alam, Selangor Darul Ehsan
Koay Lean Lee (f)	Independent Non-Executive Director	Malaysian/ Company Director	16-1-2, City Garden Condo, Persiaran Raja Chulan, 50200 Kuala Lumpur, Wilayah Persekutuan
Nurazlin binti A. Samad (f)	Independent Non-Executive Director	Malaysian/ Company Director	49, Jalan BU11/4, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan
Phang Sweet Lee (f)	Independent Non-Executive Director	Malaysian/ Company Director	30, Jalan 14/54, 46100 Petaling Jaya, Selangor Darul Ehsan

(m) male

(f) female

I CORPORATE DIRECTORY (cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Nor Zaemah binti Dato' Zainuddin	Chairman	Independent Non-Executive Director
Nurazlin binti A. Samad	Member	Independent Non-Executive Director
Koay Lean Lee	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Datuk Sydney	Chairman	Non-Independent Non-Executive Director
Nor Zaemah binti Dato' Zainuddin	Member	Independent Non-Executive Director
Phang Sweet Lee	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Koay Lean Lee	Chairman	Independent Non-Executive Director
Datuk Sydney	Member	Non-Independent Non-Executive Director
Nurazlin binti A. Samad	Member	Independent Non-Executive Director

COMPANY SECRETARY :

Wong Chow Lan
 Malaysian Institute of Chartered Secretaries and Administrators
 ("MAICSA") No.: 7012088
 SSM Practising Certificate No.: 201908000012
Chartered Secretary

Wong Kok Xiang
 MAICSA No.: 7074422
 SSM Practising Certificate No.: 201908003350
Chartered Secretary

62C, Jalan SS21/62
 Damansara Utama
 47400 Petaling Jaya
 Selangor Darul Ehsan
 Malaysia
 Tel : +603 - 7727 2806
 E-mail : enquiry@genesiscorp.com.my

I CORPORATE DIRECTORY (cont'd)

- REGISTERED OFFICE** : 62C, Jalan SS21/62
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603 - 7729 3337
- HEAD OFFICE** : No. 7-2, PV7, Jalan Melati Utama 2
Taman Melati Utama, Setapak
53100 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia
Tel : +603 - 4161 8218
Fax : +603 - 4161 9186
E-mail : enquiry@radiumdevelopment.com
Website : www.radiumdevelopment.com
- PRINCIPAL ADVISER,
MANAGING
UNDERWRITER, JOINT
UNDERWRITER AND
JOINT PLACEMENT
AGENT** : Malacca Securities Sdn Bhd
(Registration No.: 197301002760 (16121-H))
BO1-A-13A, Level 13A, Menara 2
No.3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Malaysia
Tel : +603 - 2201 2100
- JOINT UNDERWRITER
AND JOINT
PLACEMENT AGENT** : CIMB Investment Bank Berhad
(Registration No.: 197401001266 (18417-M))
17th Floor, Menara CIMB
No. 1, Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Tel : +603 - 2261 8888
- SOLICITORS FOR OUR
IPO** : Iza Ng Yeoh & Kit
Suite 13.08, 13th Floor
Plaza 138
No.138, Jalan Ampang
50450 Kuala Lumpur
Malaysia
Tel : +603 - 2182 8138
Fax : +603 - 2182 8148
- SOLICITORS TO OUR
MANAGING
UNDERWRITER, JOINT
UNDERWRITERS AND
JOINT PLACEMENT
AGENTS** : Cheang & Ariff
Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur
Tel : +603 - 2691 0803
Fax : +603 - 2693 4475

I CORPORATE DIRECTORY (cont'd)

AUDITORS AND : Baker Tilly Monteiro Heng PLT
REPORTING (Registration No.: 201906000600 (LLP0019411-LCA) & AF 0117)
ACCOUNTANTS Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia
Tel : +603 - 2297 1000
Fax : +603 - 2282 9980

Partner-in-charge: Paul Tan Hong
Approved No.: 03459/11/2023 J
Chartered Accountant, Member of Malaysian Institute of Accountants ("MIA") (MIA Membership No.: 40209) and Fellow Member of Association of Chartered Certified Accountants

INDEPENDENT MARKET RESEARCHER : Smith Zander International Sdn Bhd
(Registration No.: 201301028298 (1058128-V))
15-01, Level 15, Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Malaysia
Tel : +603 - 2732 7537

Managing Partner: Dennis Tan
Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada

INDEPENDENT VALUER : Knight Frank Malaysia Sdn Bhd
(Registration No.: 200201017816 (585479-A))
Level 10, Menara Southpoint
Mid Valley City
Medan Syed Putra Selatan
59200 Kuala Lumpur
Malaysia
Tel : +603 - 2289 9688
Fax : +603 - 2289 9788

Valuer-in-charge: Keith H. Y. Ooi
Registration No.: V-692
Registered Valuer & Estate Agent, Board of Valuers, Appraisers and Estate Agents, Malaysia; Member of The Royal Institution of Chartered Surveyor (RICS), Member of The Royal Institution of Surveyors Malaysia (RISM) and Executive Committee Member of Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia (PEPS) (2021-2023)

I CORPORATE DIRECTORY (cont'd)

- INDEPENDENT EXPERT** : Ipsos Sdn Bhd
(Registration No.: 201001029021 (912941-X))
23rd Floor, Centrepoint North
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia
Tel : +603 - 2289 3000
Fax : +603 - 2289 3600
- Person-in-charge: Kiranjit Singh A/L Rajindar Singh
*Master of Business Administration from California State University,
Fullerton*
- ISSUING HOUSE AND
SHARE REGISTRAR** : 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
Malaysia
Tel : +603 - 2783 9299
Fax : +603 - 2783 9222
- LISTING SOUGHT** : Main Market
- SHARIAH STATUS** : Approved by Shariah Advisory Council of the SC

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II APPROVALS AND CONDITIONS

1. APPROVALS AND CONDITIONS

The approvals and conditions imposed by the relevant authorities for our Listing are as follows:

(i) SC's approval

The SC had, vide its letter dated 14 December 2022, approved our IPO and Listing under Section 214(1) of the CMSA and the resultant equity structure of our Company under the Bumiputera equity requirement for public listed companies pursuant to our Listing. The approval from the SC is subject to compliance with the following condition: -

No.	Condition imposed	Status of compliance
(i)	Malacca Securities and Radium to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Listing.	To be complied

The effect of our Listing on the equity structure of our Group are as follows: -

Category of shareholders	As at 30 September 2022 ⁽ⁱⁱ⁾		After our Listing	
	No. of Shares	% of issued shares	No. of Shares	% of issued shares
Bumiputera				
- Bumiputera investors to be approved by MITI	-	-	435,000,000 ⁽ⁱⁱⁱ⁾	12.54
- Bumiputera public via balloting	-	-	136,500,000 ⁽ⁱⁱⁱ⁾	3.94
- Others ⁽ⁱ⁾	90,997,833	3.50	90,997,833	2.62
Total Bumiputera	90,997,833	3.50	662,497,833	19.10
Non-Bumiputera	2,509,002,167	96.50	2,805,502,167	80.90
Total Malaysian	2,600,000,000	100.00	3,468,000,000	100.00
Foreigners	-	-	-	-
Grand Total	2,600,000,000	100.00	3,468,000,000	100.00

Notes: -

- (i) Existing corporate Bumiputera shareholders which are not recognised by MITI.
- (ii) Including the Conversion of ICPS into new Shares which was completed on 18 October 2022.
- (iii) Based on the assumption that the Shares allocated to Bumiputera investors to be approved by MITI and Bumiputera public investors via balloting shall be fully subscribed.

Shariah Advisory Council of the SC had, vide its letter dated 20 October 2022, classified our Shares as Shariah-compliant, based on our audited combined financial statements for the FYE 2021 and pro forma combined statements of financial position as at 31 December 2021.

(ii) MITI's approval

MITI had, vide its letter dated 24 November 2022, taken note and has no objection on our Listing.

II APPROVALS AND CONDITIONS (cont'd)**(iii) Bursa Securities' approval**

Bursa Securities had, vide its letter dated 6 January 2023, approved our Admission and Listing.

The approval from Bursa Securities is subject to compliance with the following conditions:

-

No.	Conditions imposed	Status of compliance
(i)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements. In this respect, Radium is advised to include the Stock Code, Stock Short Name and ISIN Code upon making the announcement on timetable for IPO; and	To be complied
(ii)	On the first day of Listing, to furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the public share spread requirements based on the entire issued share capital of Radium.	To be complied

2. MORATORIUM

In accordance with the Equity Guidelines, our Promoters will not be allowed to sell, transfer or assign their entire shareholdings in our Company for a period of six (6) months from the date of our Listing ("**Moratorium Period**").

The details of our Shares held under moratorium during the Moratorium Period are as follows:

-

Promoter	No. of Shares held under moratorium	% ⁽ⁱ⁾
Datuk Gan Kah Siong	546,000,000	15.74
Gan Tiong Kian	260,000,000	7.50
Gan Kok Peng	260,000,000	7.50
Cengal 2020 Sdn Bhd ⁽ⁱⁱ⁾	1,300,000,000	37.49
Java Citarasa Sdn Bhd ⁽ⁱⁱⁱ⁾	78,000,000	2.25
Tambun Team Sdn Bhd ^(iv)	39,000,000	1.12
Total	2,483,000,000	71.60

Notes: -

- (i) Based on our enlarged issued share capital of 3,468,000,000 Shares after our IPO.
- (ii) Datuk Gan Kah Siong is the ultimate shareholder of Cengal 2020 Sdn Bhd, a substantial shareholder of Radium. He holds 100.00% equity interest in Cengal 2020 Sdn Bhd.
- (iii) Gan Tiong Kian is the ultimate shareholder of Java Citarasa Sdn Bhd, a shareholder of Radium. He holds 100.00% equity interest in Java Citarasa Sdn Bhd.
- (iv) Gan Kok Peng is the ultimate shareholder of Tambun Team Sdn Bhd, a shareholder of Radium. He holds 100.00% equity interest in Tambun Team Sdn Bhd.

Our Promoters have provided undertaking letters to the SC that they will not sell, transfer or assign their entire shareholdings in Radium for a period of six (6) months from the date of our Listing, being the Moratorium Period in accordance with the Equity Guidelines.

The moratorium restriction, which is fully accepted by the above Promoters, are specifically endorsed on the share certificates representing the Shares held by our Promoters which are under moratorium to ensure that our Share Registrar does not register any transfer that contravenes such restriction.

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1. PROSPECTUS SUMMARY

THE PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

1.1 PRINCIPAL DETAILS OF OUR IPO

Subject to the terms and conditions of this Prospectus, our Public Issue of 868,000,000 new Shares shall be allocated and allotted in the following manner: -

	No. of Shares	%⁽ⁱⁱ⁾
(i) Malaysian Public ⁽ⁱ⁾	273,000,000	7.87
(ii) Eligible Key Senior Management, employees and business associates (including any other persons who contributed to our success)	60,000,000	1.73
(iii) Private Placement: -		
- Bumiputera investors approved by MITI	435,000,000	12.54
- Selected investors	100,000,000	2.89
Total	868,000,000	25.03

Enlarged share capital upon Listing	RM476,400,000 comprising 3,468,000,000 Shares
IPO Price	RM0.50
Market capitalisation upon Listing⁽ⁱⁱⁱ⁾	RM1,734,000,000

Notes: -

- (i) Including 136,500,000 Shares made available to Bumiputera public investors.
- (ii) Calculated based on our enlarged issued share capital of 3,468,000,000 Shares upon our Listing.
- (iii) Calculated based on our IPO Price and the enlarged issued share capital of 3,468,000,000 Shares upon our Listing.

Please refer to Section 2.4 of this Prospectus for further details of our IPO.

1.2 UTILISATION OF PROCEEDS

The proceeds of RM434.00 million to be raised from our Public Issue is expected to be utilised in the following manner: -

Details of utilisation	RM' million	%	Estimated timeframe upon our Listing
Acquisition of landbank and/or development expenditure	171.00	39.40	Within 36 months
Repayment of bank borrowings	93.87	21.63	Within 24 months
Hotel construction	109.30	25.18	Within 36 months
Working capital	39.83	9.18	Within 24 months
Estimated listing expenses	20.00	4.61	Immediate
Total	434.00	100.00	

Please refer to Section 2.8 of this Prospectus for further details of the utilisation of proceeds.

1.3 BUSINESS OVERVIEW

Radium was incorporated in Malaysia on 19 March 2013 under the Companies Act 1965 (and is deemed incorporated under the Act) as a private limited company under the name of Idaman Sejiwa Development Sdn Bhd and changed its name to Radium Development Sdn Bhd on 2 September 2021. The Company was converted to a public limited company under the name of Radium Development Berhad on 14 September 2021. We are a property developer principally involved in the development of high-rise residential properties, 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.

1. PROSPECTUS SUMMARY (cont'd)

As at LPD, we have four (4) completed projects, four (4) on-going projects and one (1) parcel of land for future development. All our completed and on-going projects along with land for future development are located in Kuala Lumpur, Malaysia.

In the past three (3) FYEs 2019 to 2021 and FPE 2022, our Group's total revenue was recorded at RM472.81 million, RM588.07 million, RM563.69 million and RM302.01 million respectively. Our revenues were mainly derived from our property development business in Kuala Lumpur, which contributed 99.69%, 99.88%, 99.95% and 91.72% of our Group's total revenue in FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

Please refer to Sections 4 and 5 of this Prospectus for further details of our Group and business overview respectively.

1.4 COMPETITIVE STRENGTHS

Our Group's competitive strengths are summarised as follows: -

- (i) our projects are strategically located in prime areas with well-developed infrastructure, amenities and good accessibility. Our projects are located within urban Kuala Lumpur, at distances of not more than 12 km from KLCC and are surrounded by well-developed infrastructure and amenities such as public transportation system, educational institutions, healthcare facilities, shopping malls and recreational parks, and easily accessible from major expressways and main roads which give home buyers the convenience of travelling, thus driving the attractiveness of our projects to home buyers;
- (ii) we have received good market acceptance rate from home buyers which we have successfully achieved 100.00% sold rate as at the LPD for all our projects that were launched before 2020 and 100.00% of units sold as at the LPD for Residensi Vista Sentul which was launched in September 2020. The positive reception towards our projects is primarily due to effective marketing strategies employed by our Group and strategic property locations with well-developed infrastructure, amenities, and good accessibility. In addition, we are also committed to ensure that our properties are developed to the required construction quality standards as evidenced by a QCLASSIC scoring of 75% received in February 2021 for our Residensi Vista Wirajaya development, our first completed development; and a QCLASSIC scoring of 80% received in November 2022 for our Residensi PV9 development. Our Group places strong emphasis on quality to enhance home buyer's confidence towards our developments and our Group, which is instrumental in building references and credentials to support our Group's future expansion and growth;
- (iii) we have an experienced and hands-on key management team who have key expertise, industry experience and in-depth knowledge of our business operations. Our Group Managing Director, Datuk Gan Kah Siong, has 18 years of experience in the property development industry and has experience in the area of hotel operations and management since 2016. His leadership has been instrumental in determining the overall strategic direction and business development of our Group as well as to ensure smooth internal operations and sound business decision making. He is supported by the following Executive Directors and Key Senior Management who have strong industry and functional expertise from the years of experience in their respective fields:

Name	Designation	Years of working experience
Gan Tiong Kian	Executive Director	30
Gan Kok Peng	Executive Director	34
Chai Woon Hou	Executive Director cum Head of Corporate Affairs, Legal and Human Resources	13
Sam Yan Li	Chief Financial Officer	17
Sea Shiou Kiow	Head of Sales, Branding and Marketing	20
Kow Fook Huat	Project Director	25
Chok Siao Yoke	Head of Credit Control	28

1. PROSPECTUS SUMMARY (cont'd)

Further, they take an active, hands-on role in spearheading their respective departments to support the growth of our Group which demonstrate their strong commitment to our growth as we continue to expand;

- (iv) we are actively involved in the development of affordable housing projects that are strategically located in prime areas. This is part of our Group's initiatives and commitment to support the Government's effort in providing affordable housing to Malaysian citizens. Among the various affordable housing schemes (e.g., Residensi Wilayah, PPAM, PR1MA, My First Home Scheme and Rumah Selangorku) initiated by the Government, we are involved in the development of Residensi Wilayah and PPAM; and
- (v) our Group's on-going projects and landbank for future development are located within urban Kuala Lumpur and are surrounded by well-developed infrastructure and amenities. Our Group foresees the market potential of our projects which will contribute positively to our future growth due to the surrounding infrastructure, amenities and accessibility of our projects.

Please refer to Section 5.5 of this Prospectus for further details of our Group's competitive strength.

1.5 FUTURE PLANS AND BUSINESS STRATEGIES

Our Group's future plans and business strategies are summarised as follows: -

- (i) we intend to expand our business through the acquisition of landbank(s) and joint venture arrangement(s) for future projects in Klang Valley to meet the demand of the residential property market in Klang Valley. We intend to utilise RM171.00 million, representing approximately 39.40% of our IPO proceeds, within 36 months from our Listing, to seize opportunities to acquire new land for development that is strategically located by acquiring the landbank directly, and acquiring company(ies) or enter into joint venture arrangement with potential landowners holding the relevant landbank in which these landbanks may have obtained the relevant planning and development consent, as well as to fund the development expenditure (i.e., development charges, conversion premium, joint venture entitlement, construction cost, professional fees) of our projects. As at the LPD, we have shortlisted three (3) parcels of land located in Mukim Petaling. Out of the three (3) parcels of land, we intend to acquire two (2) parcels of vacant land from a related party namely, Citarasa Kontrek Sdn Bhd, a company owned by Tan Sri Datuk Seri Gan Yu Chai (i.e., as at the LPD, we have not entered into any negotiation with the company) and another one (1) parcel of vacant land is intended to be a joint venture development between our Group and a non-related party (company) (i.e., as at the LPD, we have commenced negotiations with the non-related party. Please refer to Section 5.20(ii) of this Prospectus for further details). Our subsidiary, Rasa Wangi had on 20 September 2022 entered into a joint venture agreement with Kadar Jutajaya Sdn Bhd for a proposed development consisting *inter alia* 404 units of Residensi Wilayah and 932 units of condominium on a piece of leasehold land held under Hakmilik Sementara H.S(D) No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21,505 square metres. The project, as at the LPD, is in its planning stages and submission to DBKL for its approval of planning and development of the project is targeted to be made by June 2023. Subject to the necessary approvals having been obtained, we expect to commence construction and launch the project for sale in the first half of 2024 and with an expected completion within four (4) years from the launch. Further, we will also identify and acquire development sites with relevant planning and development consents in place. Although such development sites will be at a higher price, it provides us with greater certainty and a quicker turnaround time from acquisition to launch. The average turnaround time for the approval of planning and development by DBKL may range from six (6) months to twelve (12) months; and

1. PROSPECTUS SUMMARY (cont'd)

- (ii) we intend to develop a hotel and expand into the management and operations of the hotel. This will provide our Group with an additional revenue stream and recurring income to our Group in addition to existing revenue stream derived from our property development business. Our Group Managing Director, Datuk Gan Kah Siong, and our Non-Independent Non-Executive Director, Datuk Sydney, have vast expertise and knowledge in the management and operations of hotels from their past experience and involvement in hotel business. As disclosed in Section 5.3.1 of this Prospectus, the hotel will be part of our Group's on-going project, namely Suite Canselor which is located in Ampang, Kuala Lumpur and is developed by our subsidiary, Idaman Sejiwa (Ampang). The construction of the development commenced in March 2022 and the launching of our SOHO units was held in February 2023. Upon Listing, we plan to utilise RM109.30 million, representing approximately 25.18% of our IPO proceeds, within 36 months from our Listing, to fund the construction of our hotel. Any excess in construction cost will be funded via internally-generated funds. For information purposes, we may be the operator of the hotel and may also consider engaging an international hotel operator to operate the hotel in order to improve marketability and enhance the property value of Suite Canselor. The engagement of an international hotel operator with a reputable branding may allow us to enjoy higher room rates which shall translate to higher revenues and profits. As at the LPD, we have been in discussions with two (2) international hotel operators to explore the possibilities of managing the hotel. The said hotel operators have expressed their interest to manage the hotel but may require more than 145 rooms. In this regard, we may require additional units to be included as part of the hotel in addition to the existing proposed 145 units of hotel rooms. In such event, we may consider entering into lease arrangements with the purchasers to be utilised as hotel rooms. There is no hotel management agreement that has been executed between Radium and any of the proposed hotel operators as at the LPD. The expenses to procure any additional units to be included as hotel rooms, if required, shall be funded by our internally-generated funds. An announcement will be made to Bursa Securities upon appointment of the hotel operator, if any. In the event we are to operate the hotel, we may set up a team of approximately 100 to 120 personnel to carry out the operations and management of our hotel.

Please refer to Section 5.15 of this Prospectus for further details of our Group's future plans and business strategies.

1.6 IMPACT OF COVID-19 ON OUR GROUP'S OPERATIONS AND FINANCIAL PERFORMANCE

Our business and operations faced temporary interruption pursuant to the outbreak of the COVID-19 pandemic. As a result of the imposition of the first MCO effective on 18 March 2020 to 3 May 2020 by the Government, operations at our offices and sales galleries were temporarily suspended. Nevertheless, we had implemented work-from-home arrangement to ensure the continued operations of our Group.

Following the resurgence of COVID-19 cases in first half of 2021, the Government implemented a four-phase national recovery plan, known as the NRP, which is a re-imposition of nationwide lockdown beginning 1 June 2021. For Kuala Lumpur where our offices and sales galleries are located, operations at our offices and sales galleries were temporarily suspended. Nevertheless, we had implemented work-from-home arrangements to ensure the continued operations of our Group, and our sales activities continued through our virtual sales gallery and conferencing platform.

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

1. PROSPECTUS SUMMARY (cont'd)

operations when our contractors and/or their subcontractors respectively received their approval letter 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.

As a result of the implementation of Phase-1 NRP, our Group experienced short disruption in the delivery of vacant possession to home buyers for Residensi Vista Wirajaya. The CCC for Residensi Vista Wirajaya was obtained in July 2021 and the vacant possession was delivered to home buyers in August 2021. Nevertheless, the delivery of vacant possession was earlier than the original vacant possession date of September 2021. Hence, no LAD is imposed on our Group.

The vacant possession for Residensi Semarak Platinum was delivered in October 2021; Residensi Platinum OUG was delivered in June 2022; Residensi PV9 was delivered in November 2022; and Residensi Vista Sentul is expected to be delivered by the second quarter of 2023. As the revised actual and expected vacant possession dates are still within the exclusion period that was granted, we do not foresee any LAD claims that will be imposed on our Group.

The delay in the delivery of our projects for Residensi Semarak Platinum, Residensi Platinum OUG and Residensi PV9 had also resulted in a delay in the issuance of progressive billings to our customers for the respective projects. As such, we experienced a delay in the receipt of progressive payments from our customers for the respective projects which may have resulted in opportunity cost to our Group. Nevertheless, there was no material adverse impact to our Group's financial performance for the FYEs 2020 and 2021 resulting from the COVID-19 pandemic as there was no LAD claims made. Further, our Group does not foresee any significant adverse impact to our financial performance going forward as the revised actual and expected vacant possession dates are still within the exclusion period that was granted and hence, we do not foresee any LAD claims that will be imposed on our Group.

In response to the COVID-19 pandemic, our Group has established a safety protocol committee to oversee the adherence of infection control measures based on the guidelines and SOP issued by MITI. As at the LPD, 100% of our employees have completed at least two (2) doses of COVID-19 vaccination. To comply with the SOPs imposed since 18 March 2020 and up until the LPD, our Group has incurred testing costs and disinfection costs, amongst others, amounting to RM0.40 million which is not material to our Group. Our Group has also not been in breach of any laws relating to COVID-19 restrictions and/or SOPs as issued by the relevant authorities.

Please refer to Section 5.3.3 of this Prospectus for further details of the impact of COVID-19 on our Group and operations.

1.7 RISK FACTORS

You should evaluate and consider carefully before making an application for our IPO Shares, along with other matters in this Prospectus, the risks (which may not be exhaustive) below. Additional risks, whether known or unknown, may in the future have a material adverse effect on our business operations, financial position and performance.

The key risks relating to our Group's business operations are summarised as follows: -

- (i) we are subject to the prevailing market conditions in the property market in Malaysia and specifically, in Klang Valley, including, amongst others, the supply and demand of properties, rate of economic growth, interest rates, and inflation in Malaysia and other factors beyond our control such as changes in political environment or sudden outbreak of diseases (e.g., the outbreak of the COVID-19 virus in early 2020) which may also impact the economic activities in Malaysia which may, in turn, adversely affect our Group's business, cash flow and sales performance;

1. PROSPECTUS SUMMARY (cont'd)

- (ii) our business operations are impacted by the outbreak of the COVID-19 pandemic and possible similar future outbreaks may have a significant adverse effect on our Group. During the implementation of the first MCO and NRP, our Group faced temporary disruption to the operations at our offices and sales galleries, whereby our operations were temporarily suspended and the construction activities at all of our project sites were temporarily suspended as our contractors and/or their subcontractors were not allowed to operate. Nevertheless, there can be no assurance that our operations will not be materially impacted by disruptions and 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 epidemic in the future;
- (iii) we are exposed to unexpected interruptions or delays in project completion caused by external factors, 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. 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;
- (iv) our business is capital intensive and is dependent on our ability to secure adequate financing. If we are unable to secure adequate credit facilities at competitive rates and/or there is any call back on our callable credit facilities (i.e., bank overdrafts), our cash flows, operations, growth and expansion plans will be adversely affected. Socio-economic conditions with negative impacts, such as the COVID-19 pandemic and MCOs arising from it, may affect our Group's borrowings in which we may not be able to secure any credit facilities from financial institutions or that the credit facilities secured may not be sufficient to fund our acquisition of landbanks or to proceed with project development activities. 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;
- (v) we may not be able to acquire 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. 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 landowners on commercially viable terms and with good development potential;
- (vi) we may achieve lower than estimated GDV for our projects. We have engaged an Independent Valuer to value our on-going property development projects based on certain forecasts, projections and conditions of the property market where our developments are located, prevailing at a particular point in time. 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;
- (vii) our Group is dependent on our Executive Directors, Key Senior Management and a highly-skilled and experienced workforce. 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;

1. PROSPECTUS SUMMARY (cont'd)

- (viii) we may face unanticipated increase in costs associated with our property development projects. 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;
- (ix) our insurance coverage may not be adequate to cover all losses or liabilities that may arise in connection with our operations. 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; and
- (x) we may be involved in legal and other proceedings arising from our operations from time to time. 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.

Please refer to Section 8 of this Prospectus for further details of the risk factors.

1.8 DIRECTORS AND KEY SENIOR MANAGEMENT

The details of our Directors and Key Senior Management are as follows: -

Name	Designation
Directors	
Tan Sri Mhd Amin Nordin bin Abd Aziz	Independent Non-Executive Chairman
Datuk Gan Kah Siong	Group Managing Director
Gan Tiong Kian	Executive Director
Gan Kok Peng	Executive Director
Chai Woon Hou	Executive Director cum Head of Corporate Affairs, Legal and Human Resources
Datuk Sydney	Non-Independent Non-Executive Director
Nor Zaemah binti Dato' Zainuddin	Independent Non-Executive Director
Koay Lean Lee	Independent Non-Executive Director
Nurazlin binti A. Samad	Independent Non-Executive Director
Phang Sweet Lee	Independent Non-Executive Director
Key Senior Management	
Sam Yan Li	Chief Financial Officer
Sea Shiou Kiow	Head of Sales, Branding and Marketing
Kow Fook Huat	Project Director
Chok Siao Yoke	Head of Credit Control

Please refer to Sections 3.2 and 3.3 of this Prospectus for further details of our Directors and Key Senior Management.

1.9 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders together with their respective shareholdings before and after the IPO are as follows: -

Name	Nationality/ Country of incorporation	Before the IPO			
		Direct		Indirect	
		No. of Shares	%⁽ⁱ⁾	No. of Shares	%⁽ⁱ⁾
Promoter and substantial shareholder					
Datuk Gan Kah Siong	Malaysian	546,000,000	21.00	1,300,002,167 ⁽ⁱⁱⁱ⁾	50.00
Gan Tiong Kian	Malaysian	260,000,000	10.00	78,002,167 ^(iv)	3.00
Gan Kok Peng	Malaysian	260,000,000	10.00	39,002,167 ^(v)	1.50
Cengal 2020 Sdn Bhd	Malaysia	1,300,000,000	50.00	-	-
Promoter					
Java Citarasa Sdn Bhd	Malaysia	78,000,000	3.00	-	-
Tambun Team Sdn Bhd	Malaysia	39,000,000	1.50	-	-

1. PROSPECTUS SUMMARY (cont'd)

Name	Nationality/ Country of incorporation	After the IPO			
		Direct		Indirect	
		No. of Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾
Promoter and substantial shareholder					
Datuk Gan Kah Siong	Malaysian	546,000,000	15.74	1,300,002,167 ⁽ⁱⁱⁱ⁾	37.49
Gan Tiong Kian	Malaysian	260,000,000	7.50	78,002,167 ^(iv)	2.25
Gan Kok Peng	Malaysian	260,000,000	7.50	39,002,167 ^(v)	1.12
Cengal 2020 Sdn Bhd	Malaysia	1,300,000,000	37.49	-	-
Promoter					
Java Citarasa Sdn Bhd	Malaysia	78,000,000	2.25	-	-
Tambun Team Sdn Bhd	Malaysia	39,000,000	1.12	-	-

Notes: -

- (i) Based on our issued share capital of 2,600,000,000 Shares before our IPO.
(ii) Based on our enlarged issued share capital of 3,468,000,000 Shares after our IPO.
(iii) Deemed interested by virtue of his 100.00% equity interest in Cengal 2020 Sdn Bhd and 1.00% equity interest in PV Holdings pursuant to Section 8 of the Act.
(iv) Deemed interested by virtue of his 100.00% equity interest in Java Citarasa Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.
(v) Deemed interested by virtue of his 100.00% equity interest in Tambun Team Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

As detailed in Section II of this Prospectus, our Promoters have provided undertaking letters to the SC that they will not sell, transfer or assign their entire shareholdings in Radium for a period of six (6) months from the date of our Listing, being the Moratorium Period in accordance with the Equity Guidelines.

Please refer to Section 3.1 of this Prospectus for further details of our Promoters and substantial shareholders.

1.10 FINANCIAL AND OPERATIONAL INFORMATION**(i) Historical combined financial statements**

The following table sets out the key financial highlights of our historical combined financial statements 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
Revenue	472,806	588,067	563,691	302,011
GP	147,616	166,072	178,102	131,482
PBT	163,402	131,727	144,901	133,523
PAT attributable to: -				
- owners of the Company	127,999	87,894	101,589	89,585
- non-controlling interests	6,602	11,100	7,361	2,498
Total equity	159,880	258,874	369,424	391,507
Total loans and borrowings ⁽ⁱ⁾	76,358	90,777	89,312	93,024
EBITDA	172,696	141,328	152,493	137,595
GP margin ⁽ⁱⁱ⁾ (%)	31.22	28.24	31.60	43.54
PBT margin ⁽ⁱⁱⁱ⁾ (%)	34.56	22.40	25.71	44.21
PAT margin ⁽ⁱⁱⁱ⁾ (%)	28.47	16.83	19.33	30.49
Current ratio ^(iv) (times)	1.32	1.52	2.04	3.21
Gearing ratio ^(v) (times)	0.48	0.35	0.24	0.24
Basis EPS ^(vi) (sen)	4.92	3.38	3.91	3.45
Diluted EPS ^(vii) (sen)	3.69	2.53	2.93	2.58

Notes: -

- (i) Excluding lease liabilities for right-of-use assets classified under lease liabilities.
(ii) Computed based on GP over revenue.
(iii) Computed based on PBT/PAT over revenue.
(iv) Computed based on current assets over current liabilities as at each FYE/FPE.
(v) Computed based on our total loans and borrowings over total equity for each FYE/FPE.

1. PROSPECTUS SUMMARY (cont'd)

- (vi) 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.
- (vii) 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.

(ii) Pro forma combined statements of financial position

The following table summarises our pro forma combined statements of financial position as at 31 October 2022 and after adjusting for the cash proceeds arising from our Public Issue and the utilisation of proceeds. It should be read in conjunction with the accompanying notes and assumptions included in the pro forma combined statements of financial position as set out in Section 14 of this Prospectus.

	Audited as at 31 October 2022	Pro Forma	
		I	II
		After the Public Issue	After Pro Forma I and the utilisation of proceeds
	RM'000	RM'000	RM'000
Assets			
Total non-current assets	17,001	17,001	17,001
Total current assets	608,752	1,042,752	985,056
Total Assets	625,753	1,059,753	1,002,057
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
Total non-current liabilities	44,779	44,779	12,731
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
No. of Shares issued/assumed to be issued ('000)	2,600,000	3,468,000	3,468,000
NA ⁽ⁱ⁾ (RM'000)	388,107	822,107	804,860
NA ⁽ⁱ⁾ per Share (RM)	0.15	0.24	0.23
Total borrowings	94,842	94,842	54,393
Current ratio (times)	3.21	5.50	5.44
Gearing ratio ⁽ⁱⁱ⁾ (times)	0.24	0.12	0.07

Notes: -

- (i) NA attributable to the owners of the Company.
- (ii) Calculated based on total borrowings divided by NA attributable to the owners of the Company.

1.11 DIVIDEND POLICY

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.

1. PROSPECTUS SUMMARY (cont'd)

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.

Please refer to Section 12.7 of this Prospectus for detailed information on our dividend policy.

1.12 MATERIAL LITIGATION IN RELATION TO RESIDENSI PLATINUM MIRA

As at the LPD, Residensi Platinum Mira achieved 60.17% of units sold. The soft launch of this project was held in July 2019. However, litigation proceedings were taken against Pavilion Integrity in respect of our development land for Residensi Platinum Mira since October 2017. 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, whereby the Court of Appeal held, amongst others, a declaration that the decision of DBKL as set out in their letter dated 7 December 2018 is valid and binding is granted (the content of the letter whereby DBKL will acquire Lot 810), and an order of mandamus against DBKL to issue a notice of acquisition under Section 47(3) of the Federal Territory (Planning) Act 1982 to initiate the acquisition of Lot 810, 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 detailed information on the litigation cases in respect of the said development land.

2. PARTICULARS OF OUR IPO

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF OUR IPO AND AN INVESTMENT IN OUR SHARES. IF YOU ARE IN DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD IMMEDIATELY CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS BEFORE APPLYING FOR OUR IPO SHARES.

2.1 OPENING AND CLOSING OF APPLICATION

The Application period will open at 10.00 a.m. on 27 April 2023 and will remain open until 5.00 p.m. on 16 May 2023. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

2.2 TENTATIVE TIMETABLE

The tentative timetable for our IPO is set out below: -

Events	Dates
Issuance of Prospectus/Opening of Application	10:00 a.m., 27 April 2023
Closing of Application	5:00 p.m., 16 May 2023
Balloting of Application	19 May 2023
Allotment of IPO Shares to successful applicants	26 May 2023
Listing on the Main Market of Bursa Securities	31 May 2023

In the event there are any changes to the timetable, we will advertise a notice of the extension in a widely circulated Bahasa Malaysia and English daily newspaper in Malaysia.

2.3 SHARE CAPITAL

The details of our share capital upon completion of our IPO are as follows: -

	No. of Shares	RM
Share capital as at the date of this Prospectus	2,600,000,000	42,400,000
To be issued pursuant to the Public Issue	868,000,000	434,000,000
Enlarged share capital upon Listing	3,468,000,000	476,400,000
IPO Price		0.50
Market capitalisation upon Listing⁽ⁱ⁾		1,734,000,000

Note: -

(i) Calculated based on our IPO Price and the enlarged issued share capital of 3,468,000,000 Shares upon Listing.

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.

Our Public Issue Shares shall, upon allotment and issue, rank *pari passu* in all respects with our existing Shares, including voting rights and will be entitled to all rights, dividends and distributions that may be declared subsequent to the date of allotment of our Public Issue Shares.

2. PARTICULARS OF OUR IPO (cont'd)

Subject to any special rights attaching to any of our Shares, which may be issued by us in the future, our shareholders shall, in proportion to the amount paid or credited as paid on the Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions and any surplus in the event our Company is liquidated in accordance with our Constitution.

Each of our shareholder shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney, or being a corporation, by a duly authorised representative. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote, and on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each Share held. A proxy may but need not be a member of our Company.

2.4 DETAILS OF OUR IPO

2.4.1 Public Issue

Our Public Issue of 868,000,000 new Shares, representing approximately 25.03% of our enlarged issued share capital, at an issue price of RM0.50 per Public Issue Share, is subject to the terms and conditions of this Prospectus and will be allocated and allotted in the following manner: -

(i) Malaysian Public

273,000,000 Public Issue Shares, representing approximately 7.87% of our enlarged issued share capital will be made available for application by the Malaysian Public by way of balloting, of which 50.00% of 273,000,000 Public Issue Shares shall be set aside for the Bumiputera public investors.

Any unsubscribed Public Issue Shares by the Malaysian Public will be made available for subscription as follows: -

- (a) firstly, by the eligible persons under the Pink Form Allocation as described in Section 2.4.1(ii) of this Prospectus;
- (b) secondly, by our selected investors as described in Section 2.4.1(iv) of this Prospectus; and
- (c) lastly, by our Joint Underwriters based on the terms of the Underwriting Agreement as set out in Section 2.10 of this Prospectus.

(ii) Eligible Key Senior Management, Employees and Business Associates (including any other persons who contributed to our success)

60,000,000 Public Issue Shares, representing approximately 1.73% of our enlarged issued share capital will be made available for application by the eligible Key Senior Management, employees and business associates, including any other persons who contributed to our success, under the Pink Form Allocation as follows: -

Category	No. of eligible persons	Aggregate no. of Public Issue Shares allocated
Key Senior Management	4	1,820,000
Employees and business associates (including any other persons who have contributed to our success)	214	58,180,000
	218	60,000,000

2. PARTICULARS OF OUR IPO (cont'd)

The criteria for the allocation of Public Issue Shares to our eligible Key Senior Management, employees and business associates (including any other persons who have contributed to our success) are as follows: -

(a) Criteria for the allocation to our eligible Key Senior Management

The criteria for the allocation to our eligible Key Senior Management are based on, amongst others, their respective roles, responsibilities and length of service in our Group.

The details of allocation of our Public Issue Shares to our Key Senior Management are as follows: -

Key Senior Management	Designation	No. of Public Issue Shares allocated
Sam Yan Li	Chief Financial Officer	320,000
Sea Shiou Kiow	Head of Sales, Branding and Marketing	600,000
Kow Fook Huat	Project Director	600,000
Chok Siao Yoke	Head of Credit Control	300,000
Total		1,820,000

(b) Criteria for the allocation to our employees

The criteria for the allocation to our employees (as approved by our Board) are based on, *inter alia*, the followings: -

- (aa) is employed on full time basis and who has been confirmed in service;
- (bb) full time employee of at least 18 years of age;
- (cc) is not an undischarged bankrupt nor subject to any bankruptcy proceedings; and
- (dd) the seniority, job grading, length of service and/or their respective contribution made to our Group as well as other factors deemed relevant to our Board.

(c) Criteria for the allocation to our business association (including any other persons who have contributed to our success)

The criteria for the allocation to our business association (including any other persons who have contributed to our success) are based on, amongst others, their level of contribution, length of business relationship and support to the growth of our Group.

Any unsubscribed Public Issue Shares under the Pink Form Allocation will be re-offered to our Group's other eligible employees and business associates (including any other persons who have contributed to the success of our Group) before being re-allocated to the Malaysian Public on a fair and equitable manner and/or selected investors via private placement. For the avoidance of doubt, all Public Issue Shares under the Pink Form Allocation are subject to underwriting arrangements pursuant to the salient terms of the Underwriting Agreement as set out in Section 2.10 of this Prospectus.

2. PARTICULARS OF OUR IPO (cont'd)

As at the LPD, the allocation of Public Issue Shares to our eligible employees and business association (including any other persons who have contributed to our success) under the Pink Form Allocation has yet to be ascertained.

(iii) Bumiputera Investors Approved by MITI

435,000,000 Public Issue Shares, representing approximately 12.54% of our enlarged issued share capital will be made available for application by way of private placement to selected Bumiputera investors approved by MITI ("**MITI Tranche**") and shall be subject to the following re-allocation provisions: -

- (a) in the event the MITI Tranche are not fully subscribed, the remaining portion will be clawed-back and be re-allocated to the institutional investors by way of private placement;
- (b) subsequently, any of the MITI Tranche that are not taken up shall be made available for application by the Bumiputera public investors as part of the balloting process; and
- (c) any further MITI Tranche which are not taken up by the Bumiputera public investors will be made available for application by the Malaysian Public under Section 2.4.1(i) of this Prospectus and/or private placement to selected investors under Section 2.4.1(iv) of this Prospectus.

(iv) Selected Investors

100,000,000 Public Issue Shares, representing approximately 2.89% of our enlarged issued share capital will be made available for application by way of private placement to selected investors.

The Public Issue Shares to selected investors by way of private placement will not be underwritten by our Joint Underwriters as irrevocable undertakings will be procured from the respective selected investors.

Save for the allocation made available for Application as disclosed in Section 2.4.1(ii) of this Prospectus, to the extent known to our Company: -

- (a) there are no substantial shareholders, Directors or Key Senior Management that have the intention to subscribe for our Public Issue Shares allocated for the Malaysian Public as disclosed in Section 2.4.1(i) of this Prospectus; and
- (b) there is no person that intends to subscribe for more than 5.0% of our Public Issue Shares allocated for the Malaysian Public as disclosed in Section 2.4.1(i) of this Prospectus.

The basis of allocation for our Public Issue Shares shall take into account the desirability of distributing our Public Issue Shares to a reasonable number of applicants with a view of broadening our shareholders base to meet the public shareholding spread requirements pursuant to the Listing Requirements and to establish a liquid and adequate market of our Shares. In addition, the allocation of our Public Issue Shares to applicants will be selected on a fair and equitable manner.

There is no minimum subscription amount to be raised from the Public Issue. All the Public Issue Shares pursuant to Sections 2.4.1(i) and 2.4.1(ii) will be fully underwritten by our Managing Underwriter and Joint Underwriters pursuant to the salient terms of the Underwriting Agreement as set out in Section 2.10 of this Prospectus.

There is no over-allotment or "greenshoe" option which will result in an increase in the amount of our Public Issue Shares.

2. PARTICULARS OF OUR IPO (cont'd)

In order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by public shareholders.

Under the Listing Requirements, we are required to have at least 25.0% of our Shares in the hands of a minimum number of 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

In the event the above public shareholding spread requirement is not met, we may not be able to proceed with our Listing. In such event, pursuant to the provision of Section 243(2) of the CMSA, all monies paid in respect of any application for our IPO Shares shall be repaid in full without interest. If such money is not repaid within 14 days after we become liable to repay it, then, in addition to our liability, our officers shall be jointly and severally liable to repay such money with interest at the rate of 10.0% per annum or at such rate as may be prescribed by the SC from the expiration of that period.

2.4.2 Listing

Bursa Securities had, vide its letter dated 6 January 2023, approved our Admission and Listing.

2.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows: -

- (i) to enable our Group to raise funds for the purposes as set out in Section 2.8 of this Prospectus;
- (ii) to enable our Group to gain recognition and enhance corporate profile through our listing status and further enhance our corporate reputation;
- (iii) to enable our Group to gain access to the capital market for future business and continued growth; and
- (iv) to provide an opportunity for our eligible Key Senior Management, employees and business associates (including any other persons who have contributed to our success) as well as the Malaysian Public to participate in our equity and growth of our Group.

2.6 BASIS OF ARRIVING AT OUR IPO PRICE

This IPO Price of RM0.50 per Share was determined after taking into consideration the following factors: -

- (i) our Group's diluted EPS of 2.93 sen based on our audited combined PAT attributable to the owners of the Company of approximately RM101.59 million for the FYE 2021 and our enlarged issued share capital of 3,468,000,000 Shares which translates to a PE Multiple of approximately 17.06 times;
- (ii) our Group's pro forma combined NA as at 31 October 2022 of RM804.86 million or RM0.23 per Share based on our enlarged issued share capital of 3,468,000,000 Shares and after taking into consideration the utilisation of proceeds from our Public Issue;
- (iii) our Group's operating and financial performance as set out in Sections 11 and 12 of this Prospectus;
- (iv) our Group's competitive strengths as set out in Section 5.5 of this Prospectus; and
- (v) our Group's future plans and business strategies as set out in Section 5.15 of this Prospectus.

2. PARTICULARS OF OUR IPO (cont'd)

Prior to our IPO, there has been no public market for our Shares within or outside Malaysia. You should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the price of our Shares being traded. You should also bear in mind the Risk Factors as set out in Section 8 of this Prospectus and form your own views on the valuation of our IPO Shares before deciding to invest in our Shares.

2.7 DILUTION

Dilution is the amount by which our IPO Price to be paid by applicants exceeds our pro forma combined NA attributable to the owners of the Company per Share after our IPO.

Our pro forma combined NA attributable to the owners of the Company per Share as at 31 October 2022 (before adjusting for the proceeds from our Public Issue and deducting the estimated listing expenses) based on our issued share capital of 2,600,000,000 Shares was RM0.15 per Share.

Pursuant to our Public Issue of 868,000,000 new Shares at the IPO Price of RM0.50, our pro forma combined NA attributable to the owners of the Company per Share as at 31 October 2022 (after adjusting for the proceeds from our Public Issue and deducting the estimated listing expenses) would have been RM0.23 per Share, which represents an immediate increase in the pro forma combined NA attributable to the owners of the Company per Share of RM0.08 to our existing shareholders. However, there is an immediate dilution in the NA attributable to the owners of the Company per Share of RM0.27, representing approximately 54.00% decrease to our new investors.

The dilution per Share as at 31 October 2022 is illustrated as follows: -

	RM
IPO Price	0.50
Pro forma combined NA ⁽ⁱ⁾ per Share as at 31 October 2022 based on our issued share capital of 2,600,000,000 Shares	0.15
Pro forma combined NA ⁽ⁱ⁾ per Share as at 31 October 2022 based on our enlarged issued share capital of 3,468,000,000 Shares upon our Listing ⁽ⁱⁱ⁾	0.23
Increase in the pro forma combined NA ⁽ⁱ⁾ per Share to our existing shareholders	0.08
Dilution in pro forma combined NA ⁽ⁱ⁾ per Share to new investors ⁽ⁱⁱⁱ⁾	0.27
Dilution in pro forma combined NA ⁽ⁱ⁾ per Share to new investors as a percentage of our IPO Price	54.00%

Notes: -

- (i) NA attributable to the owners of the Company.
- (ii) After adjusting for the proceeds from our Public Issue and deducting the estimated listing expenses.
- (iii) The dilution in the pro forma combined NA⁽ⁱ⁾ per Share is computed for illustration purposes only. It is arrived at based on the difference between our IPO Price and the pro forma combined NA⁽ⁱ⁾ per Share as at 31 October 2022 based on our enlarged issued share capital of 3,468,000,000 Shares upon our Listing.

Further details of our pro forma combined NA attributable to the owners of the Company per Share as at 31 October 2022 is set out in Section 14 of this Prospectus.

2. PARTICULARS OF OUR IPO (cont'd)

Save for the issuance of Shares to our Promoters pursuant to the Subscription and Share Split as set out in Section 4.3 of this Prospectus, there is no material acquisition of any existing Radium Shares that involved cash in our Group by our Directors, Promoters, substantial shareholders, and Key Senior Management or persons connected with them, or in which they have the right to acquire, from the date of our incorporation and up to the date of this Prospectus.

2.8 UTILISATION OF PROCEEDS

The proceeds of RM434.00 million to be raised from our Public Issue is expected to be utilised in the following manner: -

Details of utilisation	RM' million	%	Estimated timeframe upon our Listing
Acquisition of landbank and/or development expenditure	171.00	39.40	Within 36 months
Repayment of bank borrowings	93.87	21.63	Within 24 months
Hotel construction	109.30	25.18	Within 36 months
Working capital	39.83	9.18	Within 24 months
Estimated listing expenses	20.00	4.61	Immediate
Total	434.00	100.00	

2.8.1 Acquisition of landbank and/or development expenditure

We intend to allocate RM171.00 million, representing approximately 39.40% of our IPO proceeds, for the acquisition of landbank for our future development in Klang Valley by acquiring the landbank directly, and acquiring company(ies) or enter into joint venture arrangement with potential landowners holding the relevant landbank in which these landbanks may have obtained the relevant planning and development consent, as well as to fund the development expenditure of our projects i.e., development charges, conversion premium, joint venture entitlement, construction cost, professional fees. Subject to feasibility and viability study of projects, we may enter into joint venture arrangement(s) with potential landowners to develop and/or invest in land in Klang Valley by leveraging on the background and financial standing of suitable partners for future property development. We intend to develop high-rise residential properties with well developed infrastructure and amenities within the surrounding area as well as good accessibility which are located within Klang Valley.

As at the LPD, we have shortlisted three (3) parcels of land located in Mukim Petaling. Out of the three (3) parcels of land, we intend to acquire two (2) parcels of vacant land from a related party namely, Citarasa Kontrek Sdn Bhd, a company owned by Tan Sri Datuk Seri Gan Yu Chai (i.e., as at the LPD, we have not entered into any negotiation with the company) and another one (1) parcel of vacant land is intended to be a joint venture development between our Group and a non-related party (company) (i.e., as at the LPD, we have commenced negotiations with the non-related party. Please refer to Section 5.20(ii) of this Prospectus for further details).

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2. PARTICULARS OF OUR IPO (cont'd)

Our subsidiary, Rasa Wangi had on 20 September 2022 entered into a joint venture agreement with Kadar Jutajaya Sdn Bhd for a proposed development consisting *inter alia* 404 units of Residensi Wilayah and 932 units of condominium on a piece of leasehold land held under Hakmilik Sementara H.S(D) No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21,505 square metres. Prominent landmarks in the immediate and surrounding vicinity include Sekolah Menengah Kebangsaan St Mary, Kepong Metropolitan Park, Selayang Mall, Selayang Capitol Kompleks, Selayang Hospital, Mercure Selangor Selayang. The project is, as at the LPD, in its planning stages and submission to DBKL for its approval of planning and development of the project is targeted to be made by June 2023. Subject to the necessary approvals having been obtained, we expect to commence construction and launch the project for sale in the first half of 2024 and with an expected completion within four (4) years from the launch. The development cost i.e., development charges, conversion premium, joint venture entitlement, construction cost, professional fees pursuant to the said agreement with Kadar Jutajaya Sdn Bhd will be financed via internally-generated funds, the proceeds of the IPO and/or bank borrowings (if required).

Please refer to Section 5.15.1 of this Prospectus on our plan to expand our business through the acquisition of landbank for future projects in Klang Valley.

We intend to fund the acquisition of landbank and development expenditure of our projects with the IPO proceeds. However, in the event of a deficit, we shall finance such shortfall from our internally-generated funds and/or bank borrowings. Any unutilised proceeds will be allocated for working capital purposes. However, if there is no suitable landbank to be acquired after Listing and beyond the said estimated timeframe, the IPO proceeds shall be allocated for working capital purposes.

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2. PARTICULARS OF OUR IPO (cont'd)**2.8.2 Repayment of bank borrowings**

We intend to allocate RM93.87 million, representing approximately 21.63% of our IPO proceeds, to partially repay the bank borrowings to settle the term loan which is attributable to the acquisition of land and development cost. As at the LPD, the total outstanding amount of the bank borrowings stood at RM42.29 million as follows: -

Company	Type of banking facilities/ Purpose	Date of letter of offer by the bank	Interest rate per annum	Maturity date	Outstanding amount as at the LPD RM'000	Proposed repayment RM'000
Pavilion Integrity	Term loan ⁽ⁱ⁾ / To part finance the acquisition of a development land held under Geran 80346, Lot 20069 Seksyen 90 for Residensi Platinum Mira	30 October 2017	BLR	12 February 2023	5,781	5,781
Fitrah Resources	Commodity Murabahah Term Financing-i 1 (CMTF-i 1) ⁽ⁱⁱ⁾ / To reimburse the land alienation premium payable to Pejabat Pengarah Tanah Dan Galian Wilayah Persekutuan to acquire a parcel of vacant development land held under PN 53589, Lot 481729	21 September 2020	BFR - 2.00%	7 December 2025	22,637	20,797
Fitrah Resources	Commodity Murabahah Term Financing-i 5/Bridging Finance 2 (CMTF-I 5/BF 2) ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾ / To part finance the building construction cost for the proposed development project under PN 53589, Lot 481729 i.e., apartment building, car park podium, building landscape design, infrastructure cost, foundation and piling works	26 July 2022	Cost of funds + 2.25%	25 July 2028	(iii)	(iii)
Idaman Sejiwa (Ampang)	Term loan ^(iv) / To finance land cost and development cost for a parcel of vacant development land held under HSM 604 Lot PT 256 and Geran 80347 Lot 80133 for commercial-residential development comprising one (1) tower of SOHO together with the hotel component	31 March 2022	BLR + 0.50%	30 November 2025	13,871	13,871
Total					42,289	93,871

2. PARTICULARS OF OUR IPO (cont'd)

Notes: -

- (i) *Early repayment of the bank borrowings may result in penalty to be incurred by our Group pursuant to the terms of the conventional banking facilities e.g., a prepayment penalty charge of 3.00% on the approval loan amount will be imposed for full settlement of the loan during the lock-in period. The said lock-in period has lapsed as at the LPD and there is no early repayment of the bank borrowings.*
- (ii) *In the event of early repayment of the Shariah-compliant facility, the company shall provide one (1) month prior written notice to the bank, and prepayments shall be made in the inverse order of maturity. Failing which and as approved by the bank, actual cost incurred by the bank shall be imposed. For avoidance of doubt, any prepayment shall not be subjected to break funding cost or other premium or compensation.*
- (iii) *The banking facilities that had been secured is RM92.00 million and will be drawdown in four (4) tranches upon meeting the sales achievement of the project in percentage or absolute value, whichever is higher. The construction works for this development project, namely Residensi Desa Timur, commenced in January 2023. The first tranche is expected to be drawn down by the first quarter of 2024.*
- (iv) *Prepayment of the facilities is permitted only on the respective interest payment dates in multiples of RM500,000 provided always that three (3) business days prior written notice is given to the bank and on payment of a premium of 0.50% flat on the amount prepaid. If the source of prepayment is from the sales proceeds of the commercial-residential development projects and/or the proceeds from the IPO in designated account assigned to the bank, no prepayment fee shall be payable provided always that the bank reserves te right to sight documentary evidence. No amount prepaid may re-drawn or re-borrowed.*

Based on the above, the expected annual interest saving is approximately RM4.95 million per annum based on the prevailing interest rates.

If the actual repayment amount required as at the payment date is higher than anticipated, the deficit will be financed through internally-generated funds. If the actual repayment amount required as at the payment date is lower than anticipated, the surplus will be allocated for working capital purposes.

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2. PARTICULARS OF OUR IPO (cont'd)

2.8.3 Hotel construction

We intend to allocate RM109.30 million, representing approximately 25.18% of our IPO proceeds, to develop a hotel and expand into the management and operations of the hotel for the purpose of venturing into hotel business as part of our future plans.

The hotel is part of our Group's on-going project, namely Suite Canselor which is located in Ampang, Kuala Lumpur and is developed by our subsidiary, Idaman Sejiwa (Ampang). This project is a commercial-residential development comprising one (1) tower of SOHO (i.e., 36 floors with 944 units of SOHO with further details as set out in Section 5.3.1(b) of this Prospectus) together with the hotel component as follows: -

- A boutique hotel with four (4)-star furnishing;
- Five (5) floors with 145 units of hotel rooms;
- Seven (7) floors of commercial areas and hotel facilities (same floors with SOHO units);
- One (1) floor of commercial area and water tank (shared with SOHO);
- One (1) floor of hotel lobby (same floor with SOHO lobby); and
- Three (3) floors of carpark including one (1) floor that is shared with SOHO, comprising 192 bays of carpark for hotel guests.

Suite Canselor is developed on a piece of 2.03 acres freehold land. Suite Canselor is strategically located at Ampang, Kuala Lumpur which is an approximately 5.4 km from KLCC and 6 km from Pavilion Kuala Lumpur and have convenient access to MRR2. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation. Prominent landmarks located nearby include the premises of Plaza Ampang City, M City @ Jalan Ampang, Bangunan Risdia, Ampang Point Shopping Centre, KPJ Ampang Puteri Specialist Hospital, Mutiara International Grammar School and Flamingo Hotel.

For information purposes, we may be the operator of the hotel and may also consider engaging an international hotel operator to operate the hotel in order to improve marketability and enhance the property value of Suite Canselor. The engagement of an international hotel operator with a reputable branding may allow us to enjoy higher room rates which shall translate to higher revenues and profits. As at the LPD, we have been in discussions with two (2) international hotel operators to explore the possibilities of managing the hotel. The said hotel operators have expressed their interest to manage the hotel but may require more than 145 rooms. In this regard, we may require additional units to be included as part of the hotel in addition to the existing proposed 145 units of hotel rooms. In such event, we may consider entering into lease arrangements with the purchasers to be utilised as hotel rooms. There is no hotel management agreement that has been executed between Radium and any of the proposed hotel operators as at the LPD. The expenses to procure any additional units to be included as hotel rooms, if required, shall be funded by our internally-generated funds. An announcement will be made to Bursa Securities upon appointment of the hotel operator, if any. In the event we are to operate the hotel, we may set up a team of approximately 100 to 120 personnel to carry out the operations and management of our hotel.

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2. PARTICULARS OF OUR IPO (cont'd)

The total estimated GDC for the project excluding land cost will be RM391.50 million. The construction cost of our hotel is estimated at RM109.30 million as follows: -

Description	Total estimated cost	
	RM'000	%
Construction works ⁽ⁱ⁾	68,486	62.66
Interior fit-out and loose furniture	27,638	25.29
Hotel security and IT system	4,000	3.66
Contingencies	2,466	2.26
Professional fees ⁽ⁱⁱ⁾	2,930	2.68
Authority and other fees ⁽ⁱⁱⁱ⁾	3,780	3.46
	109,300^(iv)	100.00

If the actual construction cost is higher than anticipated, the deficit will be funded through internally-generated funds. If the actual construction cost is lower than anticipated, the surplus will be allocated for working capital purposes.

Notes: -

- (i) *Comprises construction cost for demolition of existing building, main building and ancillary building works, infrastructure works, mechanical and electrical works, landscaping, and relocation of telephone manhole and street lighting.*
- (ii) *Comprises professional fees for architect, civil and structural engineer, M&E engineer and quantity surveyor.*
- (iii) *Comprises charges for the application of development order and capital contribution charges to Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Indah Water Konsortium Sdn Bhd (IWK), Tenaga Nasional Berhad (TNB) and Telekom Malaysia Berhad (TM).*
- (iv) *The total estimated cost comprises solely the construction cost of our hotel.*

The initial submission for the development order (“**Development Order**”) for the aforesaid project was approved by the DBKL on 26 December 2014. Subsequently, an application for revision to the Development Order (“**Revised Development Order**”) was made to DBKL via a letter dated 17 September 2020 and DBKL had on 11 November 2020 and 8 January 2021 granted conditional approvals for the Revised Development Order. The final approved development order was issued on 3 August 2021. We have submitted the building plan application dated 2 September 2021 to the Department of Building Control - DBKL in which we obtained the approval for our building plan application on 4 August 2022. The approval of earthwork plan application (submitted by our architect) from the Department of Infrastructure Planning – DBKL was obtained on 18 February 2022. We began preliminary works on 10 January 2022 and the construction works commenced on 1 March 2022. We have appointed Borneo Geotechnic Sdn Bhd as the contractor to carry out the construction works.

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2. PARTICULARS OF OUR IPO (cont'd)

The indicative timeline for the construction and commencement of our hotel operations is set out as below: -

Timeline	Details
January 2022	<ul style="list-style-type: none"> • Commencement of preliminary works (i.e., site hoarding, site clearance, site protection and security enhancement, soil investigation works and mobilisation works)
March 2022	<ul style="list-style-type: none"> • Commencement of construction works (i.e., site clearance, earthwork and piling)
Second quarter of 2023	<ul style="list-style-type: none"> • Commencement of main building works
Second quarter of 2025	<ul style="list-style-type: none"> • Commencement of interior fit-out and furniture installation; and • Commencement of security system installation
Fourth quarter of 2025	<ul style="list-style-type: none"> • Receive vacant possession of the hotel/SOHO
First quarter of 2026	<ul style="list-style-type: none"> • Recruiting of staff
Third quarter of 2026	<ul style="list-style-type: none"> • Commencement of hotel operations

Any delay in the construction of the hotel operations will lead to a delay in the commencement of the hotel operations which is expected to impact our Group's revenue and bottomline.

Please refer to Section 5.15.2 of this Prospectus on our plan to develop a hotel and expand into the management and operations of the hotel.

We had appointed Ipsos as our Independent Expert to conduct a feasibility study to assess the viability of the hotel. Ipsos is of the view that the market area of the hotel's location represents a favourable potential for the establishment of a new hotel with 4-star furnishings, owing to its existing and established demand generators and strong leisure attention base. The hotel will have the potential to generate demand primarily from tourists' excursion, followed by business or family visits. In addition, Ipsos is of the view that the projected occupancy rates and room rates based on the 20-year projection (i.e., year 2026 to year 2045) provided by Radium are reasonable in order to meet the hotel's desired revenue levels as the room rates are reflective of the hotel's unique selling propositions.

Please refer to the executive summary of the Feasibility Study Report in respect of the hotel as set out in Section 7 of this Prospectus for further details.

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2. PARTICULARS OF OUR IPO (cont'd)**2.8.4 Working capital**

We intend to allocate RM39.83 million, representing approximately 9.18% of our IPO proceeds, for the working capital for our Group's day-to-day operations. The breakdown of the working capital is as follows: -

	RM' million	%
General and administration expenses ⁽ⁱ⁾	7.38	18.53
Marketing expenses, branding and sales commission	14.00	35.15
Staff costs	18.45	46.32
Total	39.83	100.00

Note: -

(i) Comprising rental expenses, professional and legal fees, license fees (i.e., license granted by PV Development and accounting software license), repair and maintenance fee, utilities and outsourced services (i.e., cleaning, securities, maintenance of all our offices).

2.8.5 Estimated listing expenses

The details of our listing expenses are as follows: -

	RM' million
Professional fees	5.70
Fees to authorities	1.10
Brokerage, placement fees and underwriting commission	10.10
Printing, advertisement and other incidental charges relating to our IPO	3.10
Total	20.00

If the actual listing expenses are higher than anticipated, the deficit will be funded from the proceeds allocated for working capital and vice versa.

Pending the utilisation of the proceeds raised from our Public Issue, we intend to place the proceeds (including accrued interest, if any) or any balance thereof in interest bearing accounts with licensed financial institutions in Malaysia or in money market instruments.

2.9 BROKERAGE, PLACEMENT FEES AND UNDERWRITING COMMISSION**2.9.1 Brokerage fee**

Our Company will pay brokerage in respect of the sale of 273,000,000 Public Issue Shares to the Malaysian Public at the rate of 1.00% of our IPO Price in respect of successful applicants which consist of participating organisations of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or the Issuing House.

2.9.2 Placement fee

Our Joint Placement Agents have agreed to place out 535,000,000 IPO Shares to be offered to selected investors and Bumiputera investors.

We will pay our Joint Placement Agents a placement fee at the rate of 2.00% of the total value of our IPO Shares placed out to investors selected by our Joint Placement Agents at the IPO Price and a placement fee at the rate of 0.50% of the total value of our IPO Shares placed out to investors selected by our Company.

2. PARTICULARS OF OUR IPO (cont'd)

2.9.3 Underwriting commission

Our Managing Underwriter and Joint Underwriters have agreed to underwrite for a total of 333,000,000 Public Issue Shares made available for applications by the Malaysian Public and our eligible Key Senior Management, employees and business associates (including any other persons who have contributed to our success). We are obligated to pay our Joint Underwriters the underwriting commission at the rate of 2.00% of the total value of the underwritten Shares at the IPO Price and a managing underwriting fee of 0.50% of the total value of the underwritten Shares at the IPO Price to our Managing Underwriter.

2.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with Malacca Securities and CIMB IB to severally and not jointly (nor jointly and severally) underwrite 333,000,000 Public Issue Shares as set out in Sections 2.4.1(i) and 2.4.1(ii) of this Prospectus, subject to the clawback and re-allocation provisions as set out in Sections 2.4.1(i) and 2.4.1(ii) of this Prospectus and upon the terms and subject to the conditions as set out in the Underwriting Agreement.

The following salient terms of the Underwriting Agreement are reproduced from the Underwriting Agreement. The capitalised terms used herein shall have the respective meanings as ascribed thereto in the Underwriting Agreement: -

- (a) The obligations of our Managing Underwriter and our Joint Underwriters under the Underwriting Agreement are conditional on certain conditions precedent being satisfied or fulfilled;
- (b) Notwithstanding anything contained in the Underwriting Agreement, our Managing Underwriter (for and on behalf of our Joint Underwriters) or our Joint Underwriters may at any time before the Listing date by notice in writing to our Company terminate their Underwriting Commitment under the Underwriting Agreement if: -
 - (i) there is an occurrence of any event or discovery of any fact or circumstances rendering any of the Representations, Warranties and Undertakings contained in the Underwriting Agreement to be untrue, inaccurate, incorrect or misleading in any respect;
 - (ii) there shall have been a breach or failure on the part of our Company to perform or comply with any of the covenants, undertakings or obligations contained in the Underwriting Agreement;
 - (iii) any one of the Transaction Agreements, shall have been terminated or rescinded in accordance with their terms or any of the parties thereunder shall have failed to perform their obligations thereunder;
 - (iv) SC or Bursa Securities suspends or revokes any approval for our IPO or makes any ruling (or revokes any ruling previously made), the effect of which is to prevent the Listing or quotation of the Shares on Bursa Securities;
 - (v) trading of all securities on Bursa Securities has been suspended or materially limited on, or by Bursa Securities, as the case may be;
 - (vi) any new law or regulation or change in law, regulation, directive, policy or ruling in any jurisdiction which in the opinion of our Managing Underwriter and our Joint Underwriters may prejudice the success of our Listing or which would have or is likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer our IPO Shares or making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;

2. PARTICULARS OF OUR IPO (cont'd)

- (vii) there shall have been any other material adverse change, or any development involving a prospective material adverse change, in national or international monetary, financial (including stock market, foreign exchange market, inter-bank market or interest rates or money market or currency exchange rates or foreign exchange controls), political, legal, regulatory, taxation, industrial or economic conditions which in the opinion of our Joint Underwriters may have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day;
 - (aa) on or after the date of the Underwriting Agreement; and
 - (bb) prior to the Listing date,

lower than 90% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (viii) our Company withholds any material information from our Managing Underwriter and our Joint Underwriters, which, in the opinion of our Managing Underwriter and our Joint Underwriters, is likely to have a Material Adverse Effect;
- (ix) a banking moratorium has been declared by authorities in Malaysia, the United States, the United Kingdom, Singapore or Hong Kong, or a material disruption of commercial banking activities or securities settlement or clearance services has occurred in Malaysia, the United States, the United Kingdom, Singapore, or Hong Kong;
- (x) our IPO is stopped or delayed by our Company or any Authority for any reason whatsoever (unless such delay has been approved by our Managing Underwriter and our Joint Underwriters);
- (xi) any material statements contained in the Offer Documents has become or been discovered to be untrue, inaccurate or misleading in any respect or matters have arisen or have been discovered which would, if the Offer Documents were to be issued at that time, constitute a material omission therefrom;
- (xii) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of our Managing Underwriter and our Joint Underwriters by reason of Force Majeure which makes it or is likely to have the effect, in the judgment of our Managing underwriter and our Joint Underwriters, impracticable or inadvisable to proceed with the offer, sale or delivery of the Issue Shares on the terms and in the manner contemplated in each Offer Document, including but not limited to a situation where RM falls below 50% against major currencies for a period of no less than three (3) consecutive business days, and the obligations under the Underwriting Agreement being incapable of performance in accordance with its terms;
- (xiii) any government requisition or other occurrence of any nature whatsoever which would affect the business, operations, financial condition or prospects of our Group or the success of our IPO;
- (xiv) the Listing does not take place by 31 May 2023 or such other extended date as may be agreed by our Joint Underwriters;
- (xv) the Closing Date does not occur by 16 May 2023 or such other extended date as may be agreed in writing by our Joint Underwriters;

2. PARTICULARS OF OUR IPO (cont'd)

- (xvi) the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to our Joint Underwriters;
- (xvii) any commencement of legal proceedings, formal investigations, enquiries or action against any member of our Group or any of our directors, which in the opinion of our Managing Underwriter and our Joint Underwriters, would have a Material Adverse Effect or make it impracticable to enforce contracts to allot and/or transfer our IPO Shares or to market our IPO;
- (xviii) any of the approvals required pursuant to the conditions precedent set out in the Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have a Material Adverse Effect;
- (xix) our IPO is cancelled by our Company;
- (xx) admission to trading of our Shares on Bursa Securities has not been completed by 9:00 am (Kuala Lumpur time) on 31 May 2023 (or by such other date as may be agreed in writing between our Company, our Managing Underwriter and our Joint Underwriters); or
- (xxi) there has occurred any other event which has a Material Adverse Effect, or which is likely to have a Material Adverse Effect.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

3.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

3.1.1 Shareholdings of Promoters and substantial shareholders

The direct and indirect shareholdings of our Promoters and substantial shareholders before and after the IPO are as follows: -

Name	Nationality/ Country of incorporation	Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾
Promoter and substantial shareholder									
Datuk Gan Kah Siong	Malaysian	546,000,000	21.00	1,300,002,167 ⁽ⁱⁱⁱ⁾	50.00	546,000,000	15.74	1,300,002,167 ⁽ⁱⁱⁱ⁾	37.49
Gan Tiong Kian	Malaysian	260,000,000	10.00	78,002,167 ^(iv)	3.00	260,000,000	7.50	78,002,167 ^(iv)	2.25
Gan Kok Peng	Malaysian	260,000,000	10.00	39,002,167 ^(v)	1.50	260,000,000	7.50	39,002,167 ^(v)	1.12
Cengal 2020 Sdn Bhd	Malaysia	1,300,000,000	50.00	-	-	1,300,000,000	37.49	-	-
Promoter									
Java Citarasa Sdn Bhd	Malaysia	78,000,000	3.00	-	-	78,000,000	2.25	-	-
Tambun Team Sdn Bhd	Malaysia	39,000,000	1.50	-	-	39,000,000	1.12	-	-

Notes: -

(i) Based on our issued share capital of 2,600,000,000 Shares before our IPO.

(ii) Based on our enlarged issued share capital of 3,468,000,000 Shares after our IPO.

(iii) Deemed interested by virtue of his 100.00% equity interest in Cengal 2020 Sdn Bhd and 1.00% equity interest in PV Holdings pursuant to Section 8 of the Act.

(iv) Deemed interested by virtue of his 100.00% equity interest in Java Citarasa Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

(v) Deemed interested by virtue of his 100.00% equity interest in Tambun Team Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

Save as disclosed above, we are not aware of any persons who, directly or indirectly, jointly or severally, exercise control over our Company.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.1.2 Changes in Promoters' and substantial shareholders' shareholdings in our Company since incorporation

Save as disclosed below, there has been no significant changes in Promoters' and substantial shareholders' shareholdings in our Company since the date of incorporation: -

Name	As at the date of incorporation				After the allotment of Shares as at 19 February 2021			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾
Promoter and substantial shareholder								
Datuk Gan Kah Siong	-	-	-	-	210,000	51.22	2 ^(v)	^
Gan Tiong Kian	-	-	-	-	100,000	24.39	2 ^(vi)	^
Gan Kok Peng	-	-	-	-	100,000	24.39	2 ^(vii)	^
Cengal 2020 Sdn Bhd	-	-	-	-	-	-	-	-
Promoter								
Java Citarasa Sdn Bhd	-	-	-	-	-	-	-	-
Tambun Team Sdn Bhd	-	-	-	-	-	-	-	-

Name	After the allotment of Shares as at 16 April 2021				After the Pre-Listing Exercise			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱⁱ⁾
Promoter and substantial shareholder								
Datuk Gan Kah Siong	210,000	21.00	500,002 ^(v)	50.00	546,000,000	21.00	1,300,002,167 ^(v)	50.00
Gan Tiong Kian	100,000	10.00	30,002 ^(vi)	3.00	260,000,000	10.00	78,002,167 ^(vi)	3.00
Gan Kok Peng	100,000	10.00	15,002 ^(vii)	1.50	260,000,000	10.00	39,002,167 ^(vii)	1.50
Cengal 2020 Sdn Bhd	500,000	50.00	-	-	1,300,000,000	50.00	-	-
Promoter								
Java Citarasa Sdn Bhd	30,000	3.00	-	-	78,000,000	3.00	-	-
Tambun Team Sdn Bhd	15,000	1.50	-	-	39,000,000	1.50	-	-

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Name	After the IPO			
	Direct		Indirect	
	No. of Shares	% ^(iv)	No. of Shares	% ^(iv)
Promoter and substantial shareholder				
Datuk Gan Kah Siong	546,000,000	15.74	1,300,002,167 ^(v)	37.49
Gan Tiong Kian	260,000,000	7.50	78,002,167 ^(vi)	2.25
Gan Kok Peng	260,000,000	7.50	39,002,167 ^(vii)	1.12
Cengal 2020 Sdn Bhd	1,300,000,000	37.49	-	-
Promoter				
Java Citarasa Sdn Bhd	78,000,000	2.25	-	-
Tambun Team Sdn Bhd	39,000,000	1.12	-	-

Notes: -

(i) Based on our issued share capital of 410,002 Shares after allotment of Shares on 19 February 2021.

(ii) Based on our issued share capital of 1,000,000 Shares after allotment of Shares on 16 April 2021.

(iii) Based on our issued share capital of 2,600,000,000 Shares before our IPO.

(iv) Based on our enlarged issued share capital of 3,468,000,000 Shares after our IPO.

(v) Deemed interested by virtue of his 100.00% equity interest in Cengal 2020 Sdn Bhd and 1.00% equity interest in PV Holdings pursuant to Section 8 of the Act.

(vi) Deemed interested by virtue of his 100.00% equity interest in Java Citarasa Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

(vii) Deemed interested by virtue of his 100.00% equity interest in Tambun Team Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

^ Negligible.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

3.1.3 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows: -

- (i) **Datuk Gan Kah Siong**, Malaysian, male, aged 42, is our Promoter, substantial shareholder and Group Managing Director. He is responsible for the overall day-to-day management and formulation of our Group' business plans and strategies, market development activities, providing strategic guidance and direction to our Board and ensuring cost-effective operations. He is also well-versed in site selection and land acquisition matters, as well as property development concepts and roll-out. He was appointed to our Board on 8 July 2013. He has 18 years of experience in the property development industry, having joined PV Development in August 2005.

He graduated with a Bachelor of Science in Business, major in Management Information Systems from Iowa State University of Science and Technology, United States of America in May 2004.

He began his career in August 2005 when he joined PV Development and was appointed as an Executive Director of the company. He was first assigned to sales and marketing department where he was involved in the sales and marketing activities. Over the years, he was assigned to different departments such as Sales Admin and Credit Control, Project and IT, Finance, Accounting and Human Resource, Business Development, Property Management, and Leasing and Property Investment, which allowed him to gain in-depth understanding of the operational functions of different departments within the company as well as the overall industry knowledge of the property market.

With the experience he accumulated over the years, he began overseeing the company's overall day-to-day operations, business development activities and strategic planning in 2012. He also continued to attend project planning meetings and site visits to ensure each project is delivered in timely manner and in line with the company's budget.

In July 2013, he was appointed as the Managing Director of Idaman Sejiwa Development Sdn Bhd (now known as Radium Development Berhad), when PV Holdings acquired 100.00% equity interest in Idaman Sejiwa Development Sdn Bhd (now known as Radium Development Berhad), and assumed his current responsibilities.

In 2016, on top of his employment in Idaman Sejiwa Development Sdn Bhd (now known as Radium Development Berhad), through his role as an Executive Director of Platinum Victory Property Sdn Bhd since 2008, he was involved in the management and operations of the company's all-suite hotel with 200 rooms, namely THE FACE Suites. In June 2021, he resigned and ceased to be a director of Platinum Victory Property Sdn Bhd.

Pursuant to the internal restructuring of our Group, he was transferred to Omega Edisi, a management company and a wholly-owned subsidiary of Radium, in March 2021 to assume his role as Group Managing Director. Further to his involvement in property development activities through our Group and his past experience in PV Development, Datuk Gan Kah Siong had, in the past, been involved in property development activities through his involvement as a Director in a non-executive role and/or shareholder in other entities as set out in Section 3.2.5(ii) of this Prospectus.

Datuk Gan Kah Siong is the brother of Gan Tiong Kian and Gan Kok Peng.

Please refer to Section 3.2.5(ii) for the involvement of Datuk Gan Kah Siong in other companies outside our Group.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (ii) **Gan Tiong Kian**, Malaysian, male, aged 49, is our Promoter, substantial shareholder and Executive Director. He is responsible for leading and managing matters pertaining to our Group's project execution and management, allocation of project resources, and monitoring construction progress to ensure timely completion of projects. He was appointed to our Board on 29 January 2016. He has 30 years of experience in the building materials and property development industry.

He completed his Sijil Pelajaran Malaysia in Sekolah Menengah Chong Hwa, Kuala Lumpur in 1992. In 1993, he joined his family business, Unigreen Hardware Supplies, a partnership involved in the sourcing and supply of building materials. He is involved in overseeing the operations of the partnership and the execution of tasks for his portfolio of projects up until to-date. He has been a partner since August 1995.

In March 2008, he joined his family business, PV Credit & Leasing Sdn Bhd, a company involved in leasing and money lending, and was appointed as a Director of the company, a position which he presently assumes. He is involved in overseeing the operations of the company up until to-date.

In January 2016, he was appointed as an Executive Director of Idaman Sejiwa Development Sdn Bhd (now known as Radium Development Berhad) and assumed his current responsibilities.

Pursuant to the internal restructuring of our Group, he was transferred to Omega Edisi, a management company and a wholly-owned subsidiary of Radium, in April 2021 as Executive Director and was redesignated as our Executive Director – Project. Further to his involvement in property development activities through our Group, Gan Tiong Kian had, in the past, been involved in property development activities through his involvement as a Director in a non-executive role and/or shareholder in other entities as set out in Section 3.2.5(iii) of this Prospectus.

Gan Tiong Kian is the brother of Datuk Gan Kah Siong and Gan Kok Peng.

Please refer to Section 3.2.5(iii) for the involvement of Gan Tiong Kian in other companies outside our Group.

- (iii) **Gan Kok Peng**, Malaysian, male, aged 54, is our Promoter, substantial shareholder and Executive Director. He is responsible for leading and overseeing matters pertaining to our Group's project concept development and budgeting, development planning, identifying contractors and consultants, project negotiation and award of project tender. He was appointed to our Board on 17 February 2021. He has 34 years of experience in the building materials and property development industry.

In 1988, he left Chong Hwa Independent High School, Kuala Lumpur prior to completing his Unified Examination Certificate studies. In August 1989, he joined his family business, Unigreen Hardware Supplies, a partnership involved in the sourcing and supply of building materials. He is involved in overseeing the operations of the partnership and the execution of tasks for his portfolio of projects up until to-date. He has been a partner since August 1989.

In November 1994, he joined his family business, IT Media Sdn Bhd, a property investment company, and was appointed as a Director of the company, a position which he presently assumes. He is involved in overseeing the operations of the company up until to-date.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In October 1996, he established Fordex Enterprise, a sole proprietorship involved in the supply and trading of electrical and electronic products, and is involved in overseeing the operations of the sole proprietorship up until to-date.

In April 2021, he was appointed as an Executive Director – Project of Omega Edisi, a management company and a wholly-owned subsidiary of Radium, and assumed his current responsibilities. Further to his involvement in property development activities through our Group, Gan Kok Peng had, in the past, been involved in property development activities through his involvement as a Director in a non-executive role and/or shareholder in other entities as set out in Section 3.2.5(iv) of this Prospectus.

Gan Kok Peng is the brother of Datuk Gan Kah Siong and Gan Tiong Kian.

Please refer to Section 3.2.5(iv) for the involvement of Gan Kok Peng in other companies outside our Group.

- (iv) **Cengal 2020 Sdn Bhd** (Registration No.: 202001042317 (1398638-D)) ("**Cengal**"), is our Promoter and substantial shareholder.

Cengal was incorporated in Malaysia under the Act on 21 December 2020. The principal activity of Cengal is property investment holding.

As at the LPD, the issued share capital of Cengal is RM10,000 comprising 10,000 ordinary shares.

As at the LPD, Datuk Gan Kah Siong is the sole director and sole shareholder of Cengal.

As at the LPD, Cengal does not have any subsidiary, joint venture and associated company.

- (v) **Java Citarasa Sdn Bhd** (Registration No.: 202101002383 (1402681-X)) ("**Java Citarasa**"), is our Promoter.

Java Citarasa was incorporated in Malaysia under the Act on 20 January 2021. The principal activity of Java Citarasa is property investment holding.

As at the LPD, the issued share capital of Java Citarasa is RM10,000 comprising 10,000 ordinary shares.

As at the LPD, Gan Tiong Kian is the sole director and sole shareholder of Java Citarasa.

As at the LPD, Java Citarasa does not have any subsidiary, joint venture and associated company.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (vi) **Tambun Team Sdn Bhd** (Registration No.: 202001038899 (1395220-K)) (“**Tambun Team**”), is our Promoter.

Tambun Team was incorporated in Malaysia under the Act on 27 November 2020. The principal activity of Tambun Team is property investment holding.

As at the LPD, the issued share capital of Tambun Team is RM10,000 comprising 10,000 ordinary shares.

As at the LPD, Gan Kok Peng is the sole director and sole shareholder of Tambun Team.

As at the LPD, Tambun Team does not have any subsidiary, joint venture and associated company.

3.1.4 Arrangement which may result in a change in control of our Company

There is no arrangement which may, at a date subsequent to the completion of our IPO, result in a change in control of our Company.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.2 DIRECTORS

3.2.1 Shareholdings of our Directors

The direct and indirect shareholdings of our Directors before and after the IPO are as follows: -

Name	Nationality	Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾
Tan Sri Mhd Amin Nordin bin Abd Aziz	Malaysian	-	-	-	-	-	-	-	-
Datuk Gan Kah Siong	Malaysian	546,000,000	21.00	1,300,002,167 ⁽ⁱⁱⁱ⁾	50.00	546,000,000	15.74	1,300,002,167 ⁽ⁱⁱⁱ⁾	37.49
Gan Tiong Kian	Malaysian	260,000,000	10.00	78,002,167 ^(iv)	3.00	260,000,000	7.50	78,002,167 ^(iv)	2.25
Gan Kok Peng	Malaysian	260,000,000	10.00	39,002,167 ^(v)	1.50	260,000,000	7.50	39,002,167 ^(v)	1.12
Chai Woon Hou	Malaysian	-	-	-	-	-	-	-	-
Datuk Sydney	Malaysian	-	-	-	-	-	-	-	-
Nor Zaemah binti Dato' Zainuddin	Malaysian	-	-	-	-	-	-	-	-
Koay Lean Lee	Malaysian	-	-	-	-	-	-	-	-
Nurazlin binti A. Samad	Malaysian	-	-	-	-	-	-	-	-
Phang Sweet Lee	Malaysian	-	-	-	-	-	-	-	-

Notes: -

(i) Based on our issued share capital of 2,600,000,000 Shares before our IPO.

(ii) Based on our enlarged issued share capital of 3,468,000,000 Shares after our IPO.

(iii) Deemed interested by virtue of his 100.00% equity interest in Cengal 2020 Sdn Bhd and 1.00% equity interest in PV Holdings pursuant to Section 8 of the Act.

(iv) Deemed interested by virtue of his 100.00% equity interest in Java Citarasa Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

(v) Deemed interested by virtue of his 100.00% equity interest in Tambun Team Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.2.2 Profiles of our Directors

The profiles of Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are disclosed in Sections 3.1.3(i) to 3.1.3(iii) of this Prospectus. The profiles of our other Directors are as follows: -

- (i) **Tan Sri Mhd Amin Nordin bin Abd Aziz**, Malaysian, male, aged 68, is our Independent Non-Executive Chairman. He was appointed to our Board on 1 March 2023.

He graduated with a Bachelor of Economics in Public Administration from University of Malaya in June 1978. He obtained his Diploma in Local Government from University of Birmingham, United Kingdom in 1986.

He began his career in June 1978 when he joined DBKL as Assistant Director where he was involved in assisting the director in planning and overseeing beautification works in the Federal Territory of Kuala Lumpur, through various trees planting initiatives.

In May 1982, he was transferred to Kepong branch office and promoted to Senior Administration Officer where he facilitated the provision of public services such as waste collection, assessment collection, public health and community works in Kepong. In 1985, he took a study break from DBKL to attend a six (6)-month diploma course in the United Kingdom.

In June 1986, he returned to DBKL as Special Officer to Mayor where he was involved in administrative tasks, assisted in coordinating and managing the Mayor's activities and initiatives, and acted as a point of contact between the Mayor's office and other government departments.

In November 1990, he was promoted to Deputy Director (Urban Services) where he was involved in managing all activities relating to the provision of public services.

In 1997, he was promoted to Head of Landscape Department where he was involved in leading the development of beautification initiatives and landscaping works within the Federal Territory of Kuala Lumpur.

In December 2001, he was promoted to Deputy Director General (Urban Development) where he was involved in managing the overall planning, operations and coordination of various departments related to urban development such as urban services, public health and environment, licensing, housing management, area management, public works and mechanical departments. In July 2011, he was promoted to Deputy Director General (Socio-Economic Development) and he assumed similar responsibilities.

In January 2014, he was promoted to Director General (DBKL) where he was involved in leading and managing the overall planning, operations and coordination of all departments within his scope of authority.

In July 2015, he was appointed as the Mayor of Kuala Lumpur, for a 2-year term until July 2017, which was further extended until September 2018, where he was involved in overseeing the overall city management of the Federal Territory of Kuala Lumpur. In September 2018, he retired and subsequently pursued his personal business interests as disclosed in Section 3.2.5(i) of this Prospectus.

Please refer to Section 3.2.5(i) for the involvement of Tan Sri Mhd Amin Nordin bin Abd Aziz in other companies outside our Group.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (ii) **Chai Woon Hou**, Malaysian, male, aged 38, is our Executive Director and Head of Corporate Affairs, Legal and Human Resources. He is responsible for overseeing the corporate affairs and human resources functions of our Group. He is also involved in the development and implementation of internal control policies of our Group, and overseeing matters pertaining to corporate governance and compliance. He was appointed to our Board on 22 February 2021. He has 13 years of working experience in audit, corporate affairs and internal control.

He graduated with a Diploma in Business Studies (Accounting) from Tunku Abdul Rahman College in May 2007. He pursued first year studies for his Advanced Diploma in Tunku Abdul Rahman College and obtained the exemption for Fundamentals Level of The Association of Chartered Certified Accountants (“**ACCA**”) examinations in December 2008. He left Tunku Abdul Rahman College to pursue his ACCA studies in Elite International College. Prior to completing his ACCA studies, he left Elite International College in 2010.

He began his career in April 2010 when he joined Crowe Horwath (now known as Crowe Malaysia PLT) as Audit Assistant where he was involved in audit works. He was promoted to Senior Assistant - Audit and Assurance in October 2011, Senior - Audit and Assurance in October 2012, and subsequently to Assistant Manager, Audit and Assurance in October 2014 where he led a team to carry out audit works. Over the years, he was involved in audit works for companies from various industries such as property development, building materials, manufacturing and technology in Malaysia and China.

In June 2015, he left Crowe Horwath and joined PV Development as Personal Assistant to Director(s) where he was responsible for coordinating the directors' meetings and daily agendas, overseeing the development and implementation of internal control policies and human resources functions of the company, and executing general secretarial duties. In January 2017, he was seconded to Total Solid as Personal Assistant to Directors where he assumed similar responsibilities.

Pursuant to the internal restructuring of our Group, he left PV Development in March 2021 and joined Omega Edisi, a management company and a wholly-owned subsidiary of Radium, as Executive Director and Head of Corporate Affairs, Legal and Human Resources and assumed his current responsibilities.

Please refer to Section 3.2.5(v) for the involvement of Chai Woon Hou in other companies outside our Group.

- (iii) **Datuk Sydney**, Malaysian, male, aged 53, is our Non-Independent Non-Executive Director. He was appointed to our Board on 17 February 2021. He is also the Chairman of Remuneration Committee and a member of the Nomination Committee of our Group. He has more than 30 years of working experience in areas of corporate finance and advisory, property development and construction industries. His responsibilities as our Non-Independent Non-Executive Director are mainly in relation to matters such as providing advice in relation to corporate finance, corporate planning, corporate governance as and when required. He is not involved in the daily operations of Radium save for his role as an Executive Director of Idaman Sejiwa (Ampang) with regard to our hotel which involves providing strategic guidance and direction to the board of Idaman Sejiwa (Ampang), overseeing matters pertaining to the hotel's overall concept development and budgeting, development planning, allocation of project resources and identifying contractors and consultants.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

He graduated with a Bachelor of Science in Business Administration – Accountancy Option from California State University, United States of America in May 1992. In 2006, he obtained his Corporate Finance Qualification from Corporate Finance Faculty of The Institute of Chartered Accountants in England and Wales, and was also accepted as a member of the Singapore Institute of Arbitrators. In August 2004, he completed the Harvard Business School Senior Management Development Program. Subsequently, he also attended the Residential Strategic Leadership Programme at Oxford University in 2007. In January 2022, he became a member of the Malaysian Institute of Management.

He began his career in 1993 when he joined Arthur Andersen as Associate Consultant where he was involved corporate advisory and corporate finance consulting.

In 1994, he joined Amanah Merchant Bank Berhad as Senior Officer where he was involved in matters pertaining to corporate listing and mergers and acquisitions, as well as providing consulting and advisory services to private companies.

In 1996, he left Amanah Merchant Bank Berhad and joined Sadec Asia Pacific Sdn Bhd, a boutique advisory involved in corporate advisory and privatisation project development, as Corporate Finance Manager where he was also seconded to a client that was a listed company on Bursa Securities.

In 1998, he left Sadec Group and joined Utama Merchant Bank Berhad as Senior Manager in Corporate Finance.

In 2000, he left Utama Merchant Bank Berhad and joined Sitt Tatt Berhad (now known as Turiya Berhad), a company involved in the distribution of industrial gas to healthcare and automotive industry, as Senior General Manager where he was involved in matters pertaining to corporate planning and corporate finance, as well as the development and implementation of internal control policies.

In October 2003, he left Sitt Tatt Berhad (now known as Turiya Berhad) and joined Furqan Business Organisation Berhad (now known as Meta Bright Group Berhad), a property development company with projects in Kuala Lumpur and Kelantan, as Chief Financial Officer. He was appointed as an Executive Director in December 2003. In June 2010, he was redesignated as Managing Director where he was involved in overseeing the overall operations, strategic planning and business development of the company. He was also involved in overseeing the management and operations of the hotel properties (e.g., Likas Square Service Apartments comprising 60 units of three (3)-bedroom apartments and 20 units of single room suites, and Renaissance Kota Bharu (now known as The Grand Renai Hotel), a five (5)-star hotel comprising 298 hotel rooms) owned by the company. He retired from Meta Bright Group Berhad in May 2014 to pursue his personal interests in businesses performed outside our Group as detailed in Section 3.2.5(vi).

Given his experience with the operational requirements to manage hotels, he was involved in hotel business together with his business partners since 2016 in Inspirasi Langkawi Sdn Bhd. Under the capacity as Operations Director and Project Adviser, he provided advice on the development and operations of a boutique hotel, Royal Agate Beach Resort in Pulau Langkawi.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*cont'd*)

Since 2017, he has also been involved in the development of a 4.5-star boutique hotel comprising 250 rooms in Pulau Langkawi where he functions as Operations Director and Project Adviser for Inspirasi Langkawi Sdn Bhd. The construction of the hotel had commenced in September 2021.

In January 2021, he joined Southern Score Sdn Bhd as an Executive Director, a position which he presently assumes. He is involved in matters pertaining to corporate finance and corporate planning, as well as development and implementation of legal and human resource policies. Southern Score Sdn Bhd is involved in a corporate proposal (i.e., proposed regularisation plan by G Neptune Berhad, a company listed on ACE Market of Bursa Securities) in which the said corporate proposal was completed on 9 November 2022. On the same date, Datuk Sydney was appointed as the Executive Director of Southern Score Builders Berhad (formerly known as G Neptune Berhad) whereby he assumes similar responsibilities as he had in Southern Score Sdn Bhd.

Please refer to Section 3.2.5(vi) for the involvement of Datuk Sydney in other companies outside our Group.

- (iv) **Nor Zaemah binti Dato' Zainuddin**, Malaysian, female, aged 44, is our Independent Non-Executive Director. She was appointed to our Board on 24 March 2023. She is also the Chairman of Audit and Risk Management Committee and a member of the Remuneration Committee of our Group.

She graduated with a Bachelor of Accountancy (Hons) from Universiti Utara Malaysia in September 2002. She pursued further studies and graduated with a Master of Commerce from The University of Western Australia, Australia in March 2004. She has been a member of the Malaysian Institute of Accountants since March 2010 and a member of the Malaysian Association of Tax Accountants since November 2020.

She began her career in April 2004 when she joined Price Solutions Sdn Bhd as Credit Recovery Executive where she was involved in payment recovery activities.

In August 2004, she left Price Solutions Sdn Bhd and in December 2004, she joined Siew Boon Yeong & Associates, as Audit Assistant where she was involved in audit works. She was an Audit Semi-Senior before she was transferred to SBY Taxation Sdn Bhd in January 2008. Over the years, she was involved in audit works for companies from various industries such as property development, construction, hotel and tourism, and general trading.

In February 2008, she was transferred to SBY BizPartner Sdn Bhd, as Accounts Semi-Senior where she was responsible for performing day-to-day accounting operations and preparing the company's financial accounts, as well as performing outsourced accounting services for the company's clients. She was an Accounts Supervisor when she left SBY BizPartner Sdn Bhd in October 2010 to take a career break.

In February 2011, she joined her family business, Zaibar Automobile Industries Sdn Bhd as an Executive Director and Accountant where she is responsible for the finance and accounting functions of the company including reviewing financial reports, setting up accounting procedures, providing training and supervision to accounting staff for the company and its related companies and subsidiaries. She is also involved in communicating with financial institutions for foreign exchange related transactions and maintaining compliance with customs and MITI regulations. She also oversees and co-manages the overall day-to-day operations of the company, its related companies and subsidiaries.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In April 2018, she established Zaemah Zuhori, an accounting firm involved in the provision of financial consultancy and advisory services up until to-date.

Please refer to Section 3.2.5(vii) for the involvement of Nor Zaemah binti Dato' Zainuddin in other companies outside our Group.

- (v) **Koay Lean Lee**, Malaysian, female, aged 55, is our Independent Non-Executive Director. She was appointed to our Board on 24 March 2023. She is also the Chairman of Nomination Committee and a member of the Audit and Risk Management Committee of our Group.

She graduated with a Bachelor of Economics in Business Administration from University of Malaya in August 1992. She obtained her Certificate in Investor Relations from The Investor Relations Society, United Kingdom in December 2009.

She began her career in April 1992 when she joined Public Bank Berhad as Bank Officer and was placed on a department rotational program where she was involved in the operations of the remittance, current account and credit processing departments.

In January 1993, she left Public Bank Berhad and in February 1993, she joined The Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Berhad) as Listing Officer. Over the years, she was promoted to various designations within the listing department and was involved in facilitating the listing of shares arising from corporate listing and corporate exercises such as right issues, bonus issues and private placement, as well as reviewing and approving documents such as prospectuses, circulars, trust deeds and articles of association to ensure compliance to the relevant listing requirements.

In November 2005, she was transferred to the newly set up Investor Relations Department as Senior Manager, Investor Relations where she was involved in managing investor relations and the communication with analysts and shareholders.

In September 2007, she was promoted to Head, Investor Relations where she oversaw the overall operations of the investor relations department. In March 2013, she was redesignated to Vice President, Investor Relations where she led investors' engagement activities to reach out to the investment community in a timely manner to enhance the company's corporate profile.

In June 2016, she left Bursa Malaysia Berhad and in July 2016, she joined TAE Management Co. (Malaysia) Sdn Bhd as Senior Vice President, Investor Relations where she is involved in the fundraising initiatives of the company, contributing her expertise in the formulation and execution of the company's investor relations strategy, and engaging with global and regional investing community. She left TAE Management Co. (Malaysia) Sdn Bhd in January 2019 to take a career break.

In September 2020, she returned to TAE Management Co. (Malaysia) Sdn Bhd as Senior Vice President, Investor Relations for TAE's Urban Sustainability Platform where she is responsible for the investor relations function for the project. She left TAE Management Co. (Malaysia) Sdn Bhd in December 2022 to take a career break.

Please refer to Section 3.2.5(viii) for the involvement of Koay Lean Lee in other companies outside our Group.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (vi) **Nurazlin binti A. Samad**, Malaysian, female, aged 56, is our Independent Non-Executive Director. She was appointed to our Board on 24 March 2023. She is also the member of the Audit and Risk Management Committee and Nomination Committee of our Group.

In September 1992, she graduated with a Bachelor of Laws (LLB) from the University of Wolverhampton, United Kingdom.

In October 1992, she began her career in Media Strategy Sdn Bhd as Account Executive, where she assisted in organising events and media briefings as well as in conducting research and media surveillance on corporate clients.

In December 1993, she left Media Strategy Sdn Bhd and in January 1994, she joined KL Recorder Sdn Bhd as Credit Control Executive where she assisted in implementing credit control measures within the company.

In April 1994, she left KL Recorder Sdn Bhd and in May 1994, she joined the SC under the Legal and Public Affairs Unit as Executive. She was involved in managing the safe keeping of legal documentation pertaining to the acquisition of properties and tenancy agreements, coordinating meetings and briefings with external parties, as well as liaising with foreign regulatory bodies. Further, she also acted as Secretary to the Commission, Audit, and Building Committees in which she performed secretarial duties, including coordinating commission meetings, writing dissemination notices, as well as documenting meeting minutes.

During her 23 years of service with the SC, she was promoted and posted to various departments where she gained experience in areas pertaining to corporate affairs, mergers and take-overs, initial public offerings, restructuring schemes as well as corporate bonds and investment products. In June 2012, she was promoted to Assistant General Manager under the Corporate Bonds and Investment Products Department, a position she last held before her retirement from the SC in October 2017. During her tenure as Assistant General Manager, she led a team to evaluate and provide recommendations on matters pertaining to policy drafting, applications for the issuance of bonds/asset backed securities and sukuk, as well as the follow-up and post vetting of issuance documents for compliance with respective guidelines.

Please refer to Section 3.2.5(ix) for the involvement of Nurazlin binti A. Samad in other companies outside our Group.

- (vii) **Phang Sweet Lee**, Malaysian, female, aged 58, is our Independent Non-Executive Director. She was appointed to our Board on 24 March 2023. She is also the member of the Remuneration Committee of our Group.

She graduated with a Bachelor of Science in Chemistry and Biochemistry from Monash University, Australia in 1989. She pursued her law degree on a part-time basis from 1990 and obtained her Bachelor of Laws (LLB) from the University of London, United Kingdom in August 1993.

In September 1991, she joined AQ Chemical Sdn Bhd as Quality and Material Control Executive where she was involved in conducting quality control tests and producing quality control reports. In 1993, she left AQ Chemical Sdn Bhd and was admitted into The Honourable Society of Lincoln's Inn, United Kingdom in September 1993. Subsequently in November 1994, she was called to the Degree of Utter Barrister.

She returned to Malaysia and commenced her pupillage with Soo Thien Ming & Shahrizat (currently known as Soo Thien Ming & Nashrah) in January 1995 where she was involved in litigation and conveyancing. In December 1995, she was admitted as an Advocate and Solicitor of the High Court of Malaya.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Subsequently, she became Legal Assistant in the same firm where her area of practise comprises banking and finance, corporate retail and conveyancing. In January 2008, she was admitted as a Partner of the firm. She retired from legal practice in December 2021. She has been a Commissioner for Oaths since 2013.

Please refer to Section 3.2.5(x) for the involvement of Phang Sweet Lee in other companies outside our Group.

3.2.3 Representatives of corporate shareholders

As at the LPD, there are no other representatives of corporate shareholders on our Board.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.2.4 Directors' remuneration and material benefits-in-kind

The aggregate remuneration (including benefits-in-kind) paid in FYE 2022 and proposed to be paid in FYE 2023 to our Directors for services rendered in all capacities to our Group based on the named basis and the actual amount are as follows: -

FYE 2022

Director	Directors' fees	Salary ⁽ⁱ⁾	Other emolument ⁽ⁱⁱ⁾	Allowances	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tan Sri Mhd Amin Nordin bin Abd Aziz	-	-	-	5	-	5
Datuk Gan Kah Siong	-	795	152	-	12	959
Gan Tiong Kian	-	345	42	-	-	387
Gan Kok Peng	-	345	42	-	-	387
Chai Woon Hou	-	349	43	6	-	397
Datuk Sydney	-	110	14	-	-	124
Nor Zaemah binti Dato' Zainuddin	-	-	-	2	-	2
Koay Lean Lee	-	-	-	2	-	2
Nurazlin binti A. Samad	-	-	-	-	-	-
Phang Sweet Lee	-	-	-	-	-	-

Estimated FYE 2023

Director	Directors' fees	Salary ⁽ⁱ⁾	Other emolument ⁽ⁱⁱ⁾	Allowances	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Tan Sri Mhd Amin Nordin bin Abd Aziz	100	-	-	2	-	102
Datuk Gan Kah Siong	-	810	155	-	24	989
Gan Tiong Kian	-	340	42	-	-	382
Gan Kok Peng	-	340	42	-	-	382
Chai Woon Hou	-	360	45	6	-	411
Datuk Sydney	-	143	18	-	-	161
Nor Zaemah binti Dato' Zainuddin	74	-	-	-	-	74
Koay Lean Lee	74	-	-	-	-	74
Nurazlin binti A. Samad	74	-	-	-	-	74
Phang Sweet Lee	74	-	-	-	-	74

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Notes: -

- (i) Including bonuses paid.
- (ii) Including EPF, SOCSO and Employment Insurance Scheme.

Remuneration, which includes salaries, bonuses, fees, allowances and other benefits-in-kind, must be considered and recommended by the Remuneration Committee and subsequently, to be approved by our Board. Our Directors' fees must be further approved and endorsed by our shareholders at a general meeting.

Save as disclosed above, there is no amount and benefit that has been or is intended to be paid or given to our Promoters, Directors and/or substantial shareholders within the two (2) years preceding the date of this Prospectus.

3.2.5 Involvement of Directors in other businesses/corporations outside our Group

Save as disclosed below and directorships held in our Company, none of our Directors have any other directorships outside our Group during the past five (5) years up to the LPD: -

(i) Tan Sri Mhd Amin Nordin bin Abd Aziz

Present directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Vacasia Tours & Travels Sdn Bhd	Travel agency and the provision of tour services	Director	15.00	-	22.01.2019/ -
Task Force Security Sdn Bhd	Private security activities, security systems service activities	Director	39.87	-	20.10.2020/ -
Daya Bersih Sdn Bhd	Cleaning, landscaping and facilities management services	Director	-	-	15.02.2021/ -
Tavis Sdn Bhd	Tuition centre	Director	-	-	27.10.2021/ -

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Past directorship: -

Tan Sri Mhd Amin Nordin bin Abd Aziz does not have any past directorship outside our Group during the past five (5) years up to the LPD.

(ii) Datuk Gan Kah Siong

Present directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/resignation as director
			Direct %	Indirect %	
Cengal 2020 Sdn Bhd	Property investment holding	Director	100.00	-	24.02.2021/ -
PV Credit & Leasing Sdn Bhd	Leasing and money lending business	Director	-	-	28.10.2015/ -

Past directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/resignation as director
			Direct %	Indirect %	
Bumi Triangle Sdn Bhd	This company is currently dormant. There is no immediate plan for this company currently	Director	-	-	02.07.2018/ 22.06.2020
Cahaya Cendana Sdn Bhd	Property investment holding	Director	-	-	23.01.2020/ 01.07.2021
Castle Innovations Sdn Bhd ⁽ⁱ⁾	Property leasing and management	Director	-	100.00 ⁽ⁱⁱ⁾	01.04.2013/ 26.07.2021
Citajaya Kuasa Sdn Bhd	Property investment holding	Director	-	49.00 ^(viii)	03.10.2018/ 16.06.2021

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Contras Build Sdn Bhd	Property developer	Director	-	-	05.10.2018/ 16.06.2021
Dataran Pertiwi Holdings Sdn Bhd	This company did not operate based on its latest audited accounts. There is no immediate plan for this company currently	Director	-	-	12.10.2015/ 12.04.2021
Dupion Development Sdn Bhd	This company is currently dormant. There is no immediate plan for this company currently	Director	-	-	24.06.2020/ 14.09.2021
Fountain Energy Sdn Bhd ⁽ⁱⁱⁱ⁾	Property development	Director	-	100.00 ⁽ⁱⁱ⁾	29.01.2021/ 15.07.2021
Golden Seeds Realty Sdn Bhd ^(iv)	Property investment holding	Director	-	80.00 ⁽ⁱⁱ⁾	11.11.2014/ 05.05.2021
HZS Holiday (MM2H) Sdn Bhd (formerly known as HZS Holiday Sdn Bhd)	To carry on business in Malaysia My Second Home (MM2H) programme and consultancy	Director	-	99.99 ^(viii)	10.09.2007/ 10.12.2019
Jayyid Land	Property developer	Director	-	4.90 ^(v)	10.10.2016/ 15.11.2021
Jejak Kembang Sdn Bhd	Property investment holding	Director	1.00	80.00 ^(viii)	20.11.2014/ 23.07.2021
JP Wangsa Maju Sdn Bhd	Property development	Director	-	-	10.09.2020/ 09.08.2021
Juara Maksima Sdn Bhd ⁽ⁱ⁾	Property investment holding	Director	-	100.00 ⁽ⁱⁱ⁾	16.11.2020/ 01.07.2021

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Konsep Juara Sdn Bhd	Property developer	Director	-	-	25.06.2014/ 15.07.2021
Marques Land Sdn Bhd ⁽ⁱ⁾	Property development	Director	-	100.00 ⁽ⁱⁱ⁾	29.04.2013/ 09.08.2021
Mesti Mulia Holdings Sdn Bhd ⁽ⁱ⁾	Property investment holding	Director	-	100.00 ⁽ⁱⁱ⁾	08.07.2013/ 16.07.2021
Multi Access Assets Sdn Bhd	Property investment holding	Director	-	-	17.11.2020/ 27.08.2021
Novaview Realty Sdn Bhd	Property investment holding, managing and leasing of properties	Director	-	33.34 ^(viii)	20.11.2014/ 04.07.2019
Novaview Realty Sdn Bhd	Property investment holding, managing and leasing of properties	Alternate director	-	33.34 ^(viii)	05.07.2019/ 16.07.2021
Palette Danau Kota Sdn Bhd	Property leasing and property management activities	Director	-	50.00 ^(viii)	10.11.2014/ 16.07.2021
Pembangunan Hakikat Emas Sdn Bhd ^(vi)	Property leasing and management	Director	2.50	97.50 ^{(ii)(viii)}	09.09.2011/ 27.07.2021
Pembinaan Serta Hebat Sdn Bhd	Property developer	Director	-	-	18.01.2016/ 16.06.2021
Platinum Victory Facestyle Sdn Bhd	Hotels and resort hotels	Director	-	25.00 ^(viii)	06.05.2020/ 17.09.2021

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Platinum Hebat Sdn Bhd	This company has yet to commence business operations based on its latest audited accounts. The intended principal activity of this company is property development	Director	-	-	17.11.2014/ 17.07.2020
Platinum Victory Marketing Sdn Bhd	Dealer or agent for the supply and trading in building	Director	-	50.00 ^(viii)	19.03.2015/ 19.06.2021
Platinum Victory Property Sdn Bhd	Property development	Director	3.33	19.17 ^(viii)	25.07.2008/ 30.06.2021
Platinum Victory (Setapak) Sdn Bhd ^(vii)	Property developer, leasing and management	Director	3.57	96.43 ^{(ii)(viii)}	03.09.2007/ 09.09.2021
Platinum Victory (WM) Sdn Bhd	This company has yet to commence business operations based on its latest audited accounts. The intended principal activity of this company is property developer	Director	1.00	50.00 ^(viii)	11.11.2014/ 23.07.2021
PV Development	Property developer	Director	2.00	66.00 ^(viii)	12.08.2005/ 22.12.2021
PV Holdings	Property investment holding	Director	1.00	59.00 ^(viii)	18.02.2013/ 08.11.2021
PVG Property Management Sdn Bhd	Property management	Director	-	-	09.05.2019/ 10.06.2019
Raven Development Sdn Bhd	Property investment holding	Director	-	100.00 ^(viii)	22.01.2020/ 16.07.2021

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Smart Advance Resources Sdn Bhd	Property development	Director	-	-	01.08.2018/ 01.07.2021
Southern Score Sdn Bhd	Contractors	Director	-	-	07.06.2012/ 01.08.2019
Sri Pertiwi Resources (M) Sdn Bhd	Property investment holding	Director	-	-	30.01.2020/ 16.12.2021
Sterling Example Sdn Bhd	This company has yet to commence business operations based on its latest audited accounts. The intended principal activities of this company are property investment and construction business	Director	-	-	18.01.2016/ 13.11.2020
Super Advantage Property Sdn Bhd	Investment holding, where its subsidiary is involved in construction	Director	-	80.00 ^(viii)	11.11.2014/ 26.08.2021
Tambun Kekal Sdn Bhd	Property investment holding	Director	-	-	28.01.2020/ 15.07.2021
Weng Wah Developments Sdn Bhd	Property development	Director	-	-	03.12.2012/ 23.06.2021

Notes: -

- (i) 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 Tenaga Prospek Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (iv) A 80.00%-owned subsidiary of Selama Bayu Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings.
- (v) Deemed interested by virtue of his interest in Radium pursuant to Section 8 of the Act.
- (vi) A 90.00%-owned subsidiary of Mesti Mulia Holdings Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings.
- (vii) A 75.00%-owned subsidiary of Mesti Mulia Holdings Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings.
- (viii) Deemed interested by virtue of Tan Sri Datuk Seri Gan Yu Chai's interest in the company pursuant to Section 8 of the Act. Tan Sri Datuk Seri Gan Yu Chai is the substantial shareholder of the company. Tan Sri Datuk Seri and Datuk Gan Kah Siong are siblings.

(iii) Gan Tiong Kian

Present directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Java Citarasa Sdn Bhd	Property investment holding	Director	100.00	-	24.02.2021/ -
PV Credit & Leasing Sdn Bhd	Leasing and money lending business	Director	50.00		31.03.2008/ -
Unigreen Hardware Supplies	Trading in hardware	Partner	-	-	02.08.1995 ⁽ⁱ⁾ / -

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Past directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/resignation as director
			Direct %	Indirect %	
Golden Seeds Realty Sdn Bhd ⁽ⁱⁱ⁾	Property investment holding	Director	-	80.00 ⁽ⁱⁱⁱ⁾	11.11.2014/ 05.05.2021
Jejak Kembang Sdn Bhd	Property investment holding	Director	1.00	80.00 ^(v)	20.11.2014/ 23.07.2021
Juara Maksima Sdn Bhd ^(iv)	Property investment holding	Director	-	100.00 ⁽ⁱⁱⁱ⁾	16.11.2020/ 01.07.2021
Konsep Juara Sdn Bhd	Property developer	Director	-	-	25.06.2014/ 07.02.2020
Multi Access Assets Sdn Bhd	Property investment holding	Director	-	-	17.11.2020/ 27.08.2021
Novaview Realty Sdn Bhd	Property investment holding, managing and leasing of properties	Director	-	33.34 ^(v)	20.11.2014/ 04.07.2019
Palette Danau Kota Sdn Bhd	Property leasing and property management activities	Director	-	50.00 ^(v)	10.11.2014/ 16.07.2021
Pembinaan Serta Hebat Sdn Bhd	Property developer	Director	-	-	18.01.2016/ 23.04.2020
Platinum Hebat Sdn Bhd	This company has yet to commence business operations based on its latest audited accounts. The intended principal activity of this company is property development	Director	-	-	17.11.2014/ 17.07.2020

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Platinum Victory Marketing Sdn Bhd	Dealer or agent for the supply and trading in building	Director	-	50.00 ^(v)	19.03.2015/ 19.06.2021
Platinum Victory (WM) Sdn Bhd	This company has yet to commence business operations based on its latest audited accounts. The intended principal activity of this company is property developer	Director	-	50.00 ^(v)	11.11.2014/ 23.07.2021
PV Holdings	Property investment holding	Director	0.50	59.00 ^(v)	09.12.2013/ 08.11.2021
Sri Pertiwi Resources (M) Sdn Bhd	Property investment holding	Director	-	-	30.01.2020/ 16.12.2021
Sterling Example Sdn Bhd	This company has yet to commence business operations based on its latest audited accounts. The intended principal activities of this company are property investment and construction business	Director	-	-	18.01.2016/ 13.11.2020
Super Advantage Property Sdn Bhd	Investment holding, where its subsidiary is involved in construction	Director	-	80.00 ^(v)	11.11.2014/ 26.08.2021

Notes: -

- (i) Date of appointment as date he became a partner of this company.
- (ii) A 80.00%-owned subsidiary of Selama Bayu Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings.
- (iii) Deemed interested by virtue of his interest in PV Holdings pursuant to Section 8 of the Act.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

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

(v) Deemed interested by virtue of Tan Sri Datuk Seri Gan Yu Chai's interest in the company pursuant to Section 8 of the Act. Tan Sri Datuk Seri Gan Yu Chai is the substantial shareholder of the company. Tan Sri Datuk Seri and Gan Tiong Kian are siblings.

(iv) Gan Kok Peng

Present directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/resignation as director
			Direct %	Indirect %	
IT Media Sdn Bhd	Letting of properties and investment holdings	Director	20.00	-	21.11.1994/ -
Tambun Team Sdn Bhd	Property investment holding	Director	100.00	-	23.03.2021/ -
Unigreen Hardware Supplies	Trading in hardware	Partner	-	-	01.08.1989 ⁽ⁱ⁾ / -
Fordex Enterprise	Supply and trading of electrical and electronic products	Sole proprietorship	-	-	01.10.1996 ⁽ⁱⁱ⁾ / -

Past directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/resignation as director
			Direct %	Indirect %	
Golden Seeds Realty Sdn Bhd ⁽ⁱⁱⁱ⁾	Property investment holding	Director	-	80.00 ^(iv)	30.01.2019/ 05.05.2021
HZS Holiday (MM2H) Sdn Bhd (formerly known as HZS Holiday Sdn Bhd)	To carry on business in Malaysia My Second Home (MM2H) programme and consultancy	Director	-	99.99 ^(v)	10.09.2007/ 10.12.2019

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
PV Development	Property developer	Director	2.00	66.00 ^(iv)	19.08.2005/ 22.12.2021
PV Holdings	Property investment holding	Director	0.50	59.00 ^(iv)	09.12.2013/ 08.11.2021

Notes: -

- (i) Date of appointment as date he became a partner of this company.
- (ii) Being the date he became sole proprietor.
- (iii) A 80.00%-owned subsidiary of Selama Bayu Sdn Bhd, which is a wholly-owned subsidiary of PV Holdings.
- (iv) Deemed interested by virtue of his interest in PV Holdings pursuant to Section 8 of the Act.
- (v) Deemed interested by virtue of Tan Sri Datuk Seri Gan Yu Chai's interest in the company pursuant to Section 8 of the Act. Tan Sri Datuk Seri Gan Yu Chai is the substantial shareholder of the company. Tan Sri Datuk Seri and Gan Kok Peng are siblings.

(v) Chai Woon Hou

Present directorship: -

Chai Woon Hou does not have any present directorship outside our Group during the past five (5) years up to the LPD.

Past directorship: -

Chai Woon Hou does not have any past directorship outside our Group during the past five (5) years up to the LPD.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(vi) **Datuk Sydney**

Present directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Adil Capital Sdn Bhd	Real estate activities with own or leased property not elsewhere classified; financial consultancy services; and export and import of a variety of goods without any particular specialisation not elsewhere classified	Director	100.00	-	22.01.2020/ -
Adil Solutions Sdn Bhd	Manufacture of medicinal active substances to be used for their pharmacological properties in the manufacture of medicaments; wholesale of pharmaceutical and medical goods; and export and import of a variety of goods without any particular specialisation not elsewhere classified	Director	50.00	-	04.09.2020/ -
Arif Dinasti Sdn Bhd	Housing developer ⁽ⁱ⁾	Director	-	-	15.03.2005/ -
Authentic Conglomerate Sdn Bhd	Investment holding ⁽ⁱⁱ⁾	Director	-	-	05.02.2004/ -
Colipact Resources Sdn Bhd	Investment holding ⁽ⁱⁱ⁾	Director	-	-	05.02.2004/ -

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Farmington Holdings Sdn Bhd	Carry on the business of an investment holding company; exports, imports, distributors of all aquacultures, agriculture, farm and livestock and dairy product; and carry on the business of marketing or distributing goods or merchandise	Director	50.00	-	12.04.2010/ -
Greenwood Residence Sdn Bhd	Development of building projects for own operation i.e., for renting of space in these buildings; real estate activities with own or leased property not elsewhere classified; and buying, selling, renting and operating of self-owned or leased real estate – residential buildings	Director	15.00	-	23.10.2018/ -
Sabrina Properties Sdn Bhd	Housing developer ⁽ⁱⁱⁱ⁾	Director	^	-	03.09.2008/ -
Southern Score Builders Berhad (formerly known as G Neptune Berhad ^(iv))	Investment holding, where its subsidiary is involved in construction management services	Director	-	-	09.11.2022/ -
Southern Score Sdn Bhd ^(iv)	Contractors	Director	-	-	02.02.2021/ -
The Peninsula Properties Sdn Bhd	Development of building projects for own operation, i.e., for renting of space in these buildings	Director	-	-	19.07.2016/ -

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

Past directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Adil Industries Sdn Bhd	Construction of buildings not elsewhere classified	Director	-	-	04.05.2011/ 19.08.2022
Pangaea Hospitality Sdn Bhd	Dissolved on 17.10.2019	Director	25.00	-	06.06.2018/ -
Zspace Systems Sdn Bhd	Export and import of a variety of goods without any particular specialisation not elsewhere classified	Director	-	-	10.11.2004/ 23.09.2022

Notes: -

- (i) *The projects undertaken by this company has been completed and fully sold. This company has been dormant for more than ten (10) years.*
 - (ii) *The companies were previously wholly-owned subsidiaries of a public listed company where Datuk Sydney was a director (between years 2003 to 2014). These companies were struck off during financial year ended 31 December 2005 (source: annual report 2005 of the public listed company). However, the secretarial records have yet to be updated. Datuk Sydney subsequently retired from the public listed company in year 2014.*
 - (iii) *This company did not launch any housing project since its incorporation.*
 - (iv) *Southern Score Sdn Bhd is involved in a corporate proposal i.e., proposed regularisation plan by G Neptune Berhad, a company listed on ACE Market of Bursa Securities. The said corporate proposal was completed on 9 November 2022 and Datuk Sydney was appointed as the Executive Director of Southern Score Builders Berhad (formerly known as G Neptune Berhad) on the same date. Please refer to note (ii) of Section 10.1.2 of this Prospectus for the details of the said corporate proposal.*
- ^ *Negligible.*

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(vii) **Nor Zaemah binti Dato' Zainuddin**

Present directorship: -

Company	Principal Activities	Position held	Equity interest held as at the LPD		Date of appointment/ resignation as director
			Direct %	Indirect %	
Zaibar Properties Sdn Bhd ⁽ⁱ⁾	Investment property	Director	50.00	-	11.09.1998/ -
Zaibar Automobile Industries Sdn Bhd	Importers, exporters and dealer of automobiles	Director	2.00	-	15.05.1999/ -
Zaibar Advanced Service Centre Sdn Bhd	Reparing of motor vehicles and trading of related products and spare parts	Director	^	-	17.03.2011/ -
Zaibar Development Sdn Bhd	Other service activities	Director	-	-	30.01.2013/ -
Zaibar Management Sdn Bhd ⁽ⁱⁱ⁾	Other service activities	Director	-	-	30.01.2013/ -
Starsky Security and Private Investigator Sdn Bhd	Providing security and private investigator services	Director	-	-	22.06.2021/ -

Past directorship: -

Nor Zaemah binti Dato' Zainuddin does not have any past directorship outside our Group during the past five (5) years up to the LPD.

Notes: -

(i) *This company is mainly in the business of purchasing, selling or renting land for investment in rural areas and is not involved in development of buildings for commercial purpose. As such, this does not give rise to any potential conflict of interest with Radium.*

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

(ii) *This company is in the process of winding up as at the LPD.*

[^] *Negligible.*

(viii) Koay Lean Lee

Present directorship: -

Koay Lean Lee does not have any present directorship outside our Group during the past five (5) years up to the LPD.

Past directorship: -

Koay Lean Lee does not have any past directorship outside our Group during the past five (5) years up to the LPD.

(ix) Nurazlin binti A. Samad

Present directorship: -

Nurazlin binti A. Samad does not have any present directorship outside our Group during the past five (5) years up to the LPD.

Past directorship: -

Nurazlin binti A. Samad does not have any past directorship outside our Group during the past five (5) years up to the LPD.

(x) Phang Sweet Lee

Present directorship: -

Phang Sweet Lee does not have any present directorship outside our Group during the past five (5) years up to the LPD.

Past directorship: -

Phang Sweet Lee does not have any past directorship outside our Group during the past five (5) years up to the LPD.

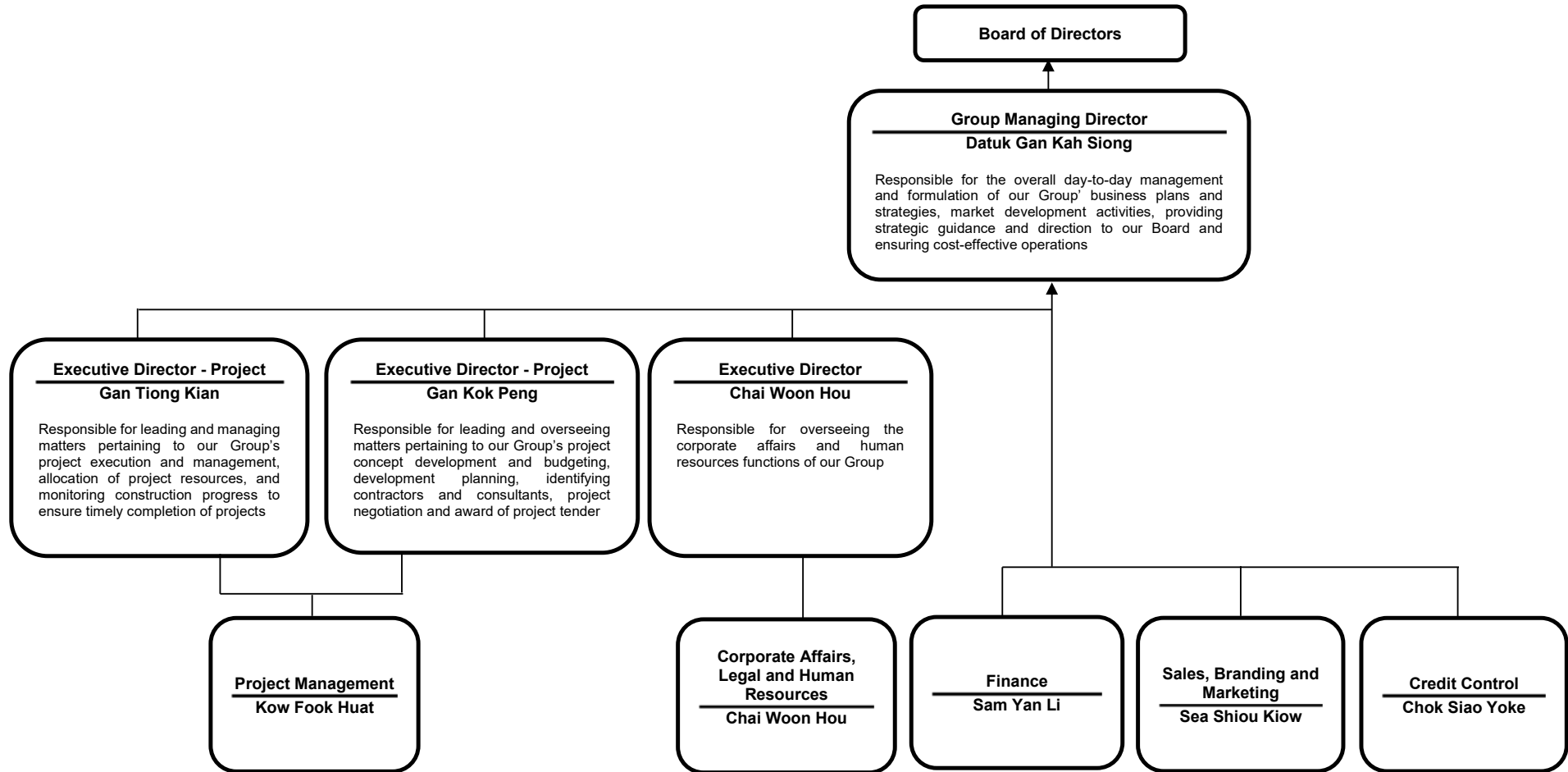
Based on the information disclosed above, the involvement in other business activities performed outside our Company held by our Directors do not affect their contribution to our Group or negatively impact their ability to act as our Directors.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.3 KEY SENIOR MANAGEMENT

3.3.1 Management reporting structure

The management reporting structure of our Group is as follows: -



3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.3.2 Shareholdings of our Key Senior Management

The direct and indirect shareholding of Chai Woon Hou, who is also our Key Senior Management is disclosed in Section 3.2.1 of this Prospectus. The direct and indirect shareholdings of our Key Senior Management before and after the IPO assuming that our Key Senior Management will fully subscribe for their respective entitlements under the Pink Form Allocation are as follows: -

Name	Designation	Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	No. of Shares	% ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾
Sam Yan Li	Chief Financial Officer	-	-	-	-	320,000	^	-	-
Sea Shiou Kiow	Head of Sales, Branding and Marketing	-	-	-	-	600,000	^	-	-
Kow Fook Huat	Project Director	-	-	-	-	600,000	^	-	-
Chok Siao Yoke	Head of Credit Control	-	-	-	-	300,000	^	-	-

Notes: -

(i) Based on our issued share capital of 2,600,000,000 Shares before our IPO.

(ii) Based on our enlarged issued share capital of 3,468,000,000 Shares after our IPO.

(iii) Assuming our Key Senior Management fully subscribe for their respective entitlements pursuant to the Pink Form Allocation.

^ Negligible.

3.3.3 Profiles of Key Senior Management

The profile of Chai Woon Hou, who is also our Key Senior Management is disclosed in Section 3.2.2(iv) of this Prospectus. The profiles of our other Key Senior Management are as follows: -

- (i) **Sam Yan Li**, Malaysian, female, aged 41, is our Chief Financial Officer. She is responsible for overseeing the overall accounting and finance functions of our Group including accounting, taxation, corporate finance and treasury matters. She has 17 years of relevant working experience and was involved in audit works for companies from various industries such as property development, manufacturing, hotel, retailing and courier services.

She obtained her Bachelor of Arts in Accounting and Finance from Sheffield Hallam University, United Kingdom in October 2005. She has been a member of the Association of Chartered Certified Accountants since May 2009 and a member of the Malaysian Institute of Accountants since July 2009.

She began her career in January 2006 when she joined Moores Rowland as Audit Assistant where she was involved in audit works. She was promoted to Audit Executive - Semi Senior in July 2007 and subsequently to Senior Audit Executive in July 2008 where she led a team to carry out audit works. Over the years, she was involved in audit works for companies from various industries such as property development, manufacturing, hotel, retailing and courier services.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In April 2009, she left Moores Rowland and joined Keladi Maju Berhad (now known as JKG Land Berhad), a company listed on Bursa Securities, as Accountant where she was responsible for reviewing consolidated financial statements for the preparation of quarterly announcement and corporate reporting, attending monthly management, board and committee meetings and reporting to directors of the company, and reviewing payments pertaining to project matters.

In June 2011, she left Keladi Maju Berhad (now known as JKG Land Berhad) and in July 2011, she joined PV Development as Accountant where she was involved in the accounting and finance functions of the company including reviewing management accounts and the application for loan.

In June 2016, she left PV Development and in July 2016, she joined Titijaya PMC Sdn Bhd, a subsidiary of Titijaya Land Berhad, a company listed on Bursa Securities, as Finance Manager where she was involved in the accounting and finance functions of the company.

In October 2016, she left Titijaya PMC Sdn Bhd and in November 2016, she joined PKK Hartanah Sdn Bhd, a subsidiary of KM Land Group, as Finance Manager where she led and managed the overall finance functions of the company.

In September 2017, she left PKK Hartanah Sdn Bhd and joined PV Development as Finance Manager. In October 2017, she was seconded to Total Solid, a wholly-owned subsidiary of Idaman Sejiwa Development Sdn Bhd (now known as Radium Development Berhad), as Finance Manager where she was responsible for leading and managing the finance and accounting functions of the company including corporate reporting, cash flow management, project financing and tax matters, as well as reviewing the accounts of the company and its subsidiaries. She was promoted to Senior Finance Manager in January 2020.

Pursuant to the internal restructuring of our Group, she left PV Development in March 2021 and joined Omega Edisi, a management company and a wholly-owned subsidiary of Radium, as Senior Finance Manager and was subsequently redesignated as our Group's Chief Financial Officer where she assumed her current responsibilities.

She does not have any other directorships outside our Group during the past five (5) years up to the LPD.

- (ii) **Sea Shiou Kiow**, Malaysian, female, aged 45, is our Head of Sales, Branding and Marketing. She is responsible for overseeing the overall sales function of our Group including setting sales target, and monitoring sales performance and customer retention, as well as overseeing the overall branding and marketing functions of our Group including formulating and implementing brand and marketing strategies for our projects, and keeping abreast with market supply and demand. She has 20 years of related working experience in sales, marketing and administrative functions.

She graduated with a Bachelor of Arts in Business Administration from University of Abertay Dundee, United Kingdom in December 2003.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

She began her career in April 2003 when she joined Platinum Victory Sdn Bhd as Marketing Executive where she was responsible for executing sales and administrative tasks and credit control tasks as well as organising roadshows. She was promoted to Senior Marketing Executive in January 2009, and subsequently to Assistant Sales Manager in September 2011 where she was primarily involved in managing the sales and administrative tasks for the company's property projects within and around the vicinity of Taman Melati, Kuala Lumpur.

In January 2012, she was transferred to Platinum Victory Property Sdn Bhd as Assistant Sales Manager where she was primarily involved in managing the marketing, sales and administrative tasks for THE FACE Suites project including managing local and foreign property agencies to promote the project, and organising roadshows locally and in overseas.

In November 2017, she was transferred to Ambanang Development, a wholly-owned subsidiary of Idaman Sejiwa Development Sdn Bhd (now known as Radium Development Berhad), as Sales, Branding and Marketing Manager where she was responsible for overseeing and managing the sales and marketing functions of the company including setting and driving sales target, as well as formulating and implementing brand and marketing strategies for the company and its related entities' property projects. She was promoted to Senior Manager – Sales, Branding and Marketing in January 2020.

Pursuant to the internal restructuring of our Group, she was transferred to Omega Edisi, a management company and a wholly-owned subsidiary of Radium, in March 2021 as Senior Manager – Sales, Branding and Marketing and was subsequently redesignated as our Group's Head of Sales, Branding and Marketing where she assumed her current responsibilities.

She does not have any other directorships outside our Group during the past five (5) years up to the LPD.

- (iii) **Kow Fook Huat**, Malaysian, male, aged 50, is our Project Director. He is responsible for managing and coordinating the overall project operations of our Group from project development conceptualising to application of approvals from the respective authorities as well as implementing standard operating procedures for our project department. He has 25 years of related working experience in development and cost planning, and managing administrative functions pertaining to contracts awarded to contractors.

He graduated with a Bachelor of Engineering (Honours) in Civil Engineering from University Malaysia Sarawak in July 1998. He was admitted to the Board of Engineers Malaysia as Graduated Engineer in March 1999.

He began his career in April 1998 when he joined Muhibbah Engineering (M) Bhd as Engineer where he was involved in solving technical issues and supervising the construction works for new airport building and wharf. In 2000, he was promoted to Project Manager and was involved in handling and managing the installation of vessel tank and piping works for a power plant project.

In October 2001, he left Muhibbah Engineering (M) Bhd and in November 2001, he joined Andalas Development Sdn Bhd, the property and construction division of The Lion Group, as Project Manager where he was responsible for conducting feasibility studies, development and cost planning, and managing administrative tasks pertaining to contracts awarded to contractors for the company's property projects.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In December 2007, he left Andalas Development Sdn Bhd and in January 2008, he joined PV Development as Project Manager. In January 2013, he was promoted to Senior Project Manager where he was responsible for project development conceptualising and planning.

In April 2014, he left PV Development and in May 2014, he joined Sdb Properties Sdn Bhd, a subsidiary of Selangor Dredging Berhad, a company listed on Bursa Securities, as Senior Project Manager where he was responsible for project development conceptualising, planning and execution.

In April 2018, he left Sdb Properties Sdn Bhd and joined Vistarena Development, a subsidiary of Idaman Sejiwa Development Sdn Bhd (now known as Radium Development Berhad), as Assistant General Manager – Project and was responsible for handling the Company's property development projects. He was promoted to General Manager – Project in January 2021.

Pursuant to the internal restructuring of our Group, he was transferred to Omega Edisi, a management company and a wholly-owned subsidiary of Radium, in March 2021 as our Group's General Manager – Project and was subsequently redesignated as Project Director where he assumed his current responsibilities.

He does not have any other directorships outside our Group during the past five (5) years up to the LPD.

- (iv) **Chok Siao Yoke**, Malaysian, female, aged 48, is our Head of Credit Control. She is responsible for overseeing the overall credit control functions of our Group including managing the daily operations and implementing standard operating procedures for our credit control department. She has 28 years of related working experience in handling administrations functions and implementing standard operating procedures and managing the daily operations of the credit control department.

She completed her Sijil Pelajaran Malaysia in Sekolah Menengah Seri Garing Rawang, Selangor in 1993. She pursued further studies in Advance Tertiary College and obtained her Diploma in Business Administration from The Association of Business Executives, United Kingdom in June 1998.

While pursuing her studies, she began her career in 1995 when she joined Medan Idaman Sdn Bhd as Sales Administration Assistant where she was responsible for handling administration tasks and customer services for the company's property projects.

In May 1999, she left Medan Idaman Sdn Bhd and joined Berjaya Land Berhad, a company listed on Bursa Securities, as Marketing and Administration Assistant where she assisted on property launches and was also involved in administrative tasks pertaining to property sales and transfer of property title.

In January 2000, she left Berjaya Land Berhad and joined Kepong Industrial Park Sdn Bhd as Sales Administration Executive where she was responsible for administrative tasks pertaining to vacant possession, sub-sales and project refinancing.

In July 2002, she left Kepong Industrial Park Sdn Bhd and joined Glomac Group Management Services Sdn Bhd, a subsidiary of Glomac Berhad, a company listed on Bursa Securities, as Sales Administration Executive where she was involved in customer service and administrative tasks pertaining to property sales.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In October 2009, she left Glomac Group Management Services Sdn Bhd and in November 2009, she joined PV Development as Credit Control Assistant Manager where she was responsible for implementing standard operating procedures and managing the daily operations of the credit control department. In September 2011, she was promoted to Credit Control Manager. In June 2016, she was seconded to Total Solid, as Credit Control Manager and was subsequently promoted to Senior Credit Control Manager in July 2017.

Pursuant to the internal restructuring of our Group, she left PV Development in March 2021 and joined Omega Edisi, a management company and a wholly-owned subsidiary of Radium, as Senior Credit Control Manager and was subsequently redesignated as our Group's Head of Credit Control where she assumed her current responsibilities.

She does not have any other directorships outside our Group during the past five (5) years up to the LPD.

3.3.4 Key Senior Management's remuneration and material benefits-in-kind

The aggregate remuneration (including benefits-in-kind) paid in FYE 2022 and proposed to be paid in FYE 2023 to our Key Senior Management for services rendered in all capacities to our Group based on the named basis and the actual amount are as follows: -

FYE 2022

Key Senior Management	(in bands of RM50,000)			
	Remuneration (i)	Other emoluments ⁽ⁱⁱ⁾	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000
Sam Yan Li	250-300	0-50	-	250-300
Sea Shiou Kiow	200-250	0-50	-	200-250
Kow Fook Huat	350-400	0-50	-	350-400
Chok Siao Yoke	200-250	0-50	-	200-250

Estimated FYE 2023

Key Senior Management	(in bands of RM50,000)			
	Remuneration (i)	Other emoluments ⁽ⁱⁱ⁾	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	RM'000
Sam Yan Li	250-300	0-50	-	300-350
Sea Shiou Kiow	150-200	0-50	-	200-250
Kow Fook Huat	350-400	0-50	-	400-450
Chok Siao Yoke	200-250	0-50	-	200-250

Notes: -

(i) Including bonuses paid.

(ii) Including EPF, SOCSO and Employment Insurance Scheme.

Remuneration (which includes salaries, commission, fees and allowances), bonus and benefits-in-kind must be considered and recommended by the Remuneration Committee and subsequently, to be approved by our Board.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.4 ASSOCIATION AND FAMILY RELATIONSHIP

Save as disclosed below, there are no associations and family relationships between our substantial shareholders, Promoters, Directors and Key Senior Management: -

- (i) Datuk Gan Kah Siong, our Promoter, substantial shareholder and Group Managing Director, Gan Tiong Kian, our Promoter, substantial shareholder and Executive Director, and Gan Kok Peng, our Promoter, substantial shareholder and Executive Director are siblings;
- (ii) Datuk Gan Kah Siong, our Promoter, substantial shareholder and Group Managing Director, is the sole director and shareholder of Cengal 2020 Sdn Bhd, our substantial shareholder;
- (iii) Gan Tiong Kian, our Promoter, substantial shareholder and Executive Director, is the sole director and shareholder of Java Citarasa Sdn Bhd, a shareholder of our Company;
- (iv) Gan Kok Peng, our Promoter, substantial shareholder and Executive Director, is the sole director and shareholder of Tambun Team Sdn Bhd, a shareholder of our Company; and
- (v) Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng, being our Promoters, substantial shareholders and Directors, are also the shareholders of PV Holdings, a shareholder of our Company, holding 1.00%, 0.50% and 0.50% in PV Holdings respectively.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.5 BOARD PRACTICE

3.5.1 Directors' terms of office

As at the LPD, the details of the date of expiration of the current term of office for each and every Directors and the period of which our Directors have served in the office are as follows: -

Name	Designation	Date of appointment	Length of years in service in our Group as at the LPD	Date of expiration of current term of office
Tan Sri Mhd Amin Nordin bin Abd Aziz	Independent Non-Executive Chairman	01.03.2023	One (1) month	Subject to re-election at the forthcoming annual general meeting in year 2023
Datuk Gan Kah Siong	Non-Independent Group Managing Director	08.07.2013	Nine (9) years and approximately nine (9) months	Subject to rotation at the annual general meeting in year 2024
Gan Tiong Kian	Non-Independent Executive Director	29.01.2016	Seven (7) years and approximately two (2) months	Subject to rotation at the annual general meeting in year 2024
Gan Kok Peng	Non-Independent Executive Director	17.02.2021	Two (2) years and approximately two (2) months	Subject to rotation at the annual general meeting in year 2023
Chai Woon Hou	Non-Independent Executive Director	22.02.2021	Two (2) years and approximately two (2) months	Subject to rotation at the annual general meeting in year 2023
Datuk Sydney	Non-Independent Non-Executive Director	17.02.2021	Two (2) years and approximately two (2) months	Subject to rotation at the annual general meeting in year 2024
Nor Zaemah binti Dato' Zainuddin	Independent Non-Executive Director	24.03.2023	Eight (8) days	Subject to re-election at the forthcoming annual general meeting in year 2023
Koay Lean Lee	Independent Non-Executive Director	24.03.2023	Eight (8) days	Subject to re-election at the forthcoming annual general meeting in year 2023
Nurazlin binti A. Samad	Independent Non-Executive Director	24.03.2023	Eight (8) days	Subject to re-election at the forthcoming annual general meeting in year 2023
Phang Sweet Lee	Independent Non-Executive Director	24.03.2023	Eight (8) days	Subject to re-election at the forthcoming annual general meeting in year 2023

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

In accordance with our Constitution, all Directors shall retire from office at the first (1st) annual general meeting and an election of Directors shall take place every year. At every annual general meeting, 1/3 of the Directors who are subject to retirement by rotation for the time being or if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election, provided that all Directors shall retire from office once at least in every three (3) years. A retiring Director shall be eligible for re-election. A Director retiring at a meeting shall retain office until the conclusion of the meeting.

3.5.2 Committees

(i) Audit and Risk Management Committee

The members of the Audit and Risk Management Committee consist of the following: -

Name	Designation	Directorship
Nor Zaemah binti Dato' Zainuddin	Chairman	Independent Non-Executive Director
Nurazlin binti A. Samad	Member	Independent Non-Executive Director
Koay Lean Lee	Member	Independent Non-Executive Director

Our Audit and Risk Management Committee undertakes, among others, the following functions: -

In relation to external auditors

- (a) to consider the appointment or annual re-appointment of the external auditors and fix their audit fee, and any question of their resignation or dismissal and the reasons thereof;
- (b) to run the audit tender process independent of management including establishing objective criteria when assessing appointment of external auditors, to ensure audit quality may not be compromised or that fees are not given undue weight;
- (c) to discuss with the external auditors their audit plan, the nature and scope of the audit, evaluation of the Company's systems of internal controls and their audit report on the annual financial statements, including key audit matters;
- (d) ensure external auditors have sufficient understanding of business/ operations/risk areas, senior audit team members are sufficiently involved throughout the audit process and the team has the capacity and ability to work in different geographical regions;
- (e) to assess external audit firm's measures to uphold audit quality and manage risks including adopting indicators of audit quality;
- (f) to discuss issues and reservations arising from the interim and final audits with the external auditors, and any other matters the external auditors or other consultants may wish to discuss, in the absence of management, where necessary and in any case at least twice a year;
- (g) to review the external auditors' management letter and management's response thereon and ensure management provides information and records in a timely manner;

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (h) obtain assurance from the external auditors that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, and that following such annual assessment review and the assurance obtained, the audit committee to remain confident of the external auditor's independence and suitability;
- (i) to evaluate the performance of external auditors including reviewing the independence, suitability, objectivity and cost effectiveness, taking into account factors including the competency, adequacy of experience and resources of the firm and professional staff assigned to perform the audit;
- (j) ensure that advance approval by our Board is required for non-audit services provided by the external auditor, on recommendation of the audit committee; and
- (k) review all non-audit services performed by the external auditors to reinforce the independence and objectivity of the external auditors.

In relation to the financial statements

- (a) to review the quarterly and annual financial statements of the Company before submission to the Board, focussing particularly on: -
 - (i) public announcement of the results and dividend payment;
 - (ii) any changes in accounting policies and practices;
 - (iii) the going concern assumption;
 - (iv) compliance with approved accounting standards;
 - (v) compliance with Bursa Securities and legal requirements; and
 - (vi) significant adjustments arising from the audit.
- (b) review the Company's dividend proposals including considering the quantum, timing and cash flow of dividend payments, and recommending the same to the Board for approval;
- (c) review all related party transactions, including any conflict of interest situations arising; and
- (d) review the Company's annual report prior to submission to the Board for their perusal and approval, to ensure compliance in accordance with the provisions of the Act and Listing Requirements, the applicable approved accounting standards and any other laws or regulations which might apply.

In relation to internal audit

- (a) to do the following, in relation to the internal audit functions: -
 - (i) review the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority and resources to carry out its work, including training programs for the staff;
 - (ii) consider whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
 - (iii) review the internal audit plan for the year and findings of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit functions by Management;

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (b) ensure the Company's internal control framework is maintained, including periodically reviewing controls, organising self-assessments and ensured effectiveness of the system;
- (c) ensure the Company adopts the Standards and Principles outlined in the International Professional Practices Framework (IPPF) of The Institute of Internal Auditors;
- (d) review and appraise the performance of members of the internal audit functions on an annual basis;
- (e) approve any appointment and termination of senior staff members of the internal audit functions; and
- (f) takes cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

In relation to corporate risk management

- (a) to review the adequacy of and to provide reasonable assurance to the Board of the effectiveness of risk management functions of the Group; and
- (b) to ensure that the principal and requirements of managing risk are consistently adopted throughout the Group.

In relation to internal control

- (a) to assess the quality and effectiveness of the systems of the internal control and the efficiency of the Group's operations;
- (b) to review the findings on the internal control in the Group by internal and external auditors; and
- (c) to review and approve the statement on internal control for the annual report as required under the Listing Requirements.

In relation to corporate governance

- (a) to review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow up (including disciplinary action) any instances of non-compliance;
- (b) to review the findings of any examinations by regulatory authorities;
- (c) to consider any related party transaction and conflict of interest that may arise within the Group including any transaction, procedure or course of conduct that raises questions of integrity;
- (d) to review and approve the statement of corporate governance for the annual report as required under the Listing Requirements;
- (e) to examine instances and matters that may have compromised the principles of corporate governance and report back to the Board;
- (f) to review the investor relations programme and shareholder communication policy for the Company;
- (g) to develop and regularly review the group's code of corporate governance and business ethics;

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (h) where the committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved, resulting in a breach of the Listing Requirements, the committee must promptly report such matters to Bursa Securities;
- (i) to review reporting information about the contents and operations of the Anti-Bribery and Corruption Policy to ensure the policy is kept robust and up to date;
- (j) to ensure the Management has adequate and appropriate resources needed for the effective operation of the Anti-bribery and Corruption Policy to fulfil and comply with the Malaysian Anti-Corruption Commission Act; and
- (k) any such other functions as may be agreed by the committee and the Board.

Other scope of work

- (a) to consider and review the appropriateness of any related party transaction and conflict of interest situations that may arise within the Company including ensuring compliance with applicable laws and regulations;
- (b) to consider major findings of any internal investigations and Management's response thereon;
- (c) to review the draft circulars with respect to obtaining shareholders' mandate on any recurrent related party transactions of a revenue or trading nature, before submission to the Board;
- (d) to undertake oversight responsibility and strategic management of material sustainability matters delegated by the Board; and
- (e) to consider any other topics, as defined by the Board.

(ii) Remuneration Committee

The members of the Remuneration Committee consist of the following: -

Name	Designation	Directorship
Datuk Sydney	Chairman	Non-Independent Non-Executive Director
Nor Zaemah binti Dato' Zainuddin	Member	Independent Non-Executive Director
Phang Sweet Lee	Member	Independent Non-Executive Director

Our Remuneration Committee undertakes, among others, the following functions: -

- (a) to formulate policies, guidelines and set criteria for remuneration for the Directors of the Company;
- (b) to recommend to the Board, changes in remuneration, if required, or in the event the present structure and remuneration policy are deemed inappropriate;

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (c) to recommend to the Board, the reward framework for executive directors/managing director and senior management and perform an on-going review of the executive directors/managing director and senior management's remuneration structure;
- (d) the remuneration of the non-executive directors is to be determined by the Board and on the recommendation of the Remuneration Committee;
- (e) to review and approve annual salaries, incentive arrangements, service agreements and other employment conditions for the executive directors/managing director with consideration of the performance of the executive director/managing director. This can be performed by linking executive directors/managing directors' remuneration to corporate and individual performance, such as, performance of the Company, growth of the Company vis-à-vis the growth of the industry, contribution of the executive directors/managing director to the Group etc;
- (f) to ensure that the membership to the Remuneration Committee is disclosed in the Directors' report in line with the requirements of the MCGG;
- (g) to perform regular review of the competitiveness of the Group's remuneration structure and to keep itself fully informed of developments and best practices in the field of remuneration; and
- (h) any other duties in relation to setting of remuneration levels as directed by the Board.

(iii) Nomination Committee

The members of the Nomination Committee consist of the following: -

Name	Designation	Directorship
Koay Lean Lee	Chairman	Independent Non-Executive Director
Datuk Sydney	Member	Non-Independent Non-Executive Director
Nurazlin binti A. Samad	Member	Independent Non-Executive Director

Our Nomination Committee undertakes, among others, the following functions: -

- (a) be responsible for identifying and nominating for the approval of the Board, candidates to fill Board and Board committee vacancies as and when they arise. The Committee may utilise independent sources to identify a suitably qualified candidate. The Committee shall nominate or appoint a gender diverse Board;
- (b) evaluate the balance of skills, knowledge and experience (in terms of age, cultural background and gender) on the Board and, in light of this evaluation, prepare a description of the role and capabilities required for a particular appointment of Director;
- (c) evaluate the Board committees and the contribution and performance of the individual Directors for the effective and efficient functioning of the Board and the Board committees;

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

- (d) appraise each individual Director and Chairman of the Board including Independent Non-Executive Directors as well as the Group Managing Director in terms of his experience, knowledge, credibility and credentials and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member of the Company. All assessments and evaluations carried out by the Committee in the discharge of all its functions should be properly documented;
- (e) review whether the non-executive director is spending enough time to fulfil their duties;
- (f) consider candidates from a wide range of professional backgrounds and look beyond the "usual selection criteria";
- (g) give full consideration to succession planning in the course of its work, taking into account the challenges and opportunities facing the Company and what skills and expertise are needed on the Board in the future;
- (h) regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and Board Committee and make recommendations to the Board with regards to any changes;
- (i) regularly review and assess the independence of an independent director;
- (j) keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensure the continued ability of the organisation to compete effectively in the marketplace;
- (k) ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- (l) ensure that the Company provides an induction programme for newly appointed Directors which aims at communicating to the newly appointed Directors, the Company's vision and mission, its philosophy and nature of business, current issues within the Company, the corporate strategy and the expectations of the Company concerning input from Directors;
- (m) review the Directors' continuing education programmes for existing members of the Board and arrange for attendance of suitable training programmes, where necessary;
- (n) review the performance of the Audit and Risk Management Committee annually to determine whether the Audit and Risk Management Committee and its members have carried out their duties in accordance with their terms of reference;
- (o) assess the effectiveness of the Board as a whole and the Committees of the Board;
- (p) the Committee may at reasonable cost also engage independent professional advisors or service providers as it deems appropriate in order to carry out its functions and responsibilities; and
- (q) any other duties as may be agreed by the committee and as directed by the Board.

3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.6 SERVICE CONTRACTS

Save as disclosed below the existing service contracts signed by our Directors (“**Service Contracts**”), as at the LPD, none of our Directors and Key Senior Management has existing or proposed service contracts which provide for benefits upon termination of employment with Radium.

The following provisions are extracted from the Service Contracts dated 1 September 2021 entered by Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng, Chai Woon Hou and Datuk Sydney with Radium respectively. The terms and numbering references used herein shall have the respective meanings and numbering references as ascribed thereto in the Service Contracts: -

Clause 5 – Premature Termination/Retirement

5.1 In the event during the tenure of Director's employment as the Director of the Company, there is a substantial change in the controlling shareholders that results in Director's appointment herein prematurely terminated, then the Company shall compensate Director as per follows: -

- (a) RM200,000 for every year of service and the period that is less than one full year shall be proportioned accordingly (calculation for the year of service shall be from the date the Director was appointed to the Board of Directors).

For the purposes of Clause 5.1 of the Service Contracts, years of service to the Company shall mean total years of services Director serves as director in the Company from the onset of his service regardless any departure/retirement by rotation/resignation. For instance, when the years of service is 25 months, the Company shall compensate Director RM416,666.66.

5.2 Director rendering his/her service to the Company until his/her retirement shall be entitled to retirement benefits as follows, for the avoidance of doubt, retirement age adopted by the Company shall be the age of 60 years old: -

- (a) RM200,000 for every year of service and the period that is less than one full year shall be proportioned accordingly (calculation for the year of service shall be from the date the Director was appointed to the Board of Directors).

Clause 7 – Termination or Removal of Director

7.1 Director may resign from the position at any time by giving three (3) months' notice to the Company.

7.2 Subject to the Constitution of the Company, prevailing laws and rules and Clause 5 of the Service Contracts, the Board of Directors may by ordinary resolution at a meeting remove Director before the expiration of this Agreement.

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3. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (cont'd)

3.7 DECLARATION BY PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and Key Senior Management is or has been involved in the following, whether in or outside Malaysia: -

- (i) In the last ten (10) years, a petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he/she was a partner or any corporation of which he was a director or member of key senior management personnel;
- (ii) Disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) In the last ten (10) years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) In the last ten (10) years, any judgment that was entered against him/her, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his/her part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) In the last ten (10) years, he/she was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his/her part that relates to the capital market;
- (vi) Being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him/her from engaging in any type of business practice or activity;
- (vii) In the last ten (10) years, he/she has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) Having any unsatisfied judgment against him/her.

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4. INFORMATION ON OUR GROUP

4.1 OUR COMPANY

Radium was incorporated in Malaysia on 19 March 2013 under the Companies Act 1965 (and is deemed incorporated under the Act) as a private limited company under the name of Idaman Sejiwa Development Sdn Bhd and changed its name to Radium Development Sdn Bhd on 2 September 2021. The Company was converted to a public limited company under the name of Radium Development Berhad on 14 September 2021. We are a property developer principally involved in the development of high-rise residential properties.

The details of our shareholders, Group structure, subsidiaries and business overview are set out in Sections 4.2, 4.5, 4.6 and 5 of this Prospectus.

4.2 OUR SHAREHOLDERS

4.2.1 Shareholding structure

The shareholding structure of our shareholders in Radium as at the LPD are as follows:

	As at the LPD			
	Direct		Indirect	
	No. of Shares	% ⁽ⁱ⁾	No. of Shares	% ⁽ⁱ⁾
Datuk Gan Kah Siong	546,000,000	21.00	1,300,002,167 ⁽ⁱⁱ⁾	50.00
Gan Tiong Kian	260,000,000	10.00	78,002,167 ⁽ⁱⁱⁱ⁾	3.00
Gan Kok Peng	260,000,000	10.00	39,002,167 ^(iv)	1.50
Cengal 2020 Sdn Bhd	1,300,000,000	50.00	-	-
Java Citarasa Sdn Bhd	78,000,000	3.00	-	-
Tambun Team Sdn Bhd	39,000,000	1.50	-	-
Gita Bumi Sdn Bhd	26,000,000	1.00	-	-
Flexwan Sdn Bhd	12,997,833	0.50	-	-
Fountain Circle Sdn Bhd	78,000,000	3.00	-	-
PV Holdings	2,167	[^]	-	-

Notes: -

(i) Based on our issued share capital of 2,600,000,000 Shares before our IPO.

(ii) Deemed interested by virtue of his 100.00% equity interest in Cengal 2020 Sdn Bhd and 1.00% equity interest in PV Holdings pursuant to Section 8 of the Act.

(iii) Deemed interested by virtue of his 100.00% equity interest in Java Citarasa Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

(iv) Deemed interested by virtue of his 100.00% equity interest in Tambun Team Sdn Bhd and 0.50% equity interest in PV Holdings pursuant to Section 8 of the Act.

[^] Negligible.

4. INFORMATION ON OUR GROUP (*cont'd*)

4.2.2 Profiles of our shareholders

The profiles of our shareholders namely Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng, Cengal 2020 Sdn Bhd, Java Citarasa Sdn Bhd and Tambun Team Sdn Bhd and their associations and family relationships between our Group are set out in Sections 3.1.3 and 3.4 of this Prospectus respectively. The profiles of our other shareholders are as follows: -

(i) **Gita Bumi Sdn Bhd** (Registration No.: 202101004483 (1404782-M)) ("**Gita Bumi**")

Gita Bumi was incorporated in Malaysia under the Act on 5 February 2021. The principal activity of Gita Bumi is property investment holding.

As at the LPD, the issued share capital of Gita Bumi is RM1 comprising one (1) ordinary share.

As at the LPD, Ong Beng Hoe is the sole director and sole shareholder of Gita Bumi. Ong Yi Siang is the alternate director to Ong Beng Hoe.

Save as disclosed below, there are no associations and family relationships between Gita Bumi's shareholders and our Group: -

- (a) Ong Beng Hoe, is the brother-in-law of Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng.

As at the LPD, Gita Bumi does not have any subsidiary, joint venture and associated company.

(ii) **Flexwan Sdn Bhd** (Registration No.: 202001012893 (1369213-T)) ("**Flexwan**")

Flexwan was incorporated in Malaysia under the Act on 2 June 2020. The principal activity of Flexwan is property investment holding.

As at the LPD, the issued share capital of Flexwan is RM1 comprising one (1) ordinary share.

As at the LPD, Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid is the sole director and sole shareholder of Flexwan.

Save as disclosed below, there are no associations and family relationships between Flexwan's shareholders and our Group: -

- (a) Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid, is the substantial shareholder of Fitrah Resources.

As at the LPD, Flexwan does not have any subsidiary, joint venture and associated company.

4. INFORMATION ON OUR GROUP (cont'd)**(iii) Fountain Circle Sdn Bhd** (Registration No.: 201801017938 (1279954-U)) (“**Fountain Circle**”)

Fountain Circle was incorporated in Malaysia under the Act on 14 May 2018. The principal activity of Fountain Circle is to carry out property leasing activities.

As at the LPD, the issued share capital of Fountain Circle is RM2,100,000 comprising 2,100,000 ordinary shares.

As at the LPD, the directors of Fountain Circle are Wan Shafie bin Abdul Rashid and Datuk Nokman bin Ahmad.

Save as disclosed below, there are no associations and family relationships between Fountain Circle’s shareholders and our Group: -

- (a) Wan Shafie bin Abdul Rashid, is the director and substantial shareholder of Fitrah Resources; and
- (b) Datuk Nokman bin Ahmad, is the substantial shareholder of Fitrah Resources.

As at the LPD, the substantial shareholders of Fountain Circle together with their respective shareholdings in Fountain Circle are as follows: -

Substantial shareholder	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Wan Shafie bin Abdul Rashid	Malaysian	1,050,000	50.00	-	-
Datuk Nokman bin Ahmad	Malaysian	1,050,000	50.00	-	-

As at the LPD, Fountain Circle does not have any subsidiary, joint venture and associated company.

(iv) PV Holdings (Registration No.: 200901038655 (881788-K))

PV Holdings was incorporated on 8 December 2009 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. The principal activity of PV Holdings is property investment holding. Through its subsidiaries, PV Holdings is involved in property development activities.

As at the LPD, the issued share capital of PV Holdings is RM2,000,000 comprising 2,000,000 ordinary shares.

As at the LPD, the directors of PV Holdings are Tan Sri Datuk Seri Gan Yu Chai, Puan Sri Datin Seri Lee Kuan Kiow, Gan Yee Hin, Gan Lee Ha (alternate director to Puan Sri Datin Seri Lee Kuan Kiow) and Gan Lee Hoon (alternate director to Gan Yee Hin).

4. INFORMATION ON OUR GROUP (cont'd)

As at the LPD, the substantial shareholders of PV Holdings together with their respective shareholdings in PV Holdings are as follows: -

Substantial shareholder	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tan Sri Datuk Seri Gan Yu Chai	Malaysian	1,180,000	59.00	-	-
Gan Yee Hin	Malaysian	514,000	25.70	-	-
Puan Sri Datin Seri Lee Kuan Kiow	Malaysian	200,000	10.00	-	-

Save as disclosed below, there are no associations and family relationships between PV Holdings' shareholders and our Group: -

- (a) Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng are our Group's Directors and substantial shareholders. They are shareholders of PV Holdings, holding 1.00%, 0.50% and 0.50% in PV Holdings respectively; and
- (b) Tan Sri Datuk Seri Gan Yu Chai, Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng, Gan Lee Ha and Gan Lee Hoon are siblings. Gan Yee Hin is the son of Tan Sri Datuk Seri Gan Yu Chai and Puan Sri Datin Seri Lee Kuan Kiow. Puan Sri Datin Seri Lee Kuan Kiow is the spouse of Tan Sri Datuk Seri Gan Yu Chai.

Save as disclosed below, as at the LPD, PV Holdings does not have any other subsidiary, joint venture and associated company: -

Name/ Registration No.	Date and country of incorporation	Issued share capital RM	Effective interest %	Principal activities
Subsidiaries of PV Holdings				
Castle Innovations Sdn Bhd/ 201301005846 (1035689-D)	22.02.2013/ Malaysia	150,000	100.00	Property leasing and management
Marques Land Sdn Bhd/ 200901028906 (872011-U)	11.09.2009/ Malaysia	250,000	100.00	Property development
Tenaga Prospek Sdn Bhd/ 202001021616 (1377936-A)	03.08.2020/ Malaysia	2	100.00	Investment holding
Selama Bayu Sdn Bhd/ 202001031897 (1388217-W)	08.10.2020/ Malaysia	1	100.00	Investment holding
Intra Abadi Sdn Bhd/ 202101004990 (1405289-K)	09.02.2021/ Malaysia	1	100.00	Investment holding

4. INFORMATION ON OUR GROUP (cont'd)

Name/ Registration No.	Date and country of incorporation	Issued share capital RM	Effective interest %	Principal activities
Mesti Mulia Holdings Sdn Bhd/ 201301009679 (1039521-P)	22.03.2013/ Malaysia	2	100.00	Property investment holding
Juara Maksima Sdn Bhd/ 202001019417 (1375737-H)	20.07.2020/ Malaysia	1,000	100.00	Property investment holding
Subsidiaries of Tenaga Prospek Sdn Bhd				
Fountain Energy Sdn Bhd/ 200201030578 (598241-X)	08.11.2002/ Malaysia	100,000	100.00	Property development
Subsidiaries of Selama Bayu Sdn Bhd				
Golden Seeds Realty Sdn Bhd/ 201401038482 (1114630-X)	23.10.2014/ Malaysia	6,250,000	80.00	Property investment holding
Subsidiaries of Intra Abadi Sdn Bhd				
Nurix Development Sdn Bhd (formerly known as Nurix Oil Sdn Bhd)/ 201201039873 (1024351-U)	12.11.2012/ Malaysia	1,000,000	100.00	Property development
Subsidiaries of Mesti Mulia Holdings Sdn Bhd				
Platinum Victory (Setapak) Sdn Bhd/ 200401030950 (669458-V)	15.10.2004/ Malaysia	7,000,000	75.00	Property developer, leasing and management
Pembangunan Hakikat Emas Sdn Bhd/ 201101011795 (939929-W)	11.04.2011/ Malaysia	1,000,000	90.00	Property leasing and management
Megan Projek Sdn Bhd/ 202201029029 (1474726-K)	08.08.2022/ Malaysia	1	100.00	Investment holding
The Face Realty Sdn Bhd/ 202301007865 (1501786-M)	03.03.2023/ Malaysia	1	100.00	Investment holding and letting of properties

4. INFORMATION ON OUR GROUP (cont'd)

Name/ Registration No.	Date and country of incorporation	Issued share capital RM	Effective interest %	Principal activities
Subsidiaries of Juara Maksima Sdn Bhd				
Forest Heritage Sdn Bhd/ 200301029073 (631493-H)	15.10.2003/ Malaysia	1,000,000	100.00	Property developer
Associated company of Golden Seeds Realty Sdn Bhd				
Merit Residences Sdn Bhd/ 201401022113 (1098199-X)	18.06.2014/ Malaysia	1,000,000	20.00	Property developer

4.3 PRE-LISTING EXERCISE**4.3.1 Subscription**

On 7 September 2021, we undertook a subscription of 1,400,000 Shares or RM1,400,000 into the capital of Radium by increasing our existing share capital of RM1,000,000 comprising 1,000,000 Shares to RM2,400,000 comprising 2,400,000 Shares by the creation of 1,400,000 new Shares.

The shareholding structure of our shareholders in Radium before and after the Subscription are as follows: -

	Before the Subscription		After the Subscription	
	No. of Shares	%	No. of Shares	%
Datuk Gan Kah Siong	210,000	21.00	504,000	21.00
Gan Tiong Kian	100,000	10.00	240,000	10.00
Gan Kok Peng	100,000	10.00	240,000	10.00
Cengal 2020 Sdn Bhd	500,000	50.00	1,200,000	50.00
Java Citarasa Sdn Bhd	30,000	3.00	72,000	3.00
Tambun Team Sdn Bhd	15,000	1.50	36,000	1.50
Gita Bumi Sdn Bhd	10,000	1.00	24,000	1.00
Flexwan Sdn Bhd	4,998	0.50	11,998	0.50
Fountain Circle Sdn Bhd	30,000	3.00	72,000	3.00
PV Holdings	2	^	2	^
Total	1,000,000	100.00	2,400,000	100.00

Note: -

^ Negligible.

The Subscription was completed on 7 September 2021.

4. INFORMATION ON OUR GROUP (cont'd)

4.3.2 Share Split

On 8 September 2021, we undertook a subdivision of one (1) existing Share into one thousand (1,000) new Shares. The Share Split was undertaken to achieve a more affordable price per share for our IPO and enhance the liquidity of our Shares at the time of our Listing.

Upon completion of the Share Split, we have share capital of RM2,400,000 comprising 2,400,000,000 Shares.

The shareholding structure of our shareholders in Radium before and after the Share Split are as follows: -

	Before the Share Split		After the Share Split	
	No. of Shares	%	No. of Shares	%
Datuk Gan Kah Siong	504,000	21.00	504,000,000	21.00
Gan Tiong Kian	240,000	10.00	240,000,000	10.00
Gan Kok Peng	240,000	10.00	240,000,000	10.00
Cengal 2020 Sdn Bhd	1,200,000	50.00	1,200,000,000	50.00
Java Citarasa Sdn Bhd	72,000	3.00	72,000,000	3.00
Tambun Team Sdn Bhd	36,000	1.50	36,000,000	1.50
Gita Bumi Sdn Bhd	24,000	1.00	24,000,000	1.00
Flexwan Sdn Bhd	11,998	0.50	11,998,000	0.50
Fountain Circle Sdn Bhd	72,000	3.00	72,000,000	3.00
PV Holdings	2	^	2,000	^
Total	2,400,000	100.00	2,400,000,000	100.00

Note: -

^ Negligible.

The Share Split was completed on 8 September 2021.

4.3.3 Dividend-In-Specie

On 27 September 2021, we 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 Radium, on the basis of one (1) RCPS for every six (6) Shares held to our shareholders. The dividend-in-specie of 400,000,000 RCPS was allotted and issued to our shareholders on 28 September 2021.

Our Board, having considered the potential cash outflow arising from the redemption of the then RCPS, decided to remove the redemption feature of the RCPS, thereby converting the RCPS into ICPS after the removal. The removal of the redemption feature will eliminate any uncertainty in terms of the cash to be paid for the redemption of the RCPS in the future which is expected to impact our retained earnings.

The removal of the redemption feature of the RCPS is deemed to be a variation of class rights. Hence, in accordance with clauses 11(3) and 12 of our Constitution, the approval from the holder(s) of RCPS ("**RCPS Holder(s)**") is required for the removal of the redemption feature. We have obtained the approval from the RCPS Holders in a class meeting held on 27 May 2022. The conversion of the RCPS into ICPS was completed on 26 June 2022 (by way of removal of the redemption feature of the RCPS).

4. INFORMATION ON OUR GROUP (cont'd)

The procedures undertaken for the said conversion were as follows: -

- (i) RCPS Holders had passed an ordinary resolution for the proposed variation of rights to remove the redemption feature in a class meeting.
- (ii) Upon approval by the RCPS Holders in the class meeting, a written notice of the variation was given to each RCPS holder within 14 days from the date on which the variation was made.
- (iii) The RCPS Holders were given 30 days from the date on which the variation was made to apply to the High Court if they do not agree with the variation.
- (iv) As no application to the High Court were made, the variation took effect and a notice under Section 95 of the Act was lodged with the CCM within 30 days from the date on which the variation was effected.

The changes to the terms of the ICPS (including subsequent variation to the terms of the ICPS after the completion of the conversion of RCPS into ICPS on 26 June 2022) as compared with the RCPS previously are as follows: -

Terms	RCPS	ICPS
Variation to the terms for the conversion of RCPS into ICPS		
Issue Date	28 September 2021.	28 September 2021 (issued as RCPS and converted into ICPS on 26 June 2022).
Redemption	<p>Each RCPS shall be, at the sole option of Radium, be redeemed by Radium at the Redemption Price, on any date during six (6) years commencing from and including the Issue Date and before the market day immediately preceding the date which is the sixth (6th) anniversary from the Issue Date ("Maturity Date").</p> <p>The Company shall give no less than 30 days' notice to the RCPS Holders prior to the entitlement date for the relevant redemption ("Redemption Notice"). The Redemption Notice shall state the entitlement/books closure date to be used to determine the RCPS Holders' entitlement ("Entitlement Date") to receive the redemption payment. Redemption shall be in cash and be made in one lump sum at the Redemption Price. The redemption payment, which is inclusive of any dividend declared but unpaid for the RCPS Holders shall be made on such relevant redemption date, being a date within (10) market days after the Entitlement Date.</p> <p>Simultaneously with the redemption payment, the Company shall make the necessary arrangements to apply to Bursa Securities to delist the relevant number of RCPS from the official list of Bursa Securities</p>	The ICPS shall not be redeemable.

4. INFORMATION ON OUR GROUP (cont'd)

Terms	RCPS	ICPS
	and cancellation of the RCPS. In the event of partial redemption, the relevant securities account of the RCPS Holders shall be updated accordingly. No conversion in respect of the RCPS shall be allowed from the ex-date to the relevant redemption date, being a date within (10) market days after the Entitlement Date.	
Redemption Price	RM0.50 per RCPS.	N/A.
Subsequent variation to the terms of ICPS which was completed on 1 October 2022⁽ⁱ⁾		
Conversion Price	<u>One (1) new Share for every one (1) RCPS held.</u> No additional cost or consideration shall be payable by the RCPS Holder(s) upon such exercise of the Conversion Rights.	<u>One (1) new Share for every two (2) ICPS held.</u> No additional cost or consideration shall be payable by the holder(s) of the ICPS (" ICPS Holder(s) ") upon such exercise of the Conversion Rights.
Conversion Period and Conversion Rights	The registered RCPS Holders shall have the right to convert the RCPS into new Shares in Radium at the Conversion Price <u>only commencing 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 Securities up to 5 p.m</u> on the Maturity Date (both dates inclusive). Any RCPS 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. For the avoidance of doubt, RCPS held by the Promoters shall be subject to a moratorium for its trading until the upliftment of the moratorium.	The registered ICPS Holders shall have the right to convert the ICPS into new Shares in Radium at the Conversion Price <u>only commencing from the Issue Date up to 5 p.m</u> on the market day immediately preceding the date which is the sixth (6th) anniversary from the Issue Date. 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. For the avoidance of doubt, ICPS held by the Promoters shall be subject to a moratorium for its trading until the upliftment of the moratorium.
Conversion Mode	The conversion of RCPS will not require any cash payment by the RCPS Holders and shall be satisfied by surrendering <u>one (1) RCPS for one (1) new Share.</u>	The conversion of ICPS will not require any cash payment by the ICPS Holders and shall be satisfied by surrendering <u>two (2) ICPS for one (1) new Share.</u>

Note: -

(i) *The procedures undertaken for the alteration of Constitution to incorporate the variation of terms were as follows: -*

(a) *Our shareholders had passed a special resolution for the proposed amendments to the Constitution to incorporate the latest terms of the preference shares.*

4. INFORMATION ON OUR GROUP (cont'd)

- (b) Upon approval by our shareholders, a notice under Section 36 of the Act was lodged with the CCM within 30 days from the date the special resolution was passed.

The allocation of the 400,000,000 ICPS to our shareholders is as follows: -

	No. of ICPS	%
Datuk Gan Kah Siong	84,000,000	21.00
Gan Tiong Kian	40,000,000	10.00
Gan Kok Peng	40,000,000	10.00
Cengal 2020 Sdn Bhd	200,000,000	50.00
Java Citarasa Sdn Bhd	12,000,000	3.00
Tambun Team Sdn Bhd	6,000,000	1.50
Gita Bumi Sdn Bhd	4,000,000	1.00
Flexwan Sdn Bhd	1,999,667	0.50
Fountain Circle Sdn Bhd	12,000,000	3.00
PV Holdings	333	^
Total	400,000,000	100.00

Note: -

^ Negligible.

For illustration purposes, the pro forma effects of the audited combined statements of financial position as at 31 December 2021 after taking into consideration the conversion from RCPS into ICPS on the assumption that the events had been effected on the same date is as follows: -

	Audited Combined Statements of Financial Position as at 31 December 2021 RM'000	Adjustments for conversion of RCPS into ICPS RM'000
Equity attributable to owners of our Company		
Share capital	2,400	2,400
RCPS	40,000	-
ICPS	-	40,000
Retained earnings	306,122	306,122
	348,522	348,522
Non-controlling interests	20,902	20,902
Total equity	369,424	369,424

4.3.4 Conversion of ICPS into new Shares

Subsequently, in order to streamline and simplify the scheme of the IPO by having only single class of shares, our Board has recommended the conversion of the ICPS into new Shares which was approved by the ICPS holders.

The Conversion of ICPS into new Shares entails the conversion of a total of 400,000,000 ICPS held by our shareholders into 200,000,000 new Shares on the basis of two (2) ICPS into one (1) new Share. The Conversion of ICPS into new Shares was completed on 18 October 2022.

Following the completion of the Conversion of ICPS into new Shares, our issued share capital was increase from 2,400,000,000 Shares to 2,600,000,000 Shares. The shareholding structure of our shareholders in Radium before and after the Conversion of the ICPS into new Shares are as follows: -

4. INFORMATION ON OUR GROUP (cont'd)

	Before the Conversion of the ICPS into new Shares		After the Conversion of the ICPS into new Shares	
	No. of Shares	%	No. of Shares	%
Datuk Gan Kah Siong	504,000,000	21.00	546,000,000	21.00
Gan Tiong Kian	240,000,000	10.00	260,000,000	10.00
Gan Kok Peng	240,000,000	10.00	260,000,000	10.00
Cengal 2020 Sdn Bhd	1,200,000,000	50.00	1,300,000,000	50.00
Java Citarasa Sdn Bhd	72,000,000	3.00	78,000,000	3.00
Tambun Team Sdn Bhd	36,000,000	1.50	39,000,000	1.50
Gita Bumi Sdn Bhd	24,000,000	1.00	26,000,000	1.00
Flexwan Sdn Bhd	11,998,000	0.50	12,997,833	0.50
Fountain Circle Sdn Bhd	72,000,000	3.00	78,000,000	3.00
PV Holdings	2,000	^	2,167	^
Total	2,400,000,000	100.00	2,600,000,000	100.00

Note: -

^ Negligible.

For illustration purposes, the pro forma effects of the audited combined statements of financial position as at 31 December 2021 after taking into consideration the conversion from RCPS into ICPS and Conversion of ICPS into new Shares on the assumption that the events had been effected on the same date are as follows: -

	Audited Combined Statements of Financial Position as at 31 December 2021 RM'000	Pro Forma I Adjustments for conversion of RCPS into ICPS RM'000	Pro Forma II After Pro Forma I and adjustments for Conversion of ICPS into new Shares RM'000
Equity attributable to owners of our Company			
Share capital	2,400	2,400	42,400
RCPS	40,000	-	-
ICPS	-	40,000	-
Retained earnings	306,122	306,122	306,122
	348,522	348,522	348,522
Non-controlling interests	20,902	20,902	20,902
Total equity	369,424	369,424	369,424

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4. INFORMATION ON OUR GROUP (cont'd)**4.4 SHARE CAPITAL**

As at the LPD, our issued share capital is RM42,400,000 comprising 2,600,000,000 Shares.

The changes in our issued share capital during the Financial Years and Period Under Review and up to the LPD are as follows: -

(i) Radium Shares

Date of allotment	Nature of transaction	No. of Shares allotted	Consideration	Cumulative issued share capital RM
19.02.2021	Allotment of Shares	410,000	Cash	410,002
16.04.2021	Allotment of Shares	589,998	Cash	1,000,000
07.09.2021	Subscription	1,400,000	Cash	2,400,000
08.09.2021	Share Split*	-	-	2,400,000
18.10.2022	Conversion of ICPS into new Shares	200,000,000	-	42,400,000

Note: -

* A subdivision of one (1) existing Share into one thousand (1,000) new Shares was undertaken on 8 September 2021. Upon completion of the Share Split, we have share capital of RM2,400,000 comprising 2,400,000,000 Shares.

(ii) RCPS

Date of allotment	Nature of transaction	No. of RCPS allotted	Consideration	Cumulative issued share capital RM
28.09.2021	Dividend-In-specie of 400,000,000 RCPS*	400,000,000	Otherwise	40,000,000

Note: -

* The 400,000,000 RCPS was converted into 400,000,000 ICPS on 26 June 2022 (by way of removal of the redemption feature of the RCPS). Please refer to Section 4.3.3 of this Prospectus for further details.

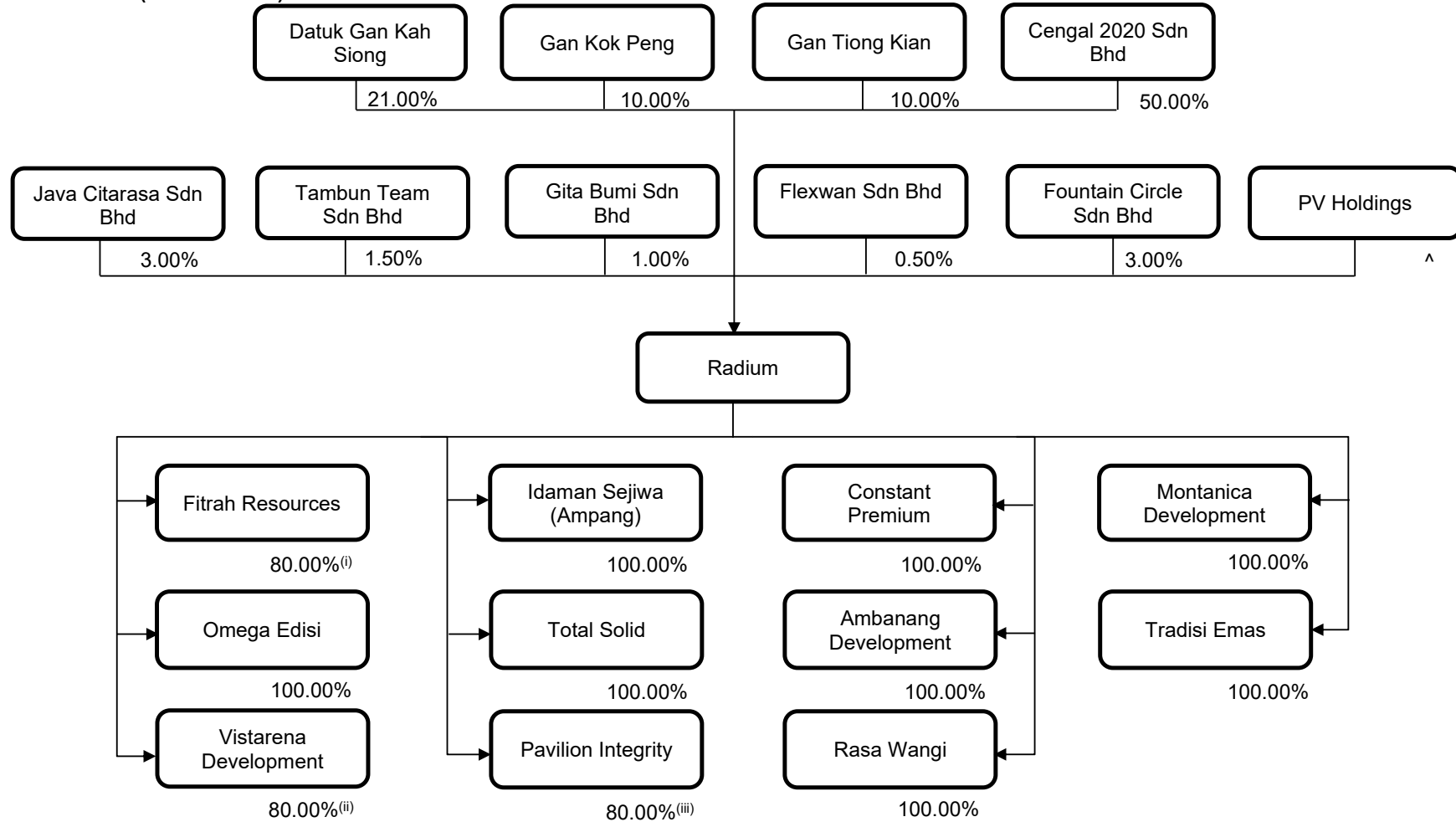
As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in our Company.

4. INFORMATION ON OUR GROUP (cont'd)

4.5 OUR GROUP STRUCTURE

Our Group structure before and after our IPO are depicted as follows: -

Before our IPO (as at the LPD): -



4. INFORMATION ON OUR GROUP (cont'd)

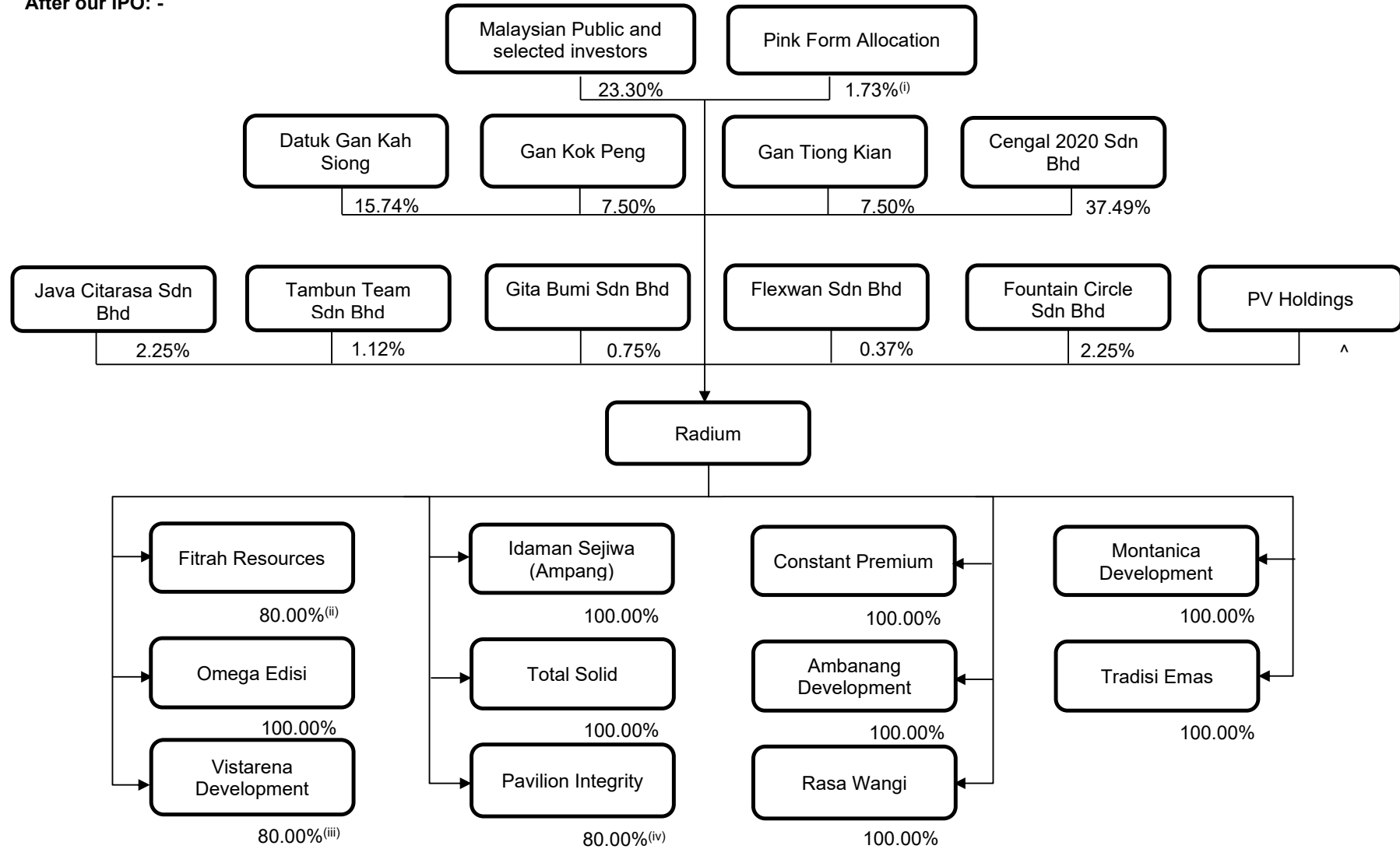
Notes: -

- (i) *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%).*
- (ii) *The remaining substantial shareholder is LB Aluminium Berhad (20.00%).*
- (iii) *The remaining substantial shareholder is Sim Guan Yu (19.88%). The remaining 0.12% is held by two (2) minority shareholders.*
- ^ *Negligible.*

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4. INFORMATION ON OUR GROUP (cont'd)

After our IPO: -



4. INFORMATION ON OUR GROUP (cont'd)

Notes: -

- (i) *Assuming our eligible Key Senior Management, employees and business associates fully subscribe for their respective entitlements pursuant to the Pink Form Allocation.*
- (ii) *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%).*
- (iii) *The remaining substantial shareholder is LB Aluminium Berhad (20.00%).*
- (iv) *The remaining substantial shareholder is Sim Guan Yu (19.88%). The remaining 0.12% is held by two (2) minority shareholders.*
- ^ *Negligible.*

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4. INFORMATION ON OUR GROUP (cont'd)**4.6 OUR SUBSIDIARIES**

The details of our subsidiaries as at the LPD are summarised as follows: -

Name/Registration No.	Date and country of incorporation	Issued share capital RM	Effective interest %	Principal activities
Fitrah Resources/ 199801009044 (465171-T)	03.07.1998/ Malaysia	1,000,000	80.00	Property development
Omega Edisi/ 200301027344 (629764-W)	29.09.2003/ Malaysia	1,000,000	100.00	Provision of management services
Vistarena Development/ 201001007242 (891863-T)	05.03.2010/ Malaysia	2,000,000	80.00	Property development
Idaman Sejiwa (Ampang)/ 201101011792 (939926-H)	11.04.2011/ Malaysia	2,000,000	100.00	Property development
Total Solid/ 201201025636 (1010126-U)	16.07.2012/ Malaysia	1,000,000	100.00	Property development
Pavilion Integrity/ 201301017191 (1047024-H)	21.05.2013/ Malaysia	505,000	80.00	Property development
Constant Premium/ 201401017703 (1093790-P)	19.05.2014/ Malaysia	1,000,000	100.00	Property development
Ambanang Development/ 201401037213 (1113356-A)	15.10.2014/ Malaysia	250,000	100.00	Property development
Rasa Wangi/ 201501028349 (1153673-K)	30.07.2015/ Malaysia	2	100.00	Property development
Montanica Development/ 201501029848 (1155171-A)	12.08.2015/ Malaysia	400,000	100.00	Property development
Tradisi Emas/ 202101003868 (1404167-H)	02.02.2021/ Malaysia	1	100.00	Hotel business

As at the LPD, we do not have any joint venture and associated company.

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4. INFORMATION ON OUR GROUP (cont'd)

The details of our subsidiaries are as follows: -

4.6.1 Fitrah Resources

(i) Background information and principal activities

Fitrah Resources was incorporated on 3 July 1998 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. 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 was engaged in property development in FYE 2020. Fitrah Resources has also ceased its general trading activities in FYE 2021.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

As at the LPD, Fitrah Resources has one (1) on-going project, namely Residensi Desa Timur. This project comprises a combined development of suite apartment and affordable housing under the same development order. The construction of the development commenced in January 2023. The project is expected to be launched in the third quarter of 2023 and is expected to be completed in the fourth quarter of 2027. Please refer to Sections 5.3.1 and 5.22.1(ii) of this Prospectus for further details.

(ii) Share capital

The share capital of Fitrah Resources as at the LPD is RM1,000,000 comprising of 1,000,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Fitrah Resources.

(iii) Directors and substantial shareholders

As at the LPD, the directors of Fitrah Resources are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Wan Shafie bin Abdul Rashid.

As at the LPD, the substantial shareholders of Fitrah Resources together with their respective shareholdings in Fitrah Resources are as follows: -

Substantial shareholder	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Radium	Malaysia	800,000	80.00	-	-
Datuk Nokman bin Ahmad	Malaysian	68,000	6.80	-	-
Wan Shafie bin Abdul Rashid	Malaysian	66,000	6.60	-	-
Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid	Malaysian	66,000	6.60	-	-
Datuk Gan Kah Siong	Malaysian	-	-	800,000 ⁽ⁱ⁾	80.00

4. INFORMATION ON OUR GROUP (cont'd)

Substantial shareholder	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Gan Tiong Kian	Malaysian	-	-	800,000 ⁽ⁱ⁾	80.00
Gan Kok Peng	Malaysian	-	-	800,000 ⁽ⁱ⁾	80.00

Note: -

(i) Deemed interested by virtue of his interest in Radium pursuant to Section 8 of the Act.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Fitrah Resources does not have any subsidiary, joint venture and associated company.

4.6.2 Omega Edisi**(i) Background information and principal activity**

Omega Edisi was incorporated on 29 September 2003 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Omega Edisi is principally involved in provision of management services.

The principal place of business is at No. 7-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

(ii) Share capital

The share capital of Omega Edisi as at the LPD is RM1,000,000 comprising of 1,000,000 ordinary shares.

Save as disclosed below, there are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD: -

Omega Edisi had on 8 March 2019 increased its share capital from RM100 comprising 100 ordinary shares in Omega Edisi to RM1,000,000 comprising 1,000,000 ordinary shares in Omega Edisi as follows: -

Date of allotment	Nature of transaction	No. of shares allotted	Consideration	Cumulative issued share capital RM
8 March 2019	Allotment of Shares	999,900	Cash	1,000,000

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Omega Edisi.

(iii) Directors and substantial shareholders

As at the LPD, the directors of Omega Edisi are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Chai Woon Hou.

As at the LPD, Omega Edisi is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Omega Edisi does not have any subsidiary, joint venture and associated company.

4. INFORMATION ON OUR GROUP (cont'd)

4.6.3 Vistarena Development

(i) Background information and principal activity

Vistarena Development was incorporated on 5 March 2010 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Vistarena Development is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

As at the LPD, Vistarena Development has completed one (1) project, namely Residensi Platinum OUG. This project comprises a combined development of condominium (i.e., Platinum OUG Residence), affordable housing (i.e., Vista OUG) and civil servants housing (i.e., Vista OUG PPAM) under the same development order. The construction of the development commenced in March 2018. Platinum OUG Residence and Vista OUG was launched in July 2018 while Vista OUG PPAM was launched in January 2019, and the project was completed in June 2022. Please refer to Sections 5.3.1 and 5.22.1(i) of this Prospectus for further details.

(ii) Share capital

The share capital of Vistarena Development as at the LPD is RM2,000,000 comprising of 2,000,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Vistarena Development.

(iii) Directors and substantial shareholders

As at the LPD, the directors of Vistarena Development are Mark Wing Kong (Alternate Director to Tan Sri Datuk Leow Chong Howa), Datuk Gan Kah Siong, Tan Sri Datuk Leow Chong Howa, Gan Tiong Kian, Gan Kok Peng and Chai Woon Hou.

As at the LPD, the substantial shareholders of Vistarena Development together with their respective shareholdings in Vistarena Development are as follows: -

Substantial shareholder	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Radium	Malaysia	1,600,000	80.00	-	-
LB	Malaysia	400,000	20.00	-	-
Aluminium Berhad ⁽ⁱ⁾					
Datuk Gan Kah Siong	Malaysian	-	-	1,600,000 ⁽ⁱⁱ⁾	80.00
Gan Tiong Kian	Malaysian	-	-	1,600,000 ⁽ⁱⁱ⁾	80.00
Gan Kok Peng	Malaysian	-	-	1,600,000 ⁽ⁱⁱ⁾	80.00

4. INFORMATION ON OUR GROUP (cont'd)

Substantial shareholder	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Tan Sri Datuk Leow Chong Howa	Malaysian	-	-	400,000 ⁽ⁱⁱⁱ⁾	20.00

Notes: -

- (i) Together with its subsidiaries, principally involved in the business of manufacturing, marketing and trading of aluminium extrusions and other metal products, property development and investment holding.
- (ii) Deemed interested by virtue of his interest in Radium pursuant to Section 8 of the Act.
- (iii) Deemed interested by virtue of his interest in LB Aluminium Berhad pursuant to Section 8 of the Act.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Vistarena Development does not have any subsidiary, joint venture and associated company.

4.6.4 Idaman Sejiwa (Ampang)**(i) Background information and principal activity**

Idaman Sejiwa (Ampang) was incorporated on 11 April 2011 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Idaman Sejiwa (Ampang) is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

As at the LPD, Idaman Sejiwa (Ampang) has one (1) on-going project, namely Suite Canselor. This project comprises a combined development of SOHO (i.e., 36 floors with 944 units of SOHO) and hotel (i.e., five (5) floors with 145 units of hotel rooms). The construction of the development commenced in March 2022. The launching of our SOHO units was held in February 2023. The SOHO units are expected to be completed in the fourth quarter of 2025. The hotel units are not for sale and the operations of the hotel will be retained by our Group. The hotel operations are expected to commence in the third quarter of 2026. Please refer to Sections 5.3.1, 5.15.2 and 5.22.1(ii) of this Prospectus for further details.

Idaman Sejiwa (Ampang) had on 23 August 2022 entered into a sale and purchase agreement with Tradisi Emas for the disposal of the 145 units of fully furnished hotel rooms with four (4)-star furnishings in a 51-storey stratified building together with accessory car parks and other hotel facilities ("**Disposal of the Hotel Units**"), for a disposal consideration of RM135.00 million ("**Disposal Consideration**"). Please refer to Section 5.20(v) of this Prospectus for the salient terms of the sale and purchase agreement.

The Disposal Consideration was determined based on the construction cost plus a mark-up of 5% which was derived after taking into consideration the estimated construction cost as appraised by the external quantity surveyor and the interest rate of a loan facility obtained by Radium to be charged for the development of the hotel at a rate of approximately 5% per annum and in view of the related party transaction where the consideration for the transaction must be based on an arm's length basis.

4. INFORMATION ON OUR GROUP (cont'd)

Idaman Sejiwa (Ampang) has obtained a tax advice from Moore Advent Tax Consultants Sdn Bhd. The tax consultant had noted that Idaman Sejiwa (Ampang) will sell the SOHO units to potential buyers and the hotel units will be utilised as a hotel. In this regard, there will be an issue on withdrawal of stock where there will be a change of intention on the use of the portion of the land from land held for development to investment property and Idaman Sejiwa (Ampang) will need to account for the market value of the portion of the land that is being used for the development of hotel units as its gross income at the time when the intention to develop the land has changed.

The Disposal of the Hotel Units to Tradisi Emas will ensure segregation in terms of business segments and financial management in view that the hotel operations and property development are in different business segments. Idaman Sejiwa (Ampang) would be required to pay income tax based on the progress billing billed/to be billed to Tradisi Emas. In this regard, the arrangement will allow Idaman Sejiwa (Ampang) to have better cashflow management as the progress billing for the construction of hotel units is based on work done.

In addition, Tradisi Emas may be entitled to claim the whole Disposal Consideration for industrial building allowance and investment tax allowance for the acquisition of the hotel building or else Idaman Sejiwa (Ampang) is only able to claim the construction cost if the hotel units were to be occupied for its own use as hotel operations. The Disposal of the Hotel Units will result in a potential tax savings of RM8.29 million to our Group arising from intragroup sale of the hotel units from Idaman Sejiwa (Ampang) to Tradisi Emas. Pursuant to the tax advice by our tax consultant, if the hotel units were to be retained by Idaman Sejiwa (Ampang), the estimated tax reduction resulting from the claim of industrial building allowance and investment tax allowance incentive to our Group would be RM41.87 million while the estimated tax reduction resulting from the claim of industrial building allowance and investment tax allowance incentive after the Disposal of the Hotel Units to Tradisi Emas would be RM50.16 million. This will result in a net tax savings of approximately RM8.29 million (RM50.16 million minus RM41.87 million) to our Group. The tax savings amount was derived from the industrial building allowance and investment tax allowance claimable by Tradisi Emas based on the Disposal Consideration. As a property developer, Idaman Sejiwa (Ampang) is not allowed to claim the industrial building allowance and investment tax allowance for land cost of RM17.34 million if the hotel units were to be occupied for its own use as hotel operations. Tax incentive for investment tax allowance is subject to the approval from Malaysian Investment Development Authority ("MIDA"). An application for investment tax allowance is targeted to be submitted to MIDA by May 2023.

Upon completion of the Disposal of the Hotel Units, Tradisi Emas will be involved in hotel business.

In addition, upon completion of the Disposal of the Hotel Units, Datuk Sydney will relinquish his directorship in Idaman Sejiwa (Ampang) and will be appointed as the Executive Director of Tradisi Emas.

(ii) Share capital

The share capital of Idaman Sejiwa (Ampang) as at the LPD is RM2,000,000 comprising of 2,000,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

4. INFORMATION ON OUR GROUP (cont'd)

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Idaman Sejiwa (Ampang).

(iii) Directors and substantial shareholders

As at the LPD, the directors of Idaman Sejiwa (Ampang) are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Datuk Sydney.

As at the LPD, Idaman Sejiwa (Ampang) is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Idaman Sejiwa (Ampang) does not have any subsidiary, joint venture and associated company.

4.6.5 Total Solid

(i) Background information and principal activity

Total Solid was incorporated on 16 July 2012 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Total Solid is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

As at the LPD, Total Solid has completed one (1) project, namely Residensi Semarak Platinum. This project comprises a combined development of condominium (i.e., Platinum Splendor Residensi Semarak) and affordable housing (i.e., Vista Semarak) under the same development order. The construction of the development commenced in August 2016. Platinum Splendor Residensi Semarak was launched in February 2017 while Vista Semarak was launched in July 2017, and the project was completed in October 2021. Please refer to Sections 5.3.1 and 5.22.2 of this Prospectus for further details.

(ii) Share capital

The share capital of Total Solid as at the LPD is RM1,000,000 comprising of 1,000,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Total Solid.

(iii) Directors and substantial shareholders

As at the LPD, the directors of Total Solid are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Chai Woon Hou.

As at the LPD, Total Solid is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Total Solid does not have any subsidiary, joint venture and associated company.

4. INFORMATION ON OUR GROUP (cont'd)

4.6.6 Pavilion Integrity

(i) Background information and principal activity

Pavilion Integrity was incorporated on 21 May 2013 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Pavilion Integrity is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

As at the LPD, Pavilion Integrity has one (1) on-going project, namely Residensi Platinum Mira. This project comprises a serviced apartment development that is complemented with a floor of shop offices.

The construction of the development initially began in August 2018 and the soft launch of the project was held in July 2019. However, litigation proceedings were taken against Pavilion Integrity in respect of our development land for Residensi Platinum Mira since October 2017. 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, whereby the Court of Appeal held, amongst others, a declaration that the decision of DBKL as set out in their letter dated 7 December 2018 is valid and binding is granted (the content of the letter whereby DBKL will acquire Lot 810), and an order of mandamus against DBKL to issue a notice of acquisition under Section 47(3) of the Federal Territory (Planning) Act 1982 to initiate the acquisition of Lot 810, 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.

(ii) Share capital

The share capital of Pavilion Integrity as at the LPD is RM505,000 comprising of 505,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Pavilion Integrity.

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4. INFORMATION ON OUR GROUP (cont'd)**(iii) Directors and substantial shareholders**

As at the LPD, the directors of Pavilion Integrity are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Sim Guan Yu.

As at the LPD, the substantial shareholders of Pavilion Integrity together with their respective shareholdings in Pavilion Integrity are as follows: -

Substantial shareholder	Nationality/ Country of incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
Radium	Malaysia	404,000	80.00	-	-
Sim Guan Yu	Singaporean	100,400	19.88	-	-
Datuk Gan Kah Siong	Malaysian	-	-	404,000 ⁽ⁱ⁾	80.00
Gan Tiong Kian	Malaysian	-	-	404,000 ⁽ⁱ⁾	80.00
Gan Kok Peng	Malaysian	-	-	404,000 ⁽ⁱ⁾	80.00

Note: -

(i) Deemed interested by virtue of his interest in Radium pursuant to Section 8 of the Act.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Pavilion Integrity does not have any subsidiary, joint venture and associated company.

4.6.7 Constant Premium**(i) Background information and principal activity**

Constant Premium was incorporated on 19 May 2014 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Constant Premium is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

As at the LPD, Constant Premium has one (1) on-going project, namely Residensi Vista Sentul. This project comprises a serviced apartment development. The construction of the development commenced in June 2019. The project was launched in September 2020 and is expected to be completed in the second quarter of 2023. Please refer to Sections 5.3.1 and 5.22.1(ii) of this Prospectus for further details.

(ii) Share capital

The share capital of Constant Premium as at the LPD is RM1,000,000 comprising of 1,000,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Constant Premium.

4. INFORMATION ON OUR GROUP (cont'd)

(iii) Directors and substantial shareholders

As at the LPD, the directors of Constant Premium are Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng.

As at the LPD, Constant Premium is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Constant Premium does not have any subsidiary, joint venture and associated company.

4.6.8 Ambanang Development

(i) Background information and principal activity

Ambanang Development was incorporated on 15 October 2014 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Ambanang Development is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

Ambanang Development has two (2) completed projects, namely Residensi Vista Wirajaya and Residensi PV9 respectively.

Residensi Vista Wirajaya comprises an affordable housing development while Residensi PV9 comprises a combined development of condominium (i.e., PV9 @ Taman Melati) and affordable housing (i.e., Vista Wirajaya 2) under the same development order.

The construction of the development of Residensi Vista Wirajaya commenced in October 2017. The project was launched in September 2018 and was completed in August 2021.

The construction of the development of Residensi PV9 commenced in April 2018. PV9 @ Taman Melati was launched in June 2019 while Vista Wirajaya 2 was launched in April 2019, and the project was completed in November 2022.

Please refer to Sections 5.3.1 and 5.22.1(i) of this Prospectus for further details.

(ii) Share capital

The share capital of Ambanang Development as at the LPD is RM250,000 comprising of 250,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Ambanang Development.

4. INFORMATION ON OUR GROUP (cont'd)

(iii) Directors and substantial shareholders

As at the LPD, the directors of Ambanang Development are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Chai Woon Hou.

As at the LPD, Ambanang Development is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Ambanang Development does not have any subsidiary, joint venture and associated company.

4.6.9 Rasa Wangi

(i) Background information and principal activity

Rasa Wangi was incorporated on 30 July 2015 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Rasa Wangi is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

Rasa Wangi had on 20 September 2022 entered into a joint venture agreement with Kadar Jutajaya Sdn Bhd for a proposed development consisting *inter alia* 404 units of Residensi Wilayah and 932 units of condominium on a piece of leasehold land held under HSD No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21,505 square metres. Prominent landmarks in the immediate and surrounding vicinity include Sekolah Menengah Kebangsaan St Mary, Kepong Metropolitan Park, Selayang Mall, Selayang Capitol Kompleks, Selayang Hospital, Mercure Selangor Selayang. The project is, as at the LPD, in its planning stages and submission to DBKL for its approval of planning and development of the project is targeted to be made by June 2023. Subject to the necessary approvals having been obtained, we expect to commence construction and launch the project for sale in the first half of 2024 and with an expected completion within four (4) years from the launch. Please refer to Section 5.20(iii) of this Prospectus for the salient terms of the joint venture agreement.

Kadar Jutajaya Sdn Bhd was incorporated in Malaysia under the Act on 1 December 2020. The directors of the company are Lee Kuan Eng and Lee Cheh Hian. The sole shareholder of Kadar Jutajaya Sdn Bhd is Fascination Property Sdn Bhd.

Fascination Property Sdn Bhd was incorporated in Malaysia under the Act on 26 October 2021. The directors and shareholders of the company are Lee Kuan Eng and Lee Cheh Hian. The principal activities are property investment and development.

For information purposes, Lee Kuan Eng, Lee Cheh Hian and Puan Sri Datin Seri Lee Kuan Kiow are siblings. Puan Sri Datin Seri Lee Kuan Kiow is the spouse of Tan Sri Datuk Seri Gan Yu Chai. Tan Sri Datuk Seri Gan Yu Chai is the brother of Datuk Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian whom are the Promoters.

4. INFORMATION ON OUR GROUP (cont'd)

Lee Kuan Eng, Lee Cheh Hian are not persons connected to Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng pursuant to the definition of "persons connected" as defined in Section 197 of the Act and Chapter 1 of the Listing Requirements. The definition of "a member of the director's family" under the definition of persons connected is further set out in Section 197 of the Act whereby it refers to the director's spouse, parent, child including adopted child and stepchild, brother, sister and the spouse of the director's child, brother or sister.

As the directors of Kadar Jutajaya Sdn Bhd are the siblings of Puan Sri Datin Seri Lee Kuan Kiow, whom is the spouse of Tan Sri Datuk Seri Gan Yu Chai, the aforesaid directors do not fall under the definition of persons connected under the Act.

Premised on the above, the transaction is not considered a related party transaction.

(ii) Share capital

The share capital of Rasa Wangi as at the LPD is RM2 comprising of two (2) ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Rasa Wangi.

(iii) Directors and substantial shareholders

As at the LPD, the directors of Rasa Wangi are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Chai Woon Hou.

As at the LPD, Rasa Wangi is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Rasa Wangi does not have any subsidiary, joint venture and associated company.

4.6.10 Montanica Development

(i) Background information and principal activity

Montanica Development was incorporated on 12 August 2015 in Malaysia under the Companies Act 1965 and is deemed incorporated under the Act. Montanica Development is principally engaged in property development.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

Montanica Development had on 19 September 2022 entered into a sale and purchase agreement with MHP8 Sdn Bhd for a sale of all that piece of freehold land held under GM 543, Lot No. 220, Tempat Setapak 4th Mile, Mukim of Setapak, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur ("**Montanica Land**") to MHP8 Sdn Bhd, for a total purchase price of RM25.00 million ("**Disposal Consideration**") ("**Disposal of Montanica Land**").

4. INFORMATION ON OUR GROUP (cont'd)

Based on the valuation undertaken by Knight Frank, the market value of the land is RM15.50 million based on the comparison approach. The Disposal Consideration represents a premium of RM9.50 million or 61.29% above the indicative market value appraised by Knight Frank of RM15.50 million.

The Disposal of Montanica Land is undertaken as it would be able to attain a gain on disposal of RM16.95 million and a net profit of RM12.88 million for the FYE 2022. The Disposal of Montanica Land represents an opportunity for our Group to realise its investments. Notwithstanding the Disposal of Montanica Land, our Group was also presented with an opportunity for the joint venture arrangement with Kadar Jutajaya Sdn Bhd which is seen to be more attractive to our Group in view of its development potential, accessibility as well as a larger land area compared to the Montanica Land.

The Disposal of Montanica Land is not expected to impact the financial performance in the immediate term in terms of revenue generation as there is no development order obtained for the Montanica Land. The Disposal of Montanica Land is expected to provide the company with a one-off gain of approximately RM12.00 million.

The Disposal of Montanica Land shall result in a reduction of landbank for Radium. Notwithstanding, our Group has entered into a joint venture agreement on a piece of leasehold land in Mukim Batu as detailed in Section 4.6.9 above and intends to acquire other landbanks for our Group's future property development projects.

The Disposal of Montanica Land is not a related party transaction.

The Disposal of Montanica Land was completed on 23 December 2022. Please refer to Section 5.20(iv) of this Prospectus for the salient terms of the sale and purchase agreement.

(ii) Share capital

The share capital of Montanica Development as at the LPD is RM400,000 comprising of 400,000 ordinary shares.

There are no changes in the share capital during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Montanica Development.

(iii) Directors and substantial shareholders

As at the LPD, the directors of Montanica Development are Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng.

As at the LPD, Montanica Development is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Montanica Development does not have any subsidiary, joint venture and associated company.

4. INFORMATION ON OUR GROUP (cont'd)

4.6.11 Tradisi Emas

(i) Background information and principal activity

Tradisi Emas was incorporated on 2 February 2021 in Malaysia under the Act. Tradisi Emas is principally involved in hotel business.

The principal place of business is at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.

Idaman Sejiwa (Ampang) had on 23 August 2022 entered into a sale and purchase agreement with Tradisi Emas for the Disposal of the Hotel Units as detailed in Section 4.6.4 above.

Upon completion of the Disposal, Tradisi Emas will be involved in hotel business.

As disclosed in Section 5.15.2 of this Prospectus, our Group intends to develop a hotel and expand into the management and operations of the hotel. The hotel business is to provide our Group with an additional revenue stream in addition to existing revenue derived from our property development business, as well as to provide recurring income to our Group. The hotel is part of our Group's on-going project, namely Suite Canselor which is located in Ampang, Kuala Lumpur and is developed by our subsidiary, Idaman Sejiwa (Ampang).

Suite Canselor comprises one (1) tower, of which 36 floors are allocated for SOHO units with built-up areas ranging from 451 sq. ft. to 1,874 sq. ft., five (5) floors allocated for hotel units and seven (7) floors allocated for commercial areas and hotel facilities. This project is equipped with common facilities such as swimming pools, gymnasium, barbeque area, kids playground, multi-purpose hall, game rooms, surau, dining lounge, open pavilion and outdoor function area.

The construction of the development commenced in March 2022. The launching of our SOHO units was held in February 2023. The SOHO units are expected to be completed in the fourth quarter of 2025. The hotel units are not for sale and the operations of the hotel will be retained by our Group. The hotel operations are expected to commence in the third quarter of 2026.

Please refer to Sections 5.3.1, 5.15.2 and 5.22.1(ii) of this Prospectus for further details

(ii) Share capital

The share capital of Tradisi Emas as at the LPD is RM1 comprising of one (1) ordinary share.

There are no changes in the share capital since its incorporation and up to the LPD.

As at the LPD, there were no discounts, special terms or installment payment terms given in consideration of the allotment. In addition, there are no warrants, options, convertible securities and uncalled capital in Tradisi Emas.

4. INFORMATION ON OUR GROUP (cont'd)

(iii) Directors and substantial shareholders

As at the LPD, the directors of Tradisi Emas are Datuk Gan Kah Siong, Gan Tiong Kian, Gan Kok Peng and Chai Woon Hou.

As at the LPD, Tradisi Emas is a wholly-owned subsidiary of our Company.

(iv) Subsidiary, joint venture and associated companies

As at the LPD, Tradisi Emas does not have any subsidiary, joint venture and associated company.

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5. BUSINESS OVERVIEW

5.1 HISTORY AND BACKGROUND**Summary of shareholding changes and internal restructuring of our Group**

The history of our Group can be traced back to the incorporation of the Company as Idaman Sejiwa Development Sdn Bhd (“**ISD**”) on 19 March 2013 as a shelf company, with a total issued share capital of two (2) shares. The Company remained dormant until PV Holdings, a company in which Datuk Gan Kah Siong has equity interest in, acquired 100.00% equity interest in ISD on 8 July 2013 to carry out property development activities. The acquisition of ISD by PV Holdings was to set up a company in preparation for Datuk Gan Kah Siong to manage his own property development business, leveraging on PV Holdings’ financial standing and brand reputation. The long-term objective of the establishment the Group and to build our Group’s brand name and customer base to prepare our Group to operate independently from PV Holdings. For information purposes, PV Holdings was incorporated on 8 December 2009 and the principal business activity of the company is property investment holding. Through its subsidiaries, PV Holdings is involved in property development activities.

In 2021, our Group underwent an internal restructuring to transfer the controlling interest of ISD from PV Holdings to Datuk Gan Kah Siong, Gan Tiong Kian and Gan Kok Peng. In February 2021, through new shares allotment, Datuk Gan Kah Siong with 210,000 shares, Gan Tiong Kian and Gan Kok Peng with 100,000 shares each, became shareholders of ISD, bringing the total issued share capital of ISD to 410,002 shares. In April 2021, through new shares allotment, Cengal 2020 Sdn Bhd (i.e., Datuk Gan Kah Siong holds 100.00% equity interest in the company), Fountain Circle Sdn Bhd, Flexwan Sdn Bhd, Tambun Team Sdn Bhd (i.e., Gan Kok Peng holds 100.00% equity interest in the company), Java Citarasa Sdn Bhd (i.e., Gan Tiong Kian holds 100.00% equity interest in the company) and Gita Bumi Sdn Bhd became shareholders of ISD, bringing the total issued share capital of ISD to 1,000,000 shares, and PV Holdings continues to remain as a shareholder of ISD. With that, our Group Managing Director, Datuk Gan Kah Siong, holds 21.00% direct equity interest and 50.00% indirect equity interest in ISD as at the LPD. Further details on the shareholdings structure and background of the respective shareholders of ISD are as set out in Sections 3.1.3, 3.2.1 and 4.2 of this Prospectus.

In March 2021, our Group underwent an internal restructuring and our wholly-owned subsidiary, Omega Edisi, was designated as the management company to provide management services to our Group. Omega Edisi was incorporated in September 2003 as a shelf company and was acquired by Tan Sri Datuk Seri Gan Yu Chai and Datuk Gan Kah Siong on 20 August 2013, with 50.00% shareholding each. On 4 January 2016, ISD acquired 100.00% equity interest in Omega Edisi from Tan Sri Datuk Seri Gan Yu Chai and Datuk Gan Kah Siong, for a total purchase consideration of RM100.00. The said purchase consideration was arrived at on a “willing-buyer willing-seller basis” after taking into consideration the status of Omega Edisi as a dormant company. Omega Edisi was dormant until 2016 when it entered into a proposed land acquisition deal with DBKL. However, the proposed land acquisition deal did not materialise and Omega Edisi remained a dormant company since 2018 until March 2021 when it was designated to be the management company of our Group. ISD changed its name to Radium Development Sdn Bhd on 2 September 2021 and subsequently converted to a public limited company under the name of Radium Development Berhad on 14 September 2021.

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5. BUSINESS OVERVIEW (cont'd)

Business expansion of our Group

Subsequent to the acquisition of ISD in 2013, Datuk Gan Kah Siong was appointed as the Managing Director of ISD in July 2013. Prior to joining ISD, Datuk Gan Kah Siong accumulated vast experience and expertise in the area of property development, as well as hotel operations and management since 2016. He has 16 years of experience in the property development industry, having joined PV Development in August 2005 and through his role as an Executive Director of Platinum Victory Property Sdn Bhd since 2008, he was involved in the operations and management of the company's all-suite hotel with 200 rooms, namely THE FACE Suites. In addition to his involvement in property development activities through our Group and his past experience in PV Development, Datuk Gan Kah Siong had, in the past, been involved in property development activities through his involvement as a Director in a non-executive role and/or shareholder in other entities as set out in Section 3.2.5(ii) of this Prospectus. Further details on the profile of Datuk Gan Kah Siong are as set out in Section 3.1.3(i) of this Prospectus. Bringing with him extensive expertise and in-depth industry knowledge, he led the development and continued growth of ISD. Further details on the profiles of our Promoters namely Gan Tiong Kian and Gan Kok Peng are as set out in Sections 3.1.3(ii) and 3.1.3(iii) of this Prospectus.

With the intention to position our Group as a property developer focusing on the development of competitively priced high-rise residential properties in urban Kuala Lumpur, we embarked on our property development journey in 2013. The price for our Residensi Wilayah ranges between RM230,000 and RM318,000; price for our PPAM ranges between RM150,000 and RM300,000; price for our condominium/serviced apartment ranges between RM329,800 and RM788,000 (i.e., at an average per square foot price ranging between RM446 and RM741); and price for our SOHO unit ranges between RM422,000 and RM1,783,000 (i.e., at an average per square foot price ranging between RM951 and RM1,009), whereby 806 units or 85.38% of our total units are within the price range of RM422,000 and RM565,000, and the remaining 138 units or 14.62% of our total units are within the price range of RM785,000 and RM1,783,000. The comparison of average pricing of our Group's high-rise residential property development which comprises condominiums, serviced apartments, suite apartments and SOHO units (excluding Residensi Wilayah and PPAM which are affordable housing and the price is generally controlled within the price range of approximately RM300,000) with other competitors within 10km distance of each of our projects ranges between RM255,000 and RM3,800,000, with a per sq ft price ranging approximately between RM332.24 per sq ft and RM1,543.20 per sq ft. In the early years of our business from 2013 to 2017, we were mainly involved in initial-stage project planning, securing approvals from relevant authorities to proceed with project development, and making necessary preparations for the launching of our first property development project. We also continued to identify and acquire suitable land to build our asset of landbanks for future development.

Our Group develops our own projects and at the same time includes affordable housing comprising Residensi Wilayah and/or PPAM in our projects to support the Government's efforts in providing affordable housing to all Malaysian citizens. It is our Group's own private initiatives to undertake the development of Residensi Wilayah and PPAM, in which the Residensi Wilayah and PPAM included in our projects are not Government awarded projects. Further details on our Residensi Wilayah and PPAM development are as set out in Section 5.3 of this Prospectus.

With four (4) years of preparation, we marked our first milestone in 2017 when we launched our first project, Residensi Semarak Platinum, located along Jalan Semarak, Kuala Lumpur. The project comprises 1,400 units of condominiums and 600 units of affordable housing with a total GDV of RM885.44 million. Residensi Semarak Platinum was completed in October 2021 and vacant possession was delivered to the home buyers.

In 2018, we recorded a new achievement when we launched two (2) projects simultaneously in a year, namely Residensi Platinum OUG and Residensi Vista Wirajaya. Residensi Platinum OUG is located in Bukit OUG, Kuala Lumpur and comprises 440 units of condominiums, 220 units of affordable housing and 660 units of civil servants housing with a total GDV of RM467.77 million. Residensi Platinum OUG was completed in June 2022 and vacant possession was delivered to the home buyers. Residensi Vista Wirajaya is located in Taman Melati, Kuala Lumpur and comprises 515 units of affordable housing with a total GDV of RM141.37 million. Residensi Vista Wirajaya was completed in August 2021 and vacant possession was delivered to the home buyers.

5. BUSINESS OVERVIEW (cont'd)

In 2019, we launched Residensi PV9 which is located in Taman Melati, Kuala Lumpur. This project is located opposite Residensi Vista Wirajaya, and comprises 953 units of condominiums and 438 units of affordable housing with a total GDV of RM637.31 million. Residensi PV9 was completed in November 2022 and vacant possession was delivered to the home buyers.

In 2019, we also held a soft launch, for our business partners and employees, for Residensi Platinum Mira which is located in Cheras, Kuala Lumpur. The official launch of this project to the public was held in June 2021. This project comprises 698 units of serviced apartments with a total GDV of RM377.03 million. However, litigation proceedings were taken against Pavilion Integrity in respect of our development land for Residensi Platinum Mira. As at the LPD, the development activities for Residensi Platinum Mira remains 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. Please refer to Section 16.4 of this Prospectus for further details on the litigation cases in respect of the said development land.

In September 2020, we launched Residensi Vista Sentul which is located in Sentul, Kuala Lumpur. The project comprises 705 units of serviced apartments with a total GDV of RM305.54 million. Residensi Vista Sentul is expected to be completed in the second quarter of 2023.

In March 2022, we commenced the construction works for Suite Canselor which is located in Ampang, Kuala Lumpur. The project comprises 944 units of SOHOs with a total GDV of RM474.37 million and 145 units of hotel rooms which are not for sale as the operations and management of the hotel will be retained by our Group. The launching of our SOHO units was held in February 2023. The SOHO units are expected to be completed in the fourth quarter of 2025; and the hotel operations are expected to commence in the third quarter of 2026.

In January 2023, we commenced the construction works for Residensi Desa Timur which is located in Salak South, Kuala Lumpur. The project comprises 1,218 units of suite apartment and 1,218 units of affordable housing with a total GDV of RM994.53 million. Residensi Desa Timur is expected to be launched in the third quarter of 2023, and is expected to be completed in the fourth quarter of 2027.

Please refer to Section 5.3.1 of this Prospectus for details of our properties.

5.2 KEY ACHIEVEMENTS AND MILESTONES

Our Group's milestones are set out as below: -

Dates	Events
2011	<ul style="list-style-type: none"> Acquisition of seven (7) parcels of land by Idaman Sejiwa (Ampang) in Ampang, Kuala Lumpur
2012	<ul style="list-style-type: none"> Acquisition of additional two (2) parcels of land by Idaman Sejiwa (Ampang) in Ampang, Kuala Lumpur
2013	<ul style="list-style-type: none"> Entered into a joint venture with Alaf MRR Two Station Sdn Bhd by Total Solid for the development of Residensi Semarak Platinum to submit the necessary planning submission to DBKL Idaman Sejiwa (Ampang) became a subsidiary of Radium
2014	<ul style="list-style-type: none"> Acquisition of one (1) parcel of land by Constant Premium in Sentul, Kuala Lumpur and one (1) parcel of land by Vistarena Development in Bukit OUG, Kuala Lumpur
2015	<ul style="list-style-type: none"> The approvals by DBKL for development order and approvals of other relevant authorities for Residensi Semarak Platinum was obtained Acquisition of land by Montanica Development in Setapak, Kuala Lumpur

5. BUSINESS OVERVIEW (cont'd)

Dates	Events
2017	<ul style="list-style-type: none"> Launched our first project, Residensi Semarak Platinum Acquisition of land by Pavilion Integrity in Cheras, Kuala Lumpur Acquisition of land by Ambanang Development in Setapak, Kuala Lumpur Completed the acquisition of one (1) parcel of land by Idaman Sejiwa (Ampang) in Ampang, Kuala Lumpur in which the process began in 2016 Amalgamation of the ten (10) parcels of adjoining land held by Idaman Sejiwa (Ampang)
2018	<ul style="list-style-type: none"> Alienation of land in Salak South, Kuala Lumpur held by Fitrah Resources We recorded a new achievement with the launch of two (2) projects simultaneously in a year, namely Residensi Platinum OUG and Residensi Vista Wirajaya
2019	<ul style="list-style-type: none"> We launched Residensi PV9 We also held a soft launch for our business partners and employees, for Residensi Platinum Mira
2020	<ul style="list-style-type: none"> We launched Residensi Vista Sentul
2021	<ul style="list-style-type: none"> We officially launched Residensi Platinum Mira in June 2021 We completed our first project, Residensi Vista Wirajaya in August 2021 We completed our second project, Residensi Semarak Platinum in October 2021
2022	<ul style="list-style-type: none"> We completed our third project, Residensi Platinum OUG in June 2022 We completed our fourth project, Residensi PV9 in November 2022
2023	<ul style="list-style-type: none"> We launched Suite Canselor in February 2023

Since the launching of our projects, we have received the following property awards: -

Year	Award	Category	Project, by marketing name/Entity	Awarding body
2023	SME and Entrepreneurs Business Award 2023	Best Property Developer Dynamics	Radium	Yayasan Usahawan Malaysia (MyPreneurship)
2022	The BrandLaureate Property Branding Awards 2022	Best Emerging Developer	Radium	The World Brands Foundation
2021	StarProperty Awards 2021 – Real Estate Developer	The Starter Home Award (High-Rise): Excellence	Vista Sentul Residences	Star Media Group Berhad
2021	StarProperty Awards 2021 – Real Estate Developer	The Creative Space Award: Honours	Vista Sentul Residences	Star Media Group Berhad
2021	iProperty Development Excellence Awards 2021	Best High-Rise Development: Finalist	Vista Sentul Residences	iProperty.com Malaysia Sdn Bhd

5. BUSINESS OVERVIEW (cont'd)

Year	Award	Category	Project, by marketing name/Entity	Awarding body
2019	PropertyGuru Asia Property Awards Malaysia 2019	Best Mass Market Condo/ Apartment Development (Klang Valley): Highly commended	Platinum Splendor Residensi Semarak	PropertyGuru Pte. Ltd.
2019	iProperty Development Excellence Awards 2019	Best Residential High-Rise Development (Future): Finalist	PV9@ Taman Melati	iProperty.com Malaysia Sdn Bhd
2019	iProperty Development Excellence Awards 2019	Best Transit-Oriented Development (Future): Finalist	PV9@ Taman Melati	iProperty.com Malaysia Sdn Bhd

5.3 PRINCIPAL ACTIVITIES AND BUSINESS PROCESS

We are a property developer 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.

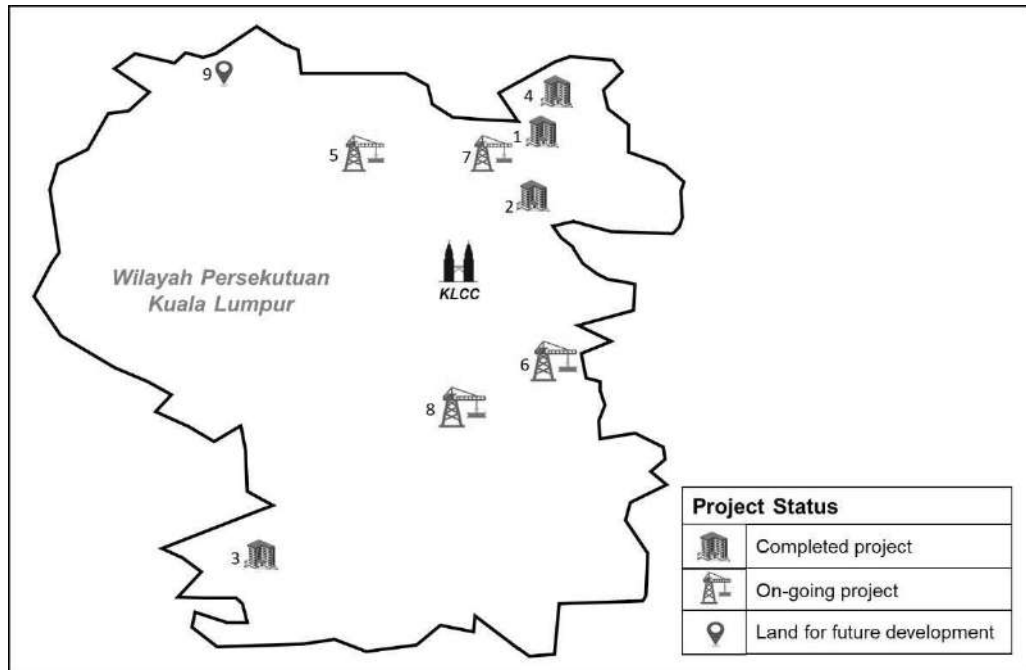
Subject to the feasibility assessment on our project's neighbourhood, we may also develop commercial units within our project.



As at the LPD, we have four (4) completed projects, four (4) on-going projects and one (1) parcel of land for future development. All our completed and on-going projects along with land for future development are located in Kuala Lumpur, Malaysia.

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5. BUSINESS OVERVIEW (cont'd)

5.3.1 Projects and landbank details



Map legend:			
Icon	Project status	Type of project	Project details
	Completed project	Residensi Wilayah Condominium and Residensi Wilayah Condominium, Residensi Wilayah and PPAM Condominium and Residensi Wilayah	1. Residensi Vista Wirajaya (GDV of RM141.37 million over 2.06 acres) 2. Residensi Semarak Platinum (GDV of RM885.44 million over 9.87 acres) 3. Residensi Platinum OUG (GDV of RM467.77 million over 5.32 acres) 4. Residensi PV9 (GDV of RM637.31 million over 5.57 acres)
	On-going projects	Serviced apartment Serviced apartment Commercial-Residential Suite apartment and Residensi Wilayah	5. Residensi Vista Sentul (GDV of RM305.54 million over 2.38 acres) 6. Residensi Platinum Mira (GDV of RM377.03 million over 1.80 acres) 7. Suite Canselor (GDV of RM474.37 million over 2.03 acres) ⁽ⁱ⁾ 8. Residensi Desa Timur (GDV of RM994.53 million over 9.77 acres)

5. BUSINESS OVERVIEW (cont'd)

Map legend:			
Icon	Project status	Type of project	Project details
	Land for future development	Condominium and Residensi Wilayah	9. Hakmilik Sementara H.S(D) No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu (5.31 acres) ⁽ⁱⁱ⁾

Notes: -

- (i) *The GDV is only applicable for the SOHO units as the hotel units are not for sale.*
- (ii) *The land for future development is based on a joint-venture agreement dated 20 September 2022, entered into between Kadar Jutajaya Sdn Bhd (as the landowner) and our subsidiary, Rasa Wangi (as the developer) for the purpose of developing on the piece of land. Please refer to Sections 4.6.9(i) and 5.20(iii) of this Prospectus for further details.*

We classify our projects into three (3) categories based on their respective development stages as follows: -

- (a) **Completed projects**, representing properties for which construction of all the constituents of the buildings have been completed and the vacant possession has been delivered to home buyers;
- (b) **On-going projects**, representing projects where all necessary approvals and permits have been obtained and construction work has commenced but not completed; and
- (c) **Land for future development**, representing landbank which we own or landbank for joint venture development which we do not own, and have yet to apply for a development order for the land, or is pending the receipt of the finalised development order.

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5. BUSINESS OVERVIEW (cont'd)

The details of our projects are set out in (a) to (c) below: -

(a) Completed projects

As at the LPD, we have four (4) completed projects, as illustrated below: -

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project, by marketing name	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Completion date ⁽ⁱⁱⁱ⁾	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV RM' million	Price range RM
Residensi Vista Wirajaya	Vista Wirajaya	Residensi Wilayah	2.06	One (1) tower comprising: - <ul style="list-style-type: none"> • 26 floors of affordable housing units (884 sq. ft.); • One (1) floor of common facilities; and • Eight (8) floors of carparks 	September 2018/ August 2021	515	515	100.00	141.37	230,000 - 318,000
Total						515	515	100.00	141.37	

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5. BUSINESS OVERVIEW (cont'd)

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project, by marketing name	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Completion date ⁽ⁱⁱⁱ⁾	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV RM' million	Price range RM
Residensi Semarak Platinum ^(iv)	Platinum Splendor Residensi Semarak	Condo ^(v)	9.87	Two (2) towers comprising: - <ul style="list-style-type: none"> • One (1) tower with 27 floors of condominium units (926 sq. ft. to 1,184 sq. ft.) and one (1) floor of common facilities; • One (1) tower with 28 floors of condominium units (926 sq. ft. to 1,550 sq. ft.); • One (1) floor of rooftop garden; and • Six (6) floors of carparks 	February 2017/ October 2021	1,400	1,400	100.00	705.44	463,000 - 631,500
	Vista Semarak	Residensi Wilayah		One (1) tower comprising: - <ul style="list-style-type: none"> • 28 floors of affordable housing units (882 sq. ft.); • One (1) floor of common facilities; and • Six (6) floors of carparks 	July 2017/ October 2021	600	600	100.00	180.00	300,000
Total						2,000	2,000	100.00	885.44	

5. BUSINESS OVERVIEW (cont'd)

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)		Project, by marketing name	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Completion date ⁽ⁱⁱⁱ⁾	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV RM' million	Price range RM
Residensi OUG	Platinum OUG	Platinum OUG Residence	Condo ^(v)	5.32	One (1) tower comprising: -	July 2018/ June 2022	440	440	100.00	317.36	557,000 - 605,800
		Vista OUG	Residensi Wilayah		<ul style="list-style-type: none"> • 34 floors of condominium units (1,250 sq. ft.) and affordable housing units (850 sq. ft.); • One (1) floor of common facilities; and • Eight (8) floors of carparks 		220	220	100.00		299,000
	Vista OUG PPAM	PPAM	<ul style="list-style-type: none"> • One (1) tower comprising: - • 32 floors of civil servants housing units (1,000 sq. ft. to 1,500 sq. ft.); and • Eight (8) floors of carparks 		January 2019/ June 2022	660	660	100.0	150.41	150,000 - 300,000	
Total							1,320	1,320	100.00	467.77	

5. BUSINESS OVERVIEW (cont'd)

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project, by marketing name	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Completion date ⁽ⁱⁱⁱ⁾	Total units launched	Total units sold as at LPD	% sold as at LPD	GDV RM' million	Price range RM
Residensi PV9	PV9 @ Taman Melati	Condo ^(v)	5.57	Two (2) towers comprising: - <ul style="list-style-type: none"> • One (1) tower with 26 floors of condominium units (1,000 sq. ft. to 1,300 sq. ft.) and one (1) floor of common facilities; • One (1) tower with 27 floors of condominium units (1,000 sq. ft. to 1,100 sq. ft.); and • Eight (8) floors of carparks 	June 2019/ November 2022	953	953	100.00	532.77	530,000 - 704,500
	Vista Wirajaya 2	Residensi Wilayah		One (1) tower comprising: - <ul style="list-style-type: none"> • 21 floors of affordable housing units (850 sq. ft. to 1,000 sq. ft.); • One (1) floor of common facilities; and • Ten (10) floors of carparks 	April 2019/ November 2022	333 105 ^(vi)	333 78 ^(vi)	100.00 74.29	100.13 4.41	300,000 42,000
Total						1,286^(vi)	1,286^(vi)	100.00	637.31	

5. BUSINESS OVERVIEW (cont'd)

Notes: -

- (i) *The application of Advertising Permit and Developer's License is based on the development order received for the particular land. As such, one (1) development order can only be used to apply for one (1) Advertising Permit and one (1) Developer's License. Nevertheless, as our projects may have combined development of condominiums, affordable housing and/or civil servants housing under the same development order, our Group uses different marketing names to differentiate the type of development (i.e., condominiums, affordable housing and/or civil servants housing) from one another. Further, this also aids our Group in implementing different sales and marketing strategies for the respective developments/projects within one (1) development order due to the different price range of properties and target market.*
- (ii) *Commencement date is based on project launch date which is derived from the date when the first sale and purchase agreement was signed. We obtained our planning permission from DBKL. The construction of Residensi Vista Wirajaya commenced in October 2017, the construction of Residensi Semarak Platinum commenced in August 2016, the construction of Residensi Platinum OUG commenced in March 2018, and the construction of Residensi PV9 commenced in April 2018.*
- (iii) *Completion date is based on the delivery of vacant possession to home buyers.*
- (iv) *A development project through joint-venture arrangement whereby the landowner is entitled to a pre-determined percentage of the completed properties ("**landowners' entitlement**"), ranging from 12% to 23% of the total number of property units within the project. The allocation of landowners' entitlement is to be mutually agreed by both parties upon approval of the layout plan for the project, taking into consideration the factors that determine the price of the building lots and the percentage of the landowners' entitlement. The landowners' entitlement is to be delivered to the landowners within the completion period stipulated in the joint venture agreement and where the landowners' entitlement is sold by us, they will be entitled to the sale proceeds of the landowners' entitlement.*
- (v) *Condo – Condominium.*
- (vi) *The 105 units refers to units reserved for the relocation of squatters and are excluded from the aggregate of total units launched and total units sold as at the LPD. For the 27 units or 25.71% of total units that remain unsold as at the LPD, our Group may reserve the units for future relocation of squatters if the new land that we acquire has squatters occupying the land, or release the units for sale to the public.*

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5. BUSINESS OVERVIEW (cont'd)

(b) On-going projects

As at LPD, we are involved in four (4) on-going projects, as illustrated below: -

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project (by marketing name)	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Expected completion date ⁽ⁱⁱⁱ⁾	% of completion as at LPD	Total units launched	Total units sold as at LPD	% sold as at LPD	Estimated GDV RM' million	Price range RM
Residensi Vista Sentul	Vista Sentul Residences	Serviced apartment	2.38	Two (2) towers comprising: - <ul style="list-style-type: none"> • One (1) tower with 24 floors of serviced apartment units (689 sq. ft. to 818 sq. ft.); • One (1) tower with 37 floors of serviced apartment units (958 sq. ft. to 1,216 sq. ft.); • One (1) floor of common facilities; and • Eight (8) floors of carparks 	September 2020/ Second quarter of 2023	89.56	705	705	100.00	305.54	329,800 - 592,200
Total						89.56	705	705	100.00	305.54	

5. BUSINESS OVERVIEW (cont'd)

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project (by marketing name)	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Expected completion date ⁽ⁱⁱⁱ⁾	% of completion as at LPD	Total units launched	Total units sold as at LPD	% sold as at LPD	Estimated GDV RM' million	Price range RM
Residensi Platinum Mira	Platinum Mira Residences	Serviced apartment	1.80	<p>One (1) tower comprising: -</p> <ul style="list-style-type: none"> • 35 floors of serviced apartment units (691 sq. ft. to 1,196 sq. ft.); • One (1) floor of common facilities (including a mezzanine floor); • One (1) floor of rooftop sky lounge; and • Eight (8) floors of carparks • One (1) floor of shop office units (960 sq. ft. to 1,884 sq. ft.) (including a mezzanine floor) 	Soft launch in July 2019; Official launch in June 2021 ^(iv) / _ ^(v)	13.92	698	420	60.17	377.03	470,000 - 788,000
							7	N/A ^(vi)	N/A ^(vi)	N/A ^(vi)	
Total						13.92	698	420	60.17	377.03	

5. BUSINESS OVERVIEW (cont'd)

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project (by marketing name)	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Expected completion date ⁽ⁱⁱⁱ⁾	% of completion as at LPD	Total units launched	Total units sold as at LPD	% sold as at LPD	Estimated GDV RM' million	Price range RM
Suite Canselor	R Suites Chancery Residences	Commercial-Residential	2.03	<p>One (1) tower comprising: -</p> <p>SOHO</p> <ul style="list-style-type: none"> • 36 floors with 944 units of SOHO (451 sq. ft. to 1,874 sq. ft.); and • One (1) floor of common facilities (including a mezzanine floor); • One (1) floor of SOHO lobby (same floor with hotel lobby); and • Seven (7) floors of carparks, including one (1) floor that is shared with hotel 	February 2023/ Fourth quarter of 2025	11.33	944	5	0.53	474.37	422,000 - 1,783,000

5. BUSINESS OVERVIEW (cont'd)

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project (by marketing name)	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Expected completion date ⁽ⁱⁱⁱ⁾	% of completion as at LPD	Total units launched	Total units sold as at LPD	% sold as at LPD	Estimated GDV RM' million	Price range RM
				Hotel^(vii) <ul style="list-style-type: none"> • Five (5) floors with 145 units of hotel rooms; • Seven (7) floors of commercial areas and hotel facilities (same floors with SOHO units); • One (1) floor of commercial area and water tank (shared with SOHO); • One (1) floor of hotel lobby (same floor with SOHO lobby); and • Three (3) floors of carparks including one (1) floor that is shared with SOHO 	_(vii)		N/A ^(vii)	N/A ^(vii)	N/A ^(vii)	135.00	
Total						11.33	944	5	0.53	474.37^(viii)	

5. BUSINESS OVERVIEW (cont'd)

Project (by Advertising Permit and Developer's License name ⁽ⁱ⁾)	Project (by marketing name)	Type of project	Total site area (acres)	Description	Commencement date ⁽ⁱⁱ⁾ / Expected completion date ⁽ⁱⁱⁱ⁾	% of completion as at LPD	Total units launched	Total units sold as at LPD	% sold as at LPD	Estimated GDV RM' million	Price range RM
Residensi Desa Timur ^(ix)	-(x)	Suite Apartment	9.77	Three (3) towers comprising: - <ul style="list-style-type: none"> • 44 floors of suite apartment units (850 sq. ft. to 2,500 sq. ft.); and • Eight (8) floors of carparks, including two (2) floors that are shared with common facilities 	-(xi) / -(xi)	5.82	1,218	-(xi)	-(xi)	629.13	400,000 - 1,094,000
		Residensi Wilayah		Two (2) towers comprising: - <ul style="list-style-type: none"> • 26 floors of affordable housing units (800 sq. ft.); and • Six (6) floors of carpark, including one (1) floor that is shared with common facilities 			1,218	-(xi)	-(xi)	365.40	300,000
Total						5.82	2,436	-(xi)	-(xi)	994.53	

5. BUSINESS OVERVIEW (cont'd)

Notes: -

- (i) *The application of Advertising Permit and Developer's License is based on the development order received for the particular land. As such, one (1) development order can only be used to apply for one (1) Advertising Permit and one (1) Developer's License. Nevertheless, as our projects may have combined development of condominiums, affordable housing and/or civil servants housing under the same development order, our Group uses different marketing names to differentiate the type of development (i.e., condominiums, affordable housing and/or civil servants housing) from one another. Further, this also aids our Group in implementing different sales and marketing strategies for the respective developments/projects within one (1) development order due to the different price range of properties and target market.*
- (ii) *Commencement date is based on the project launch date which is derived from the date when the first sale and purchase agreement was signed.*
- (iii) *Expected completion date is based on the estimated date when vacant possession is delivered to home buyers.*
- (iv) *The delay in the official launch date was due to litigation cases involving our development land as detailed in Section 16.4 of this Prospectus.*
- (v) *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.*
- (vi) *Not applicable as the units are proposed to be retained by our Group for renting purposes.*
- (vii) *Not applicable as the hotel units are not for sale and the operations of the hotel will be retained by our Group. The hotel operations are expected to commence in the third quarter of 2026. For information purposes, we may be the operator of the hotel and may also consider engaging an international hotel operator to operate the hotel in order to improve marketability and enhance the property value of Suite Canselor. The engagement of an international hotel operator with a reputable branding may allow us to enjoy higher room rates which shall translate to higher revenues and profits. As at the LPD, we have been in discussions with two (2) international hotel operators to explore the possibilities of managing the hotel. The said hotel operators have expressed their interest to manage the hotel but may require more than 145 rooms. In this regard, we may require additional units to be included as part of the hotel in addition to the existing proposed 145 units of hotel rooms. In such event, we may consider entering into lease arrangements with the purchasers to be utilised as hotel rooms. There is no hotel management agreement that has been executed between Radium and any of the proposed hotel operators as at the LPD. The expenses to procure any additional units to be included as hotel rooms, if required, shall be funded by our internally-generated funds. An announcement will be made to Bursa Securities upon appointment of the hotel operator, if any. In the event we are to operate the hotel, we may set up a team of approximately 100 to 120 personnel to carry out the operations and management of our hotel.*
- (viii) *The GDV of the hotel is excluded from the calculation of total GDV as the hotel units are not for sale.*
- (ix) *As at the LPD, the Developer's License has been obtained and our Group is pending the receipt of Advertising Permit, which is expected to be obtained on the second quarter of 2023.*
- (x) *The marketing name for Residensi Desa Timur is expected to be finalised by the second quarter of 2023.*
- (xi) *The construction works had commenced in January 2023. The units are expected to be launched for sale to the public in the third quarter of 2023 and the expected completion date is the fourth quarter of 2027.*

5. BUSINESS OVERVIEW (cont'd)

Notwithstanding the abovementioned on-going projects, our Group will continue to expand our property development business in Klang Valley through the acquisition of landbank(s) and joint venture arrangement(s) for future projects to meet the demand of the residential properties market in Klang Valley. We will continue to identify potential sites with well-developed infrastructure and amenities within the surrounding areas as well as good accessibility, as we believe that future development projects in these strategic locations will continue to receive positive market acceptance. We may acquire new land for development by acquiring the landbank directly, and acquiring company(ies) or enter into joint venture arrangement with potential landowners holding the relevant landbank in which these landbanks may have obtained the relevant planning and development consent. Further details on our Group's future plans on the acquisition of landbank(s) and joint venture arrangement(s) for future projects are as set out in Section 5.15.1 of this Prospectus.

(c) Land for future development

As at LPD, we have one (1) landbank held for future development, as illustrated below: -

Landbank	Description	Type of land	Intended development	Total land area (acres)
Hakmilik Sementara H.S(D) No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu ⁽ⁱ⁾	Located alongside MRR2 within the locality of Taman Intan Baiduri, Kuala Lumpur	Vacant land designated for residential use	Condominium and Residensi Wilayah	5.31

Note: -

- (i) *The land for future development is based on a joint-venture agreement dated 20 September 2022, entered into between Kadar Jutajaya Sdn Bhd (as the landowner) and our subsidiary, Rasa Wangi (as the developer) for the purpose of developing on the piece of land. Please refer to Sections 4.6.9(i) and 5.20(iii) of this Prospectus for further details.*

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5. BUSINESS OVERVIEW (cont'd)

Further details of our property development projects are as follows: -

(i) Residensi Vista Wirajaya



Residensi Vista Wirajaya is our first completed residential development project. This project comprises an affordable housing development and is developed by our subsidiary, Ambanang Development.

Residensi Vista Wirajaya is strategically located at Taman Melati, Setapak, Kuala Lumpur which is an approximate 11.4 km distance from KLCC and 11.1 km from Publika. The location of this project also provides convenient access to Middle Ring Road 2 (“**MRR2**”), Duta-Ulu Kelang Expressway (“**DUKE**”), Jalan Genting Klang and Karak Expressway. This project is located 2.2 km from Terminal Pengangkutan Bersepadu Gombak (i.e., expected completion and operation by 2026) and within walking distance, it is 400 metres away from Taman Melati LRT Station and 120 metres from Tunku Abdul Rahman University College. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation.

Residensi Vista Wirajaya is developed on a piece of 2.06 acres leasehold land. It features a gated and guarded environment with security features such as boom gates with access card system, closed-circuit television (“**CCTV**”) surveillance and round-the-clock security services.

Residensi Vista Wirajaya comprises one (1) tower of affordable housing units with a built-up area of 884 sq. ft. This project is equipped with common facilities such as swimming pool, playground, badminton court, outdoor fitness station, reflexology path, barbeque area, multi-purpose hall, function room, nursery, kindergarten, café and shop.

The construction of the development commenced in October 2017. The project was launched in September 2018 and was completed in August 2021.

5. BUSINESS OVERVIEW (cont'd)

(ii) Residensi Semarak Platinum

Residensi Semarak Platinum is our second completed residential development project. This project comprises a combined development of condominium (i.e., Platinum Splendor Residensi Semarak) and affordable housing (i.e., Vista Semarak) under the same development order. This project is developed by our subsidiary, Total Solid.

Residensi Semarak Platinum is strategically located at Jalan Semarak, Kuala Lumpur which is an approximate 5.9 km distance from KLCC, 3.0 km from The Intermark Mall and 5.3 km from Pavilion Kuala Lumpur. The location of this project is approximately 2.6 km away from Jalan Tun Razak and has direct access into DUKE from our development. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation.

Residensi Semarak Platinum is developed on a piece of 9.87 acres leasehold land. It features a gated and guarded environment with security features such as boom gates with access card system, CCTV surveillance and round-the-clock security services. While both are developed as one property, sharing the same main entrance and exit points for residents and guests, Platinum Splendor Residensi Semarak and Vista Semarak each have separate carpark and lobby entrance.

Platinum Splendor Residensi Semarak comprises two (2) towers of condominium units with built-up areas ranging from 926 sq. ft. to 1,550 sq. ft. Platinum Splendor Residensi Semarak is equipped with common facilities such as rooftop garden, swimming pool, wading pool, kids' playground, multi-purpose hall, shop and nursery/kindergarten.

Vista Semarak comprises one (1) tower with affordable housing units, common facilities, and carparks. The affordable housing units have a built-up area of 882 sq. ft. Vista Semarak is equipped with facilities such as outdoor exercise station, playground, pavilion, multi-purpose hall, shop, cafeteria and kindergarten. Platinum Splendor Residensi Semarak and Vista Semarak each have their own facilities that are not shared with one another.

The construction of the development commenced in August 2016. Platinum Splendor Residensi Semarak was launched in February 2017 while Vista Semarak was launched in July 2017, and the project was completed in October 2021.

5. BUSINESS OVERVIEW (cont'd)

(iii) Residensi Platinum OUG



Residensi Platinum OUG is our third completed residential development project. This project comprises a combined development of condominium (i.e., Platinum OUG Residence), affordable housing (i.e., Vista OUG) and civil servants housing (i.e., Vista OUG PPAM) under the same development order. This project is developed by our subsidiary, Vistarena Development.

Residensi Platinum OUG is strategically located at Bukit OUG, Kuala Lumpur which is an approximate 2.5 km distance from Pavilion Bukit Jalil, 2.4 km from Paradigm Bukit Jalil, 3.2 km from Bukit Jalil Golf Club and 3.3 km from International Medical University. The location of this project also provides convenient access to Shah Alam Expressway (“**KESAS**”), Maju Expressway (“**MEX**”) and Bukit Jalil Highway. Within walking distance, this project is located 550 metres from Muhibbah LRT Station. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation.

Residensi Platinum OUG is developed on a piece of 5.32 acres leasehold land. It features a gated and guarded environment with security features such as boom gates with access card system, CCTV surveillance and round-the-clock security services. All three types of housing are developed as one property, sharing the same main entrance and exit points for residents and guests. Nevertheless, Platinum OUG Residence and Vista OUG share the same carpark and lobby entrance, while Vista OUG PPAM has a separate carpark and lobby entrance.

Platinum OUG Residence and Vista OUG collectively comprise one (1) tower of condominium units with a built-up area of 1,250 sq. ft, and affordable housing units with a built-up area of 850 sq. ft. Platinum OUG Residence and Vista OUG is equipped with common facilities such as swimming pool, wading pool, gym, outdoor gym, playground, basketball court, multi-purpose hall, reading room, café, kindergarten and nursery.

Vista OUG PPAM comprises one (1) tower with civil servants housing units and carparks. The civil servants housing units have built-up areas ranging from 1,000 sq. ft. to 1,500 sq. ft. Vista OUG PPAM is equipped with facilities such as multi-purpose hall, control room and shops. The facilities featured above for Platinum OUG Residence and Vista OUG are not shared with Vista OUG PPAM.

The construction of the development commenced in March 2018. Platinum OUG Residence and Vista OUG was launched in July 2018 while Vista OUG PPAM was launched in January 2019, and the project was completed in June 2022.

5. BUSINESS OVERVIEW (cont'd)

(iv) Residensi PV9

Residensi PV9 is our fourth completed residential development project. This project comprises a combined development of condominium (i.e., PV9 @ Taman Melati) and affordable housing (i.e., Vista Wirajaya 2) under the same development order. This project is developed by our subsidiary, Ambanang Development.

Residensi PV9 is strategically located at Taman Melati, Setapak, Kuala Lumpur which is an approximate 11.4 km distance from KLCC and 10.2 km distance from Pavilion Kuala Lumpur. The location of this project also provides convenient access to MRR2, DUKE, Jalan Genting Klang and Karak Expressway. Within walking distance, this project is located 500 metres from Taman Melati LRT Station and 130 metres from Tunku Abdul Rahman University College. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation.

Residensi PV9 is developed on a piece of 5.57 acres leasehold land. It features a gated and guarded environment with security features such as boom gates with access card system, CCTV surveillance and round-the-clock security services. While both are developed as one property, sharing the same main entrance and exit points for residents and guests, PV9 @ Taman Melati and Vista Wirajaya two (2) each have separate carpark and lobby entrance.

PV9 @ Taman Melati comprises two (2) towers of condominium units with built-up areas ranging from 1,000 sq. ft. to 1,300 sq. ft. PV9 @ Taman Melati is equipped with common facilities such as swimming pool, wading pool, gymnasium, kids' playground, basketball/futsal court, barbeque area, sky garden, games room, multi-purpose hall, kindergarten and shops.

Vista Wirajaya 2 comprises one (1) tower of affordable housing units with built-up areas ranging from 850 sq. ft. to 1,000 sq. ft. Vista Wirajaya 2 is equipped with common facilities such as swimming pool, wading pool, kids' playground, nursery/kindergarten, multi-purpose hall and shops. PV9 @ Taman Melati and Vista Wirajaya 2 each have their own facilities that are not shared with one another.

The construction of the development commenced in April 2018. PV9 @ Taman Melati was launched in June 2019 while Vista Wirajaya 2 was launched in April 2019, and the project was completed in November 2022.

5. BUSINESS OVERVIEW (cont'd)

(v) Residensi Vista Sentul



Residensi Vista Sentul is our on-going residential development project. This project comprises a serviced apartment development and is developed by our subsidiary, Constant Premium.

Residensi Vista Sentul is strategically located at Sentul, Kuala Lumpur which is an approximate 6.8 km distance from KLCC, 7.0 km from Pavilion Kuala Lumpur, 8.7 km from KL Sentral and 5.5 km from Publika. The location of this project also provides direct access to DUKE. In addition, this project is located 1.5 km from Sentul Timur LRT station, 2.0 km from Sentul LRT station, 1.5 km from Sentul KTM station and 2.3 km from Sentul West MRT station (i.e., expected completion and operation by 2023). This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation.

Residensi Vista Sentul is developed on a piece of 2.38 acres freehold land. It features a gated and guarded environment with security features such as boom gates with access card system, CCTV surveillance and round-the-clock security services.

Residensi Vista Sentul comprises two (2) towers of serviced apartment units with built-up areas ranging from 689 sq. ft. to 1,216 sq. ft. This project is equipped with common facilities such as swimming pools, gymnasium, barbeque area, kids playground, multi-purpose room, multi-function room, games room, AV room, yoga/dancing studio, children playroom, library, meeting room, launderette, convenience store, café/restaurant and kindergarten.

The construction of the development commenced in June 2019. The project was launched in September 2020 and is expected to be completed in the second quarter of 2023.

5. BUSINESS OVERVIEW (cont'd)

(vi) Residensi Platinum Mira

Residensi Platinum Mira is our on-going residential development project. This project comprises a serviced apartment development that is complemented with a floor of shop offices. This project is developed by our subsidiary, Pavilion Integrity.

Residensi Platinum Mira is strategically located at Cheras, Kuala Lumpur which is an approximate 0.3 km walking distance from Aeon Maluri, 0.6 km walking distance from Sunway Velocity, 5.6 km distance from KLCC and 4.6 km from Pavilion Kuala Lumpur. The location of this project also provides convenient access to Sungai Besi Highway and MRR2. In addition, this project is located 0.7 km from Maluri MRT and LRT Interchange station, 0.9 km from Cochrane MRT station, 2.7 km from Pandan Jaya LRT station, 1.5 km from Miharja LRT station and 1.8 km from Chan Sow Lin LRT station. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation.

Residensi Platinum Mira is developed on a piece of 1.80 acres freehold land. It features a gated and guarded environment with security features such as boom gates with access card system, CCTV surveillance and round-the-clock security services.

Residensi Platinum Mira comprises one (1) tower of serviced apartment units with built-up areas ranging from 691 sq. ft. to 1,196 sq. ft. and shop office units with built-up areas ranging from 960 sq. ft. to 1,884 sq. ft. This project is equipped with common facilities such as rooftop sky lounge, swimming pool, wading pool, jacuzzi, gymnasium, function room and childcare.

The construction of the development initially began in August 2018 and the soft launch of the project was held in July 2019. However, litigation proceedings were taken against Pavilion Integrity in respect of our development land for Residensi Platinum Mira since October 2017. 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

5. BUSINESS OVERVIEW (cont'd)

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.

(vii) Suite Canselor



Suite Canselor is our on-going commercial-residential development project. This project comprises a combined development of SOHO and hotel. This project is developed by our subsidiary, Idaman Sejiwa (Ampang).

Suite Canselor is strategically located at Ampang, Kuala Lumpur which is an approximate 5.4 km from KLCC, 6 km from Pavilion Kuala Lumpur and have convenient access to MRR2. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation. Prominent landmarks located nearby include the premises of Plaza Ampang City, M City @ Jalan Ampang, Bangunan Risda, Ampang Point Shopping Centre, KPJ Ampang Puteri Specialist Hospital, Mutiara International Grammar School and Flamingo Hotel.

Suite Canselor is developed on a piece of 2.03 acres freehold land. It features security and guarded services such as access card system, CCTV surveillance and round-the-clock security services.

Suite Canselor comprises one (1) tower, of which 36 floors are allocated for SOHO units with built-up areas ranging from 451 sq. ft. to 1,874 sq. ft., five (5) floors allocated for hotel units and seven (7) floors allocated for commercial areas and hotel facilities. This project is equipped with common facilities such as swimming pools, gymnasium, barbeque area, kids playground, multi-purpose hall, game rooms, surau, dining lounge, open pavilion and outdoor function area.

5. BUSINESS OVERVIEW (cont'd)

The construction of the development commenced in March 2022. The launching of our SOHO units was held in February 2023. The SOHO units are expected to be completed in the fourth quarter of 2025. The hotel units are not for sale and the operations of the hotel will be retained by our Group. The hotel operations are expected to commence in the third quarter of 2026.

(viii) Residensi Desa Timur



Residensi Desa Timur is our on-going residential development project. This project comprises a combined development of suite apartment and affordable housing under the same development order. This project is developed by our subsidiary, Fitrah Resources.

Residensi Desa Timur is strategically located at Salak South, Kuala Lumpur which is an approximate 7.2 km distance from Mid Valley Shopping Centre, 7.3 km from EkoCheras Mall and 11.0 km from KLCC. The location of this project provides convenient access to MRR2, KL Seremban Expressway and East–West Link (“SALAK”) Expressway. In addition, this project is located 2.2 km from Komuter Salak Selatan, 4.3 km from LRT Bandar Tun Razak and 5.3 km from LRT Bandar Tasik Selatan. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation.

Residensi Desa Timur is developed on a piece of 9.77 acres leasehold land. It features a gated and guarded environment with security features such as boom gates with access card system, CCTV surveillance and round-the-clock security services. While both are developed as one property, sharing the same main entrance and exit points for residents and guests, the suite apartment and affordable housing each have separate carpark and lobby entrance.

5. BUSINESS OVERVIEW (cont'd)

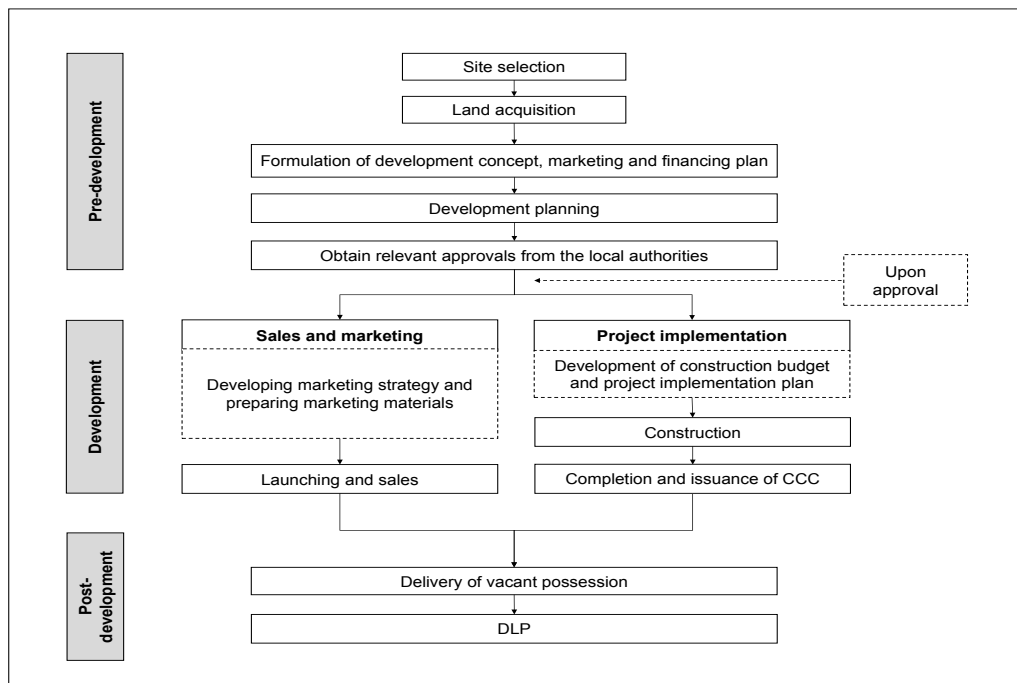
Residensi Desa Timur comprises three (3) towers of suite apartment units with built-up areas ranging from 850 sq. ft. to 2,500 sq. ft. and two (2) two towers of affordable housing with built-up area of 800 sq.ft. The suite apartment tower is equipped with common facilities such as swimming pools, gymnasium, barbeque area, kids playground, multi-purpose hall, computer room, launderette, convenience store, and kindergarten. On the other hand, the affordable housing tower is equipped with common facilities such as swimming pools, gymnasium, kids playground, multi-purpose hall, computer room, launderette, convenience store, and kindergarten.

The construction of the development commenced in January 2023. The project is expected to be launched in the third quarter of 2023 and is expected to be completed in the fourth quarter of 2027.

5.3.2 Business process

Property development

The process flow for our core business activities is as depicted below: -



Pre-development

(i) Site selection and land acquisition

The process flow of a new project begins with the identification of a suitable plot of land for development. In identifying the potential site and its proposed types of development, we will consider, amongst others, the following site evaluation factors: -

- The physical condition of the land;
- The location and profile of the neighbourhood that is in close proximity to the land;
- The accessibility to the area and the available supporting infrastructures and amenities;
- Competition, consumer demand and marketability of the properties in that area or surrounding areas; and

5. BUSINESS OVERVIEW (*cont'd*)

- The estimated cost of the development, as well as investment and financial return ratios.

We also consider other macroeconomic factors such as: -

- The economic prospects of the surrounding areas;
- The maturity of the residential property and shop market in the surrounding areas; and
- The resources available, including financing environment such as liquidity, banks' preference and cost of financing.

Once the potential land to be acquired has been identified, we will conduct due diligence and preliminary feasibility study on the land. The preliminary feasibility study takes into consideration, amongst others, the preliminary development concept, market supply and demand, budget forecast and conceptual estimated costs of construction, financing commitments, potential pricing of the properties, environmental impacts and requirements, and existing and/or potential competing property developments in the vicinity of the site. Based on this preliminary study, we will form our decision to proceed or to reject the proposed land acquisition. Upon obtaining internal approval for the acquisition, we will proceed with the legal processes of the land acquisition.

(ii) Formulation of development concept, marketing and financing plan

Upon the completion of the land acquisition, we will proceed to formulate the development concept, marketing and financing plan: -

- Development concept

Subject the land development conditions and our management's internal decision, we will outline a general idea on the development concept such as project density and type of property such as condominiums, serviced apartments, affordable housing units (i.e., Residensi Wilayah) and/or civil servants affordable housing units (i.e., PPAM), that will be developed on the land.

We will then work with third party professional design consultants to refine the development concept of the land and building in terms of, amongst others, main entrance, building sizes and layout, unit sizes and layout, common facilities, landscaping and infrastructure.

- Marketing plan

Our sales and marketing plan will determine the marketing strategies of the proposed development concept, taking into consideration future supply and demand, market segment and product marketability, as well as to develop pricing strategies.

- Financing plan

We will work with third party quantity surveyors to prepare an estimated development costing based on the conceptualised development plan. Thereafter, we will develop the financing plan for the proposed development comprising sources of financing and the timeline to gather the required budget, which is typically one (1) year before the commencement of project construction.

5. BUSINESS OVERVIEW (cont'd)

(iii) Development planning

After the formulation of our development concepts, marketing as well as financing plans, we will proceed with development planning. During the process of development planning, we will prepare a detailed development plan that outlines all the finalised development details. The design, structures and specifications of each component will also be included in the detailed development plan.

Further, we will create a development timeline which sets out the development milestones to be achieved. Meanwhile, we will also calculate the GDC and GDV of the development prior to the finalisation of the development plan.

(iv) Obtain relevant approvals from local authorities

Upon the internal finalisation of the detailed development plan, we will proceed to obtain the relevant approvals from the local authorities, including the development order, land conversion, subdivision plan, building plan, Advertising Permit and Developer's License.

Once we receive the relevant approvals from the local authorities, steps (v) and (vi) below will take place concurrently: -

Development**(v) Sales and marketing**

We will proceed to execute our marketing strategy and prepare marketing materials as soon as the information of our project is finalised. Prior to launching our project, we will also appoint property agencies to carry out sales and marketing activities for our properties, and solicitors to process legal documents upon the confirmation of sale.

Upon finalising our marketing strategy and marketing materials, we will conduct launching for our new project, and begin marketing and selling our new project.

(vi) Project implementation**• Development of construction budget and project implementation plan**

Third party quantity surveyors, architects, civil and structural engineers and M&E engineers will prepare comprehensive construction budget estimation for all relevant procurement trades and construction works. The budget estimation will act as a benchmark to control our costs throughout the project implementation period.

Further, we will develop a project implementation plan which specifies the design and details of the project, such as the type of finishing, construction timeline and delivery schedule.

• Construction

For the construction works, we will invite our panel of contractors to submit their tender bids and proposals. Letter of award will be issued to the contractor approved based on our evaluation criteria and the prices submitted by the contractors against the approved budget estimation.

5. BUSINESS OVERVIEW (cont'd)

Upon commencement of construction works, we will oversee the progress of the construction works through regular on-site inspections and monitoring of progress reports. We will also conduct meetings with our team of professional consultants and contractors twice a month to keep track of the progress of projects as well as to resolve any issues that arise. This is to ensure on-budget and timely completion of the proposed development, as well as to achieve the required quality.

- **Completion and issuance of CCC**

Upon the completion of the construction works, the architect will issue the CCC once the completed buildings have been inspected and are certified compliant to building plans and statutory requirements by the relevant local authorities.

Post-development

(vii) Delivery of vacant possession

Upon completion of projects, we will issue notice for delivery of vacant possession to home buyers and subsequently, handover the keys and relevant documents such as CCC and building certification to home buyers.

(viii) DLP

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 handover of properties. We will withhold a 5% retention sum from the main contractors and have a back-to-back arrangement with them to rectify any defects within the DLP.

Contractors are responsible to rectify any defects during the DLP. In the event the contractors do not rectify the defects during the DLP, any costs incurred by our Group to rectify the defects within the DLP will be charged to our contractors. The retention sum is released in two (2) tranches, the first 2.5% will be released within 14 days upon the issuance of the Certificate of Practical Completion; and the remaining 2.5% will be released within 14 days upon the issuance of Certificate of Making Good Defects, a certificate issued in relation to the completion of defects, imperfections and any other faults raised during the DLP.

Based on our Group's past project records, the typical timeframe taken from site selection to the delivery of vacant possession to home buyers may range from around five (5) years to nine (9) years, of which the services provided for DLP is usually two (2) years after the delivery of vacant possession. However, there may also be circumstances where, upon conducting in-depth feasibility studies on the prospects of the land for development, our Group may revise the development concept (e.g., affordable housing, condominium/serviced apartment, commercial and hotel), project density and project GDV. In respect to this, our Group may acquire additional parcels of land that are adjacent to the existing land, revise the development planning and/or reapply for a new development order. In such instances, the timeframe taken from site selection to the delivery of vacant possession to home buyers may exceed the typical timeframe of nine (9) years.

5. BUSINESS OVERVIEW (cont'd)

5.3.3 Interruption to business and operations

Save as disclosed below, our Group has not experienced any other interruptions in our operations which had a significant effect on our operations.

Impact of COVID-19 on our Group and operations

Our business and operations faced temporary interruption pursuant to the outbreak of the COVID-19 pandemic. The imposition of the first MCO effective on 18 March 2020 to 3 May 2020 by the Government to contain the spread of the virus resulted in mandatory closure of all government and private premises, except those involved in essential services, unless written permission was obtained from the relevant governmental bodies. As a result, operations at our offices and sales galleries were temporarily suspended. Nevertheless, we had implemented work-from-home arrangement to ensure the continued operations of our Group.

Beginning 2 May 2020, we gradually received approval letters from MITI to resume operations at our offices and the respective sales galleries. Notwithstanding that, we had implemented weekly rotational work structure whereby our workforce is split into teams to work from home and at our offices and sales galleries respectively. Subject to the development of the COVID-19 situation, we will increase our workforce to full workforce capacity as and when the situation allows. Customers were allowed to visit our sales galleries beginning 4 May 2020 on appointment basis. We also introduced virtual sales gallery and conferencing platforms to carry out sales activities.

Following the resurgence of COVID-19 cases in first half of 2021, the Government implemented a four-phase national recovery plan, known as the NRP, which is a re-imposition of nationwide lockdown beginning 1 June 2021. For Kuala Lumpur where our offices and sales galleries are located, operations at our offices and sales galleries were temporarily suspended. Nevertheless, we had implemented work-from-home arrangements to ensure the continued operations of our Group, and our sales activities continued through our virtual sales gallery and conferencing platform.

We had on 7 June 2021 received an approval letter from MITI to resume operations at our offices. Between 7 June 2021 and 9 September 2021, our workforce was reduced to a capacity of 60%. While we were allowed to operate at our offices beginning 7 June 2021, sales galleries were not allowed to operate and work-from-home arrangement was implemented. Since 10 September 2021, we were allowed to resume operations at our offices and sales galleries at full workforce capacity as more than 80% of our employees have been fully vaccinated. Customers were allowed to visit our sales galleries on appointment basis since 10 September 2021.

Beginning 1 April 2022, Malaysia entered into the "Transition to Endemic" phase. Among the relaxed rules and SOP include the abolishment of restrictions on business operating hours (i.e., business owners are allowed to set the hours of operation according to the terms of their business licence) and the abolishment of limits on the number of personnel allowed in workplace. The operations at our offices and sales galleries were not impacted by the enforcement of the "Transition to Endemic" phase beginning 1 April 2022.

During the period of the COVID-19 pandemic from March 2020 and up until the LPD, there were 50 cancellation of sales that were collectively contributed from Residensi Vista Wirajaya, Residensi Semarak Platinum, Residensi Platinum OUG, Residensi PV9, Residensi Vista Sentul, and Residensi Platinum Mira. These 50 cancellations are part of the total 104 cancellation of sales during the Financial Years and Period Under Review and up to the LPD. The nature of cancellation for the 104 units sold were due to factors such as: -

- (i) rejection of loan, mainly due to heavy financial commitment, insufficient income, blacklisted by financial institutions/National Higher Education Fund (PTPTN), and unhealthy credit score in Central Credit Reference Information System (CCRIS)/Credit Tip-Off Service (CTOS);

5. BUSINESS OVERVIEW (cont'd)

- (ii) default in payment by cash buyer whereby cash buyers were unable to service the progress payment arising from the progressive billing of the project within the contractual timeframe due to financial difficulties;
- (iii) re-entering into new sales and purchase agreement with additional/reduced number of home buyers for loan application. The additional number of home buyers was mainly due to the high debt service ratio by the individual home buyer which requires additional person(s) to support the loan application while the reduced number of home buyers was due to the number of home buyers being named in the sales and purchase agreement and the number of applicants for the loan are required to be the same as per the criteria set by certain banks;
- (iv) failure of home buyers to pay the balance for the first 10.00% progress billings upon signing of the sales and purchase agreement within the contractual timeframe due to financial difficulties;
- (v) revision of purchase price in order for home buyers to be entitled to the stamp duty waiver granted by the Government under the Home Ownership Campaign; and
- (vi) request for change of unit purchased due to the change of mind by the home buyers' preference for a different direction/view.

Nevertheless, this did not result in material adverse impact to our Group in view that we had resold these units and 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, 100.00% 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) and 0.53% sold rate for Suite Canselor (i.e., project was launched in February 2023) as at the LPD. Further details on the number of units sold for the respective projects are as set out in Section 5.3.1 and details on the cancellation of sales are as set out in Section 12.2.11(i) of this Prospectus.

Impact of COVID-19 on the construction progress of our projects

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 other project sites were temporarily suspended as our contractors and/or their subcontractors were not allowed to operate. Construction activities at our project sites were able to resume operations when our contractors and/or their subcontractors respectively received their approval letter from MITI during the first MCO and NRP. A 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 are set out as below: -

Project	Suspension of construction activities	Resumption of construction activities
Residensi Vista Wirajaya	<u>First MCO</u> <ul style="list-style-type: none"> • 18 March 2020 – 21 April 2020 <u>NRP</u> <ul style="list-style-type: none"> • Not applicable⁽ⁱ⁾ 	<u>First MCO</u> <ul style="list-style-type: none"> • 22 April 2020 <u>NRP</u> <ul style="list-style-type: none"> • Not applicable⁽ⁱ⁾

5. BUSINESS OVERVIEW (cont'd)

Project		Suspension of construction activities	Resumption of construction activities
Residensi Platinum	Semarak	<u>First MCO</u> <ul style="list-style-type: none"> 18 March 2020 – 26 April 2020 <u>NRP</u> <ul style="list-style-type: none"> 1 June 2021 – 5 June 2021 3 July 2021 – 5 July 2021 	<u>First MCO</u> <ul style="list-style-type: none"> 27 April 2020 <u>NRP</u> <ul style="list-style-type: none"> 5 June 2021 6 July 2021
Residensi OUG	Platinum	<u>First MCO</u> <ul style="list-style-type: none"> 18 March 2020 – 19 April 2020 <u>NRP</u> <ul style="list-style-type: none"> 1 June 2021 – 2 June 2021 3 July 2021 – 5 July 2021 <u>Stop work order</u> <ul style="list-style-type: none"> 20 February 2021 – 25 February 2021⁽ⁱⁱ⁾ 9 August 2021 – 24 August 2021⁽ⁱⁱⁱ⁾ 	<u>First MCO</u> <ul style="list-style-type: none"> 20 April 2020 <u>NRP</u> <ul style="list-style-type: none"> 3 June 2021 6 July 2021 <u>Stop work order</u> <ul style="list-style-type: none"> 26 February 2021 25 August 2021
Residensi PV9		<u>First MCO</u> <ul style="list-style-type: none"> 18 March 2020 – 3 May 2020 <u>NRP</u> <ul style="list-style-type: none"> 1 June 2021 – 30 June 2021 3 July 2021 – 5 July 2021 	<u>First MCO</u> <ul style="list-style-type: none"> 4 May 2020 <u>NRP</u> <ul style="list-style-type: none"> 1 July 2021 6 July 2021
Residensi Vista Sentul		<u>First MCO</u> <ul style="list-style-type: none"> 18 March 2020 – 23 April 2020 <u>NRP</u> <ul style="list-style-type: none"> 1 June 2021 – 2 June 2021 3 July 2021 – 30 July 2021 (inclusive of stop work order from 6 July 2021 – 29 July 2021^(iv)) <u>Stop work order</u> <ul style="list-style-type: none"> 6 May 2020 – 19 May 2020^(v) 23 June 2021^(vi) 	<u>First MCO</u> <ul style="list-style-type: none"> 24 April 2020 <u>NRP</u> <ul style="list-style-type: none"> 3 June 2021 30 July 2021 <u>Stop work order</u> <ul style="list-style-type: none"> 20 May 2021 24 June 2021

5. BUSINESS OVERVIEW (cont'd)

Notes: -

- (i) Construction of the project was completed in December 2020 and CCC was obtained in July 2021.
- (ii) Notice of stop work order was issued by Kementerian Kesihatan Malaysia (“KKM”) for a period of six (6) days due to COVID-19 cases among the construction workers at our project site.
- (iii) Notice of stop work order was issued by KKM for a period of 16 days due to COVID-19 cases among the construction workers at our project site.
- (iv) Notice of stop work order was issued by KKM for a period of 26 days due to COVID-19 cases among the construction workers at our project site and by CIDB due to non-compliance of SOP as construction activities had resumed at project site prior to obtaining approval for the centralised labour quarter permit, a permit that is required for contractors to resume work.
- (v) Notice of stop work order was issued by CIDB for a period of 14 days due to non-compliance of SOP as construction activities had resumed at project site prior to obtaining COVID-19 test results of construction workers.
- (vi) Notice of stop work order issued by DBKL for one (1) day for site inspection purposes.

Save for Residensi Platinum OUG and Residensi Vista Sentul where our contractors or their subcontractors had received notice of stop work order from KKM or CIDB, we did not experienced suspension of construction activities in other project sites for similar reasons. Further, there was no penalty imposed on our Group or our contractors resulting from the stop work orders issued by KKM and CIDB. The delay in construction progress between 6 days and 26 days resulting from the stop work orders issued by KKM and CIDB is not expected to have any adverse impact to our Group, as the revised expected vacant possession dates are still within the exclusion period that has been granted under the COVID-19 Act as detailed in the section below “Impact of COVID-19 on the delivery of our projects”.

Further to the abovementioned, there were also instances where our construction progress experienced slowdown due to COVID-19 cases among the construction workers at our project site up until the LPD. However, these incidences did not result in KKM issuing stop work order to our contractors and as such, there were no material delays to the construction progress.

Save as disclosed above, there were no major disruptions to the construction progress of our projects as a result of the various movement control/lockdown measures implemented since 18 March 2020 and up until the LPD. There were no major disruptions experienced by our contractors in the procurement of supplies, or disruptions/delays in our suppliers’ logistics which resulted in shortages of supplies to carry out construction activities.

Impact of COVID-19 on the delivery of our projects

Under the COVID-19 Act, which was gazetted on 23 October 2020, Section 35(1) of the COVID-19 Act states that the period from 18 March 2020 to 31 August 2020 is excluded from the period used to calculate LAD that will be paid to home buyers for any delay in the delivery of vacant possession. Further, Section 35(3) of the COVID-19 Act allows housing developers to apply for an extension of time from the MHLG to further extend the exclusion period for the calculation of LAD until 31 December 2020, provided that the MHLG is satisfied that additional time is required by the housing developers to deliver vacant possession. The COVID-19 Act was subsequently extended from 1 January 2021 to 31 March 2021 pursuant to the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) (Extension of Operation) Order 2020, from 1 April 2021 to 30 June 2021 pursuant to the Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) (Extension of Operation) Order 2021, and further extended from 1 July 2021 to 31 December 2021 pursuant to the

5. BUSINESS OVERVIEW (cont'd)

Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (COVID-19) (Extension of Operation) (No. 2) Order 2021.

A detailed disclosure on the original date and revised date of vacant possession is set out as below: -

Project	Original vacant possession date⁽ⁱ⁾	Extended vacant possession date⁽ⁱⁱ⁾	Revised actual/expected vacant possession date⁽ⁱⁱⁱ⁾
Residensi Vista Wirajaya	September 2021	Not applicable	August 2021
Residensi Semarak Platinum	August 2021	February 2022	October 2021
Residensi Platinum OUG	July 2021	September 2022 ^(iv)	June 2022
Residensi PV9	April 2022	January 2024 ^(v)	November 2022
Residensi Vista Sentul	September 2023	February 2024	Second quarter of 2023

Notes: -

- (i) Calculated from the signing date of the first sale and purchase agreement, based on the vacant possession date stated in the sale and purchase agreement.
- (ii) Calculated based on the extension granted for the delivery of vacant possession.
- (iii) Revised date on the expected delivery of vacant possession, estimated by our Group, upon taking into consideration the construction progress of our projects.
- (iv) We had on 17 March 2022 received the approval for extension of time from the MHLG for Residensi Platinum OUG, which provided our Group with a third extension of five (5) months from April 2022 (i.e., first extension covering the period from July 2021 to December 2021, second extension covering the period from December 2021 to April 2022). All extensions are under Section 35(1) of the COVID-19 Act) for the delivery of vacant possession.
- (v) We had on 26 August 2022 received the approval for extension of time from the MHLG for Residensi PV9, which provided our Group with a third extension of one (1) year from January 2023 (i.e., first extension covering the period from April 2022 to September 2022, second extension covering the period from September 2022 to January 2023). All extensions are under Section 35(1) of the COVID-19 Act) for the delivery of vacant possession.

As a result of the implementation of Phase-1 NRP, our Group experienced short disruption in the delivery of vacant possession to home buyers for Residensi Vista Wirajaya. The CCC for Residensi Vista Wirajaya was obtained in July 2021 and the vacant possession was delivered to home buyers in August 2021. Nevertheless, the delivery of vacant possession was earlier than the original vacant possession date of September 2021. Hence, no LAD is imposed on our Group.

The vacant possession for Residensi Semarak Platinum was delivered in October 2021; Residensi Platinum OUG was delivered in June 2022; Residensi PV9 was delivered in November 2022; and Residensi Vista Sentul is expected to be delivered by the second quarter of 2023. As the revised actual and expected vacant possession dates are still within the exclusion period that was granted, we do not foresee any LAD claims that will be imposed on our Group.

5. BUSINESS OVERVIEW (cont'd)

Impact of COVID-19 on our sales and financial performance

The delay in the delivery of our projects for Residensi Semarak Platinum, Residensi Platinum OUG and Residensi PV9 had also resulted in a delay in the issuance of progressive billings to our customers for the respective projects. As such, we experienced a delay in the receipt of progressive payments from our customers for the respective projects which may have resulted in opportunity cost to our Group. Nevertheless, there was no material adverse impact to our Group's financial performance for the FYEs 2020 and 2021 resulting from the COVID-19 pandemic as there was no LAD claims made. Further, our Group does not foresee any significant adverse impact to our financial performance going forward as the revised actual and expected vacant possession dates are still within the exclusion period that was granted and hence, we do not foresee any LAD claims that will be imposed on our Group.

Strategies and steps taken to address the impact of the COVID-19 pandemic

In response to the COVID-19 pandemic, our Group has established a safety protocol committee to oversee the adherence of infection control measures based on the guidelines and SOP issued by MITI. The infection control measures include, amongst others: -

- (i) Wearing of face masks in our premises (i.e., office and sales galleries);
- (ii) Frequent sanitisation of hands with sanitiser or soap and water;
- (iii) Sales staff are required to wear face mask when communicating with visitors.

For employees that have been tested positive for COVID-19, that particular employee will be required to undergo self-quarantine for a period of seven (7) days before being allowed to resume work. As at the LPD, 100% of our employees have completed at least two (2) doses of COVID-19 vaccination.

With effect from 1 April 2022, Malaysia has transitioned into the endemic phase, therefore we do not have any other business contingency plan related to COVID-19. Further, as stated by the Ministry of Health, Malaysia ("MOH"), under the COVID-19 health protocol, close contact person(s) that have developed COVID-19 related symptoms are encouraged to undergo COVID-19 test and self-quarantine; and close contact person(s) who are asymptomatic are no longer required to undergo COVID-19 test and self-quarantine. As such, following MOH's COVID-19 health protocol, our employees that have close contact with COVID-19 positive cases will no longer be required to undergo COVID-19 test and self-quarantine.

To comply with the SOPs imposed since 18 March 2020 and up until the LPD, our Group has incurred testing costs and disinfection costs, amongst others, amounting to RM0.40 million which is not material to our Group. Our Group has also not been in breach of any laws relating to COVID-19 restrictions and/or SOPs as issued by the relevant authorities.

Other interruptions - Fire incident at Residensi PV9

On 18 October 2021, a fire broke out at our Residensi PV9 project site. The incident had affected the first floor carpark level of Residensi Vista Wirajaya 2 building. The fire was extinguished in approximately 40 minutes by the Fire and Rescue Department of Malaysia ("Bomba"). There were no casualties and injuries reported due to the incident. There were no suspension of construction works at the affected area as construction works for the first floor carpark level of Residensi Vista Wirajaya 2 building had been completed. Further, our construction activities for other parts of the building were able to proceed as usual as the fire incident did not affect other floors of the building. The cost of damages resulting from the fire incident was estimated at RM3.70 million and was fully borne by our contractor. Hence, this will not result in any material impact to the financial performance of our Group.

5. BUSINESS OVERVIEW (cont'd)

A chronology of the events pursuant to the fire incident is as follows: -

<u>Date</u>	<u>Event</u>
• 19 October 2021	: Site visit carried out by an independent forensic consultant appointed by our contractor's insurance company to assess the damages
• 5 November 2021	: Received confirmation from the independent forensic consultant that clearing works can be carried out
• 8 November 2021	: Our contractor had submitted their claims and is pending reimbursement from their insurance company on the claims made on their insurance policy
• 9 November 2021	: Received BOMBA's investigation report stating the cause of incident being accidental fire from electric resistance heating

The rectification works were completed on 19 September 2022. There are no delays in the delivery of our project as the rectification works were carried out simultaneously with the remaining construction works for the building, and vacant possession was delivered to home buyers in November 2022.

In order to mitigate such incidences in the future, our Group will engage and supervise our main contractor to continue to enforce the following measures: -

- (i) to assess our contractors' project safety plan on quarterly basis;
- (ii) to ensure that the contractor's project safety plan include hazard mitigation plan;
- (iii) to ensure that all contractors examine their Contractor All Risk clause covered under their insurance plan to ensure that claims can be made pursuant to the occurrence of unanticipated accidents during construction;
- (iv) to conduct fire drill and training on a quarterly basis;
- (v) to undertake inspection on a quarterly basis to ensure that the fire extinguisher and temporary wet riser system are functioning properly; and
- (vi) to inspect and maintain the temporary electrical wiring that is needed for the construction works on a quarterly basis.

5.4 PRINCIPAL MARKETS

In the past three (3) FYEs 2019 to 2021 and FPE 2022, our Group's total revenue was recorded at RM472.81 million, RM588.07 million, RM563.69 million and RM302.01 million respectively. Our revenues were mainly derived from our property development business in Kuala Lumpur, which contributed 99.69%, 99.88%, 99.95% and 91.72% of our Group's total revenue in FYE 2019, FYE 2020, FYE 2021 and FPE 2022 respectively.

Further details on the revenue are as set out in Section 11.2.1 of this Prospectus.

5. BUSINESS OVERVIEW (cont'd)

5.5 COMPETITIVE STRENGTHS

5.5.1 Our projects are strategically located in prime areas with well-developed infrastructure, amenities and good accessibility

Since our inception and up until the LPD, we have launched seven (7) projects in Kuala Lumpur, while one (1) project is expected to be launched in the third quarter of 2023. Our projects are located within urban Kuala Lumpur, at distances of not more than 12 km from KLCC. The locations of our projects are summarised as follows: -

Project, Advertising Permit and Developer's License name	by	Location	Distance from KLCC	Major expressway/main roads
Residensi Vista Wirajaya		Taman Melati, Setapak, Kuala Lumpur	11.4 km	MRR2, DUKE, Jalan Genting Klang, Karak Expressway
Residensi Semarak Platinum		Jalan Semarak, Kuala Lumpur	5.9 km	DUKE, Jalan Tun Razak
Residensi Platinum OUG		Bukit OUG, Kuala Lumpur	11.4 km	KESAS, MEX and Bukit Jalil Highway
Residensi PV9		Taman Melati, Setapak, Kuala Lumpur	11.4 km	MRR2, DUKE, Jalan Genting Klang, Karak Expressway
Residensi Vista Sentul		Sentul, Kuala Lumpur	6.8 km	DUKE
Residensi Platinum Mira		Cheras, Kuala Lumpur	5.6 km	MRR2, Sungai Besi Highway
Suite Canselor		Ampang, Kuala Lumpur	5.4 km	MRR2
Residensi Desa Timur		Salak South	11.0 km	MRR2, KL Seremban Expressway and SALAK Expressway

Due to the strategic locations of our developments, all our projects are surrounded by well-developed infrastructure and amenities such as public transportation system (e.g., KTM station, MRT station, LRT station and/or city bus services), educational institutions, healthcare facilities, shopping malls and recreational parks. Our projects are also easily accessible from major expressways and main roads which give home buyers the convenience of travelling, thus driving the attractiveness of our projects to home buyers.

5. BUSINESS OVERVIEW (cont'd)**5.5.2 We have received good market acceptance rate for our projects**

Since the commencement of our property development business in 2013, we have launched a total of seven (7) projects in Kuala Lumpur, while one (1) project is expected to be launched in the third quarter of 2023. Our property launches have received positive market acceptance from home buyers as we have managed to sell a substantial percentage of the properties as at the LPD, as follows: -

Project, by Advertising Permit and Developer's License name	Project, by marketing name	Commencement date ⁽ⁱ⁾	Actual/expected completion date ⁽ⁱⁱ⁾	Percentage of property units sold as at LPD
Residensi Vista Wirajaya	Vista Wirajaya	September 2018	August 2021	100.00%
Residensi Semarak Platinum	Platinum Splendor Residensi Semarak	February 2017	} October 2021	100.00%
	Vista Semarak	July 2017		100.00%
Residensi Platinum OUG	Platinum OUG Residence	July 2018	} June 2022	100.00%
	Vista OUG	July 2018		100.00%
	Vista OUG PPAM	January 2019		100.00%
Residensi PV9	PV9 @ Taman Melati	June 2019	} November 2022	100.00%
	Vista Wirajaya 2	April 2019		100.00% ⁽ⁱⁱⁱ⁾
Residensi Vista Sentul	Vista Sentul Residences	September 2020	Second quarter of 2023	100.00%
Residensi Platinum Mira	Platinum Mira Residences	Soft launch in July 2019/Official launch in June 2021 ^(iv)	-(v)	60.17%
Suite Canselor	R Suites Chancery Residences	February 2023	Fourth quarter of 2025	0.53%
Residensi Desa Timur	-(vi)	-(vii)	Fourth quarter of 2027	-(vii)

Notes: -

(i) Commencement date is based on project launch date which is derived from the date when the first sale and purchase agreement was signed.

5. BUSINESS OVERVIEW (cont'd)

- (ii) *Actual completion date is based on the delivery of vacant possession to home buyers and expected completion date is based on the estimated date when vacant possession will be delivered to home buyers.*
- (iii) *Figure excludes 105 units or 7.55% of total development units reserved for the relocation of squatters.*
- (iv) *The delay in the official launch date was due to litigation cases involving our development land as detailed in Section 16.4 of this Prospectus.*
- (v) *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.*
- (vi) *The marketing name for Residensi Desa Timur is expected to be finalised by the second quarter of 2023.*
- (vii) *The construction works had commenced in January 2023. The units are expected to be launched for sale to the public in the third quarter of 2023 and the expected completion date is the fourth quarter of 2027.*

For all our projects that were launched before 2020, we have successfully achieved 100.00% sold rate, as at the LPD. Further, despite the COVID-19 pandemic, we proceeded with the launch of Residensi Vista Sentul in September 2020 and we continue to receive strong market acceptance for our projects, as evidenced by the 100.00% of units sold as at the LPD.

For Residensi Platinum Mira, we achieved 60.17% of units sold as at the LPD. The soft launch of this project was held in July 2019. However, litigation proceedings were taken against Pavilion Integrity in respect of our development land for Residensi Platinum Mira since October 2017. 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. As at the LPD, the development activities for Residensi Platinum Mira remains 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. Please refer to Section 16.4 of this Prospectus for further details on the litigation cases in respect of the said development land.

The positive reception towards our projects is primarily due to effective marketing strategies employed by our Group and strategic property locations with well-developed infrastructure, amenities, and good accessibility. In addition, we are also committed to ensure that our properties are developed to the required construction quality standards as evidenced by a QLASSIC scoring of 75% received in February 2021 for our Residensi Vista Wirajaya development, our first completed development; and a QLASSIC scoring of 80% received in November 2022 for our Residensi PV9 development. QLASSIC is an assessment on the building construction quality that is issued by the CIDB. QLASSIC covers four (4) components of assessment, namely structural works, architectural works, M&E works, and external works and the weightages are allocated according to the different categories of buildings. According to CIDB, the QLASSIC average score for a total of 324 assessed projects in 2020 is 71%.

Our Group places strong emphasis on quality to enhance home buyer's confidence towards our developments and our Group, which is instrumental in building references and credentials to support our Group's future expansion and growth.

5. BUSINESS OVERVIEW (cont'd)

5.5.3 We have an experienced and hands-on key management team

Our key management team have accumulated years of experience in their respective fields and have key expertise, industry experience and in-depth knowledge of our business operations. Through their leadership, we have established our industry reputation as evidenced by our high rate of units sold for our projects, which has been instrumental to the growth of our Group over the years.

Our Group Managing Director, Datuk Gan Kah Siong, has 18 years of experience in the property development industry and also has experience in the area of hotel operations and management since 2016. His leadership has been instrumental in determining the overall strategic direction and business development of our Group as well as to ensure smooth internal operations and sound business decision making.

Datuk Gan Kah Siong is supported by the following Executive Directors and Key Senior Management: -

Name	Designation	Years of working experience
Gan Tiong Kian	Executive Director	30
Gan Kok Peng	Executive Director	34
Chai Woon Hou	Executive Director cum Head of Corporate Affairs, Legal and Human Resources	13
Sam Yan Li	Chief Financial Officer	17
Sea Shiou Kiow	Head of Sales, Branding and Marketing	20
Kow Fook Huat	Project Director	25
Chok Siao Yoke	Head of Credit Control	28

Our management team has strong industry and functional expertise from the years of experience in their respective fields. Further, they take an active, hands-on role in spearheading their respective departments to support the growth of our Group. As a result, there is a transfer of skills and knowledge to employees at all levels in our organisational structure. Their hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand.

5.5.4 We are actively involved in the development of affordable housing projects that are strategically located in prime areas

As our Group focuses on mass market property development projects, we develop and sell competitively-priced properties to cater to mass market demand. In addition to the development of competitively-priced condominiums and serviced apartments, we are also actively involved in the development of affordable housing projects. This is part of our Group's initiatives and commitment to support the Government's effort in providing affordable housing to Malaysian citizens. Among the various affordable housing schemes (e.g., Residensi Wilayah, PPAM, PR1MA, My First Home Scheme and Rumah Selangorku) initiated by the Government, we are involved in the development of Residensi Wilayah and PPAM. Further details on our Residensi Wilayah and PPAM projects are as set out in Section 5.3.1 of this Prospectus.

Affordable housing schemes are usually aimed to assist specific groups of Malaysian citizens to own homes, in particular citizens who earn below the national average wage. Through this initiative, our Group is able to help more Malaysian citizens to own their homes. Given that our affordable housing projects are also strategically located in prime areas with well-developed infrastructure, amenities and good accessibility, it further enhances the attractiveness of our projects to home buyers. This is evidenced by the high market acceptance rate for our affordable housing projects as set out in Section 5.3.1 of this Prospectus. Going forward, our Group believes that the strategies undertaken for our affordable housing developments which include strategic locations, well-developed infrastructure and amenities, and good accessibility will continue to drive the demand for our future affordable housing projects and thus, enhancing our reputation in the market as a reputable property developer.

5. BUSINESS OVERVIEW (cont'd)

5.5.5 Our on-going projects and landbank for future development are located at strategic locations

Our Group's on-going projects and landbank for future development are located within urban Kuala Lumpur and are surrounded by well-developed infrastructure and amenities such as public transportation system (e.g., KTM station, MRT station, LRT station and/or city bus services), educational institutions, healthcare facilities, shopping malls, grocery stores and/or recreational parks. Due to its strategic location, our projects also have convenient access to major expressways and main roads. Further details on our on-going and future projects are as set out in Section 5.3.1 of this Prospectus.

According to the IMR Report, the demand for high-rise residential properties in Kuala Lumpur will continue to be driven by the following factors: -

- Increasing urbanisation due to the availability of education and employment opportunities, and people's desire to seek higher standards of living in cities and other urban areas;
- Established infrastructure and availability of urban amenities;
- Economic growth signifies growth opportunities in the property market; and
- Government initiatives on affordable housing will boost the growth of high-rise residential properties.

Supported by the surrounding infrastructure, amenities and accessibility to our projects as well as the abovementioned drivers, our Group foresees the market potential of our projects to support and to contribute positively to our future growth.

5.6 SEASONALITY AND CYCLICAL EFFECTS

We are not subject to any seasonality or cyclical effects. Nevertheless, we generally experience higher sales volume when new projects are launched.

5.7 TYPES, SOURCES AND AVAILABILITY OF RESOURCES

As a property developer, we do not engage in the purchase of any raw materials for the development of our projects.

5.8 SALES AND MARKETING

We have a dedicated sales and marketing team, based at our office, to undertake sales and marketing activities for our projects. Our sales and marketing team is also involved in determining marketing strategies of the proposed development concepts, taking into consideration future supply and demand, market segment and product marketability. Following that, our sales and marketing team will implement the marketing strategies, which involve the preparation of sales and marketing materials and kits, selling and marketing of our properties at our showrooms and engagement with external property agencies. Our sales and marketing team also secures new sales by engaging potential home buyers directly through emails and phone calls as well as with walk-in customers to introduce our new projects.

We deploy the following mediums to increase awareness of our brand and to market our projects: -

- (i) Sales gallery showcase

We set up sales galleries to showcase different types of unit layout for all our projects to provide potential home buyers with an actual experience on the size and design of the units. With this, potential home buyers are able to have a first-hand experience of the property unit that they will be purchasing to aid in their decision making.

5. BUSINESS OVERVIEW (cont'd)

Within our sales gallery, we also set up an architectural model of the particular project to provide potential home buyers an overall view of the entire development. We also distribute brochures to potential home buyers to provide further information on our property and the surrounding infrastructure and amenities to promote the attractiveness of our development.

Subsequent to the COVID-19 pandemic, we further enhanced our marketing efforts to include digital platforms to market our properties and to promote sales such as sales gallery virtual tour with 360-degree aerial view and walkthrough, and virtual meeting with potential buyers through conferencing platform. Further details on the technology used for our virtual sales gallery and conferencing platform are as set out in Section 5.9 of this Prospectus.

(ii) Property expositions and roadshows

We participate in trade exhibitions and roadshows relating to the property market. We believe that the participation in these trade exhibitions and roadshows enhances our brand visibility as it enables us to showcase our projects. Additionally, such participation also provides us with significant opportunities to meet potential property buyers, and stay updated on the market demand for residential properties as well as competitors' pricing.

The following are examples of the property expositions that our Group has participated in the past three (3) FYEs 2019 to 2021, FPE 2022 and up to LPD: -

Event Name	Location	Organiser	Date
Malaysia Property Expo ("MAPEX")	1 Utama	Real Estate and Housing Developers' Association ("REHDA") Youth	June 2019
Bumiputera Property Exhibition	Mid Valley Exhibition Centre	Marval Management Communication Sdn Bhd	June 2019
Sunway Velocity Mall Property Fair	Sunway Velocity Mall	Golden Land Expo (M) Sdn Bhd	July 2019
Home and Property Fair	Mid Valley Exhibition Centre	iProperty.com Malaysia Sdn Bhd	August 2019
MAPEX	Mid Valley Exhibition Centre	REHDA	October 2019
MAPEX	1 Utama	REHDA Youth	November 2019
MAPEX	Mid Valley Exhibition Centre	REHDA	October 2020
Home & Property + Virtual Expo 2021	Iproperty	Iproperty.com.my	March 2021
iProperty Expo	Mid Valley Exhibition Centre	Iproperty.com.my	March 2023
Signature Property Fair	Sunway Velocity Mall	Multibright Marketing Sdn Bhd	March 2023

5. BUSINESS OVERVIEW (cont'd)

Save for the period during the imposition of lockdown measures resulting from the COVID-19 pandemic where physical roadshows were unable to be carried out, our Group had in the past three (3) FYEs 2019 to 2021, FPE 2022 and up to LPD, participated in various roadshows held by various third party organisers. These roadshows are held monthly at various locations in Kuala Lumpur and Selangor.

(iii) Digital and media advertising

We understand that the Internet is an important advertising medium, and the current widespread use of the Internet as a source of information will potentially enhance our market reach and exposure.

Our Group's corporate website, <https://www.radiumdevelopment.com/>, provides immediate searchable information on our Group which includes detailed information of our completed, on-going and upcoming projects.

Our social media account on Facebook, "@radiumdevelopment.my", is used as an engagement medium to promote our properties, and engage with existing and potential home buyers. Marketing videos for our respective projects are also marketed through third party Youtube channels.

We also advertise our properties through established online property platforms, virtual expositions and fairs, digital news medium and radio advertisements as follows: -

Advertising channel	Platform
Online property platform	EdgeProp, PropSocial, PropertyGuru, StarProperty, iProperty, NuProp
Virtual expositions or fairs	EdgeProp, StarProperty, PropertyGuru, iProperty
Digital news medium	Focus Malaysia, Nanyang Siang Pau, The China Press, Sin Chew
Radio advertisements	Astro FlexiAd –Era, Mix, Lite, Sinar, Melody and 988FM

(iv) Outdoor media advertising

We also utilise outdoor media advertising channel such as advertisement through digital billboards, static billboards, digital liquid crystal display (LCD) screen, light emitting diode (LED) vertical lightbox, pillar wrap, transit lumi wrap, transit pillar wrap and KLCC Convex Crossing to advertise our projects.

(v) Buyer-get-buyer scheme

We have implemented a buyer-get-buyer scheme where existing buyers who successfully refer new buyers to purchase properties with us will be incentivised by way of cash incentives.

(vi) Property agencies

Our Group also engages property agencies to market and sell our projects. Subject to the size of each development, we may appoint three (3) to six (6) property agencies for each project to concurrently carry out sales and marketing activities on behalf of our Group. In the past 12 months up to the LPD, we have collaborated with six (6) property agencies. Our Group typically appoints these property agencies on a contract basis. These property agencies will leverage on the marketing materials prepared by our Group to facilitate their sales and marketing activities. Subject to the type of property sold, property agencies are entitled to pre-agreed commission rates ranging from 1.5% to 5% of the property sales value for each successful sale.

5. BUSINESS OVERVIEW (cont'd)

(vii) Discount packages

We offer discount packages to home buyers for our condominium, serviced apartment and SOHO units. The rebates or discounts given varies between the projects launched by our Group. The common rebates offered in all our projects are mainly waiver of fees for sale and purchase agreements and loan agreement whereby the said fees are borne by our Group, as well as rebates given on down payment based on the selling prices of the condominium, serviced apartment and SOHO units. The range of discounts offered for the respective projects are as follows: -

Company Name	Project (by marketing name)	Type of project	Discount range ⁽ⁱ⁾ %	
			Lowest	Highest
Ambanang Development	Vista Wirajaya	Residensi Wilayah	-	-
	PV9@Taman Melati ⁽ⁱⁱ⁾	Condominium	10	11
	Vista Wirajaya 2	Residensi Wilayah	-	-
Constant Premium	Vista Sentul Residences ⁽ⁱⁱ⁾	Serviced apartment	10	13
Total Solid	Platinum Splendor Residensi Semarak ⁽ⁱⁱ⁾	Condominium	8	12
	Vista Semarak	Residensi Wilayah	-	-
Vistarena Development	Platinum OUG Residence	Condominium	10	11
	Vista OUG	Residensi Wilayah	-	-
	Vista OUG PPAM	PPAM	-	-
Pavilion Integrity	Platinum Mira Residences	Serviced apartment	10	10
Idaman Sejiwa (Ampang)	Suite Canselor	SOHO	8	10

Notes: -

- (i) Excludes staff discount, business associates discount, bulk purchase discount and discount for business associates' employees.
- (ii) Including additional discounts offered to repeat home buyers on a case-by-case basis under loyalty programme for PV9@Taman Melati, Vista Sentul Residences and Platinum Splendor Residensi Semarak. For Vista Sentul Residences, we also offered additional discounts in cash vouchers for each booking/property purchase.

In general, the standard sales package offered is 10% discount of the selling price. For Platinum Splendor Residensi Semarak, a lower discount of 8% was offered which was based on re-launched units with furnishing packages. Our Group also offered additional discounts to home buyers on a case-by-case basis i.e., under loyalty programme for repeat home buyers for PV9@Taman Melati, Platinum Splendor Residensi Semarak and Vista Sentul Residences; or cash vouchers for each booking/property purchase for Vista Sentul Residences only.

5. BUSINESS OVERVIEW (cont'd)

Discounts are only offered for our Group's condominium, serviced apartment and SOHO units. Our Group does not offer any discounts for our Residensi Wilayah and PPAM units as the maximum selling price for Residensi Wilayah and PPAM is capped in the development order as they are price-controlled properties; hence the selling prices of Residensi Wilayah and PPAM are much lower compared to our Group's condominium, serviced apartment and SOHO units.

Our Group did not offer additional rebates or discounts or better furnishing packages (in addition to rebates/discounts which were offered prior to the COVID-19 pandemic) to promote the sales of our properties during the COVID-19 pandemic. However, since the announcement of the first MCO, our Group further enhanced our marketing efforts to include digital platforms to market our properties and to promote sales such as sales gallery virtual tour with 360-degree aerial view and walkthrough, and virtual meeting with potential buyers through conferencing platform.

5.9 TECHNOLOGY USED

We use, and will continue to invest in, relevant technologies to improve operational efficiency, profitability and competitiveness. We utilise the following software to facilitate our sales and marketing activities as well as our development planning: -

Technology/Software	Descriptions
Virtual sales gallery	A virtual tour software platform that enables users to navigate through the 3D spaces of our show units and experience a holistic overview of the 3D spaces with dollhouse view feature.
	The platform functions by converting 360-degree panoramic images of our show units into a virtual 3D model. This converted form of virtual 3D model allows users to virtually walkthrough our physical show units.
	This platform is also able to capture a 360-degree aerial view from our project site which allows users to view the surrounding environment of the project site, including accessibility, infrastructure and amenities within the neighbourhood.
Conferencing platform	<p>We use video conferencing platform such as Zoom, Microsoft Teams and Whatsapp video call to conduct virtual meetings over the internet.</p> <p>These video conferencing platforms are used to carry out internal discussions with team members and external discussions with consultants and contractors to support daily operational activities, and to engage in meetings with potential home buyers to support sales and marketing activities.</p>
Cloud-based point of sales system	<p>A system that captures sales and stores the information on the cloud on a real-time basis, which provides enhanced operational efficiency.</p> <p>The system comprises a cloud storage platform that stores real-time sales data, where our in-house sales and marketing personnel and third party property agents are able to retrieve real-time information on a unit's availability and price. It also comprises an e-signing platform that allows the use of smartphones and/or tablets to capture home buyers' e-signature, a process that is required to secure a unit. This provides the mobility to our in-house sales and marketing personnel and third party property agents to secure sales</p>

5. BUSINESS OVERVIEW (cont'd)

Technology/Software	Descriptions
	remotely. Once a sale is secured, this information will be transmitted and stored in the cloud and our sales data will be updated immediately.
Smart community App	<p>A smart community application that is equipped with the following features:</p> <ul style="list-style-type: none"> (i) Residential management system that allows resident to book facilities, lodge feedback and receive notices from the management team. While the management team can keep track of resident's feedback, payments and bills as well as to enhance the effectiveness of notices to reach the community. (ii) Visitor management system that sends notification whenever visitors check in/out as they enter and exit the residential area. It is used to monitor the entry of visitors to ensure high level of security within the residential area. (iii) Emergency assist system that is used to alert emergency contacts, family members or security guard to dispatch immediate assistance when residents are faced with emergency incidents.
AutoCAD software modelling	A software used to develop three (3)-dimensional model visualisation of building designs and structures to provide a three (3)-dimensional perspective of the building plan.
Adobe creative suites	A software used to design the artwork for marketing materials such as bunting, banner and digital content.

5.10 QUALITY ASSURANCE MANAGEMENT

We place great emphasis on developing quality properties for our buyers. In order to maintain our quality standards, we implement strict quality assurance procedures at various stages of our projects as follows: -

- (i) Selection and appointment of experienced and reliable contractors and professional consultants through a robust selection process that will evaluate these potential contractors and professional consultants against our criteria such as track record, quality, pricing and timeliness;
- (ii) Careful evaluation of architectural design concepts in line with current market trends;
- (iii) Close supervision of the construction progress and project timeline;
- (iv) Frequent quality and safety checks carried out on project site; and
- (v) Stringent requirements on craftsmanship and interior fittings.

As part of our continuous efforts in ensuring quality products, we carefully select suitable, proven and good quality construction materials. The types, brands and quality of construction materials to be used for the construction of our projects will be detailed in our tender document as our requirements to contractors. However, sourcing of the construction materials will be undertaken by our contractors.

5. BUSINESS OVERVIEW (cont'd)

We also implement rigorous controls during construction. Samples and test reports are submitted to us for approval prior to commencement of any physical construction work. Where required, installation of mock-ups are insisted upon and inspected by us before any full installation is allowed. Site inspections are regularly carried out to ensure that the expected level of quality is met and representatives from our team of professional consultants and contractors also convene meetings on a monthly basis to keep abreast of the progress of the project as well as to resolve any issues. We also keep abreast of the development of new and innovative construction materials that we can utilise in our projects, which may be of better aesthetic and performance quality.

Further, we encourage our main contractors to participate in QLASSIC assessments upon completion of the construction works for our projects, to further endorse our workmanship quality based on these approved standards. The assessments enable the quality of workmanship between construction projects to be objectively compared through a scoring system. For the QLASSIC assessment, the construction elements that need to be assessed are determined through a sampling and statistical approach. These samples are distributed evenly throughout the projects and the assessment samples are then selected from drawings and plans for the construction.

QLASSIC is issued by the CIDB. QLASSIC covers four (4) components of assessment, namely structural works, architectural works, M&E works, and external works and the weightages are allocated according to the different categories of buildings.

In February 2021, we received our first QLASSIC scoring which was awarded to Residensi Vista Wirajaya, and obtained a score of 75%. In November 2022, we received our second QLASSIC scoring which was awarded to Residensi PV9, and obtained a score of 80%. According to CIDB, the QLASSIC average score for a total of 324 assessed projects in 2020 is 71%.

Moving forward, we will continue to encourage our main contractors to participate in QLASSIC assessments as a continuous effort to endorse our emphasis on the workmanship of all our projects.

5.11 OPERATING CAPACITY AND UTILISATION RATES

As a property developer, the calculations of operating capacities and output are not applicable to us.

5.12 R&D

Our principal activities are focused on property development, and hence, scientific and/or technical research and development is not relevant to our operations.

5.13 MAJOR CUSTOMERS

Our customers are individual buyers or companies who generally purchase one or a small number of units. We were not dependent on any single customer during the Financial Years and Period Under Review.

5. BUSINESS OVERVIEW (cont'd)**5.14 MAJOR SUPPLIERS**

Our main suppliers primarily comprise main contractors appointed to construct our projects, and other professional consultants such as architects and engineers to assist in our development operations. We also appoint property agencies to sell and market our properties.

The appointment of these contractors and professional consultants varies every year depending on the requirements of our projects. The appointment of contractors is conducted through tenders by invitation and the appointment of consultants are conducted through direct appointment. We select contractors and/or consultants depending on the specific needs of our projects, and as such, we will assess the quality and pricing of the products or services supplied, financial strength and track record of the contractors and/or consultants, amongst others. The contribution towards GDC from contractors and consultants in each of the Financial Years and Period Under Review depends on the stages of completion of our respective projects and the amount of costs incurred with them in that particular financial year.

As a property developer, we are involved in the day-to-day management and implementation of our projects. We supervise the construction and building works to ensure that building standards are adhered to, and we also monitor the progress of the projects to ensure that the projects are completed on time, within budget and meets our standard of quality and requirements.

Our top five (5) major suppliers in the Financial Years and Period Under Review are as follows:

-

FYE 2019

No.	Name	Purchase value		Services purchased	Length of relationship as at FYE 2019, year(s)
		RM'000	%		
1.	Pembinaan Leow Tuck Chui & Sons Sdn Bhd	134,952	41.50	Main building works	2
2.	Eko Bina Sdn Bhd	24,259	7.46	Main building works	1
3.	Southern Score Sdn Bhd	22,660	6.97	Main building works and piling works	1
4.	Geohan Sdn Bhd	14,350	4.41	Earthworks, piling and pilecap works	2
5.	G-Pile Sistem Sdn Bhd	6,642	2.04	Earthworks, piling and pilecap works	2
Total purchase value		202,863	62.38		
Total COS		325,190	100.00		

5. BUSINESS OVERVIEW (cont'd)**FYE 2020**

No.	Name	Purchase value		Services purchased	Length of relationship as at FYE 2020, year(s)
		RM'000	%		
1.	Pembinaan Leow Tuck Chui & Sons Sdn Bhd	133,640	31.67	Main building works	3
2.	Southern Score Sdn Bhd	87,034	20.62	Main building works and piling works	2
3.	Eko Bina Sdn Bhd	76,478	18.12	Main building works	2
4.	CHT International Sdn Bhd	1,367	0.32	Mechanical and electrical engineering consulting services	5
5.	KSKA Arkitek Sdn Bhd	1,064	0.25	Architectural consulting services	5
Total purchase value		299,583	70.98		
Total COS		421,995	100.00		

FYE 2021

No.	Name	Purchase value		Services purchased	Length of relationship as at FYE 2021, year(s)
		RM'000	%		
1.	Southern Score Sdn Bhd	189,641	49.18	Main building works and piling works	3
2.	Eko Bina Sdn Bhd	69,557	18.04	Main building works	3
3.	Pembinaan Leow Tuck Chui & Sons Sdn Bhd	39,961	10.36	Main building works	4
4.	IPG Realty Sdn Bhd	2,541	0.66	Property sales agency services	4
5.	KSKA Arkitek Sdn Bhd	1,395	0.36	Architectural consulting services	6
Total purchase value		303,095	78.60		
Total COS		385,589	100.00		

5. BUSINESS OVERVIEW (cont'd)**FPE 2022**

No.	Name	Purchase value		Services purchased	Length of relationship as at FPE 2022, year(s)
		RM'000	%		
1.	Southern Score Sdn Bhd	99,105	58.12	Main building works and piling works	4
2.	Eko Bina Sdn Bhd	24,358	14.28	Main building works	4
3.	Borneo Geotechnic Sdn Bhd	17,612	10.33	Piling works	1
4.	G-Pile Sistem Sdn Bhd	2,451	1.44	Earthworks, piling and pilecap works	5
5.	KSKA Arkitek Sdn Bhd	1,227	0.72	Architectural consulting services	7
Total purchase value		144,753	84.89		
Total COS		170,529	100.00		

We are not dependent on any major suppliers as we appoint our contractors through tenders by invitation and consultants through direct appointment. Our major suppliers are project specific as the appointment of the contractors and professional consultants varies every year depending on the requirements of our Group's projects. As such, it is easy for our Group to switch our suppliers/main contractors for different projects.

5.15 FUTURE PLANS AND BUSINESS STRATEGIES**5.15.1 We intend to expand our business through the acquisition of landbank(s) and joint venture arrangement(s) for future projects in Klang Valley**

We intend to expand our property development business in Klang Valley through the acquisition of landbank(s) for future projects to meet the demand of the residential property market in Klang Valley.

In this regard, we intend to acquire more landbank(s) in strategic locations in Klang Valley, as we will continue to focus on development projects within Klang Valley. Subject to feasibility and viability study of projects, we may also enter into joint venture arrangement(s) with potential landowners to develop and/or invest in land in Klang Valley by leveraging on the background and financial standing of suitable partners for future property development. We will continue to identify potential sites with well developed infrastructure and amenities within the surrounding area as well as good accessibility, as we believe that future development projects in these strategic locations will continue to receive positive market acceptance. Further, our Executive Directors believe that having a spread of developments in various geographical locations at various stages of development and of varying construction duration, phasing and anticipated completion ensure business sustainability and continuous revenue.

We intend to utilise RM171.00 million, representing approximately 39.40% of our IPO proceeds, within 36 months from our Listing, to seize opportunities to acquire new land for development that is strategically located by acquiring the landbank directly, and acquiring company(ies) or enter into joint venture arrangement with potential landowners holding the relevant landbank in which these landbanks may have obtained the relevant planning and development consent, as well as to fund the development expenditure (i.e., development charges, conversion premium, joint venture entitlement, construction cost, professional fees) of our projects. As at the LPD, we have shortlisted three (3) parcels of land which are all located in Mukim Petaling. Out of the three (3) parcels of land, we intend to acquire two (2) parcels of vacant land from a related party

5. BUSINESS OVERVIEW (cont'd)

namely, Citarasa Kontrek Sdn Bhd, a company owned by Tan Sri Datuk Seri Gan Yu Chai (i.e., as at the LPD, we have not entered into any negotiation with the company) and another one (1) parcel of vacant land is intended to be a joint venture development between our Group and a non-related party (company) (i.e., as at the LPD, we have entered into negotiations with the non-related party. Please refer to Section 5.20(ii) for further details).

Our subsidiary, Rasa Wangi had on 20 September 2022 entered into a joint venture agreement with Kadar Jutajaya Sdn Bhd a proposed development consisting *inter alia* 404 units of Residensi Wilayah and 932 units of condominium on a piece of leasehold land held under Hakmilik Sementara H.S(D) No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21,505 square metres. Prominent landmarks in the immediate and surrounding vicinity include Sekolah Menengah Kebangsaan St Mary, Kepong Metropolitan Park, Selayang Mall, Selayang Capitol Kompleks, Selayang Hospital, Mercure Selangor Selayang. The project, as at the LPD, is in its planning stages and submission to DBKL for its approval of planning and development of the project is targeted to be made by June 2023. Subject to the necessary approvals having been obtained, we expect to commence construction and launch the project for sale in the first half of 2024 and with an expected completion within four (4) years from the launch. The development cost i.e., development charges, conversion premium, joint venture entitlement, construction cost, professional fees pursuant to the said agreement with Kadar Jutajaya Sdn Bhd will be financed via internally-generated funds, the proceeds of the IPO and/or bank borrowings (if required). Further, we will also identify and acquire development sites with relevant planning and development consents in place. Although such development sites will be at a higher price, as it provides us with greater certainty and a quicker turnaround time from acquisition to launch. The average turnaround time for the approval of planning and development by DBKL may range from six (6) months to 12 months.

5.15.2 We intend to develop a hotel and expand into the management and operations of the hotel

Our Group intends to develop a hotel and expand into the management and operations of the hotel. The rationale for venturing into the hotel business is to provide our Group with an additional revenue stream and recurring income to our Group in addition to existing revenue stream derived from our property development business. Our Group Managing Director, Datuk Gan Kah Siong, and our Non-Independent Non-Executive Director, Datuk Sydney, have gained vast expertise and knowledge in the management and operations of hotels from their past experience and involvement in hotel business. Further details on the profiles of our Directors are as set out in Section 3.2.2 of this Prospectus. Given the experience of our Directors, our Group believes that we are well-positioned to expand into the management and operations of the hotel.

As disclosed in Section 5.3.1, the hotel is part of our Group's on-going project, namely Suite Canselor which is located in Ampang, Kuala Lumpur and is developed by our subsidiary, Idaman Sejiwa (Ampang). The construction of the development commenced in March 2022 and the launching of our SOHO units was held in February 2023. Our Group is of the view that the building of a hotel within our project which is part of a commercial-residential development comprising SOHOs is expected to bring more visibility to our project and may assist in the sales and marketing efforts in relation to our development. Given the experience that our Group Managing Director, Datuk Gan Kah Siong, gained from his previous involvement in managing THE FACE Suites, our Group believes that this expertise will aid in preserving and improving the property value of our SOHO units over the long term. Further, Datuk Sydney was appointed as Executive Director of Idaman Sejiwa (Ampang) on 1 March 2022, his scope involves providing strategic guidance and direction to the board of Idaman Sejiwa (Ampang), overseeing matters pertaining to the hotel's overall concept development and budgeting, development planning, allocation of project resources and identifying contractors and consultants.

5. BUSINESS OVERVIEW (cont'd)

(i) Outlook and prospect of the hotel industry

According to BNM, in light of normalised economic activities, the Malaysian economy grew by 8.70% in 2022, which is above its pre-COVID-19 GDP at 4.41% in 2019, indicating an economic recovery. As the Malaysian economy continues to grow over time, supported by the normalisation of economic activities as well as the easing of restrictions on domestic and international travel, the demand for hotels is expected to improve significantly. The growth in the travel and tourism industry, which is the key driver to the demand for hotels, is expected to be further driven by the following factors: -

- People's general desire to travel, particularly after lengthy lockdowns during the current pandemic; and
- The Government's initiatives to encourage travel and tourism activities to revive the travel and tourism industry and to support the country's economy.

Following the normalisation of business activities as well as the upliftment of restrictions on domestic and international travel, SMITH ZANDER forecasts the number of international tourist arrivals in Malaysia to incrementally return to pre-COVID-19 levels by 2025. As such, the average occupancy rates of hotels in Kuala Lumpur is also expected to gradually return to pre-COVID-19 levels by 2025, and thus continue to drive the demand for hotels in the long term. Hence, we are positive on the prospects of the hotel business over the long term.

(ii) Details of our hotel

This project is a commercial-residential development comprising one (1) tower of SOHO (i.e., 36 floors with 944 units of SOHO with further details as set out in Section 5.3.1(c)) together with the hotel component as follows: -

- A boutique hotel with four (4)-star furnishing;
- Five (5) floors with 145 units of hotel rooms;
- Seven (7) floors of commercial areas and hotel facilities (same floors with SOHO units);
- One (1) floor of commercial area and water tank (shared with SOHO);
- One (1) floor of hotel lobby (same floor with SOHO lobby); and
- Three (3) floors of carpark including one (1) floor that is shared with SOHO, comprising 192 bays of carpark for hotel guests.

Suite Canselor is developed on a piece of 2.03 acres freehold land. Suite Canselor is strategically located at Ampang, Kuala Lumpur which is an approximately 5.4 km from KLCC and 6 km from Pavilion Kuala Lumpur and have convenient access to MRR2. This project is also surrounded by various other amenities such as educational institutions, healthcare facilities, shopping malls, recreational parks and public transportation. Prominent landmarks located nearby include the premises of Plaza Ampang City, M City @ Jalan Ampang, Bangunan Risda, Ampang Point Shopping Centre, KPJ Ampang Puteri Specialist Hospital, Mutiara International Grammar School and Flamingo Hotel.

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5. BUSINESS OVERVIEW (cont'd)**(iii) Cost of construction and source of funding**

The total estimated GDC for the project excluding land cost will be RM391.50 million. The construction cost of our hotel is estimated at RM109.30 million, with further breakdown of the construction cost as follows: -

Description	Total estimated cost	
	RM'000	%
Construction works ⁽ⁱ⁾	68,486	62.66
Interior fit-out and loose furniture	27,638	25.29
Hotel security and IT system	4,000	3.66
Contingencies	2,466	2.26
Professional fees ⁽ⁱⁱ⁾	2,930	2.68
Authority and other fees ⁽ⁱⁱⁱ⁾	3,780	3.46
	109,300^(iv)	100.00

Notes: -

- (i) *Comprises construction cost for demolition of existing building, main building and ancillary building works, infrastructure works, mechanical and electrical works, landscaping, and relocation of telephone manhole and street lighting.*
- (ii) *Comprises professional fees for architect, civil and structural engineer, M&E engineer and quantity surveyor.*
- (iii) *Comprises charges for the application of development order and capital contribution charges to Syarikat Bekalan Air Selangor Sdn Bhd (Syabas), Indah Water Konsortium Sdn Bhd (IWK), Tenaga Nasional Berhad (TNB) and Telekom Malaysia Berhad (TM).*
- (iv) *The total estimated cost comprises solely the construction cost of our hotel.*

Upon Listing, we plan to utilise RM109.30 million, representing approximately 25.18% of our IPO proceeds, within 36 months from our Listing, to fund the construction of our hotel. Any excess in construction cost will be funded via internally-generated funds.

For information purposes, we may be the operator of the hotel and may also consider engaging with an international hotel operator to operate the hotel in order to improve marketability and enhance the property value of Suite Canselor. The engagement of an international hotel operator with a reputable branding may allow us to enjoy higher room rates which shall translate to higher revenues and profits. As at the LPD, we have been in discussions with two (2) international hotel operators to explore the possibilities of managing the hotel. The said hotel operators have expressed their interest to manage the hotel but may require more than 145 rooms. In this regard, we may require additional units to be included as part of the hotel in addition to the existing proposed 145 units of hotel rooms. In such event, we may consider entering into lease arrangements with the purchasers to be utilised as hotel rooms. There is no hotel management agreement that has been executed between Radium and any of the proposed hotel operators as at the LPD. The expenses to procure any additional units to be included as hotel rooms, if required, shall be funded by our internally-generated funds. An announcement will be made to Bursa Securities upon appointment of the hotel operator, if any. In the event we are to operate the hotel, we may set up a team of approximately 100 to 120 personnel to carry out the operations and management of our hotel.

5. BUSINESS OVERVIEW (cont'd)**(iv) Indicative timeline**

The initial submission for the development order (“**Development Order**”) for the aforesaid project was approved by the DBKL on 26 December 2014. Subsequently, an application for revision to the Development Order (“**Revised Development Order**”) was made to DBKL via a letter dated 17 September 2020 and DBKL had on 11 November 2020 and 8 January 2021 granted conditional approvals for the Revised Development Order. The final approved development order was issued on 3 August 2021. We have submitted the building plan application dated 2 September 2021 to the Department of Building Control – DBKL in which we obtained the approval for our building plan application on 4 August 2022. The approval of earthwork plan application (submitted by our architect) from the Department of Infrastructure Planning – DBKL was obtained on 18 February 2022. We began preliminary works on 10 January 2022 and the construction works commenced on 1 March 2022. We have appointed Borneo Geotechnic Sdn Bhd as the contractor to carry out the construction works.

The indicative timeline for the construction and commencement of our hotel operations is set out as below: -

Timeline	Details
January 2022	<ul style="list-style-type: none"> Commencement of preliminary works (i.e., site hoarding, site clearance, site protection and security enhancement, soil investigation works and mobilisation works)
March 2022	<ul style="list-style-type: none"> Commencement of construction works (i.e., site clearance, earthwork and piling)
Second quarter of 2023	<ul style="list-style-type: none"> Commencement of main building works
Second quarter of 2025	<ul style="list-style-type: none"> Commencement of interior fit-out and furniture installation; and Commencement of security system installation
Fourth quarter of 2025	<ul style="list-style-type: none"> Receive vacant possession of the hotel/SOHO
First quarter of 2026	<ul style="list-style-type: none"> Recruiting of staff
Third quarter of 2026	<ul style="list-style-type: none"> Commencement of hotel operations

Any delay in the construction of the hotel operations will lead to a delay in the commencement of the hotel operations which is expected to impact our Group’s revenue and bottomline.

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5. BUSINESS OVERVIEW (cont'd)**5.16 EMPLOYEES**

As at the LPD, we have a total workforce of 81 employees, of which 80 are permanent employees and one (1) is contractual workers. The following depicts the number of employees in our Group according to department: -

Department	Permanent		Contract/temporary		Total employees
	Local	Foreign	Local	Foreign	
Directors' office	7	-	-	-	7
Corporate Affairs, Legal and Human Resources	8	-	-	-	8
Finance	11	-	-	-	11
Sales, Branding and Marketing	16	-	-	-	16
Credit Control	12	-	-	-	12
Project Management	26	-	1	-	27
TOTAL	80	-	1	-	81

As at the LPD, Malaysian employees accounted for all our total workforce. There are no employees who are members of any union and there has been no industrial dispute pertaining to our employees. We have in place a management succession plan to identify key competencies and requirements of managers and higher-ranking personnel, to take positive approach towards addressing talent management to ensure our Group has talent readily available from a capability perspective to undertake leadership positions and to frequently train our middle management to ensure they are well equipped with all the necessary knowledge to succeed at senior management positions in the future in our Group.

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5. BUSINESS OVERVIEW (cont'd)

5.17 MAJOR LICENSES AND APPROVALS

Details of the major licenses and approvals of our Group as at the date of this Prospectus are summarised as follows: -

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
Ambanang Development: -						
1.	MHLG	19469/07-2025/0568(R)	Developer's License	28 July 2022 to 27 July 2025	<ol style="list-style-type: none"> 1. The company shall renew the Developer's License not less than 60 days from the last day of the validity period. 2. The company shall submit an amendment application to update any amendment to the information that has been submitted to the Housing Controller during the housing developer license application, including information related to the company, financial aspects or property of the company within four (4) weeks of any such changes made. 3. A printout of the amended license shall be issued for amendments involving information that were written on the license only. 	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
Constant Premium: -						
2.	MHLG	19942/07-2025/0707 (R)	Developer's License	30 July 2022 to 29 July 2025	<ol style="list-style-type: none"> 1. The company shall renew the Developer's License not less than 60 days from the last day of the validity period. 2. The company shall submit an amendment application to update any amendment to the information that has been submitted to the Housing Controller during the housing developer license application, including information related to the Company, financial aspects or property of the Company within four (4) weeks of any such changes made. 3. A printout of the amended license shall be issued for amendments involving information that were written on the license only. 	Complied
3.	MHLG	19942-1/07-2023/0335(R)-(S)	Advertising Permit for the project known as "Residensi Vista Sentul"	30 July 2022 to 29 July 2023	<ol style="list-style-type: none"> 1. The company shall not offer 'Interest Capitalisation Scheme' package or include the 'Developer Interest Bearing Scheme (DIBS)' or equivalent. 2. The company shall prioritize the selling of housing property for a selling price of RM300,000 and below to first time home buyers. 	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
					<p>3. The company must ensure that the surrounding of the housing development approved in this license fuifills the requirements imposed under Section 11 Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site.</p> <p>4. The company shall renew the Advertising Permit not less than 60 days from the last day of the validity period.</p> <p>5. The owner of the land as the registered proprietor stated in the land title shall execute the sale and purchase agreements.</p> <p>6. The company must display the selling price in detail, including all special items, services and payment offered to the purchasers.</p> <p>7. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of special item, services and payment, where the developer must_reduce such value from the selling price.</p>	

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
					<p>8. Developers who intend to make bulk sale for more than four (4) units of houses to an individual/company must register the relevant purchaser with Housing Controller within 14 days from the date of execution of the sale and purchase agreement.</p> <p>9. A copy of the plan approved by the Local Authority must be submitted with the sale and purchase agreement in accordance with Regulation 11 Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media.</p> <p>10. The company must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and Licensing) Regulations (Amendment) 2015.</p>	

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
Fitrah Resources: -						
4.	MHLG	30363/02-2028/0040(N)	Developer's License	13 February 2023 to 12 February 2028	<ol style="list-style-type: none"> 1. The company shall renew the Developer's License not less than 60 days from the last day of the validity period. 2. The company shall submit an amendment application to update any amendment to the information that has been submitted to the Housing Controller during the housing developer license application, including information related to the company, financial aspects or property of the company within four (4) weeks of any such changes made. 3. A printout of the amended license shall be issued for amendments involving information that were written on the license only. 	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
Idaman Sejiwa (Ampang): -						
5.	MHLG	30121/07-2027/0120(A)	Developer's License	18 July 2022 to 17 July 2027	<ol style="list-style-type: none"> 1. The company shall renew the Developer's License not less than 60 days from the last day of the Validity Period. 2. The company shall submit an amendment application to update any amendment to the information that has been submitted to the Housing Controller during the housing developer license application, including information related to the Company, financial aspects or property of the Company within four (4) weeks of any such changes made. 3. A printout of the amended license shall be issued for amendments involving information that were written on the license only 	Complied
6.	MHLG	30121-1/11-2025/0330(A)-(S)	Advertising Permit for the project known as "Suite Canselor"	15 November 2022 to 14 November 2025	<ol style="list-style-type: none"> 1. The company shall not offer 'Interest Capitalisation Scheme' package or include the 'Developer Interest Bearing Scheme (DIBS)' or equivalent. 2. The company shall prioritize the selling of housing property for a selling price of RM300,000 and below to first time home buyers. 	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
					<p>3. The company must ensure that the surrounding of the housing development approved in this license fuifills the requirements imposed under Section 11 Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site.</p> <p>4. The company shall renew the Advertising Permit not less than 60 days from the last day of the validity period.</p> <p>5. The owner of the land as the registered proprietor stated in the land title shall execute the sale and purchase agreements.</p> <p>6. The company must display the selling price in detail, including all special items, services and payment offered to the purchasers.</p> <p>7. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of special item, services and payment, where the developer must_reduce such value from the selling price.</p>	

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
					<p>8. Developers who intend to make bulk sale for more than four (4) units of houses to an individual/company must register the relevant purchaser with Housing Controller within 14 days from the date of execution of the sale and purchase agreement.</p> <p>9. A copy of the plan approved by the Local Authority must be submitted with the sale and purchase agreement in accordance with Regulation 11 Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media.</p> <p>10. The Company must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and Licensing) Regulations (Amendment) 2015.</p>	
7.	DBKL	DBKL.JPPP/01930/07/2022/K M01	Business License for Gallery (Code E002), Advertisement Board (Licensed Premise) *4.30*0.60/1 unit and Advertisement Board (Licensed Premise) *4.30*1.70/1 unit at Lot 1243 Jalan Ulu Klang,	26 July 2022 to 25 July 2023	1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time and to take action based on the relevant applicable laws with the external departments or agencies related to the business activities.	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
			Kampung Berembang, 55000 Kuala Lumpur		2. The Business License shall be renewed every year, 60 days before the expiry of the license, without notice from DBKL. 3. Employees of the premise shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	
Pavilion Integrity: -						
8.	MHLG	19660/04-2027/0213(A)	Developer's License	23 March 2022 to 18 April 2027	1. The company shall renew the Developer's License not less than 60 days from the last day of the validity period. 2. The company shall submit an amendment application to update any amendment to the information that has been submitted to the Housing Controller during the housing developer license application, including information related to the company, financial aspects or property of the Company within four (4) weeks of any such changes made. 3. A printout of the amended license shall be issued for amendments involving information that were written on the license only.	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
9.	MHLG	19660-1/04-2024/0710(R)-(S)	Advertising Permit for the project known as "Residensi Platinum Mira"	19 April 2023 to 18 April 2024	<ol style="list-style-type: none"> 1. The company shall not offer 'Interest Capitalisation Scheme' package or include the 'Developer Interest Bearing Scheme (DIBS)' or equivalent. 2. The company shall prioritize the selling of housing property for a selling price of RM300,000 and below to first time home buyers. 3. The company must ensure that the surrounding of the housing development approved in this license fuifills the requirements imposed under Section 11 Destruction of Disease-Bearing Insects Act 1975 and Guidelines in respect of Control of Aedes Mosquito at Construction Site. 4. The company shall renew the Advertising Permit not less than 60 days from the last day of the validity period. 5. The owner of the land as the registered proprietor stated in the land title shall execute the sale and purchase agreements. 6. The company must display the selling price in detail, including all special items, services and payment offered to the purchasers. 	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
					<p>7. The purchaser is entitled to reject or refuse to accept the developer's offer in the form of special item, services and payment, where the developer must reduce such value from the selling price.</p> <p>8. Developers who intend to make bulk sale for more than four (4) units of houses to an individual/company must register the relevant purchaser with Housing Controller within 14 days from the date of execution of the sale and purchase agreement.</p> <p>9. A copy of the plan approved by the Local Authority must be submitted with the sale and purchase agreement in accordance with Regulation 11 Housing Development (Control and Licensing) Regulations (Amendment) 2015 in the form of hardcopy of A0 or A1 size; or in the form of soft copy (pdf format) by using compact disc or other appropriate electronic media.</p> <p>10. The Company must use the sale and purchase agreements in the prescribed form of Schedule G, H, I, J of the Housing Development (Control and Licensing) Regulations (Amendment) 2015.</p>	

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
10.	DBKL	DBKL.JPPP/04872/09/2021/P R01	Business License for Management Office (Unit) (Code A102), at G-15, Amaya Maluri No 2, Jalan Jejaka 2, Taman Maluri, Cheras, 55100 Kuala Lumpur	5 October 2022 to 4 October 2023	<ol style="list-style-type: none"> 1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time and to take action based on the relevant applicable laws with the external departments or agencies related to the business activities. 2. The Business License shall be renewed every year, 60 days before the expiry of the license, without notice from DBKL. 3. Employees of the premise shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit. 	Complied
Radium: -						
11.	DBKL	DBKL.JPPP/00470/10/2021/P R01	Business License for Management Office (Unit) (Code A102), at No. 21-2, PV7, Jalan Melati Utama 2, Taman Melati Utama, 53100 Setapak, Kuala Lumpur	7 October 2022 to 6 October 2023	<ol style="list-style-type: none"> 1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time and to take action based on the relevant applicable laws with the external departments or agencies related to the business activities. 2. The Business License shall be renewed every year, 60 days before the expiry of the license, without notice from DBKL. 	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
					3. Employees of the premise shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.	
12.	DBKL	DBKL.JPPP/00495/05/2022/K M01	Business License for Management Office (Unit) (Code A102), at No. 7-2, 9-2, 11-2, 15-2, Jalan Melati Utama 2, Taman Melati Utama, 53000 Kuala Lumpur	14 May 2022 to 13 May 2023	<p>1. The DBKL shall have the rights to impose additional conditions as a business control measure from time to time and to take action based on the relevant applicable laws with the external departments or agencies related to the business activities.</p> <p>2. The Business License shall be renewed every year, 60 days before the expiry of the license, without notice from DBKL.</p> <p>3. Employees of the premise shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit.</p>	Complied
Total Solid: -						
13.	MHLG	14639/02-2025/0080(R)	Developer's License	16 February 2022 to 15 February 2025	<p>1. The company shall renew the Developer's License not less than 60 days from the last day of the validity period.</p> <p>2. The company shall submit an amendment application to update any amendment to the information that has been submitted to the Housing Controller during the housing</p>	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
<p>developer license application, including information related to the Company, financial aspects or property of the Company within four (4) weeks of any such changes made.</p> <p>3. A printout of the amended license shall be issued for amendments involving information that were written on the license only.</p>						
<p>Vistarena Development: -</p>						
14.	MHLG	19394/04-2025/0381(R)	Developer's License	20 April 2022 to 19 April 2025	<p>1. The company shall renew the Developer's License not less than 60 days from the last day of the validity period.</p> <p>2. The company shall submit an amendment application to update any amendment to the information that has been submitted to the Housing Controller during the housing developer license application, including information related to the company, financial aspects or property of the company within four (4) weeks of any such changes made.</p> <p>3. A printout of the amended license shall be issued for amendments involving information that were written on the license only.</p>	Complied

5. BUSINESS OVERVIEW (cont'd)

No.	Issuing authority	License/Approval application no.	Nature of license	Validity period ⁽ⁱ⁾	Major conditions imposed	Status of compliance
15.	DBKL	DBKL.JPPP/01145/06/2018/PR01	Business License for Gallery (Code E002) and Management Office (Unit) (Code A102) at Medan Kelang Lama 28, Lot 1-G, 1-1, 1-2, 1-3 & 1-4, Jalan Kelang Lama, 58000 Kuala Lumpur	17 August 2022 to 16 August 2023	<ol style="list-style-type: none"> 1. DBKL reserves the right to impose additional conditions as a business control measure from time to time as well as take action based on the laws and acts applicable to external departments/ agencies related to business activities. 2. The Business License shall be renewed every year, 60 days before the expiry of the license, without notice from DBKL. 3. Employees of the premise shall comprise of 50% Malaysian citizens and 50% non-Malaysian citizens with a valid working permit. 	Complied

Note: -

- (i) *The Advertising Permit, Developer's License and business license issued by the MHLG and DBKL respectively which is nearing expiry date will be renewed two (2) months before the expiry date of the said licenses.*

In the event the Advertising Permit and Developer's License are not renewed or the approval is not obtained from the MHLG, we will not be able advertise and sell the particular property development applied under the Advertising Permit and to carry out development works to the particular development applied under the Developer's License.

In the event the business license is not renewed or the approval is not obtained from the DBKL, penalty will be imposed by the DBKL.


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5. BUSINESS OVERVIEW (cont'd)**5.18 INTELLECTUAL PROPERTY RIGHTS**

As at the LPD, our Group does not own any other intellectual property rights including any registered trademarks.

Omega Edisi is a management company and principally involved in provision of management services. On 4 January 2021, a license agreement was entered between Omega Edisi and PV Development where Omega Edisi was granted a right by PV Development to use the trademark "PLATINUM VICTORY" for a validity period of 48 months from the effective date of 1 January 2021 with annual license fee of RM360,000. The trademark granted by PV Development is to allow the sublicense of such rights to Radium Group and/or its affiliates. Omega Edisi charges the other companies within the Group for using the trademark "PLATINUM VICTORY" by way of management fee.

Our management team were previously part of PV Development and as the brand has been well established and recognised in the market, our Group had continued to use the trademark in all of our completed and on-going projects. Pursuant to the license agreement, PV Development agrees to grant a license to use the licensed trademarks to Omega Edisi, subject to the terms and conditions contained in the said agreement. Details of the licensed trademarks granted to Omega Edisi are as follows: -

Trademark	Trademark no./ Validity period/ Class	Description	Status
	2016065192/ 18.08.2016 – 18.08.2026/ 16	Printed matter; brochures, leaflets, calendars, note books, stationeries; paper and cardboard; all included in Class 16	Registered
	2016065194/ 18.08.2016 – 18.08.2026/ 35	Department store retailing; convenience store retailing; advertising; business management; business administration; office functions; promotional services; all included in Class 35	Registered
	2016065211/ 18.08.2016 – 18.08.2026/ 36	Real estate management; leasing of shopping mall space; rental of commercial premises and offices; rent collections; investments; financial evaluation (insurance, banking, real estate); financing of property development; all included in Class 36	Registered
	2016065214/ 18.08.2016 – 18.08.2026/ 37	Property development services (construction); building construction; building repair and renovation; advisory services relating to renovation of property; maintenance and repair of utilities in buildings; building refurbishment services; pipeline construction, installation, repair and maintenance services; all included in Class 37	Registered
	2016065215/ 18.08.2016 – 18.08.2026/ 43	Services for providing food and drink; restaurants, cafes, snack bars; all included in Class 43	Registered

5. BUSINESS OVERVIEW (cont'd)

We had in April 2022 submitted a trademark application to Intellectual Property Corporation of Malaysia ("MyIPO") for class 16, 35, 36, 37 and 43, details as follows: -

Trademark	Name of applicant/ Trademark application	Class	Description
	Radium/ TM2022009580	16	Printed matter; brochures; leaflets; calendars; note books; and stationeries
		35	Advertising of real estate; advertising of commercial or residential real estate; marketing, market research and market analysis; market studies; business management; business management of apartments and condominiums; business project management services for construction projects; real estate marketing sales management
		36	Real estate affairs; real estate management; real estate appraisal; financial evaluation (insurance, banking, real estate); management of property investments; property portfolio management; financing of property development; brokerage, rental and leasing of real estate; capital investment; fund investment; loan (financing)
		37	Building construction; building of shops, offices, factories, houses, condominiums, apartments, shopping malls; development of land (constructions); construction services; housing construction; commercial construction; construction information; construction consultancy; building repair and maintenance; bricklaying; pipeline construction and maintenance; road paving; building demolition; building refurbishment; repair and maintenance of buildings
		43	Temporary accommodation; hotels; providing temporary accommodation in serviced apartments; corporate hospitality in the nature of providing food and drink

We have received a Provisional Refusal Notice letter dated 25 July 2022 from MyIPO, wherein the Registrar has raised objections to the registration of the trademark on the following grounds:

- (i) Non-compliance of Rule 11(1)(b), Trademarks Regulations 2019, whereby it provides that the specification for each class of goods or services to which the application for the registration of trademark relates shall contain the appropriate specification for the class of goods or services applied for. The specification for the class of goods or services applied for by the Company was not clear/not accurate or of incorrect description.
- (ii) Provisional refusal on part of the specification for class 43 of goods or services applied for, namely the services of "serviced apartments".

5. BUSINESS OVERVIEW (cont'd)

Premised on the above, we had submitted an amendment of the trademark application to amend the description of class 43 for the said trademark, which has been allowed by MyIPO on 19 August 2022.

Subsequently, we have received a Provisional Refusal Notice letter dated 14 October 2022 from MyIPO, wherein the Registrar has raised objections to the registration of the trademark on grounds of non-compliance of the requirements under the Trademarks Act 2019 for the following aspect: -

- (i) our trademark is almost identical to an earlier trademark registered; and
- (ii) the goods/services to be registered for are very similar to the aforesaid earlier trademark registered, which are for class 16, 35, 36, 37 and 43.

Details of the aforesaid earlier trademark is as follows: -

Trademark/ Nature of mark	Name of applicant/ Trademark application	Validity period	Class	Description	Status
RADIUM/ Word	Radium/ 03000977	23 January 2003 to 23 January 2023	11	Installations and apparatus for lighting; electric lamps; and parts and fittings for all the aforesaid goods	Expired ⁽ⁱ⁾

Note: -

- (i) *As at the LPD, although the registration status has expired on 23 January 2023, the registered proprietor of this earlier cited trademark may file a renewal application not later than six (6) months from the date of expiry of registration as per Section 39(6) of the Trademarks Act 2019; or where the trademark has been deemed removed, the registered proprietor may request for restoration for the removed registration within six (6) months from the date of removal as per Section 39(9) of the Trademarks Act 2019. Therefore, the registration status of this earlier cited trademark remains a valid citation as at the LPD.*

Premised on the above, we had submitted an application to the Registrar for hearing on 14 November 2022 to overcome the aforesaid provisional refusal on class 16, 35, 36, 37 and 43.

We are currently pending for the hearing date from the Registrar which is estimated to take place in 2024. The statutory declaration will be filed within one (1) month from the official letter from the Registrar informing on the hearing date. In the event the Registrar still rejects the application, Radium will consider registering a new trademark with a new design.

As at the LPD, we have not obtained the approval for the registration of the aforesaid trademark from MyIPO.

Our Group's on-going commercial-residential project which comprises one (1) tower of SOHO together with the hotel component known as "Suite Canselor" undertaken by Idaman Sejiwa (Ampang), on-going residential development project which comprises a combined development of suite apartment and affordable housing known as "Residensi Desa Timur" undertaken by Fitrah Resources as well as our future projects will be adopting our brand corporate identity for advertising and promotional activities purposes.

5. BUSINESS OVERVIEW (cont'd)

5.19 DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS, INTELLECTUAL PROPERTY RIGHTS, LICENSES AND PERMITS

As at the LPD, save as disclosed below, our Group is not dependent on any other commercial or financial contracts, intellectual property rights, licenses and permits: -

- (i) major licenses and approvals as set out in Section 5.17 of this Prospectus; and
- (ii) intellectual property rights as set out in Section 5.18 of this Prospectus.

5.20 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the past three (3) FYEs 2019 to 2021, FPE 2022 and up to the date of this Prospectus: -

- (i) Underwriting Agreement;
- (ii) Letter of intent dated 6 February 2023 issued by Radium to N&M Cahaya Sdn Bhd to jointly develop 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 40467 square meter ("**Land**") with N&M Cahaya Sdn Bhd by subscribing for three hundred thousand (300,000) ordinary shares in N&M Cahaya Sdn Bhd such that Radium will hold seventy-five per centum (75%) of the enlarged issued share capital of N&M Cahaya Sdn Bhd ("**Subscription Shares**") on a fully diluted basis as at the date such shares are subscribed.

The salient terms of the letter of intent are as follows: -

Conditions Precedent: -

- (1) The entering of the Definitive Agreement (as defined hereinafter) shall be conditional upon fulfillment of the following within six (6) months from the date of the letter of intent: -
 - (a) Valuation report of the Land is made available at Radium's cost and expense;
 - (b) A legal, financial and tax due diligence reviews ("**N&M Due Diligence Exercise**") on N&M Cahaya Sdn Bhd, its assets and businesses at Radium's own cost and expense, and Radium is reasonably satisfied that the businesses and operations of N&M Cahaya Sdn Bhd have been carried out in the ordinary course of business and that there is no breach of any prevailing laws.
- (2) N&M Cahaya Sdn Bhd shall agree to extend its full cooperation to facilitate the completion of the N&M Due Diligence Exercise, and provide all information and data in reasonable media or format as required by Radium or Radium's appointed agents or advisers for the purposes of the N&M Due Diligence Exercise.
- (3) The parties agree to enter into Definitive Agreement within thirty (30) days upon the satisfaction of all the Conditions Precedent within the period stipulated above or any extended period as mutually agreed by the parties.

5. BUSINESS OVERVIEW (cont'd)

Definitive Agreement: -

The execution of Shares Subscription Agreement and Shareholders Agreement shall occur within thirty (30) days after all the Conditions Precedents are fulfilled within stipulated period or extended period as mutually agreed by the parties.

Subscription Amount: -

- (1) Ringgit Malaysia Twenty-Six Million Seven Hundred Fifteen Thousand (RM26,715,000) in aggregate for all the Subscription Shares.
- (2) The mode of settlement of the Subscription Amount is as follows: -
 - (a) A refundable deposit of Ringgit Malaysia Fourteen Million (RM14,000,000.00) as part payment of the Subscription Amount shall be as follows: -
 - (i) Ringgit Malaysia Seven Million (RM7,000,000.00) to be paid upon N&M Cahaya Sdn Bhd's acceptance of the letter of intent; and
 - (ii) Ringgit Malaysia Seven Million (RM7,000,000.00) to be paid within seven (7) days from payment in the preceding paragraph (2)(a)(i) above; and
 - (b) The balance Subscription Amount to be paid in accordance with the Definitive Agreement.
- (3) For avoidance of doubt, the Subscription Amount is premised on the Land with estimated valuation of RM70,000,000.00 or a price based on valuation to be conducted on the Land by the appointed valuer, whichever lower. Notwithstanding the valuation of the Land, the Subscription Amount shall not be more than RM26,716,000.
- (4) The refundable deposit above mentioned shall be refunded to Radium with interest of ten per centum (10%) per annum on daily basis within seven (7) days upon occurrence either of the following events: -
 - (a) should the parties fail to enter into the Definitive Agreement within thirty (30) days after all the Conditions Precedents are fulfilled within stipulated period or extended period as mutually agreed by the parties due to reasons caused by N&M Cahaya Sdn Bhd; or
 - (b) Conditions Precedents failed to be fulfilled within stipulated period or extended period as mutually agreed by the parties due to reasons caused by N&M Cahaya Sdn Bhd; or
 - (c) that the parties mutually agree to terminate the letter of intent.
- (5) Thereafter the letter of intent shall automatically become null and void and be of no further effect and force and neither party hereto shall have any further claim or action whatsoever against the other in respect of or arising out of the letter of intent.
- (6) For avoidance of doubt, the interest for the refundable deposit shall incur from the date the refundable deposit is received by N&M Cahaya Sdn Bhd until the date the refundable deposit is fully refunded to Radium.

The letter of intent was accepted by N&M Cahaya Sdn Bhd on 10 February 2023. The refundable deposit of RM14,000,000.00 as stipulated in Section 5.20(ii)(2)(a) under Subscription Amount clause above has been paid by Radium, whereby RM7,000,000.00 as stipulated in Section 5.20(ii)(2)(a)(i) under Subscription Amount clause above was paid on 10 February 2023 and RM7,000,000.00 as stipulated in Section 5.20(ii)(2)(a)(ii) under Subscription Amount clause above was paid on 16 February 2023 respectively.

5. BUSINESS OVERVIEW (cont'd)

As at the LPD, we are still in the midst of negotiating the terms of the definitive agreement with N&M Cahaya Sdn Bhd. We intend to enter into the definitive agreement with N&M Cahaya Sdn Bhd after our Listing. The necessary announcement(s) will be made and if required, we will seek the approval of our shareholders in accordance with the Listing Requirements.

- (iii) Joint venture agreement dated 20 September 2022 entered into between Kadar Jutajaya Sdn Bhd (as the landowner) and Rasa Wangi (as the developer) for a proposed development consisting *inter alia* 404 units of Residensi Wilayah and 932 units of condominium on a piece of leasehold land held under HSD No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21505 square metres ("**Project**").

The salient terms of the joint venture agreement are as follows: -

Basis of joint venture: -

- (1) In consideration of the respective benefits to be derived by each of the parties in accordance to the terms and subject to the conditions of the joint venture agreement:
- (a) the landowner grants unto the developer the exclusive right to carry out and implement the development of the said Project, and the landowner shall be entitled, subject to the terms and conditions of the joint venture agreement, to receive the landowner's entitlement;
 - (b) the developer agrees to undertake, implement and complete the development of the said Project, and in consideration thereof, the developer shall be entitled to the developer's entitlement; and
 - (c) the developer further agrees to undertake the design, administration and management of the Project, which includes but not limited to, carrying out the marketing and selling or otherwise disposal of the units to be developed under the said Project (the "**Units**").

Notwithstanding any provisions to the contrary in the joint venture agreement, the developer shall be entitled, and the landowner irrevocably authorises the developer, to sell, dispose of and/or deal with the Units in such manner, at such time and at such selling/disposal price and upon such terms and conditions as the developer may deem appropriate, and to receive all such income, sale proceeds, profits, interests receivable and/or to be received and/or derived and/or arising therefrom and to apply and/or deal with these proceeds in the manner as provided in the joint venture agreement.

Consideration and mode of payment: -

- (1) In accordance with the terms and conditions of the joint venture agreement, the developer shall pay the landowner the following sums: -
- (a) upon the execution of the joint venture agreement, a security deposit for a sum of RM3,000,000 only; and
 - (b) the landowner's advance for an amount of RM7,000,000 only within six (6) months from the joint venture agreement or upon the developer's financial facilities drawdown, whichever the earlier.
- (2) Further, subject to the joint venture agreement becoming unconditional and in consideration of the landowner providing the above-mentioned land free from encumbrances and the developer developing the said Project, and in consideration of the mutual covenants of the parties herein, the parties agree that the landowner shall be entitled to the landowner's entitlement of 23% of the profit after tax of the developer for the said Project, and in the event there are any unsold units upon the delivery of vacant possession of the said Project, the developer shall at its discretion

5. BUSINESS OVERVIEW (cont'd)

decide on the composition of the landowner's entitlement, that is, either fully in cash or a combination of cash and unsold Units (based on the selling price as determined by the developer) or an amount of RM32,000,000 whichever the higher.

- (3) The landowner's entitlement shall be paid and/or cause to be paid whether in cash or in kind by the developer to the landowner six (6) months after the delivery of vacant possession of the said Project and subject to the payment as follows: -
 - (a) upon fulfilment of all the condition precedents stipulated in the joint venture agreement, the developer shall commence to pay to the landowner cash amount of RM1,000,000 every three (3) months until the delivery of vacant possession of the said Project;
 - (b) payment mentioned in paragraph 1(a) and (b) under Consideration and Mode of Payment above, and sub-paragraph (a) herein shall form part of the landowner's entitlement and shall be taken into consideration when determining the landowner's entitlement as per Section 5.20(iii)(2) under Consideration and Mode of Payment.
- (4) The developer shall be entitled to the entire sale proceeds from the development of the said Project and the sale of the Units and shall also include the unsold Units under the said Project, less the landowner's entitlement.

Conditions Precedent: -

- (1) This joint venture agreement shall be conditional upon fulfilment of the condition precedent whereby, the developer shall obtain the approved building plan or the "Kebenaran Mendirikan Bangunan" whichever the earlier for the Project with the terms and conditions agreeable to the developer ("**Approval**") within twelve (12) months from the date of the joint venture agreement and/or any dates as the parties may mutually agree.
- (2) In the event the condition precedent could not be fulfilled or could not be obtained or the Approval being rejected by the Appropriate Authority or approved but upon terms and conditions not agreeable to the developer after the parties hereto have exhausted all their rights of appeal within twelve (12) months from the date of the joint venture agreement, then the parties shall mutually agree to extend the time to fulfill the condition precedent or to terminate the joint venture agreement and upon the joint venture agreement being terminated, the landowner shall refund all payments made by the developer to the landowner free of interest to the developer within sixty (60) days from the date of receipt of the written request from the developer.

Default: -

- (1) In the event the developer commits an event of default under the joint venture agreement, the landowner may at any time thereafter serve a written notice upon the developer requiring the developer to remedy such breach within thirty (30) days of the said notice and on the expiration of the period specified in the said notice without the breach complained of having been remedied, the landowner shall be entitled to terminate the joint venture agreement and to forfeit the deposit paid and within sixty (60) days from the date thereof refund and/or cause to be refunded to the developer all such sums earlier paid by the developer to the landowner (if any) without prejudice to the rights of the landowner to claim damages against the developer for the breach of the joint venture agreement, failing which, the landowner shall be liable to pay to the developer interest of 8% per annum calculated on a daily basis on the said outstanding amount due from the landowner to the developer commencing from the expiry of the 60th day until the full and actual settlement of the outstanding amount.

5. BUSINESS OVERVIEW (cont'd)

- (2) In the event the landowner shall fail and/or neglect to observe its obligations in accordance with the terms of the joint venture agreement, the developer may at any time thereafter serve a written notice upon the landowner requiring the landowner to remedy such breach within thirty (30) days of the said notice and on the expiration of the period specified in the said notice without the breach complained of having been remedied, the developer shall be entitled at its option to either:-
- (a) take such action as may be necessary to compel specific performance of the joint venture agreement and claim for damages and all costs and expenses incurred in exercising such rights shall be borne and paid by the landowner; or alternatively
 - (b) the developer reserves the right to terminate the joint venture agreement, in which event the landowner shall within sixty (60) days from the date of receipt of the notice of termination by the developer refund the deposit and all payments paid by the developer to the landowner (if any). The developer shall be entitled to commence legal proceedings against the landowner in any court of law having jurisdiction to hear the same in order to recover all damages from the landowner and all costs and expenses incurred in exercising such rights shall be borne and paid by the landowner. Failure on the part of the landowner to fully refund all the said amounts within the period herein mentioned, the landowner shall be liable to pay to the developer interest of 8% per annum calculated on a daily basis on the said outstanding amount due from the landowner to the developer commencing from the expiry of the 60th day until the full and actual settlement of the outstanding amount.

The developer took cognisance of the landowner's business needs on the release of the landowner's advance in relation to the joint venture agreement as stipulated in Section 5.20(iii)(1)(b) under the Consideration and Mode of Payment clause above to be remitted by 10 January 2023. The same has been remitted on 9 January 2023, subject to the following amendments to *Clause 1.6(a)* (as described in Section 5.20(iii)(3)(a) under the Consideration and Mode of Payment clause above) of the joint venture agreement: -

upon this Agreement achieving Unconditional Date or such date as the Developer deem appropriate which shall not exceed 12 months from the Unconditional Date, the Developer shall commence to pay to the Landowner cash amount of Ringgit Malaysia One million (RM1,000,000.00) every three (3) months until delivery of vacant possession of the project, any balance unpaid Landowner's Entitlement shall be dealt with pursuant to Clause 1.2(i)(a) (as described in Section 5.20(iii)(2) under the Consideration and Mode of Payment clause above) and be payable pursuant to Clause 1.6 (as described in Section 5.20(iii)(3) under the Consideration and Mode of Payment clause above).

The security deposit for a sum of RM3,000,000 as stipulated in Section 5.20(iii)(1)(a) under Consideration and Mode of Payment clause above has been paid by Rasa Wangi to Kadar Jutajaya Sdn Bhd on 26 September 2022, and the landowner's advance for an amount of RM7,000,000 as stipulated in Section 5.20(iii)(1)(b) under Consideration and Mode of Payment clause above was paid by Rasa Wangi to Kadar Jutajaya Sdn Bhd on 10 January 2023 respectively.

The joint venture agreement is pending completion. Please refer to Section 4.6.9(i) of this Prospectus for further details.

5. BUSINESS OVERVIEW (cont'd)

- (iv) Sale and purchase agreement dated 19 September 2022 entered into between Montanica Development (as the vendor) and MHP8 Sdn Bhd (as the purchaser) for a sale of all that piece of freehold land held under Geran Mukim 543, Lot No. 220, Tempat Setapak 4th Mile, Mukim of Setapak, District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur, for a total purchase price of RM25,000,000 ("**Purchase Price**").

In accordance with the terms and conditions of the sale and purchase agreement, the Purchase Price shall be settled by the purchaser at the following times and in the following manner: -

- (a) a sum of RM2,500,000 only being an amount equivalent to 10% of the Purchase Price upon the execution of the sale and purchase agreement; and
- (b) the sum of RM22,500,000 only, being the remaining 90% of the Purchase Price within three (3) months from the date of the sale and purchase agreement.

The sale and purchase agreement was completed on 23 December 2022. Please refer to Section 4.6.10(i) of this Prospectus for further details.

- (v) Sale and purchase agreement dated 23 August 2022 entered into between Idaman Sejiwa (Ampang) (as the developer) and Tradisi Emas (as the purchaser) for the disposal of the 145 units of fully furnished hotel rooms with four (4)-star furnishings in a 51-storey stratified building together with accessory car parks and other hotel facilities ("**Property**"), for a disposal consideration of RM135,000,000 ("**Disposal Consideration**").

In accordance with the terms and conditions of the sale and purchase agreement, the Disposal Consideration shall be settled by the purchaser by instalments and at the time and in the following manner: -

Timing of payment	Amount RM
1. Immediately upon the signing of the share sale and purchase agreement	13,500,000 (being 10% of the Disposal Consideration)
2. Within 14 days from the date of Idaman Sejiwa (Ampang)'s written notice under clause 4.2 of the completion of: -	
(a) site clearance of the Property;	6,750,000 (being 5% of the Disposal Consideration)
(b) the foundation and piling works of a proposed mixed development of one (1) tower (" Commercial Building ");	13,500,000 (being 10% of the Disposal Consideration)
(c) the structural framework of the Property;	20,250,000 (being 15% of the Disposal Consideration)
(d) the walls of the Property with door and door and window frames placed in position;	20,250,000 (being 15% of the Disposal Consideration)
(e) the roofing/ceiling, electrical wiring, plumbing (without fittings) and internal telecommunication trunking and cabling to the Property;	20,250,000 (being 15% of the Disposal Consideration)

5. BUSINESS OVERVIEW (cont'd)

Timing of payment	Amount RM
(f) the internal and external finishes of the Property including the wall finishes;	13,500,000 (being 10% of the Disposal Consideration)
(g) the sewerage works serving the Commercial Building;	6,750,000 (being 5% of the Disposal Consideration)
(h) the drains serving the Commercial Building; and	6,750,000 (being 5% of the Disposal Consideration)
(i) the road works serving the Commercial Building	6,750,000 (being 5% of the Disposal Consideration)
3. Within 14 days from the date of the notice of delivery of vacant possession of the Property under clause 15.5 of the share sale and purchase agreement	6,750,000 (being 5% of the Disposal Consideration)
Total	135,000,000

The 10% of the Disposal Consideration for the sum of RM13,500,000 and the subsequent 5% of the Disposal Consideration for the sum of RM6,750,000 as stipulated in items 1 and 2(a) respectively above have been paid by Tradisi Emas to Idaman Sejiwa (Ampang) on 23 December 2022.

The sale and purchase agreement is pending completion. Please refer to Section 4.6.4(i) of this Prospectus for further details.

- (vi) 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 PT 50198 (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 has 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 ("**further 30% discount**"). The further 30% discount was given after taking into consideration the increase in material cost for the project to be borne by Alfa Sutramas Sdn Bhd and the risk on sales take up rate which will affect the net profit for the Project. In addition, any return on investment (in the form of dividend payments) is only expected to be obtained after the completion of the project (i.e after four (4) years).

5. BUSINESS OVERVIEW (cont'd)

Hence, Alfa Sutramas Sdn Bhd had requested for a further 30% discount to reduce the recoupment amount to be paid to Radium which was agreed by the parties.

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. In arriving at the reduction, Radium had considered the inflation for the period of January to October 2022 which increased 3.3% as compared to the same period in the previous year (*Source: Consumer Price Index Malaysia October 2022, Department of Statistics Malaysia 25 November 2022*). In addition, based on a year-on-year comparison, the unit price index on building materials recorded increases of between 3.2% and 11.8% in November 2022 as compared to a year ago and the unit price index for steel and steel and metal sections increased by 3.4% and 4.6% respectively, for November 2022 as compared to the same month of the preceding year (*Source: Building Materials Cost Index November 2022, Department of Statistics Malaysia 8 December 2022*). Taking into consideration the increase in inflation rates coupled with the rise in building material cost, Radium was of the view that the further 30% discount given should be reduced to 10% instead, In this regard, the discount was reduced and hence the recoupment amount increased 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.

Alfa Sutramas Sdn Bhd is a 50.0% shareholder of Gandingan Jakel Sdn Bhd. The directors of Alfa Sutramas Sdn Bhd are Tan Sri Datuk Seri Gan Yu Chai, Gan Yee Hin and Puan Sri Datin Seri Lee Kuan Kiow and Tan Sri Datuk Seri Gan Yu Chai is the sole shareholder of the company.

- (vii) Contra agreement dated 29 October 2021 entered into between Radium, Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid, Datuk Gan Kah Siong and Fitrah Resources, 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 set out in paragraph (xiv) below ("**Debt**") in consideration of Datuk Gan Kah Siong's consent to allow Radium to offset the amount owing to him against the Debt accordingly;
- (viii) Contra agreement dated 29 October 2021 entered into between Radium, Nokman bin Ahmad, Datuk Gan Kah Siong and Fitrah Resources, 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 the Advance Agreement 1 set out in paragraph (xv) below ("**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;
- (ix) Contra agreement dated 29 October 2021 entered into between Radium, Wan Shafie bin Abdul Rashid, Datuk Gan Kah Siong and Fitrah Resources, 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 the Advance Agreement 2 set out in paragraph (xvi) below ("**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;

5. BUSINESS OVERVIEW (cont'd)

- (x) Letter of appointment dated 11 May 2021 and supplemental letter of appointment dated 20 March 2023 in relation to the appointment of Malacca Securities Sdn Bhd as the Principal Adviser, Underwriter and Placement Agent to Radium for the IPO.
- (xi) Memorandum of Understanding dated 22 February 2021 entered into between Datuk Gan Kah Siong and China Automobile Parts Holdings Limited in respect of Idaman Sejiwa Development Sdn Bhd's intention to enter into a definitive share sale agreement. This transaction has been terminated on 12 May 2021;
- (xii) Mandate dated 22 February 2021 issued by TA Securities Holdings Berhad to China Automobile Parts Holdings Limited and Idaman Sejiwa Development Sdn Bhd on the proposed regularisation plan, where TA Securities Holdings Berhad is appointed as the principal adviser and the exclusive placement agent (if required) to China Automobile Parts Holdings Limited and Idaman Sejiwa Development Sdn Bhd in respect of the proposed regularisation plan. This mandate was terminated on 21 May 2021;
- (xiii) Shares sale and purchase agreement dated 6 February 2020 entered into between Radium and Tambun Kekal Sdn Bhd in respect of Idaman Sejiwa Development Sdn Bhd's disposal of 1,002,000 ordinary shares amounting to 50.1% of the total issued share capital of Konsep Juara Sdn Bhd for a total cash consideration of RM1,002,000. This transaction has been completed, and the Register of Members of Konsep Juara Sdn Bhd was updated on 13 February 2020;
- (xiv) Supplementary agreement dated 20 September 2019 entered into between Alaf MRR Two Station Sdn Bhd ("**Alaf**") and Total Solid in respect of the development on all that piece of land held under No. HSD 118654, PT 9588, Mukim Setapak, Daerah Kuala Lumpur with the total land size measuring approximately 39934.41 square metres ("**subject Land**"). The said supplementary agreement is a supplemental to a joint-venture agreement dated 3 April 2013 entered between Alaf and Total Solid ("**JVA**"), where Alaf and Total Solid have agreed to develop the subject Land upon the terms and conditions of the JVA, and provides for the modification of Clause 1.1(e) to read as "*The Deposit, the Second Advance and the Third Advance and the further advance (if any) (collectively, the "Developer's Advances") shall be repaid by the Landowner to the Developer by offsetting of and deduction from part of the Landowner's Entitlement (as defined below) due to the Landowner, and the parties hereby expressly agree that the Developer's Advances shall form (or be deemed to form) part of the Landowner's Entitlement. The Developer shall be entitled to progressively off-set the Developer's Advances from the Landowner's Entitlement until the Developer's Advances are fully offset and deducted from the Landowner's Entitlement.*" and Clause 1.2(i) to read as "*Subject always to the provisions of clause 4.1(xxvi), the Landowner shall be entitled to twenty three per centum (23%) of the total Sale Proceeds derived from the units to be erected on the said Land PROVIDED ALWAYS that in the case of RUMAWIP Units, the Landowner shall only be entitled to twelve per centum (12%) of the total Sale Proceeds derived from RUMAWIP Units (Collectively referred to as 'the said Landowner's Entitlement). In the event there are unsold units upon the Developer's receipt of the Certificate of Completion and Compliance of the Project (Unsold Units), the Landowner shall be entitled to 23% of the total floor area of such Unsold Units save and except that in the case of Unsold RUMAWIP Units (Unsold RUMAWIP Units), the Landowner shall be entitled to 12% of the total floor area of such Unsold RUMAWIP Units; and to the JVA;*
- (xv) Advance agreement dated 21 August 2019 and variation letter dated 26 August 2019 entered into between Radium ("**Lender**"), Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid ("**Borrower**") and Fitrah Resources ("**Advance Agreement**") in respect of the advance of an aggregate principal amount of RM3,730,560 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, and pursuant to the Advance Agreement, a memorandum of charge over securities dated 21 August 2019 entered into between the Lender and the Borrower, wherein the Borrower charged 66,000 ordinary shares in Fitrah Resources to the Lender as security for all monies and liabilities incurred by the Borrower to the Lender, whereby Clause 12 on Power of Attorney has been duly

5. BUSINESS OVERVIEW (cont'd)

registered at the Kuala Lumpur High Court via No. WA-SKW-35968-08/2019 on 30 August 2019 (“**Power of Attorney**”). The details of the advance payment pursuant to the Advance Agreement are as follows: -

Details of the advance	Amount released RM
(a) Upon execution of the Advance Agreement;	732,960
(b) Within one (1) month from the date of issuance of the document(s) of title by the relevant authority in respect of the land known as "Batu 4 1/2, Lebuhraya Kuala Lumpur - Seremban, Mukim Kuala Lumpur seluas 40,896 meter persegi" to the Company under the Pejabat Pengarah Tanah dan Galian Wilayah Persekutuan file reference number PTG/WP.2(SP)/2016/0124;	999,600
(c) Within two (2) months from the date of release under paragraph (b) above;	333,000
(d) Within three (3) months from the date of release under paragraph (b) above;	333,000
(e) Within four (4) months from the date of release under paragraph (b) above;	333,000
(f) Within five (5) months from the date of release under paragraph (b) above;	333,000
(g) Within six (6) months from the date of release under paragraph (b) above;	333,000
(h) Within seven (7) months from the date of release under paragraph (b) above	333,000
Total	3,730,560

The amount of RM3,730,560 has been fully advanced to the Borrower on 9 July 2020.

The advances granted by Radium to Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid have been fully settled pursuant to the contra agreements dated 29 October 2021 entered between Dato' Shaik Ahmad Sufian bin Shaik Kamal Farid and Datuk Gan Kah Siong. Hence, the memorandum of charge over securities dated 21 August 2019 and Power of Attorney entered pursuant to the Advances Agreements dated 21 August 2019 have been revoked accordingly via the Deed of Revocation dated 18 August 2022. Deed of revocation dated 18 August 2022 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;

- (xvi) Advance agreement dated 21 August 2019 and variation letter dated 26 August 2019 entered into between Radium (“**Lender**”), Nokman bin Ahmad (“**Borrower 1**”) and Fitrah Resources (“**Advance Agreement 1**”) in respect of the advance of an aggregate principal amount of RM3,738,880 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, and pursuant to the Advance Agreement 1, a memorandum of charge over securities dated 21 August 2019 entered into between the Lender and the Borrower 1, wherein Borrower 1 charged 68,000 ordinary shares in Fitrah Resources to the Lender as security for all monies and liabilities incurred by Borrower 1 to the Lender, whereby Clause 12 on Power of Attorney has been duly registered at the

5. BUSINESS OVERVIEW (cont'd)

Kuala Lumpur High Court via No. WA-SKW-35971-08/2019 on 30 August 2019 (“**Power of Attorney 1**”). The details of the advance payment pursuant to the Advance Agreement 1 are as follows: -

Details of the advance	Amount released RM
(a) Upon execution of the Advance Agreement 1;	734,080
(b) Within one (1) month from the date of issuance of the document(s) of title by the relevant authority in respect of the land known as "Batu 4 1/2, Lebuhraya Kuala Lumpur - Seremban, Mukim Kuala Lumpur seluas 40,896 meter persegi" to the Company under the Pejabat Pengarah Tanah dan Galian Wilayah Persekutuan file reference number PTG/WP.2(SP)/2016/0124;	1,000,800
(c) Within two (2) months from the date of release under paragraph (b) above;	334,000
(d) Within three (3) months from the date of release under paragraph (b) above;	334,000
(e) Within four (4) months from the date of release under paragraph (b) above;	334,000
(f) Within five (5) months from the date of release under paragraph (b) above;	334,000
(g) Within six (6) months from the date of release under paragraph (b) above;	334,000
(h) Within seven (7) months from the date of release under paragraph (b) above	334,000
Total	3,738,880

The amount of RM3,738,880 has been fully advanced to the Borrower on 9 July 2020.

The advances granted by Radium to Nokman bin Ahmad have been fully settled pursuant to the contra agreements dated 29 October 2021 entered between Nokman bin Ahmad and Datuk Gan Kah Siong. Hence, the memorandum of charge over securities dated 21 August 2019 and Power of Attorney 1 entered pursuant to the Advances Agreements 1 dated 21 August 2019 have been revoked accordingly via the Deed of Revocation dated 18 August 2022. Deed of revocation dated 18 August 2022 entered between Radium and 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 (BATL) on 30 August 2022;

- (xvii) Advance agreement dated 21 August 2019 and variation letter dated 26 August 2019 entered into between Radium (“**Lender**”) and Wan Shafie bin Abdul Rashid (“**Borrower 2**”) and Fitrah Resources (“**Advance Agreement 2**”) in respect of the advance of an aggregate principal amount of RM3,730,560 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, and pursuant to the Advance Agreement 2, a memorandum of charge over securities dated 21 August 2019 entered into between the Lender and the Borrower 2, wherein Borrower 2 charged 66,000 ordinary shares in Fitrah Resources to the Lender as security for all monies and liabilities incurred by Borrower 2 to the Lender, 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**”

5. BUSINESS OVERVIEW (cont'd)

of Attorney 2"). The details of the advance payment pursuant to the Advance Agreement 2 are as follows: -

Details of the advance	Amount released RM
(i) Upon execution of the Advance Agreement 2;	732,960
(ii) Within one (1) month from the date of issuance of the document(s) of title by the relevant authority in respect of the land known as "Batu 4 1/2, Lebuhraya Kuala Lumpur - Seremban, Mukim Kuala Lumpur seluas 40,896 meter persegi" to the Company under the Pejabat Pengarah Tanah dan Galian Wilayah Persekutuan file reference number PTG/WP.2(SP)/2016/0124;	999,600
(iii) Within two (2) months from the date of release under paragraph (b) above;	333,000
(iv) Within three (3) months from the date of release under paragraph (b) above;	333,000
(v) Within four (4) months from the date of release under paragraph (b) above;	333,000
(vi) Within five (5) months from the date of release under paragraph (b) above;	333,000
(vii) Within six (6) months from the date of release under paragraph (b) above;	333,000
(viii) Within seven (7) months from the date of release under paragraph (b) above	333,000
Total	3,730,560

The amount of RM3,730,560 has been fully advanced to the Borrower on 9 July 2020.

The advances granted by Radium to Wan Shafie bin Abdul Rashid have been fully settled pursuant to the contra agreements dated 29 October 2021 entered between Wan Shafie Bin Abdul Rashid and Datuk Gan Kah Siong. Hence, the memorandum of charge over securities dated 21 August 2019 and Power of Attorney 2 entered pursuant to the Advances Agreements 2 dated 21 August 2019 have been revoked accordingly via the Deed of Revocation dated 18 August 2022. Deed of revocation dated 18 August 2022 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 (BATL) on 30 August 2022;

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5. BUSINESS OVERVIEW (cont'd)**5.21 MATERIAL INVESTMENTS AND MATERIAL DIVESTITURES**

Save as disclosed below, our Group does not have any material investments and material divestitures currently in progress. Save as disclosed below, our Group has not incurred any other material investments and material divestitures during the past three (3) FYEs 2019 to 2021, FPE 2022 and up to the LPD: -

	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
Material investments					
Investments in subsidiary: -					
Omega Edisi	1,000 ⁽ⁱ⁾	-	-	-	-
	1,000	-	-	-	-
Property, plant and equipment: -					
Motor vehicles ⁽ⁱⁱ⁾	-	-	1,032	652	293
Buildings ⁽ⁱⁱⁱ⁾	1,697	-	2,393	861	-
	1,697	-	3,425	1,513	293
Material Divestitures					
Konsep Juara Sdn Bhd	-	1,700 ^(iv)	-	-	-
	-	1,700	-	-	-

Notes: -

- (i) On 8 March 2019, we subscribed to an additional of 999,900 ordinary shares in Omega Edisi for a total purchase consideration of RM999,900.
- (ii) Refers to the purchase of two (2) motor vehicles during the FYE 2021. The motor vehicles were purchased for minority shareholders of Fitrah Resources to carry out their business development duties. During the FPE 2022, Omega Edisi and Total Solid had purchased one (1) motor vehicle each for directors. From 1 November 2022 up to the LPD, Idaman Sejiwa (Ampang) had purchased one (1) motor vehicle for a director.
- (iii) Lease buildings for office and sales galleries.
- (iv) On 20 November 2019, we disposed of 15.00% of our equity interest, representing 300,000 ordinary shares in Konsep Juara Sdn Bhd for a total consideration of RM300,000. On 13 February 2020, we disposed of another 85.00% of our equity interest, representing 1,700,000 ordinary shares in Konsep Juara Sdn Bhd for a total consideration of RM1,700,000 and Konsep Juara Sdn Bhd ceased to be our subsidiary.

Save for buildings which are leased for office and sales galleries, the above material investments in subsidiaries and property, plant and equipment are financed via internally-generated funds.

For the Financial Years and Period Under Review and up to the LPD, our investments in property, plant and equipment were mainly incurred on motor vehicles and buildings.

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5. BUSINESS OVERVIEW (cont'd)

5.22 PROPERTY, PLANT AND EQUIPMENT

5.22.1 Property owned by our Group

As at the LPD, the details of the property owned by our Group are as follows: -

(i) Land held for development – Completed project

Registered Proprietor	Strata title details	Description/Postal address/Tenure	Express condition/Restrictions in interest/Encumbrance/Endorsement	Strata floor area (square metres)	Date of issuance of CCC	Market Value as at 31 January 2023/Audited NBV as at FPE 2022 RM' million
Vistarena Development ⁽ⁱ⁾	Strata Title No. PN 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	Description: - An apartment unit designated for Perumahan Penjawat Awam Malaysia (PPA1M, now known as PPAM) Postal address: - Unit No. A-28-19, Residensi Platinum OUG, No. 2, Jalan Jalil Muhibah, Kampung Muhibah, Bukit OUG, 58200 Kuala Lumpur ⁽ⁱⁱ⁾	Express condition: - Apartment (PPA1M) Restrictions in interest: - 1. This land shall not be transferred, leased or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur 2. The PPA1M units and the affordable apartment units are not transferable within 10 years from the date of the sale	Main parcel area: - 102 Accessory parcel area(s): - 14	13 June 2022	Market value: - 0.19 ⁽ⁱⁱⁱ⁾ Audited NBV: - 0.108

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Strata title details	Description/Postal address/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Strata floor area (square metres)	Date of issuance of CCC	Market Value as at 31 January 2023/Audited NBV as at FPE 2022 RM' million
		<p>Tenure: -</p> <p>Leasehold of 97 years, expiring on 03 April 2115</p>	<p>and purchase agreement signed</p> <p>Encumbrance^(iv): -</p> <p>Nil</p> <p>Endorsement: -</p> <p>Nil</p>			
Ambanang Development ⁽ⁱ⁾	<p>28 apartment units held under Strata Title No.: -</p> <ul style="list-style-type: none"> - PN 54235/M1C/10/969, Parcel No. 969, Storey No. 10, Building No. M1C, together with Accessory Parcel No A476 - PN 54235/M1C/10/954, Parcel No. 954, Storey No. 10, Building No. M1C, together with Accessory Parcel No A480 - PN 54235/M1C/10/961, Parcel No. 961, Storey No. 10, Building No. M1C, together with Accessory Parcel No A487 - PN 54235/M1C/10/962, Parcel No. 962, Storey No. 10, Building No. M1C, 	<p>Description: -</p> <p>28 apartment units designated for residensi wilayah</p> <p>Portal address: -</p> <p>Residensi Vista Wirajaya 2. No. 36, Jalan Tumbuhan, Taman Melati, Setapak 53300 Kuala Lumpur</p> <p>Tenure: -</p> <p>Leasehold of 99 years, expiring on 14 October 2119</p>	<p>Express condition: -</p> <p>Affordable apartment units</p> <p>Restrictions in interest: -</p> <p>1. This land shall not be transferred, leased, pledged or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</p>	<p>Main parcel area: -</p> <p>2,576 (92 square metres each unit)</p> <p>Accessory parcel area(s): -</p> <p>388 (with typical sizing ranging 12, 14 and 24 square metres)</p>	<p>31 October 2022</p>	<p>Market value:</p> <p>-</p> <p>1.18^(v)</p> <p>Audited NBV:</p> <p>-</p> <p>141.43</p>

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Strata title details	Description/Postal address/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Strata floor area (square metres)	Date of issuance of CCC	Market Value as at 31 January 2023/Audited NBV as at FPE 2022 RM' million
	together with Accessory Parcel No A488 - PN 54235/M1C/20/1176, Parcel No. 1176, Storey No. 20, Building No. M1C, together with Accessory Parcel No A225 - PN 54235/M1C/22/1218, Parcel No. 1218, Storey No. 22, Building No. M1C, together with Accessory Parcel No A164 - PN 54235/M1C/22/1223, Parcel No. 1223, Storey No. 22, Building No. M1C, together with Accessory Parcel No A168 - PN 54235/M1C/22/1203, Parcel No. 1203, Storey No. 22, Building No. M1C, together with Accessory Parcel No A169 - PN 54235/M1C/22/1210, Parcel No. 1210, Storey No. 22, Building No. M1C, together with Accessory Parcel No A175 - PN 54235/M1C/22/1211, Parcel No. 1211, Storey No. 22, Building No. M1C, together with Accessory Parcel No A176		2. Affordable apartment units are not transferable within 10 years from the date of the sale and purchase agreement signed by the first purchaser Encumbrance: - Nil Endorsement: - Nil			

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Strata title details	Description/Postal address/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Strata floor area (square metres)	Date of issuance of CCC	Market Value as at 31 January 2023/Audited NBV as at FPE 2022 RM' million
	<ul style="list-style-type: none"> - PN 54235/M1C/23/1239, Parcel No. 1239, Storey No. 23, Building No. M1C, together with Accessory Parcel No A143 - PN 54235/M1C/23/1244, Parcel No. 1244, Storey No. 23, Building No. M1C, together with Accessory Parcel No A148 - PN 54235/M1C/23/1224, Parcel No. 1224, Storey No. 23, Building No. M1C, together with Accessory Parcel No A149 - PN 54235/M1C/23/1231, Parcel No. 1231, Storey No. 23, Building No. M1C, together with Accessory Parcel No A156 - PN 54235/M1C/23/1232, Parcel No. 1232, Storey No. 23, Building No. M1C, together with Accessory Parcel No A157 - PN 54235/M1C/24/1260, Parcel No. 1260, Storey No. 24, Building No. M1C, together with Accessory Parcel No A122 - PN 54235/M1C/24/1265, Parcel No. 1265, Storey 					

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Strata title details	Description/Postal address/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Strata floor area (square metres)	Date of issuance of CCC	Market Value as at 31 January 2023/Audited NBV as at FPE 2022 RM' million
	No. 24, Building No. M1C, together with Accessory Parcel No A127 - PN 54235/M1C/24/1245, Parcel No. 1245, Storey No. 24, Building No. M1C, together with Accessory Parcel No A128 - PN 54235/M1C/24/1252, Parcel No. 1252, Storey No. 24, Building No. M1C, together with Accessory Parcel No A135 - PN 54235/M1C/24/1253, Parcel No. 1253, Storey No. 24, Building No. M1C, together with Accessory Parcel No A136 - PN 54235/M1C/25/1281, Parcel No. 1281, Storey No. 25, Building No. M1C, together with Accessory Parcel No A102 - PN 54235/M1C/25/1286, Parcel No. 1286, Storey No. 25, Building No. M1C, together with Accessory Parcel No A106 - PN 54235/M1C/25/1266, Parcel No. 1266, Storey No. 25, Building No. M1C,					

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Strata title details	Description/Postal address/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Strata floor area (square metres)	Date of issuance of CCC	Market Value as at 31 January 2023/Audited NBV as at FPE 2022 RM' million
	<p>together with Accessory Parcel No A107</p> <ul style="list-style-type: none"> - PN 54235/M1C/25/1273, Parcel No. 1273, Storey No. 25, Building No. M1C, together with Accessory Parcel No A114 - PN 54235/M1C/25/1274, Parcel No. 1274, Storey No. 25, Building No. M1C, together with Accessory Parcel No A115 - PN 54235/M1C/26/1302, Parcel No. 1302, Storey No. 26, Building No. M1C, together with Accessory Parcel No A206 - PN 54235/M1C/26/1294, Parcel No. 1294, Storey No. 26, Building No. M1C, together with Accessory Parcel No A95 - PN 54235/M1C/26/1295, Parcel No. 1295, Storey No. 26, Building No. M1C, together with Accessory Parcel No A96 <p>sited on Parent Lot 201840 held under Master Title No. Pajakan Negeri 54235, Locality of Persiaran</p>					

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Strata title details	Description/Postal address/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Strata floor area (square metres)	Date of issuance of CCC	Market Value as at 31 January 2023/Audited NBV as at FPE 2022 RM' million
	Pertahanan, Mukim Setapak, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur					

Notes: -

- (i) Vacant possession for Residensi Platinum OUG and Residensi PV9/Vista Wirajaya 2 have been delivered in June 2022 and November 2022 together with respective strata titles.
- (ii) Pursuant to the sale and purchase agreement dated 2 December 2022 made between Vistarena Development and a third party, the subject property was transacted for a consideration of RM187,000.00.
- (iii) Market value for one (1) unsold PPAM unit within Residensi Platinum OUG based on inventory basis.
- (iv) The Company had entered three (3) tenancy agreements with Tenaga Nasional Berhad (“TNB”) for a space of thirty (30) years, The usage of the said space is allowed TNB for the erection and maintenance of substation for the purpose of supplying electricity.
- (v) Market value for 28 unsold apartment units within Residensi Vista Wirajaya 2 based on inventory basis.

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5. BUSINESS OVERVIEW (cont'd)

(ii) Land held for development – On-going projects

Registered Proprietor	Title details	Description/ Type of development/ Category of land use/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Approximate land area (square metres)/ Gross floor area (sq. ft.)	Date of issuance of CCC	Market Value as at 31 January 2023/ Audited NBV as at FPE 2022 RM' million
Constant Premium	GM 9581, Lot 81449, Locality of Sentul, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutan Kuala Lumpur	<p>Description: - Development land</p> <p>Type of development: - Held for development project known as "Residensi Vista Sentul"</p> <p>Category of land use: - Building</p> <p>Tenure: - Freehold</p>	<p>Express condition: - This land shall be used for commercial buildings for the purpose of serviced apartments only</p> <p>Restriction in interest: - Nil</p> <p>Encumbrance: - Nil</p> <p>Endorsement: - Leased part of the land measuring approximately 97 square metres and 100.6 square metres to Tenaga Nasional Berhad for a period of 30 years each commencing from 15th January 2023 and ending on 14 January</p>	<p>Land area: - 9,647</p> <p>Gross floor area: - 1,299,758</p>	N/A	<p>Market value: - 85.00</p> <p>Audited NBV: - 71.71</p>

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Title details	Description/ Type of development/ Category of land use/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Approximate land area (square metres)/ Gross floor area (sq. ft.)	Date of issuance of CCC	Market Value as at 31 January 2023/ Audited NBV as at FPE 2022 RM' million
			2053 vide Presentation No(s). PTSC2143/2023 and PTSC2144/2023 respectively; registered on 16 th February 2023			
Pavilion Integrity	Geran 80346, Lot 20069 Section 90, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Description: - Development land Type of development: - Held for development project known as "Residensi Platinum Mira" Category of land use: - Building Tenure: - Freehold	Express condition: - This land shall be used for commercial building sites for the purpose of serviced apartments only Restrictions in interest: - Nil Encumbrance: - Charged to CIMB Bank Berhad Endorsement: - Nil	Land area: - 7,271 Gross floor area: - 1,166,638	N/A	Market value: - 78.00 Audited NBV: - 53.35

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Title details	Description/ Type of development/ Category of land use/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Approximate land area (square metres)/ Gross floor area (sq. ft.)	Date of issuance of CCC	Market Value as at 31 January 2023/ Audited NBV as at FPE 2022 RM' million
Idaman Sejiwa (Ampang)	H.S.(D) 123214, PT 50008, Mukim Ampang, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	<p>Description: - Development land</p> <p>Type of development: - Held for development project known as "Suite Canselor"</p> <p>Category of land use: - Building</p> <p>Tenure: - Freehold</p>	<p>Express condition: - This land shall be used for commercial buildings for the purpose of SOHO, hotel, business space and carparks only</p> <p>Restrictions in interest: - Nil</p> <p>Encumbrance: - Charged to United Overseas Bank (Malaysia) Bhd</p> <p>Endorsement: - Nil</p>	8,217.1	N/A	<p>Market value: -</p> <p>103.00</p> <p>Audited NBV: -</p> <p>133.63</p>

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Title details	Description/ Type of development/ Category of land use/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Approximate land area (square metres)/ Gross floor area (sq. ft.)	Date of issuance of CCC	Market Value as at 31 January 2023/ Audited NBV as at FPE 2022 RM' million
Fitrah Resources	PN 53589, Lot 481729, Mukim Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	<p>Description: - Development land</p> <p>Type of development: - Held for development project known as "Residensi Desa Timur"</p> <p>Category of land use: - Building</p> <p>Tenure: - Leasehold of 99 years, expiring on 13 November 2118</p>	<p>Express condition: - This land shall be used 50% for the purpose of Residensi Wilayah and 50% for the purpose of mixed development only</p> <p>Restrictions in interest: -</p> <p>1. This land shall not be transferred, leased or charged without the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur</p> <p>2. The restriction to transfer is applicable for 99 years from the date of the sale and purchase agreement signed by the first purchaser</p>	39,530	N/A	<p>Market value: -</p> <p>125.00</p> <p>Audited NBV: -</p> <p>64.03</p>

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Title details	Description/ Type of development/ Category of land use/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Approximate land area (square metres)/ Gross floor area (sq. ft.)	Date of issuance of CCC	Market Value as at 31 January 2023/ Audited NBV as at FPE 2022 RM' million
			<p>3. Within the 10-year period from the date of the sale and purchase agreement in paragraph (2) above, each application for permission to transfer subsequently must be accompanied by an approval letter from Kerajaan Persekutuan</p> <p>4. For a transfer from the Pesuruhjaya Tanah Persekutuan to a transferee not subjected to paragraph (2) above, the subsequent application for permission to transfer must be accompanied by an approval letter from Kerajaan Persekutuan</p>			

5. BUSINESS OVERVIEW (cont'd)

Registered Proprietor	Title details	Description/ Type of development/ Category of land use/ Tenure	Express condition/ Restrictions in interest/ Encumbrance/ Endorsement	Approximate land area (square metres)/ Gross floor area (sq. ft.)	Date of issuance of CCC	Market Value as at 31 January 2023/ Audited NBV as at FPE 2022 RM' million
			Encumbrance: - Charged to Maybank Islamic Berhad Endorsement: - Nil			

Please refer to Section 5.3.1 of this Prospectus for further details on Residensi PV9 and Residensi Vista Wirajaya 2, Residensi Vista Sentul, Residensi Platinum Mira and Residensi Desa Timur; and Sections 2.8.3 and 5.3.1 of this Prospectus for further details on Suite Canselor.

The properties as listed above have been valued by our Independent Valuer vide its valuation reports dated 22 September 2022. Our Independent Valuer has also re-inspected the above properties on 21 February 2023 and adopted 31 January 2023 as the material date of valuation for the updated valuation certificates. Please refer to Section 15 of this Prospectus for the valuation certificate and update valuation certificate from our Independent Valuer for the details of the valuation of the above properties.

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5. BUSINESS OVERVIEW (cont'd)**5.22.2 Property rented by our Group**

As at the LPD, the details of the properties rented by our Group are as follows: -

No.	Landlord/Tenant	Postal address	Description/ Existing use	Approximate built-up area (sq. ft.)	Rental payable per month RM'000	Date of issuance of CFO/CCC	Tenure of tenancy/lease
1.	Fong Saw Song/ Pavilion Integrity	G15, Ground Floor, Amaya Maluri, Jalan Jejaka 2, 55100 Kuala Lumpur	Description: - One (1) unit of shoplot Existing use: - For project office/ sales gallery	1,515.40	6	29 July 2013	One (1) year commencing on 1 August 2022 and terminating on 31 July 2023
2.	Lim Ah Suan/ Omega Edisi	21-2 Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.	Description: - One (1) unit of shoplot Existing use: - For office use only	2,428.00	3	27 October 2010	One (1) year commencing on 1 April 2023 and terminating on 31 March 2024
3.	Monisprings Development Sdn Bhd/ Omega Edisi	11-2, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur	Description: - One (1) unit of shoplot Existing use: - For office use only	1,436.00	2.5	27 October 2010	One (1) year commencing on 1 April 2023 and terminating on 31 March 2024

5. BUSINESS OVERVIEW (cont'd)

No.	Landlord/Tenant	Postal address	Description/ Existing use	Approximate built-up area (sq. ft.)	Rental payable per month RM'000	Date of issuance of CFO/CCC	Tenure of tenancy/lease
4.	Tan Ai Chong/ Omega Edisi	7-2 ⁽ⁱ⁾ and 9-2 Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur	Description: - Two (2) units of shoplot Existing use: - For office use only	2,872.00	5	27 October 2010	One (1) year commencing on 1 April 2023 and terminating on 31 March 2024
5.	Len Den Sdn Bhd/ Omega Edisi	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.	Description: - One (1) unit of shoplot Existing use: - For show gallery, project office, management's office, sales and marketing office for property development	14,247.53	48	12 October 2012	Two (2) years commencing on 15 December 2021 and expiring on 14 December 2023
6.	Ang Poh Leng and Tan Mee Kim/ Omega Edisi	19-2, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.	Description: - One (1) unit of shoplot Existing use: - For office use only	1,436	3	27 October 2010	One (1) year commencing on 1 June 2022 to 31 May 2023

5. BUSINESS OVERVIEW (cont'd)

No.	Landlord/Tenant	Postal address	Description/ Existing use	Approximate built-up area (sq. ft.)	Rental payable per month RM'000	Date of issuance of CFO/CCC	Tenure of tenancy/lease
7.	Low Bok Huat/ Idaman Sejiwa (Ampang)	Lot 1243, Ground Floor, Unit A, Jalan Hulu Kelang, 55000 Kuala Lumpur	Description: - One (1) unit of shoplot Existing use: - For office and showroom use	21,779.27	25	4 June 2007	Three (3) years commencing on 15 August 2021 to 14 August 2024
8.	Low Bok Huat/ Idaman Sejiwa (Ampang)	Lot 1243, First Floor, Unit B, Jalan Hulu Kelang, 55000 Kuala Lumpur	Description: - One (1) unit of shoplot Existing use: - For office and showroom use	21,779.27	10	4 June 2007	Three (3) years commencing on 15 February 2022 to 14 February 2025
9.	Tang Chun Sing/ Omega Edisi	17-2, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur.	Description: - One (1) unit of shoplot Existing use: - For office use only	1,436	3	27 October 2010	One (1) year commencing on 1 June 2022 to 31 May 2023

5. BUSINESS OVERVIEW (cont'd)

No.	Landlord/Tenant	Postal address	Description/ Existing use	Approximate built-up area (sq. ft.)	Rental payable per month RM'000	Date of issuance of CFO/CCC	Tenure of tenancy/lease
10.	Monisprings Development Sdn Bhd/ Omega Edisi	15-2, PV7, No 3, Jalan Melati Utama 2, Taman Melati Utama, Setapak, 53100 Kuala Lumpur	Description: - One (1) unit of shoplot Existing use: - For office use only.	1,436	2.5	27 October 2010	One (1) year commencing on 6 October 2022 to 5 October 2023

Note: -

(i) *Property rented by our Group which is used as head office.*

As at the LPD, our Group is not in breach of any relevant laws, regulations, rules and requirements relating to the above properties which may materially affect our operations and utilisation of the above properties.

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5. BUSINESS OVERVIEW (cont'd)

5.22.3 Material plant and equipment

As at the LPD, there is no material plant and equipment used and owned by our Group.

5.22.4 Material plans to construct, expand or improve property, plant and equipment

As at the LPD, save for our Group's on-going commercial-residential project which comprises one (1) tower of SOHO together with the hotel component known as "Suite Canselor" undertaken by Idaman Sejiwa (Ampang), our Group has no material plans to construct, expand or improve property, plant and equipment.

5.23 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Our Group's business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarized below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made: -

(i) Local Government Act, 1976

Under the Local Government Act, 1976 ("LGA 1976"), the relevant local authority may exercise and perform within such area all or any powers and duties conferred on them under the LGA 1976 or by any by-laws, rules or regulations passed pursuant to the LGA 1976. The powers include the issuance of licenses and the imposition of any conditions and restrictions (if any) on the licenses as they deem fit.

We require a Business Premises License and Signage License to carry out our business activities at our business premises (i.e our head office and sales galleries) and for displaying our company name on the outer wall of the business premises.

(ii) Town and Country Planning Act, 1976

Under the Town and Country Planning Act, 1976, we are required to obtain a development order/planning permission prior to commencing, undertaking or carrying out our development projects.

(iii) Housing Development (Control and Licensing) Act, 1966

In respect of the housing development projects undertaken by us, we are required to obtain an Advertising Permit and Developer's License in respect of the development projects undertaken by us and we are subject to the provisions in and regulations as may be made by the Ministry of Housing and Local Government pursuant to the Housing Development (Control and Licensing) Act, 1966.

(iv) National Land Code (Revised 2020) (Act 828) (formerly known as National Land Code 1965)

In respect of the administration of land matters in Peninsular Malaysia, we are governed by the National Land Code (Revised 2020) (Act 828) (formerly known as National Land Code 1965).

(v) Strata Titles Act 1985

In respect of the subdivision of building into parcels, the disposition of titles, registration of titles relating to parcels in a building, transfer of parcels in a building, and other rights and interests in parcels in a building, we are required to apply for the subdivision of the building into parcels within such period and in the manner as provided by the Strata Titles Act 1985.

5. BUSINESS OVERVIEW (cont'd)

(vi) Street, Drainage and Building Act 1974

In respect of street, drainage and building in local authority areas in Peninsular Malaysia, we are governed by the Street, Drainage and Building Act 1974.

(vii) Strata Management Act 2013

In respect of the proper maintenance and management of buildings and common property within Peninsular Malaysia and the Federal Territory of Labuan, and we are subject to the provisions of, including but not limited to, the maintenance and management of the building during the developer's management period and before joint management body is established, and to convene the first annual general meeting of the joint management body.

(viii) Occupational Safety and Health Act 1994

In respect of securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work, we have a general duty to our employees to provide and maintain a safe working environment for our employees.

(ix) Competition Act 2010 ("Competition Act")

In respect of promoting economic development by promoting and protecting the process of competition, thereby protecting the interests of consumers and to provide for matters connected therewith.

The following are the prohibited practices stated in the Competition Act: -

(a) Section 4(1) of the Competition Act: -

A horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

(b) Sections 10(1) and (2) of the Competition Act: -

An enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services.

An abuse of a dominant position may include: -

(aa) directly or indirectly imposing unfair purchase or selling price or other unfair trading condition on any supplier or customer;

(bb) limiting or controlling: -

- (i)** production;
- (ii)** market outlets or market access;
- (iii)** technical or technological development; or
- (iv)** investment,

to the prejudice of customers;

(cc) refusing to supply to a particular enterprise or group or category of enterprises;

5. BUSINESS OVERVIEW (cont'd)

- (dd) applying different conditions to equivalent transactions with other trading parties to an extent that may: -
 - (i) discourage new market entry or expansion or investment by an existing competitor;
 - (ii) force from the market or otherwise seriously damage an existing competitor which is no less efficient than the enterprise in a dominant position; or
 - (iii) harm competition in any market in which the dominant enterprise is participating or in any upstream or downstream market;
- (ee) making the conclusion of contract subject to acceptance by other parties of supplementary conditions which by their nature or according to commercial usage have no connection with the subject matter of the contract;
- (ff) any predatory behaviour towards competitors; or
- (gg) buying up a scarce supply of intermediate goods or resources required by a competitor, in circumstances where the enterprise in a dominant position does not have a reasonable commercial justification for buying up the intermediate goods or resources to meet its own needs.

In the course of carrying out our business operations, we are to comply with the Competition Act, and in particular not to engage in any conduct which prevents the process of competition, such as price-fixing, bid-rigging, sharing market, and abuse of dominant position in any market for products or services. This is to promote healthy competition and fair trading and ultimately, to protect the interest of the consumers.

Save as disclosed below, as at the date of this Prospectus, there are no breach of laws and regulations governing our business operations, and environmental issues which may materially affect our Group's operation and usage of our properties. Save as disclosed below, there is also no tax penalty imposed by the Inland Revenue Board ("**IRB**") to our Group and there is no past or on-going regulatory audits or inspections in relation to the tax matters: -

(i) Tax penalty

(a) Ambanang Development

On 6 January 2020, the IRB issued a letter to Ambanang Development informing that the cheque dated 2 December 2019 for the settlement of the tax instalment payment for the YA 2019 amounting to RM1,058,917.00 has been dishonoured by the bank. Ambanang Development had on 18 December 2019 remitted a replacement cheque of RM1,058,917.00 dated 17 December 2019 to the IRB.

On 15 January 2020, the tax agent of Ambanang Development informed that the IRB will deem the subsequent date of payment (i.e., 18 December 2019) as the remittance date for the said payment. In this respect, Ambanang Development will be liable to a 10% late payment penalty of RM105,891.70 (RM1,058,917.00 x 10%) under Section 107 C (9) of the Income Tax Act 1968. The tax agent suggested that the above potential penalty be settled upon receipt of the notification from the IRB.

However, there were no notifications from the IRB until the enquiries made by its tax agent on its tax status on 13 October 2021 whereby it is noted there is a penalty of RM105,891.70, being 10% of the tax payment, being imposed on Ambanang Development. The tax agent of Ambanang Development had, on 22 October 2021, made an appeal to the IRB to waive the penalty of RM105,891.70 ("**Appeal**"). The IRB had, vide its letter dated 29 October 2021, approved the Appeal.

5. BUSINESS OVERVIEW (cont'd)

(b) Constant Premium

There was a potential penalty for Constant Premium of RM12,141 (i.e., RM121,410 X 10%) payable to the IRB for late payment of June 2021 instalment payment for the YA 2021. The payment was made one day late which occurred during the MCO period.

As at 15 September 2022, there is no penalty imposed by the IRB on Constant Premium in relation to the above.

(c) Vistarena Development

There was a tax penalty for Vistarena Development of RM111,480.21 for the YA 2020 due to an underestimation of tax payable incurred due to cost savings for the project namely, Residensi Platinum OUG. The tax penalty was settled on 28 October 2021.

(ii) Tax review

(a) Vistarena Development

The IRB had, vide its letter dated 10 June 2019, requested to review the past accounting records including the supporting documents of Vistarena Development for YA 2012 to YA 2017. The relevant documents for YA 2012 to YA 2017 were submitted to the IRB on 5 July 2019.

On 13 February 2020, there was a discussion held between the IRB and the representatives of Vistarena Development in relation to the submission of past accounting records including the supporting documents of Vistarena Development for YA 2018. The relevant documents for YA 2018 were submitted to the IRB on 12 March 2020.

On 30 October 2020, Vistarena Development received a letter from IRB stating that the review for YA 2015 to YA 2018 has been completed and settlement of the case without adjustment (*kes tanpa pelarasan*) has been approved.

The IRB had, vide its letter dated 1 October 2021, requested to review the past accounting records including the supporting documents of Vistarena Development for YA 2019. The relevant documents for YA 2019 were submitted to the IRB on 1 November 2021 (the extended date granted by the IRB due to the late receipt of the letter dated 1 October 2021).

On 24 March 2022, the IRB further requested to review the past accounting records including the supporting documents of Vistarena Development for YA 2018 to YA 2020 which was submitted to the IRB on 7 and 15 April 2022. IRB had on 15 August 2022 requested for further information in respect of YA 2019 to YA 2020. The company has submitted the relevant documents to the IRB on 29 August 2022. On 28 September 2022, the IRB requested for further information in respect of YA 2019 and YA 2020. The relevant documents are targeted to be submitted to the IRB by October 2022.

On 19 October 2022, Vistarena Development received a letter from IRB stating that the review for YA 2019 to YA 2020 has been completed and there is no tax adjustment required (*tiada pindaan cukai*).

5. BUSINESS OVERVIEW (cont'd)

(b) Total Solid

The IRB had, vide its letter dated 13 February 2020, requested to review the past accounting records including the supporting documents of Total Solid for YA 2015 to YA 2018 respectively. The relevant documents were submitted to the IRB on 13 May 2020.

On 13 October 2020, Total Solid had given an undertaking to the IRB to settle an additional tax payment of RM260,328.72 and a penalty of RM117,147.92 totalling to RM377,476.64 which was proposed to be settled in the following manner: -

- (a) First payment of RM95,476.64 which has been paid on 19 October 2020; and
- (b) Six installments of RM47,000.00 per month from 15 November 2020 to 15 April 2021.

The penalty was imposed due to a change in accounting treatment with regard to the classification of marketing expenses: -

Previously commission fees were classified as marketing expenses and charged to profit and loss as and when incurred. Subsequently with the adoption of MFRS 15, commission fees were capitalised as contract cost and charged to profit and loss based on percentage of completion. However, IRB was of the view that the difference between both treatments was construed as an under provision of income tax.

On 30 October 2020, Total Solid received a letter from IRB stating that they have agreed and approved the amount of RM377,476.64 as the settlement of past tax liabilities and penalties in respect of YA 2015 to YA 2018. The amount of RM377,476.64 has been fully settled after the sixth installment payment made on 15 April 2021.

The IRB had, vide its letter dated 19 December 2022, requested to review the past accounting records including the supporting documents of Total Solid for YA 2019 to YA 2021 respectively. The relevant documents were submitted to the IRB on 16 January 2023. On 18 January 2023, the IRB requested for further information which Total Solid has reverted on 13 February 2023.

As at the date of this Prospectus, the review by the IRB for YA 2019 to YA 2021 is still on-going.

(c) Ambanang Development

The IRB had, vide its letter dated 13 February 2020, requested to review the past accounting records including the supporting documents of Total Solid for YA 2015 to YA 2018 respectively. The relevant documents were submitted to the IRB on 13 May 2020.

On 30 October 2020, Ambanang Development received a letter from IRB stating that the review for YA 2015 to YA 2018 has been completed and settlement of the case without adjustment (*kes tanpa pelarasan*) has been approved.

5. BUSINESS OVERVIEW (cont'd)

(d) Constant Premium

The IRB had, vide its letter dated 28 April 2021, requested to review the past accounting records including the supporting documents of Constant Premium for YA 2015 to 2019. The relevant documents were submitted to the IRB on 3 May 2021.

On 28 May 2021, Constant Premium received a letter from IRB stating that the review for YA 2015 to YA 2019 has been completed and settlement of the case without adjustments (*kes tanpa hasil*) has been approved.

(e) Radium

The IRB had, vide its letter dated 8 July 2021, requested to review the past accounting records including the supporting documents of Radium for YA 2019. The relevant documents were submitted to the IRB on 16 August 2021.

In September 2021, the representative of Radium had contacted IRB to follow up on the status and was informed by the officer in charge that the review will take up to approximately six (6) months to complete.

On 12 October 2021, Radium received a letter from IRB stating that the review for YA 2019 has been completed and there are no tax adjustments to be made.

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5. BUSINESS OVERVIEW (cont'd)

(iii) Late payment of statutory contributions

Save as disclosed below, there is no late payment of the following statutory contributions by our Group: -

Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition	
EPF contribution						
Ambanang Development						
Late payment of RM18,795.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM105 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM18,795.00 has been made on 16 August 2022	RM105 ⁽ⁱ⁾	Please refer to note vi	
Constant Premium						
Late payment of RM14,417.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM80 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM14,417.00 has been made on 16 August 2022	RM80 ⁽ⁱ⁾		
Idaman Sejiwa (Ampang)						
Late payment of RM8,978.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM8,978.00 has been made on 16 August 2022	⁽ⁱⁱ⁾		
Omega Edisi						
Late payment of RM64,481.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM358 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM64,481.00 has been made on 16 August 2022	RM358 ⁽ⁱ⁾		
Pavilion Integrity						
Late payment of RM6,169.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM35 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM6,169.00 has been made on 16 August 2022	RM35 ⁽ⁱ⁾		

5. BUSINESS OVERVIEW (cont'd)

Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition	
Total Solid						
Late payment of RM12,052.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM67 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM12,052.00 has been made on 16 August 2022	RM67 ⁽ⁱ⁾	Please refer to note vi	
Vistarena Development						
Late payment of RM14,029.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM78 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM14,029.00 has been made on 16 August 2022	RM78 ⁽ⁱ⁾		
Human Resources Development Fund (HRDF) contribution						
Ambanang Development						
Late payment of RM790.80 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 29 August 2022 via payment	The late payment of RM790.80 has been made on 16 August 2022	RM5 ⁽ⁱⁱⁱ⁾	Please refer to note vi	
Constant Premium						
Late payment of RM615.50 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 29 August 2022 via payment	The late payment of RM615.50 has been made on 16 August 2022	RM5 ⁽ⁱⁱⁱ⁾		
Omega Edisi						
Late payment of RM2,466.86 for July 2022 (due date was 15 August 2022)	Contribution made on 29 August 2022. Penalty for late payment of RM10 was paid on 6 September 2022	Rectified on 29 August 2022 via payment	The late payment of RM2,466.86 has been made on 29 August 2022	RM10 ⁽ⁱⁱⁱ⁾		
Total Solid						
Late payment of RM584.24 for July 2022 (due date was 15 August 2022)	Contribution made on 29 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 29 August 2022 via payment	The late payment of RM584.24 has been made on 29 August 2022	RM5 ⁽ⁱⁱⁱ⁾		

5. BUSINESS OVERVIEW (cont'd)

Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition	
Vistarena Development						
Late payment of RM602.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 13 September 2022	Rectified on 29 August 2022 via payment	The late payment of RM602.00 has been made on 16 August 2022	RM5 ⁽ⁱⁱⁱ⁾	Please refer to note vi	
SOCSO contribution						
Ambanang Development						
Late payment of RM1,171.70 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM1,171.70 has been made on 16 August 2022	RM5 ^(iv)		
Constant Premium						
Late payment of RM919.70 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM919.70 has been made on 16 August 2022	RM5 ^(iv)		
Idaman Sejiwa (Ampang)						
Late payment of RM661.30 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM661.30 has been made on 16 August 2022	(ii)		
Omega Edisi						
Late payment of RM1,959.40 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM1,959.40 has been made on 16 August 2022.	RM5 ^(iv)		
Pavilion Integrity						
Late payment of RM328.30 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM328.30 has been made on 16 August 2022.	RM5 ^(iv)		

5. BUSINESS OVERVIEW (cont'd)

Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition
Total Solid					
Late payment of RM527.10 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM527.10 has been made on 16 August 2022.	RM5 ^(iv)	Please refer to note vi
Vistarena Development					
Late payment of RM964.70 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM964.70 has been made on 16 August 2022.	RM5 ^(iv)	Please refer to note vi
Employment Insurance System (EIS) contribution					
Ambanang Development					
Late payment of RM208.60 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM208.60 has been made on 16 August 2022.	RM5 ^(iv)	Please refer to note vi
Constant Premium					
Late payment of RM163.60 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM163.60 has been made on 16 August 2022.	RM5 ^(iv)	Please refer to note vi
Idaman Sejiwa (Ampang)					
Late payment of RM117.60 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM117.60 has been made on 16 August 2022.	(ii)	Please refer to note vi
Omega Edisi					
Late payment of RM348.60 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022.	Rectified on 16 August 2022 via payment	The late payment of RM348.60 has been made on 16 August 2022.	RM5 ^(iv)	Please refer to note vi

5. BUSINESS OVERVIEW (cont'd)

Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition	
Pavilion Integrity						
Late payment of RM58.40 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM58.40 has been made on 16 August 2022.	RM5 ^(iv)	Please refer to note vi	
Total Solid						
Late payment of RM76.20 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM76.20 has been made on 16 August 2022.	RM5 ^(iv)		
Vistarena Development						
Late payment of RM171.60 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022. Penalty for late payment of RM5 was paid on 12 September 2022	Rectified on 16 August 2022 via payment	The late payment of RM171.60 has been made on 16 August 2022.	RM5 ^(iv)		
Monthly Tax Deductions						
Ambanang Development						
Late payment of RM4,409.00 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM4,409.00 has been made on 16 August 2022.	(v)	Please refer to note vi	
Constant Premium						
Late payment of RM3,185.20 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM3,185.20 has been made on 16 August 2022.	(v)		
Idaman Sejiwa (Ampang)						
Late payment of RM764.85 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM764.85 has been made on 16 August 2022.	(v)		
Omega Edisi						
Late payment of RM32,950.40 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM32,950.40 has been made on 16 August 2022.	(v)		

5. BUSINESS OVERVIEW (cont'd)

Nature of non-compliance	Status as at the LPD	Estimated time for rectification	Estimated cost to rectify	Potential maximum penalty	Impact to business operations or financial condition	
Pavilion Integrity						
Late payment of RM1,808.55 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM1,808.55 has been made on 16 August 2022.	(v)	Please refer to note vi	
Total Solid						
Late payment of RM5,013.90 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM5,013.90 has been made on 16 August 2022.	(v)		
Vistarena Development						
Late payment of RM2,034.70 for July 2022 (due date was 15 August 2022)	Contribution made on 16 August 2022.	Rectified on 16 August 2022 via payment	The late payment of RM2,034.70 has been made on 16 August 2022.	(v)		

Notes: -

- (i) Based on letters received from the EPF/from the EPF portal.
- (ii) To-date, there is no penalty imposed by EPF, SOCSO and EIS to Idaman Sejiwa (Ampang).
- (iii) Based on the HRDF portal.
- (iv) Based on the SOCSO/EIS portal.
- (v) Ambanang Development, Constant Premium, Idaman Sejiwa (Ampang), Omega Edisi, Pavilion Integrity, Total Solid and Vistarena Development have received letters from the IRB dated 26 September 2022 in relation to the late payment of the monthly statutory contributions. The said companies had on 4 October 2022 submitted letters to the IRB to seek an appeal for the waiver of late payment compound and has made the necessary outstanding payments. The IRB had, vide its letters dated 11 and 15 November 2022, and 13 and 14 December 2022 informed that there is no penalty imposed to the said companies.
- (vi) We have noted the late payments made which were mainly due to the change in the payroll system which resulted in the late payments of the said statutory contributions. We will undertake remedial actions to ensure that contributions shall be made on a timely manner. On an overall basis, we are of the view that the total estimated penalty in relation to the above late payments is estimated to be not more than RM18,000 which is less than 0.05% of the PBT based on the audited financial statements for the FYE 2021 and hence it is not expected to have a material impact on our Group's financial condition.

5. BUSINESS OVERVIEW (cont'd)

The above late payment of the statutory contributions was mainly due to the change in the payroll system which resulted in the late payments of the said statutory contributions. We are in the midst of formalising our internal Statutory Payment Procedures to ensure timely payment of statutory contributions in order to avoid future non-compliance i.e., late payment of statutory contributions.

The penalty for the late payment of the following statutory contributions are as follows: -

- (i) **EPF contribution:** - The penalty for the late payment is a minimum of RM10.
- (ii) **Human Resources Development Fund (HRDF) contribution:** - The penalty for the late payment is fine not exceeding RM20,000 or imprisonment for a term not exceeding two (2) years of both (on conviction); and yearly interest of 10% in respect of each day of default/delay in payment.
- (iii) **SOCSSO contribution:** - The penalty for the late payment is 6% per annum for each day of contributions not paid within the stipulated period.
- (iv) **Employment Insurance System (EIS) contribution:** - The penalty for the late payment is 6% per annum for each day of contributions not paid within the stipulated period.
- (v) **Monthly Tax Deductions:** - The penalty for the late payment is a minimum of RM200 and not more than RM2,000 or six (6) months imprisonment or both.

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5. BUSINESS OVERVIEW (cont'd)

5.24 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

We are committed to adopt environmental, social and governance practices to ensure environmentally responsible operations, a conducive workplace for employees and a high standard of corporate governance, to create durable and sustainable value and maintain confidence of our stakeholders.

(i) Environmental

We are committed to ensure environmentally responsible operations which include energy use, water use, climate change policy and action, and material choices, among others.

We are also responsible for social and environmental issues whereby we will endeavour to adhere to environmentally friendly practices into the design of our development projects such as introducing green and energy-efficient features in our upcoming projects and installing fittings that provide better air circulation with natural light sources to reduce the consumption of energy.

For our on-going project, namely Suite Canselor which comprises one (1) tower of SOHO together with the hotel component, we have appointed GreenRE Sdn Bhd, a wholly-owned subsidiary of the Real Estate and Housing Development Association (REHDA) for the building to be assessed under their green building rating system of high-performance green buildings and townships which are energy, water and resource-efficient.

For our on-going project, namely Residensi Desa Timur, which we shall comply with DBKL's requirements for green building design of which the typical design provisions include rainwater harvesting tank requirements, usage of industrialised building system (IBS) and usage of environmentally friendly refrigerants, we have appointed Zeal Greentech Sdn Bhd as GreenRE Certification Consultant to advise and evaluate current design specifications and layout plan and determine current score with respect to Green Building Index certification.

(ii) Social

We have established a safety and health committee in accordance with the Occupational Safety and Health Act 1994 to ensure a safe, healthy and conducive workplace for our employees.

In response to the COVID-19 pandemic, we have established a safety protocol committee to oversee the adherence of infection control measures based on the guidelines and SOP issued by MITI as detailed in Section 5.3.3 of this Prospectus. In addition, we have established a SOP for safety and health functions which includes conducting safety spot checks for each stage of project development to ensure the safety of the environment in our premises and project site offices, formalising emergency response plan to prepare and train our employees for emergencies and inspection of employees' personal protective equipment, amongst others. We have also introduced briefing on health and safety under induction trainings/orientation for all new employees.

Our employees have equal opportunities for career advancement based on merit, performance, experience and academic qualification regardless of race and gender. Our Group supports the upgrading of employees' skills and knowledge to enhance their competency, including sponsoring training/educational programs. Our Group has included training and development as an integral part of our Group's annual business plan and budget which is aligned with our Group's yearly performance appraisal exercise. All employees are required to comply with minimum eight (8) hours training hours per year.

5. BUSINESS OVERVIEW (cont'd)

Our Board comprises ten (10) directors of which six (6) are male directors and four (4) are female directors. Out of the ten (10) directors, three (3) directors are from the Malay ethnicity and the remaining seven (7) directors are from the Chinese ethnicity. The age group of our Board as at the LPD is also diverse which is set out as follows: -

Age group	Number of Directors	%
31 - 40	1	10.00
41 - 50	3	30.00
51 - 60	5	50.00
61 - 70	1	10.00
Total	10	100.00

Our total employees comprise 46 male employees and 35 female employees. In terms of race/ethnic diversity, out of the total 81 employees, we have 54 employees representing approximately 66.67% out of the total employees whom are from the Chinese ethnicity and followed by 27 employees, representing 33.33% from the Malay ethnicity. The diversity of our employees in terms of age group as at the LPD is as follows: -

Age group	Number of employees	%
21 – 30	20	24.69
31 – 40	29	35.80
41 – 50	21	25.93
51 - 60	10	12.35
Above 60	1	1.23
Total	81	100.00

We are also committed to uphold the highest standard of business ethics and integrity in all our business associates. We prioritise business associates who share the same corporate values as us. In selecting our suppliers, consultants and contractors, we carefully review and consider those who include sustainability effort and innovation in their products and/or services. We implement the consultants and contractors' evaluation on a yearly basis to ensure that the work quality and services rendered are acceptable and meet our requirements, including among others, sustainability requirements. To support the local economy and community, we give priority to business associates who locally produce their products and/or responsibly source products or services from local suppliers.

As a property developer, we deal with high number of personal data of our home buyers. Therefore, we are fully committed to comply with the security protocols to safeguard personal data, at all times. We have our in-house Information Technology ("IT") team to implement and monitor various controls over the IT operation. We continuously strengthen our data security measures, by subscribing the newer version of preventive based antivirus software and improve our access control, achieve of data and network infrastructure security features. As at the LPD, we have not received any substantiated complaints concerning breaches of customer privacy and losses of customer data.

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5. BUSINESS OVERVIEW (cont'd)

(iii) Governance

We are committed to achieve and sustain higher standards of corporate governance i.e., ethical behaviour, accountability, transparency and sustainability, in order to promote business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of our stakeholders. As at the LPD, there is no departure from the MCCG.

In addition, as at the LPD, we have in place policies and procedures to promote and maintain compliance with the Malaysian Anti-Corruption Commission Act 2009 and the Whistleblower Protection Act 2010. We have established and adopted the Anti-Bribery and Corruption Policy in compliance with the Malaysian Anti-Corruption Commission Act 2009. In addition, we provide trainings and briefings to all our Directors, employees and business associates in accordance with our Anti-Bribery and Corruption Policy. We are committed to a zero-tolerance towards bribery and corruption within our Group, Directors, employees as well as business associates. As at the LPD, we have reported zero case on incidence of corruption and bribery. We have also put in place risk management framework that covers corruption risk assessment on our engagements with business associates and the assessments shall be conducted annually across our Group.

In addition to the above, we have formalised a sustainability policy to facilitate environmental, social and governance practices in order to create long-term value for the stakeholders as well as to improve our long-term performance and resilience, towards being Malaysia's leading, sustainable and increasingly connected business. It is to reaffirm the strategic importance of sustainability to our Group.

Our Board shall delegate oversight responsibility and strategic management of material sustainability matters to the Audit and Risk Management Committee. Senior management which comprises of head of departments ("**HODs**") is responsible for overseeing the implementation of sustainability related initiatives and supported by managers under the HODs whom are responsible for executing, monitoring and reporting sustainability related initiatives which assists senior management in making informed decisions to achieve our Company's sustainability goals.

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6. IMR REPORT

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15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date: **5 April 2023**

The Board of Directors

Radium Development Berhad

62C, Jalan SS21/62
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sir/ Madam,

Independent Market Research Report on the High-Rise Residential Property Market in the Federal Territory of Kuala Lumpur (“KL”) and Selangor and the Hotel Industry in KL (“IMR Report”)

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD (“SMITH ZANDER”) for inclusion in the Prospectus in conjunction with the listing of Radium Development Berhad (“Radium”) on the Main Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry and market(s) in which Radium and its subsidiaries (“Radium Group” or the “Group”) operate and to offer a clear understanding of the industry and market dynamics. As Radium Group is a property developer principally involved in the development of high-rise residential properties in KL and may be expanding into Selangor, and intends to venture into the hotel industry in KL, the scope of work for this IMR Report will thus address the following areas:

- (i) The high-rise residential property market in KL and Selangor; and
- (ii) The hotel industry in KL.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants and industry experts. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this report.

For and on behalf of SMITH ZANDER:



DENNIS TAN
MANAGING PARTNER

6. IMR REPORT (cont'd)

SMITH ZANDER

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Any part of this IMR Report used in third party publications, where the publication is based on the content, in whole or in part, of this IMR Report, or where the content of this IMR Report is combined with any other material, must be cited and sourced to SMITH ZANDER.

The research for this IMR Report was completed on 3 April 2023.

For further information, please contact:

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in KL, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has 25 years of experience in market research and strategy consulting, including over 20 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

6. IMR REPORT (cont'd)

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1 THE HIGH-RISE RESIDENTIAL PROPERTY MARKET IN KL AND SELANGOR

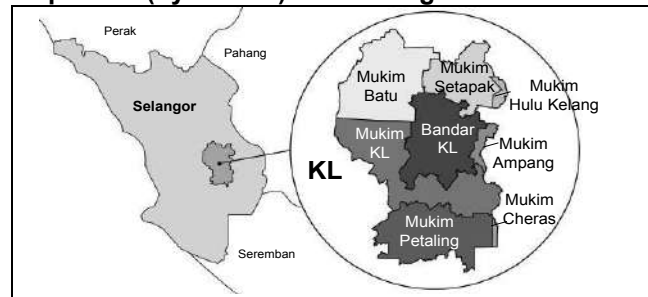
Overview of KL and Selangor

The city of KL is the national capital of Malaysia, with a land area of 243 square kilometres (“sq km”). KL is enclosed by the state of Selangor, which comprises a land area of 7,951 sq km. KL, together with the districts of Selangor that adjoin KL, are typically known as Klang Valley. KL comprises 8 mukim (sub-district) namely Bandar KL, mukim Petaling, mukim KL, mukim Batu, mukim Setapak, mukim Ampang, mukim Hulu Kelang and mukim Cheras. The districts of Selangor that adjoin KL, which are part of the Klang Valley, are Petaling, Putrajaya, Klang, Gombak and Hulu Langat.

From 2019 to 2021, the total population of KL and Selangor increased from 8.29 million to 8.98 million. By 2040, the total population for KL and Selangor is projected to increase to 10.53 million. The total number of urban households in KL and Selangor increased from 1.91 million in 2016 to 2.02 million in 2019 at a Compound Annual Growth Rate (“CAGR”) of 1.88%. In 2020, the number of urban households in KL and Selangor grew at a year-on-year (“YOY”) rate of 15.35%. The increase in population leads to the rise in number of households which increases the demand for housing and accommodation in KL and Selangor.

In 2021, despite the coronavirus disease 2019 (“COVID-19”) pandemic, Malaysia recorded RM306.50 billion worth of approved (domestic and foreign) investments in the manufacturing, services and primary sectors. The strategic location and established infrastructure create domestic and foreign investment opportunities in KL and Selangor. KL and Selangor secured approved investments worth RM66.50 billion or 21.70% of total approved investments in Malaysia, with KL recording RM37.70 billion and Selangor recording RM28.80 billion in 2021.¹

Map of KL (by mukim) and Selangor



Sources: National Property Information Centre (“NAPIC”), SMITH ZANDER

In 2022, Malaysia recorded RM264.60 billion in approved (domestic and foreign) investments in the manufacturing, services and primary sectors. KL and Selangor secured approved investments worth RM85.10 billion or 32.16% of total approved investments in Malaysia, with KL recording RM25 billion and Selangor recording RM60.10 billion in 2022.¹

The rise in economic development leads to increase in consumer purchasing power, and thus allowing consumers to make purchases such as properties. In 2016, the average monthly household disposable income for KL and Selangor increased from RM9,480 and RM7,810 to RM11,102 and RM8,826 in 2019, at CAGRs of 5.41% and 4.16%, respectively.² However, the outbreak of the COVID-19 pandemic since March 2020 had temporarily dampened economic conditions in Malaysia and reduced consumer purchasing power.

From 2019 to 2021, KL³ and Selangor’s Gross Domestic Product (“GDP”) declined from RM578.80 billion to RM561.73 billion at a CAGR of -1.49%, while Malaysia’s GDP recorded a CAGR of -1.06%, declining from RM1.42 trillion to RM1.39 trillion, during the same period.^{2,4} The decline was mainly due to the adverse economic impact as a result of the COVID-19 pandemic in 2020 and 2021.

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¹ Source: Malaysian Investment Development Authority (MIDA).

² Latest available data as at the research completion date.

³ GDP of KL includes GDP of Putrajaya.

⁴ Source: Department of Statistics Malaysia (“DOSM”).

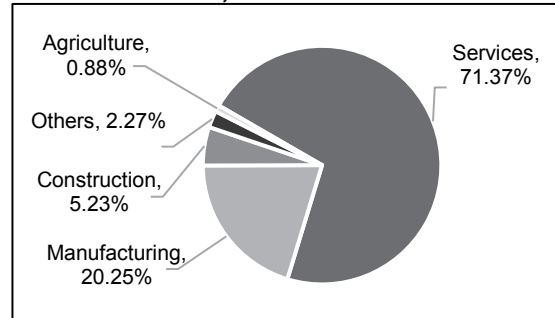
6. IMR REPORT (cont'd)

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KL and Selangor contributed an average of 40.53% to Malaysia’s GDP between 2019 and 2021, which was the largest GDP contribution among other states and Federal Territories in Malaysia. The economy of KL and Selangor is largely based on the services sector. In 2021, the services sector contributed 71.37% to the GDP of KL and Selangor, followed by manufacturing, construction, agriculture and other economic activities.

The GDP contribution from the services sector includes wholesale and retail trade, finance and insurance, information and communication, real estate and business services, transportation and storage, food and beverage, accommodation, government services and other services.

KL and Selangor GDP contribution by economic sector, 2021



Sources: DOSM, SMITH ZANDER

1.1 MARKET SIZE AND PERFORMANCE

As Radium Group has high-rise residential properties in mukim Batu, mukim KL, mukim Petaling, mukim Setapak and mukim Ampang, and intend to expand into Selangor, the performance analysis in this section will focus on mukim in KL, if available, and Selangor.

Demand for high-rise residential properties in KL and Selangor

High-rise residential properties in this report comprise condominiums, apartments and service apartments. The performance of the high-rise residential property market in KL and Selangor is measured by the value and number of high-rise residential property transactions.

Value of high-rise residential property transactions in KL and Selangor, 2019 - 2022

Location	Value of property transactions (RM billion)				CAGR (%) (2019 - 2022)
	2019	2020	2021	2022	
KL (Total)	5.74	5.40	5.60	8.07	12.03
• Mukim Batu	1.44	1.28	1.47	1.95	10.63
• Mukim KL	0.94	0.92	0.92	1.47	16.07
• Mukim Petaling	0.80	0.90	0.82	1.57	25.20
• Mukim Setapak	0.46	0.59	0.76	0.71	15.57
• Mukim Ampang	0.09	0.07	0.12	0.08	-3.85
• Others	2.01	1.64	1.50	2.29	4.44
Selangor	3.87	3.40	4.04	5.06	9.35

Note:

- Others comprise Bandar KL, mukim Hulu Kelang and mukim Cheras.

Sources: NAPIC, SMITH ZANDER

Number of high-rise residential property transactions in KL and Selangor, 2019 - 2022

Location	Number of property transactions (Units)				CAGR (%) (2019 - 2022)
	2019	2020	2021	2022	
KL (Total)	7,260	7,165	7,324	9,406	9.02
• Mukim Batu	1,491	1,392	1,561	2,273	15.09
• Mukim KL	1,340	1,140	1,196	1,701	8.28
• Mukim Petaling	1,516	1,932	1,465	1,856	6.98
• Mukim Setapak	978	1,084	1,455	1,408	12.92
• Mukim Ampang	139	104	200	126	-3.22
• Others	1,796	1,513	1,447	2,042	4.37
Selangor	10,152	9,072	10,408	12,712	7.78

Note:

- Others comprise Bandar KL, mukim Hulu Kelang and mukim Cheras.

Sources: NAPIC, SMITH ZANDER

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6. IMR REPORT (cont'd)

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Average prices of high-rise residential property transactions in KL and Selangor, 2019 - 2022

Location	Average price per unit (RM million)				CAGR (%) (2019 - 2022)
	2019	2020	2021	2022	
KL (Total)	0.79	0.75	0.76	0.86	2.87
• Mukim Batu	0.97	0.92	0.94	0.86	-3.93
• Mukim KL	0.70	0.81	0.77	0.86	7.10
• Mukim Petaling	0.53	0.47	0.56	0.85	17.05
• Mukim Setapak	0.47	0.54	0.52	0.50	2.08
• Mukim Ampang	0.65	0.67	0.62	0.63	-1.04
• Others	1.12	1.08	1.04	1.12	-
Selangor	0.38	0.37	0.39	0.40	1.72

Note:

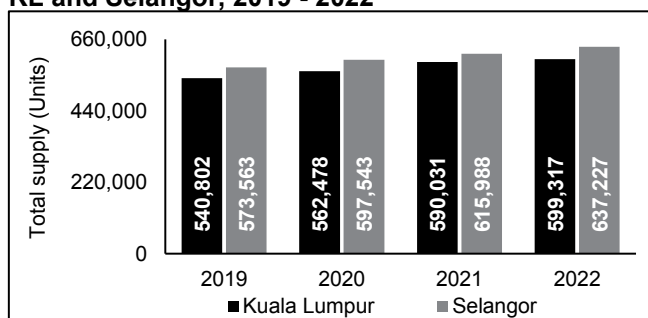
- Others comprise Bandar KL, mukim Hulu Kelang and mukim Cheras.

Sources: NAPIC, SMITH ZANDER

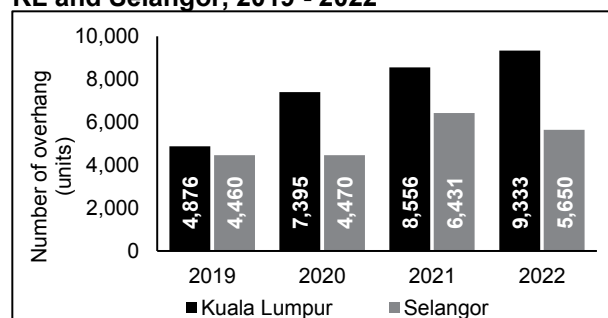
Between 2019 and 2021, in KL, there was an increase in the number of high-rise residential property transactions but a decline in the value of transactions, which resulted in a decline in the average price per unit from RM0.79 million to RM0.76 million at a CAGR of -1.92%. Over the same period, in Selangor, both value and number of high-rise residential property transactions increased which resulted in an increase in the average price per unit from RM0.38 million to RM0.39 million at a CAGR of 1.31%. In 2022, in KL and Selangor, both value and number of high-rise residential property transactions increased which resulted in the increase in the average price per unit at YOY rates of 12.21% from RM0.76 million to RM0.86 million in KL and 2.55% from RM0.39 million to RM0.40 million in Selangor. The increased number of high-rise residential property transactions in KL and Selangor were mainly driven by improved economic conditions in 2021 and 2022 and various Government initiatives to boost the property market, which were sustained by demand for properties in KL and Selangor, especially for properties which are strategically located and competitively priced. Please refer to Section 1.2 for further information on the key market drivers.

Supply of high-rise residential properties in KL and Selangor

In KL, the total supply⁵ of high-rise residential properties increased from 540,802 units, comprising an existing stock⁶ of 309,716 units and future supply⁷ of 231,086 units in 2019, to 590,031 units, comprising an existing stock of 355,828 units and future supply of 234,203 units in 2021, at a CAGR of 4.45%. In 2022, the total supply of high-rise residential properties in KL increased YOY by 1.57% to 599,317 units, comprising an existing stock of 389,650 units and future supply of 209,667 units.

Total supply of high-rise residential properties in KL and Selangor, 2019 - 2022

Sources: NAPIC, SMITH ZANDER

Number of overhang high-rise residential units in KL and Selangor, 2019 - 2022

Sources: NAPIC, SMITH ZANDER

In Selangor, the total supply of high-rise residential properties increased from 573,563 units, comprising an existing stock of 441,474 units and future supply of 132,089 units in 2019, to 615,988 units, comprising an existing stock of 471,552 units and future supply of 144,436 units in 2021, at a CAGR of 3.63%. In 2022, the total supply of high-rise residential properties in Selangor increased YOY by 3.45% to 637,227 units, comprising an existing stock of 494,308 units and future supply of 142,919 units.

⁵ Total supply comprises existing stock and future supply.

⁶ Existing stock refers to total stock of all completed sold and unsold properties in the market that have received Certificate of Completion and Compliance ("CCC").

⁷ Future supply comprises incoming supply and planned supply. Incoming supply refers to total number of properties in the market that are currently under construction; whereas planned supply refers to total number of properties where building plans have been approved but construction works are yet to commence.

6. IMR REPORT (cont'd)**SMITH ZANDER**

Residential properties transacted come from the pool of existing stock, incoming supply and/or planned supply. Overhang units are completed units with CCC in the review period which have remained unsold for more than 9 months since the issuance of CCC. Existing stock is the total stock of all completed sold and unsold residential units in the market that have received CCC, therefore overhang units are included in the existing stock supply. The number of overhang high-rise residential units in KL and Selangor increased by 75.47% and 44.19% from 4,876 units and 4,460 units in 2019 to 8,556 units and 6,431 units in 2021, respectively. In 2022, the number of overhang high-rise residential units in KL increased YOY by 9.08% to 9,333 units whereas the number of overhang high-rise residential units in Selangor decreased YOY by 12.14% to 5,650 units.

1.2 MARKET DRIVERS, RISKS AND CHALLENGES**Key Market Drivers****► Urbanisation drives the growth in demand for high-rise residential properties in KL and Selangor**

Rural to urban migration in Malaysia continues to increase due to the availability of education and employment opportunities, and people's desire to seek higher standards of living in cities and other urban areas. Individuals such as young adults often migrate to urban areas to enrol in universities and search for jobs, which drives the demand for high-rise residential properties in urban areas.

According to the World Bank, the urban population in Malaysia, as a percentage of total population, is expected to increase from 78.21% in 2022 to 85.00% in 2040. As a result of urbanisation, the population for KL and Selangor is projected to increase to 10.53 million by 2040. Therefore, the demand for high-rise residential properties in KL and Selangor is expected to support increasing urbanisation.

► Established infrastructure and availability of urban amenities drive the demand for high-rise residential properties in KL and Selangor

As the main economic and financial centres of the country, KL and Selangor have well-established infrastructure and urban amenities. High-rise residential properties in KL and Selangor which are located close to transportation amenities (i.e. bus stops/stations, monorail, light rapid transit and mass rapid transit) appeal to homebuyers due to ease of access to public transport services. Such convenience appeals to urban households that rely on public transportation. Similarly, high-rise residential properties that are easily accessible via major roads and highways also generate higher interest amongst homebuyers.

Further, urban amenities such as sundry shops, grocery stores, shopping malls, healthcare facilities, educational institutions and/or recreational parks are easily accessible in KL and Selangor. Moreover, high-rise residential properties usually provide facilities including 24-hour security, gyms and swimming pools which add to the attractiveness of the properties to homebuyers. The maintenance works for these facilities in high-rise residential properties are managed by property management teams which is an added convenience for the residents to enjoy these facilities without having to upkeep the facilities themselves.

► Economic growth signifies growth opportunities in the property market in KL and Selangor

As the capital and epicentre of business activities in Malaysia, KL is a thriving domestic and international hub. Selangor is the most developed state in Malaysia due to its ideal demographic location, with close proximity to KL and Putrajaya. Selangor is also the location of the main entry points into Malaysia by air via the KL International Airport ("KLIA") and KLIA 2. It also has the largest port in Malaysia, namely Port Klang, which has trade connections with over 120 countries and dealings with over 500 ports worldwide.

Business expansion and investments in KL and Selangor are expected to contribute to economic growth in KL and Selangor. The increase in economic activity leads to increase in earnings by businesses and companies, improvement in employment rates and increase in household disposable income. All these may consequently drive the demand for residential properties in KL and Selangor.

KL and Selangor GDP and GDP growth, 2019 - 2021

Year	2019	2020	2021
GDP (RM billion)	578.80	543.65	561.73
YOY growth (%)	6.48	-6.07	3.33

Sources: DOSM, SMITH ZANDER

In view of the COVID-19 pandemic, KL and Selangor's GDP recorded a 6.07% YOY decline in 2020. This has affected consumer purchasing power where consumers may be more prudent in making investment decisions, especially investing in high value assets such as properties.

With the rollout of COVID-19 vaccination and the subsiding adverse impact of the COVID-19 pandemic, restrictions on domestic travelling were uplifted in October 2021. Following the ease of movement restrictions

6. IMR REPORT (cont'd)**SMITH ZANDER**

and as economic activities gradually resume and normalise, Malaysia's GDP rebounded by 3.09%, whereby KL and Selangor's GDP recorded a 3.33% YOY increase in 2021.

In 2020 and 2021, the Government had introduced several initiatives to stimulate the property market and provide financial relief to homebuyers during the COVID-19 pandemic, through the Pelan Jana Semula Ekonomi Negara (PENJANA) Short-Term Economic Recovery Plan.

Under Budget 2021, the Government proposed to further extend the full stamp duty exemptions on the instruments of transfer and instrument of securing loans for the first residential property purchased by Malaysians to 31 December 2025, with the price limit on properties increased from RM300,000 to RM500,000. Further, under Budget 2022, the Government proposed to remove the Real Property Gains Tax ("RPGT") on the disposal of properties held by Malaysians and permanent residents in Malaysia for more than 5 years, effective January 2022, to ease the financial burden of property owners during disposal of properties.

In July 2022, the Government introduced the Keluarga Malaysia Home Ownership Initiative ("i-MILIKI"), effective between 1 June 2022 and 31 December 2023. Under i-MILIKI, full and 50% stamp duty exemptions are granted on the instruments of transfer and instrument of securing loans for residential properties purchased by first-time homeowners at price between RM500,000 and below, and between RM500,000 and RM1 million, respectively.⁸

In September 2022, the Government introduced the Premium Visa Programme ("PVIP") to attract wealthy foreigners to invest in Malaysia and reside in the country for a period of 20 years. Participants of the programme would be given benefits in the form of visa approval for up to 20 years, permission to study, permission to purchase real estate for residential, commercial or industrial purposes, and make active investments in permitted fields. With incoming wealthy foreigners, the PVIP is expected to increase the demand for properties in Malaysia.

Under Budget 2023, the Government will continue to exempt stamp duty for first-time homeowners where full stamp duty exemptions will be granted for homes valued at RM500,000 and below until the end of 2025, whereas 75% stamp duty exemptions will be granted for homes valued at more than RM500,000 and up to RM1 million until 31 December 2023.

With these initiatives in place, consumers may be encouraged to purchase residential properties which will drive the demand for high-rise residential properties in KL and Selangor.

Since 1 April 2022, Malaysia has entered into the "Transition to Endemic" phase of COVID-19 and the country's borders have been re-opened. With the easing of restrictions and normalised economic activities, the Malaysian economy grew by 8.70% in 2022⁹, which is above its pre-COVID-19 GDP at 4.41% in 2019, indicating an economic recovery. As the Malaysian economy continues to grow over time, consumer sentiment and purchasing power are expected to grow in tandem which will further drive the growth of the high-rise residential property markets in KL and Selangor.

► **Government initiatives on affordable housing will boost the growth of high-rise residential properties**

To encourage home ownership amongst low and middle income individuals, the Government has introduced affordable housing programmes such as the Residensi Wilayah programme and Perumahan Penjawat Awam Malaysia ("PPAM") programme to assist individuals in purchasing homes.

The Residensi Wilayah programme was first introduced in 2013 as Rumah Mampu Milik Wilayah Persekutuan (RUMAWIP), to encourage the purchase of homes by Malaysians that are born, residing or working in the Federal Territories of Malaysia and earning a monthly gross income below RM10,000 for single applicants and RM15,000 for married applicants. Under this programme, affordable homes are offered with a selling price not exceeding RM300,000 per unit, along with the Government's target to achieve the construction of 1 million units of affordable homes throughout Malaysia by 2028.

The PPAM programme was introduced in 2013 to provide affordable homes to all Malaysian government servants and retired government servants, comprising low- and middle-income employees of the Federal Government, State Governments, State or Local Authorities and Statutory Bodies.

In the 12th Malaysia Plan (2021 – 2025), the Government announced a total of 500,000 affordable housing will be developed to increase home ownership through various affordable housing initiatives. In line with this initiative, the Government announced an allocation of RM1.50 billion on the development of affordable housing

⁸ Source: *i-MILIKI stamp duty exemption to encourage first-time homebuyers*, *New Straits Times*, 15 July 2022.

⁹ Source: *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2022*, *Bank Negara Malaysia ("BNM")*, 10 February 2023.

6. IMR REPORT (cont'd)**SMITH ZANDER**

projects under Budget 2022. In addition, the Government proposed a guarantee worth RM2 billion to banks via the Housing Credit Guarantee Scheme (“HCGS”), to begin in 2022, by providing financial assistance to the lower income group for the purchase of property. Under Budget 2023, the Government has allocated a guarantee of up to RM5 billion via the HCGS which is expected to benefit 20,000 borrowers.

These affordable housing initiatives are expected to drive the demand for residential properties, including high-rise residential properties, in KL and Selangor.

Key Market Risks and Challenges**► Adverse economic conditions may negatively impact the demand for properties**

The property market is dependent on the state of the economy. As properties are generally long term high value investments which require years of commitment in serving housing loans, the decision to purchase properties is usually made cautiously after taking into consideration various factors including, amongst others, economic conditions, property prices, market sentiment, development outlook of the property location as well as interest rates of housing loans.

Any changes to Malaysia’s economic conditions that affect consumer purchasing power may consequently boost or dampen the demand for properties. A growing economy signifies a wealthier population with higher purchasing power including making high value investments such as purchasing properties. Conversely, a decline in economic conditions, such as the prolonged effect of the COVID-19 pandemic, may lead to loss of businesses and jobs, pay cuts or lower salary growth, increase in unemployment rates, and reduced consumer purchasing power where consumers may be more prudent in making investment decisions, especially investing in high value assets such as properties. Any prolonged adverse economic situations may also lead to higher property price competition which may subsequently put pressure on sellers to adjust property prices downwards or offer more discounts/ rebates in order to secure sales.

► Unfavourable changes in Government policies may affect property sales

The property market is subject to Government policies in Malaysia. Any adverse changes in Government policies in relation to the property market could adversely affect the sale of residential properties. The changes in the overnight policy rate (“OPR”) by BNM may affect the interest rates for housing loans, which will subsequently impact the total purchasing cost of properties, and this may eventually affect market sentiment and demand for high-rise residential properties. Between May 2022 and September 2022, BNM had increased the OPR 3 times by 25 basis points each to 2.50%. In November 2022, BNM had further increased the OPR by 25 basis points to 2.75%.

In addition, following the suspension of the Malaysia My Second Home (“MM2H”) programme in July 2020 due to the COVID-19 outbreak, a programme which allows foreigners to purchase property and reside in Malaysia, the MM2H programme was reintroduced in August 2021 with 9 conditions for new MM2H applications beginning October 2021. Among the 9 conditions, applicants must have a minimum fixed deposit of RM1 million, liquid assets worth RM1.50 million and must bear a processing fee of RM5,000 for the principal and RM2,500 per dependant for the MM2H passes.¹⁰ Any increase in the minimum fixed deposit amount, value of liquid assets or processing fee for the MM2H pass may reduce the attractiveness of the MM2H programme, and may eventually affect the demand for high-rise residential properties in KL and Selangor among foreign investors.

► The completion and quality of development projects are dependent on the services of contractors

Property developers who do not have their own construction arm will engage third party contractors to carry out construction activities for their development projects, including preparation of sites, sourcing raw materials, construction and finishing works as well as on-going project management of construction progress. However, property developers are ultimately responsible for the completion and quality of the construction work.

Despite formal agreements signed with contractors, property developers may experience project delays, cost overruns and/or poor quality work attributed to contractors due to poor project management, insufficient resources and/or poor quality control procedures. Sudden crisis such as the outbreak of COVID-19 may temporarily disrupt the supply chain of construction materials, or force construction work to stop due to mandatory temporary closure of operations imposed by the Government to contain the spread of the COVID-19 virus, and this could also result in unexpected delays in the completion of development projects.

¹⁰ Source: *Nine conditions for new MM2H applications, The Star, 12 August 2021.*

6. IMR REPORT (cont'd)**SMITH ZANDER**

In addition, contractors are also subject to rules and regulations governed by regulatory bodies such as the Construction Industry Development Board and the Immigration Department of Malaysia in relation to safety measures and employment of foreign workers, respectively. Since 2016, the Quality Assessment System in Construction (“QLASSIC”) method has been used in the construction industry to assess all private and government housing projects. QLASSIC is a scoring method used to measure and evaluate the workmanship quality of a building construction work based on the Construction Industry Standard. The non-compliance of these rules and regulations may lead to safety hazards on construction sites, poor construction quality and delays in project deliverables, which may lead to financial losses and negatively impact the credibility of property developers.

1.3 COMPETITIVE LANDSCAPE

The property market in KL and Selangor is competitive due to the large number of industry players that compete in this space. Industry players may be involved in the development of various types of buildings/developments such as residential, commercial, industrial, mixed, infrastructure and social amenities. Radium Group competes with industry players who are involved in the development of high-rise residential properties, specifically in KL and Selangor, which is the Group’s current and future area of focus.

Key Industry Players

As Radium Group is principally involved in the property development business in KL and may expand into Selangor, the key industry players who are the closest competitors to the Group have been identified based on the following basis for selection:

- companies that are involved in the development of high-rise residential properties in KL and Selangor. However, some of these industry players may also be involved in the development of other type(s) of properties in other states of Malaysia and overseas;
- companies with on-going residential property development project(s), and/or recently completed residential property development project(s) from 2019 up to 2022, in KL and Selangor; and
- companies with more than RM300 million in revenue based on their respective latest available financial years.

The information on the key industry players is as follows:

Company name	Principal business activities	Geographical coverage of property development business	Types of development	Latest available financial year	Group revenue (RM billion)	Segmental revenue ^a (RM billion)
IJM Corporation Berhad	Property development, construction, manufacturing and quarrying, and infrastructure	- KL - Selangor - Other states in Malaysia - Overseas	- High-rise residential - Landed residential - Commercial - Mixed	31 March 2022	4.41	1.27
Sunway Berhad	Property development, property investment, construction and others ^b	- KL - Selangor - Other states in Malaysia - Overseas	- High-rise residential - Landed residential - Commercial - Mixed	31 December 2021	3.72	0.63
Mah Sing Group Berhad	Property investment and development, provision of hospitality management services and others ^c	- KL - Selangor - Other states in Malaysia	- High-rise residential - Landed residential - Commercial - Mixed - Industrial	31 December 2021	1.75	1.34 ^d
WCT Holdings Berhad	Property development, property investment and management and others ^e	- KL - Selangor - Other states in Malaysia	- High-rise residential - Landed residential - Commercial - Mixed	31 December 2021	1.70	0.32
UEM Sunrise Berhad	Property development, property investment and hotel operation and others ^f	- KL - Selangor - Other states in Malaysia - Overseas	- High-rise residential - Landed residential - Commercial - Mixed	31 December 2021	1.18	1.09

6. IMR REPORT (cont'd)**SMITH ZANDER**

Company name	Principal business activities	Geographical coverage of property development business	Types of development	Latest available financial year	Group revenue (RM billion)	Segmental revenue ^a (RM billion)
SkyWorld Development Berhad	Property development and others ^g	- KL	- High-rise residential - Mixed	31 March 2022	0.79	0.79
Radium Group	Property development	- KL	- High-rise residential	31 December 2021	0.56	0.56
UOA Development Berhad	Property development, construction and others ^h	- KL - Selangor - Overseas	- High-rise residential - Landed residential - Commercial - Mixed	31 December 2021	0.55	0.55
Maxim Global Berhad	Property development, construction and others ⁱ	- KL - Other states in Malaysia	- High-rise residential - Landed residential - Mixed	31 December 2021	0.36	0.36 ^j
Binastra Land Sdn Bhd	Property development	-KL -Selangor	- High-rise residential - Landed residential - Commercial - Mixed - Industrial	31 December 2021	0.36	0.359

Notes:

- The key industry players were identified by SMITH ZANDER based on the basis for selection mentioned above and sources available, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players is exhaustive.
- a. Segmental revenue comprises revenue derived from property development which include high-rise residential and other types of properties (where applicable). Segmental revenue for key industry players with property development businesses in overseas may include revenue derived from sales of properties in overseas as the revenue derived from property development specifically in Malaysia is not publicly available. If the segmental revenue includes revenue derived from other businesses as the specific revenue derived from property development is not publicly available, a separate note will be indicated.
- b. Others include trading and manufacturing of construction and industrial products and building materials, quarry, manufacturing of vitrified clay pipes, concrete pipes, interlocking pavers, pretensioned spun concrete piles, precast micro injection piles, reinforced concrete piles, euro tiles, blocks and concrete products, provision of secretarial and share registration services, provision of management services, lease and hire purchase financing, interior design and renovation, loyalty programme, investment in online media, electronic parcel locker operator, operation of petrol kiosk, online remittance and money services, retail of pharmaceutical products, provision of venture capital fund management, provision of credit reference services and credit rating and provision of training services.
- c. Others include manufacturing and trading of plastic and glove products, provision of management and property support services and trading of building materials.
- d. Comprising revenue derived from property investment and development of residential, commercial and industrial properties.
- e. Others include engineering and construction.
- f. Others include asset and facilities management, project management, harvesting and land leasing.
- g. Others include management services and construction.
- h. Others include hospitality and medical healthcare.
- i. Others include industrial supplies and timber and oil palm plantations.
- j. Comprising revenue derived from property development and construction.

Sources: Radium Group, various companies' annual reports and websites, Companies Commission of Malaysia, SMITH ZANDER

Property developers who are involved in affordable housing under Government initiatives is not the basis of selection of key industry players in the IMR Report, due to the following:

- Radium Group is principally involved in the development of high-rise residential properties in urban Kuala Lumpur, and
- Radium Group's Residensi Wilayah and PPAM projects are undertaken through its own private initiatives and does not involve Government awarded projects.

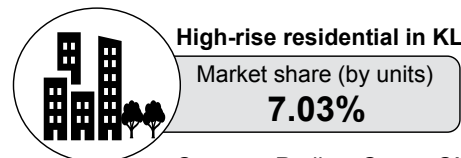
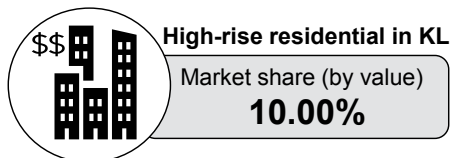
Therefore, the basis of selection of key industry players in the IMR Report focuses on companies that are involved in the development of high-rise residential properties in Kuala Lumpur and Selangor.

6. IMR REPORT (cont'd)



Market Share

Based on Radium Group’s latest financial year ended 31 December 2021, the Group recorded a market share of 10.00% (by value) in 2021 based on its revenue of RM0.56 billion derived from the sale of high-rise residential properties in KL, and a market share of 7.03% (by units) in 2021 based on its number of high-rise residential properties sold in KL of 515 units.



Sources: Radium Group, SMITH ZANDER

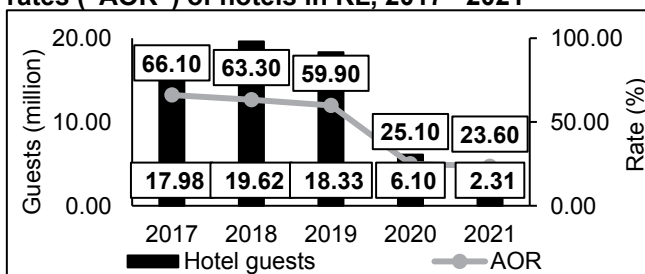
Selangor is not included in the computation of market share as Radium Group does not have any existing projects in Selangor.

2 THE HOTEL INDUSTRY IN KL

A hotel is a commercial establishment which provides lodging and other guest services such as meals, housekeeping, entertainment and recreational activities. Hotels consist of bedrooms, common areas and facilities such as reception area, restaurants, business centres, swimming pools and/or gymnasiums to meet the needs of its guests.

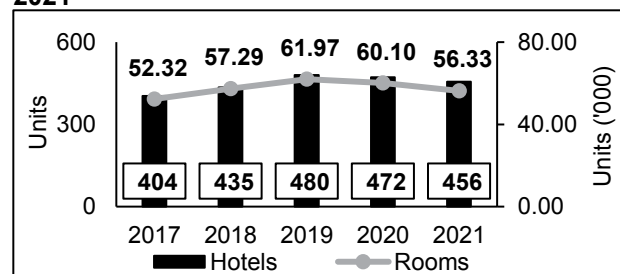
The hotel industry in KL thrives on the travel and tourism industry as tourists visit KL to enjoy its multiple attractions such as the Petronas Twin Towers and KL Tower as well as to enjoy other points of entertainment such as shopping malls and theatres. As such, domestic and foreign tourists alike require accommodation such as hotels or homestays during their visit. Besides travelling for leisure, local and international travellers visit KL for business purposes as well as Meetings, Incentives, Conventions and Exhibitions activities.

Number of hotel guests and average occupancy rates (“AOR”) of hotels in KL, 2017– 2021^{11,12}



Sources: Tourism Malaysia, SMITH ZANDER

Number of hotels and hotel rooms in KL, 2017 - 2021^{11,12}



Sources: Tourism Malaysia, SMITH ZANDER

The number of hotel guests in KL (comprising domestic and foreign guests) increased from 17.98 million in 2017 to 18.33 million in 2019 at a CAGR of 0.97%. Over the same period, the AOR of hotels in KL averaged at 63.10%. The outbreak of the COVID-19 pandemic in 2020 had adversely impacted the tourism industry globally with the closure of country borders, imposition of various forms of lockdowns and travel restrictions to curb the spread of the COVID-19 pandemic, consequently affecting the hotel industry in 2020 and 2021. This is evident in the drop in AOR, which declined to 25.10% in 2020 and further to 23.60% in 2021. In terms of supply, the number of hotels in KL recorded a YOY decline of 1.67% and 3.39% in 2020 and 2021 respectively. Further, the number of hotel rooms in KL recorded a YOY decline of 3.02% and 6.27% in 2020 and 2021 respectively.

With the rollout of COVID-19 vaccinations and the subsiding adverse impact of COVID-19, restrictions on domestic travelling were uplifted in October 2021 and country borders were reopened in April 2022 which allow for international travels to resume. In light of normalised economic activities, the Malaysian economy grew by 8.70% in 2022, which is above its pre-COVID-19 GDP at 4.41% in 2019, indicating an economic recovery.

¹¹ Latest available data as at the research completion date.

¹² 5-year data is presented in this section to provide a more comprehensive illustration on the performance of the market due to the unprecedented outbreak of the COVID-19 pandemic that had affected economic activities in 2020 and 2021.

6. IMR REPORT (cont'd)**SMITH ZANDER**

As the Malaysian economy continues to grow over time, supported by the normalisation of economic activities as well as the easing of restrictions on domestic and international travel, the demand for hotels is expected to improve significantly. The growth in the travel and tourism industry, which is the key driver to the demand for hotels, is expected to be further driven by the following factors:

► **People's general desire to travel, particularly after lengthy lockdowns during the pandemic**

Travelling has become an integral part of modern lifestyle for many people as it brings various benefits in enriching a person's life experience. Travelling to places outside one's usual environment and experiencing out-of-ordinary activities can often rejuvenate a person when he/she returns home. It enables a person to enjoy and recognise the beauty of nature, the richness of histories and cultures, and sample culinary delights and hospitality that would otherwise be unavailable in a person's usual environment. Further, travel is also a regular activity for many, such as for annual and/or family vacations.

Following the upliftment of domestic travel restrictions in October 2021 and the reopening of country borders in April 2022, travel and tourism activities have increased due to people's desire to travel, take vacations and rejuvenate after the prolonged confinement at home due to the lockdown, and thus driving the demand for hotels. As a result of the reopening of country borders in April 2022, the total number of international tourist arrivals increased from 0.10 million as at March 2022 to 0.49 million as at April 2022.¹³ For the year 2022, the number of international tourist arrivals in Malaysia stood at 10.07 million¹³, exceeding its target of 9.20 million international tourist arrivals¹⁴. In the long term, people's general desire to travel will continue to drive travel and tourism activities and subsequently support the demand for hotels.

► **Government initiatives encouraging travel and tourism activities**

In an effort to boost the travel and tourism industry, the Government has introduced initiatives to encourage travel and tourism activities to revive tourism and support the country's economy. Under the PEMERKASA stimulus package, a personal income tax relief of up to RM1,000 will be given to Malaysian citizens who incur expenses for domestic tourism between 1 March 2020 and 31 December 2021 and this tax relief was extended to 31 December 2022 under Budget 2022. Furthermore, under Budget 2023, the Government has allocated RM250 million to boost the tourism sector, of which RM115 million will be allocated as matching grants to collaborate with the tourism and culture industry.

Effective 1 April 2022, as Malaysia entered into the "Transition to Endemic" phase of COVID-19, country borders have reopened to international tourists. Further, effective 1 May 2022, vaccinated international travellers are allowed to enter Malaysia without having to perform COVID-19 screening tests prior to arrival.

As such, travel and tourism activities are expected to increase in Malaysia including in KL. The increase in travel and tourism activities as well as the implementation of these initiatives are expected to drive the demand for hotels in the long term.

Post COVID-19 recovery

Since 1 April 2022, Malaysia has entered into the "Transition to Endemic" phase of COVID-19 and the country's borders have reopened. With normalisation of business activities as well as domestic and international travels, the demand for hotels is expected to improve significantly. Hence, the outlook of the hotel industry is positive, premised on the following:

- People's general desire to travel, particularly after lengthy lockdowns during the pandemic; and
- Government initiatives to boost the travel and tourism industry and to support the country's economy.

Following the normalisation of business activities as well as the upliftment of restrictions on domestic and international travel, SMITH ZANDER forecasts the number of international tourist arrivals in Malaysia to incrementally return to pre-COVID-19 levels by 2025. As such, the AOR of hotels in KL is also expected to gradually return to pre-COVID-19 levels by 2025, and thus continue to drive the demand for hotels in the long term.

The basis of SMITH ZANDER's forecast on the number of international tourist arrivals in Malaysia to incrementally return to pre-COVID-19 levels by 2025 is as follows:

- On 1 July 2020, Malaysia reopened its borders to medical tourists.
- On 1 January 2021, Malaysia reopened its borders to international students.

¹³ Source: *Tourism Malaysia*.

¹⁴ Source: *Tourism minister sets new target of 9.2 million tourist arrivals this year, Malay Mail, 29 August 2022.*

6. IMR REPORT (cont'd)

SMITH ZANDER

- On 15 November 2021, Langkawi reopened its borders to international tourists under a travel bubble plan.
- On 29 November 2021, the Singapore-Malaysia land Vaccinated Travel Lane (“VTL”) opened to travellers who are citizens, permanent residents or long-term pass holders (i.e. work permit, employment pass, student’s pass or long-term visit pass) of the country to which they are entering.
- On 29 November 2021, the Singapore-Malaysia air VTL opened concurrently to travellers from Malaysia and Singapore.
- On 1 April 2022, as Malaysia entered into the “Transition to Endemic” phase of COVID-19, country borders have reopened to international tourists.
- Global travel restrictions have mostly been uplifted, including the reopening of China’s international borders on 8 January 2023, which continues to support the normalisation of global travel and tourism.
- According to BNM, the Malaysian economy had expanded by 8.70% in 2022, driven by private sector activity, improving labour market conditions and higher tourism activities.

Furthermore, according to the 12th Malaysia Plan, international tourist arrivals in Malaysia are expected to reach 24.3 million in 2025, which is close to pre-COVID-19 levels of 25.8 million in 2018 and 26.1 million in 2019. With the return of international tourists coupled with domestic tourism picking up pace, the AOR of hotels in Kuala Lumpur is also expected to gradually return to pre-pandemic levels by 2025, thus driving the growth of the hotel industry in the long term.

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7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL



PRIVATE & CONFIDENTIAL

Date: **05 APR 2023**

The Board of Directors
Radium Development Berhad
62C, Jalan SS21/62
Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

EXECUTIVE SUMMARY FOR A HOTEL FEASIBILITY STUDY REPORT FOR A PROPOSED HOTEL COMPRISING 145-ROOM BOUTIQUE HOTEL WITH FOUR (4)-STAR FURNISHING LOCATED WITHIN A COMMERCIAL-RESIDENTIAL TOWER ON A PARCEL OF LAND IDENTIFIED AS LOT PT 50008 HELD UNDER TITLE NO. HSD 123214, MUKIM OF AMPANG, DISTRICT OF KUALA LUMPUR, WILAYAH PERSEKUTUAN KUALA LUMPUR ("PROPOSED HOTEL") BY RADIUM DEVELOPMENT BERHAD ("RADIUM" OR "COMPANY")

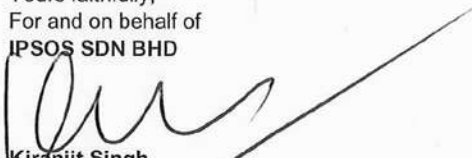
This Executive Summary of the Hotel Feasibility Study Report has been prepared by Ipsos Sdn Bhd ("Ipsos") for inclusion in the Prospectus in conjunction with the listing of Radium on the Main Market of Bursa Malaysia Securities Berhad.

In accordance with your instructions to undertake a feasibility study of the Proposed Hotel, we have undertaken the necessary research to prepare the said feasibility study. As part of the market and feasibility study, Ipsos has:

- Evaluated the current and future market supply and demand in terms of hotel room availability in Kuala Lumpur ("KL") from 2016-2021, hotel room occupancy in KL from 2016-2021, projected occupancy rates and hotel room rates 2022-2026, demand for hotel rooms in KL from 2022-2026.
- Assessed the impact of the coronavirus disease 2019 ("Covid-19") on the travel & tourism industry in Malaysia, and on the hotel industry specifically.
- Determine the anticipated recovery of the travel & tourism industry post-lockdowns and subsequent recovery of the hotel industry.
- Determine viability of the Proposed Hotel and its financial projections, with focus on the Proposed Hotel's revenue streams and related operating expenses that would have a direct impact on the Proposed Hotel's revenue.

It is worthwhile to note that both the Proposed Hotel and the commercial-residential tower in which the Proposed Hotel shall be located do not yet exist as of the date of this report. Our feasibility study does not address unforeseeable events that could alter the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report. Several important general assumptions have also been applied when reviewing the reasonableness of the projections for the Proposed Hotel, and these are set forth in the Statement of Assumptions section of this report.

Yours faithfully,
For and on behalf of
IPSOS SDN BHD


Kiranjit Singh
Regional Head, Ipsos Strategy3
ASEAN
Master of Business Administration
California State University, Fullerton

Ipsos Sdn Bhd (912941-X)

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7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

The Proposed Hotel

The Proposed Hotel is a boutique hotel with four (4)-star furnishing, consists of five (5) floors with 145 units of hotel rooms located within a commercial-residential tower along Jalan Ulu Klang in Ampang, KL. Full address of the Proposed Hotel is: **Title No. HSD123214, Lot PT50008, Mukim of Ampang, District of KL, Wilayah Persekutuan KL.**

There will be three (3) types of rooms offered by the Proposed Hotel, all of which are significantly large in size. The projected room rates for these rooms shall be as follows:

Room Type	Qty	Room Size	Rate in Year 1	Annual Increment
1 Bedroom	125	452sqf – 509sqf	RM400	3% on alternate years to take into account the annual inflation rates
2 Bedrooms	20	844sqf	RM550	
1 Bedroom with living hall and jacuzzi		915sqf	RM550	

These projected room rates are reflective of the Proposed Hotel's unique selling propositions, which are:

- The size of all the rooms offered by the Proposed Hotel is significantly larger than most hotels in general. For example, the two (2)-bedroom option will be able to fit up to three (3) to four (4) guests who will also have full access to the Proposed Hotel's facilities during their stay. This includes two (2) gym rooms, two (2) sauna rooms, one (1) swimming pool, a yoga deck, a business lounge, a restaurant with a view of the city, etc.
- The Proposed Hotel shall be the only hotel lodging with four (4)-star furnishings in Ampang.
- Coupled with the hotel's strategic location, the Proposed Hotel will be a welcoming alternative to four (4) and five (5)-star hotel guests.

The commercial-residential tower in which the Proposed Hotel will be located also includes seven (7) floors of commercial areas and hotel facilities (same floors with SOHO units), one (1) floor of commercial area and a water tank (shared with SOHO), one (1) floor of hotel lobby (same floor with SOHO lobby), and three (3) floors of carpark including one (1) floor that is shared with SOHO, comprising 192 bays of carpark for hotel guests. The construction of the commercial-residential tower is has commenced in March 2022 and the target opening date for the Proposed Hotel shall be within the 3rd quarter of 2026.

Figure 1.1 Artist impression of the commercial-residential tower housing the Proposed Hotel



Scope of this Feasibility Study

Pursuant to the request of the client, this study is carried out to determine the feasibility of the Proposed Hotel. As part of this market and feasibility study, Ipsos Sdn Bhd has:

- Evaluated the current and future market supply and demand in terms of hotel room availability in KL from 2016 to 2021, hotel room occupancy in KL 2016 to 2021, projected occupancy rates and hotel room rates 2022 to 2026, demand for hotel rooms in KL 2022 to 2026.
- Assessed the impact of Covid-19 on the travel and tourism industry in Malaysia, and on the hotel industry specifically.
- Determine the anticipated recovery of the travel and tourism industry post-lockdowns and subsequent recovery of the hotel industry.
- Determine viability of the Proposed Hotel and its financial projections, with focus on the Proposed Hotel's revenue streams and related operating expenses that would have a direct impact on the Proposed Hotel's revenue.

The disruption to the hotel and accommodation industry in 2020 and 2021 is an anomaly. While it is essential to understand how the hotel and accommodation industry was affected by the pandemic, the overall performance from this affected period does not provide a realistic basis for projecting demand and occupancy. For the purpose of this study, we will be focusing on 2019 as the base year of normalised performance level (pre-pandemic levels), with recovery from the pandemic measured in terms of a rebound to pre-pandemic benchmarks.

The Hotel and Accommodation Industry in Malaysia

Revenues from the hotel industry in Malaysia contributed to 2.0% of the country's Gross Domestic Product (GDP) in 2019 and has been registering a Compounded Annual Growth Rate (CAGR) of 7.3% since 2000. The industry is closely linked to and highly dependent on the hospitality and tourism industry, which continues to remain a key target growth sector in the 12th Malaysia Plan.

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

Table 1.1 Selected indicators on accommodation industry's contribution, 2000-2021

RM' million	Internal tourism consumption of visitors - Accommodation services	Percentage contribution to the tourism industry	GDP at current prices	Percentage contribution to the GDP
2000	8,026	27.2%	356,401	2.3%
2015	23,790	17.6%	1,176,941	2.0%
2016	26,741	18.1%	1,249,698	2.1%
2017	28,198	17.7%	1,372,310	2.1%
2018	29,506	17.3%	1,447,760	2.0%
2019	30,633	16.8%	1,512,738	2.0%
2020	5,232	10.0%	1,418,000	0.4%
2021	1,161 ^P	6.5%	1,545,372	0.1%
CAGR (2000-2019¹)				7.3%

Source: Tourism Satellite Account, Department of Statistics Malaysia; P = Preliminary

As of 3rd April 2023, there were approximately 340, three (3)- to five (5)-stars hotels registered in Malaysia, with 100 of them rated five (5)-star and 138 rated four (4)-star. A total of 25, five (5)-star and 23 four (4)-star hotels were in KL, representing 20.2% of the four (4)- to five (5)- star hotels in the country².

The growth in Malaysia's hotel and accommodation industry was disrupted by the outbreak of the Covid-19 pandemic and is estimated to have lost over RM 5 billion in revenues in the first half of 2021³. In weathering the crisis, many hotels had to seek creative alternative revenue streams and employ stopgap measures to reduce overheads. Yet still, approximately 120 hotels across the nation ceased operating either temporarily or permanently since March 2020⁴, and the ones that remain closed appear to be employing a wait-and-see approach before reopening in light of prevailing uncertainties. Some notable closures include Hotel Istana Kuala Lumpur, The Zon All Suites Residences On The Park, and G Tower Hotel Kuala Lumpur. This had resulted in a 3% reduction of rooms available in 2020 (i.e., 60,095 rooms; 2019: 61,967 rooms).

With the easing of local travel restrictions since October 2021⁵ when Malaysia's vaccination threshold reached more than 90%, the hotel industry in Malaysia is at present capitalizing on domestic tourism and travel. Some hotels have also taken this period to refurbish and renovate their premises⁶, although most hotel operators are adopting survival tactics by rationalising pricing structures and room rates to boost occupancy at the expense of reduced margins, in hope that they will remain sustainable, operational, and afloat over the coming months.

Description of the Site and Neighbourhood

The Federal Territory of KL comprises of 11 districts, namely Bukit Bintang, Batu, Seputeh, Titiwangsa, Kepong, Bandar Tun Razak, Setiawangsa, Segambut, Cheras, Wangsa Maju and Lembah Pantai. The city of KL also merges with the adjacent satellite cities of Ampang, Puchong, Petaling Jaya, Subang Jaya, Shah Alam, Klang, Port Klang, Kajang, Selayang/Rawang, and Sepang, all of which are in the state of Selangor. Collectively they are called "Greater Kuala Lumpur", or more commonly "Klang Valley".

Figure 1.2 The market area of Ampang and KL



The Proposed Hotel is located strategically along Jalan Ulu Klang, Ampang, KL. Geographically on a broader scale, Ampang is a municipal which lies roughly 4KM to the east of the City Centre and the famously known Golden Triangle. It is a prominent commercial and entertainment section of KL and parts of it are located in adjoining the state of Selangor.

The location of the Proposed Hotel is also strategically nestled within the radius of both states, thereby making it is easily accessible via Jalan Ampang, and major highways (i.e., Ampang-Kuala Lumpur Elevated Highway (AKLEH), the Middle Ring Road 2 (MRR2) highway, and the Sungai Besi – Ulu Kelang Elevated (Suke) Highway).

Figure 1.3 Approximate location of the Proposed Hotel



Some of the desired qualities and attributes for the Proposed Hotel location includes:

- The neighbourhood is a **highly cosmopolitan landmark**, with several embassies and expatriates residing nearby. For instance, KL's Little Korea, a small precinct of Korean restaurants and shops, is located here. Several of KL's Middle Eastern restaurants were also founded here.
- A diversified terrain that includes numerous large lakes as a result of its tin mine heritage, as well as breath-taking hilltops that provide steer views of the KL City skyline (e.g., Taman Tasik Ampang Hilir, and Ampang Look-out Point)

¹ CAGR is maintained for the period until 2019 to reflect pre-pandemic period

² Ministry of Tourism, Arts and Culture Malaysia: Rated Tourist Accommodation Premises, 3rd April 2023; Ipsos analysis

³ The Malaysian Association of Hotels (MAH), The Star Malaysia, "Hotel industry's defining moment", 24th July 2021

⁴ The Malaysian Association of Hotels (MAH)

⁵ The Straits Times, October 10, 2021: Malaysia to resume interstate and overseas travel from Oct 11

⁶ The Malaysian Association of Hotels, Malaysia

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

- Close proximity to **international-class support amenities** such as prime office buildings (Menara 3 Petronas, Menara Maxis, and Menara ExxonMobil), retail malls (Starhill Gallery, and Low Yat Plaza) and hospitals (e.g., KPJ Ampang Puteri Specialist Hospital and Gleneagles KL). The area is also a few minutes' drive away from major restaurants, entertainment areas, schools (e.g., The International School of Kuala Lumpur, Mutiara International Grammar School and Tunku Abdul Rahman University College), and transportation hubs (e.g., various LRT stations and the Bukit Bintang Monorail Station).
- Close proximity to **prominent landmarks and tourist's attractions** such as Kuala Lumpur City Centre (KLCC), Petronas Twin Towers, Suria KLCC, KLCC Convention Centre, Bukit Bintang, Pavillion KL, Royal Selangor, Zoo Negara, Bukit Kembara, and Ampang Lookout Point.

Market Area Analysis

Population and household income

The population surrounding the primary market of KL and Hulu Langat stood at 3.17 million in 2019. Combining KL and the entire Selangor, the population is nearly 8.3 million. From 2015 to 2019⁷, the population surrounding the primary market increased by 2.7%, representing CAGR of 0.7%. While population growth is not a strong variable that drives hotel demand, it provides an indication of the lower limit of potential growth on the rooms demand around KL.

Table 1.2: Population of the market area and growth trend

Market areas	Total population					CAGR 2015-2019	% to Malaysia Population (2019)
	2015	2019	2020	2021	2022 ^a		
W.P KL	1,789,700	1,782,500	1,982,100	1,964,000	1,945,200	-0.1%	5.3%
Ulu Langat	1,300,700	1,392,100	1,400,500	1,393,300	1,417,500	1.7%	4.2%
Primary Market*	3,090,400	3,174,600	3,382,600	3,357,300	3,362,700	0.7%	9.5%
Selangor	6,178,000	6,506,100	6,994,400	7,014,700	7,038,200	1.3%	19.5%
Malaysia	31,186,100	33,325,400	32,447,400	32,576,300	32,651,600	1.7%	100%

Primary market i.e., Wilayah Persekutuan KL and the related vicinity i.e. Ulu Langat district

Source: Principal Statistics of Population by State 2010 - 2022, Department of Statistics Malaysia; Principal Statistics of Population, Ulu Langat, Selangor, 2020-2022, Department of Statistics Malaysia; Ipsos analysis

The average household income for KL stood at RM13,257 per month in 2019, and it is growing at a CAGR of 4.3% between 2016 and 2019. It is also higher than Selangor and the country's average by 22% and 68% respectively. However, the household income has since dropped to RM11,728 and RM9,688 in 2020 for KL and Selangor respectively, due to pay cut imposed by the employers to cushion the impact of Covid-19.

As the economy rebound, the household income level is expected to resume to the pre-pandemic period and the 2019 performance has indicated the relative strength of the local economy to sustain the projections on the Proposed Hotel business in the long run.

Table 1.3 Average household of the market area and growth trend

Market areas	2016	2019	2020	CAGR (2016-2019) ^a
W.P KL	11,693	13,257	11,728	4.3%
Selangor	9,463	10,827	9,668	4.6%
Malaysia	6,928	7,901	7,089	4.5%

Source: Department of Statistics Malaysia, Ipsos analysis

Workforce Characteristics and Major Business Industry

Accommodation, food & beverage is one of the top three (3) workforce sectors for both KL and Selangor, accounting to 11% and 10% respectively in 2019. High employment in this sector suggests that hospitality-related businesses such as hotels and restaurants are of greater relative importance to the city. It can further be observed that the top ten (10) workforce sectors in KL consist of industries that support transient visitation and are not particularly rate sensitive - e.g., professional, scientific and technical, financial and insurance/takaful. With the continued expansion expected in KL, KL is well positioned to capture further growth.

Table 1.4: KL and Selangor Workforce Statistics by top 10 industries; 2019 -2021

Sectors	WP KL						Selangor					
	2019	% share	2020	% share	2021	% share	2019	% share	2020	% share	2021	% share
Total workforce	841,000	100%	874,600	100%	855,600	100%	3,489,500	100%	3,446,500	100%	3,518,500	100%
Wholesale & retail trade	197,000	23%	197,900	23%	159,300	19%	572,300	16%	634,700	18%	726,100	21%
Accommodation, food & beverage	89,000	11%	90,500	10%	70,200	8%	332,100	10%	380,300	11%	435,700	12%
Construction	81,000	10%	78,400	9%	64,100	7%	312,400	9%	277,200	8%	240,200	7%
Manufacturing	68,900	8%	85,100	10%	66,800	8%	697,600	20%	595,700	17%	574,300	16%
Professional, scientific and technical	68,800	8%	71,300	8%	67,800	8%	156,700	4%	141,800	4%	88,400	3%
Financial and insurance/takaful	58,700	7%	64,800	7%	77,200	9%	137,700	4%	143,800	4%	121,100	3%

⁷ CAGR is maintained for the period until 2019 to reflect pre-pandemic period

⁸ CAGR is maintained for the period until 2019 to reflect pre-pandemic period

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

Sectors	WP KL						Selangor					
	2019	% share	2020	% share	2021	% share	2019	% share	2020	% share	2021	% share
Administrative and support services	50,500	6%	45,000	5%	45,500	5%	211,100	6%	184,800	5%	278,000	8%
Transportation and storage	37,400	4%	46,300	5%	30,500	4%	213,700	6%	220,900	6%	213,300	6%
Public administration and social security	37,000	4%	38,600	4%	37,900	4%	131,600	4%	147,200	4%	74,200	2%
Information and communication	36,700	4%	43,100	5%	43,700	5%	118,700	3%	117,900	3%	121,000	3%

Source: Working Population by State and Industry, Department of Statistics Malaysia; Ipsos analysis

As the key economic hub of Malaysia, KL is home to some of the major multi-national corporations and large local companies. Some of these companies are located along Jalan Ampang and Jalan Tun Razak, the main commercial and business corridor in the market area. Examples of these companies are Petronas, Huawei, Citibank, Public Bank, and Great Eastern.

Overall, KL registered a 6.0% growth in GDP y-o-y as compared to the national average at 4.4% in 2019. The wholesale and retail trade, and the food & beverages and accommodation industry are major contributors to KL's economy (2019: 36.6% and 2020: 35.8%) and have strong presence in the area⁹, along with other establishments from the professional, scientific and technical sector, real estate, and transport and storage activities, thus explains the area's high skill labour pool.

The Proposed Hotel's location at the fringe of KL makes it potentially a popular location for travellers seeking favourable access to the city centre without paying a premium for downtown locations. These factors should continue to support the interest of hotel investment and given the economic growth of the market moving forward.

Table 1.5 GDP growth and contribution by industries – KL

Industry	Annual percentage change (%)						Contribution to the KL economy (%)						
	2016	2017	2018	2019	2020	2021	2015	2016	2017	2018	2019	2020	2021
Mining & Quarrying	9.9	12.8	0.8	4.7	-9.4	-3.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Manufacturing	2.7	1.3	-0.1	4.3	-6.3	4.3	3.1	3	2.8	2.7	2.6	2.6	2.7
Construction	12.3	13.1	6.4	5.9	-26.4	-12.1	7.1	7.6	8.0	7.9	7.9	6.3	5.5
Services	5.6	6.8	7.3	6.1	-5.8	1.6	88.3	88.1	87.4	87.8	87.9	89.3	90.0
Utilities, transportation & storage and information & communication	7.0	7.7	8.0	6.2	-0.8	4.0	9.8	9.9	9.9	10.0	10.0	10.7	11.0
Wholesale and retail trade, food & beverage and accommodation	6.6	7.1	8.4	7.3	-9.6	0.8	35.7	35.9	35.7	36.3	36.7	35.8	35.8
Finance and insurance, real estate and business services	4.6	7.3	7.0	5.5	-5.4	0.5	25.8	25.5	25.4	25.5	25.3	25.9	25.8
Other services	2.9	4.3	5.1	6.0	-14.9	-3.9	5.1	5	4.8	4.8	4.8	4.4	4.2
Government service	4.9	5	4.8	3.8	4.8	5.8	11.9	11.8	11.5	11.3	11.1	12.6	13.2
GDP at constant 2015 – WP KL	6.0	7.6	6.8	6.1	-7.4	0.8	100	100	100	100	100.0	100.0	100.0
GDP at constant 2015 – Malaysia	4.4	5.8	4.8	4.4	-5.5	3.1					0.1	0.1	0.1

Source: GDP growth and contribution by industries 2015-2021, Department of Statistics Malaysia; Ipsos analysis

Unemployment Statistics

Unemployment rate for KL has seen a steady decrease over the years, and its unemployment rate is also lower than the national average. This provides a good measure of the relative utilisation of workforce in the region, and it highlights the potential of increasing demand in leisure travel that supports the room demand.

Table 1.6 Unemployment rate of the market area, 2015 - 2021

In %	2015	2016	2017	2018	2019	2020	2021
KL	3.3	3.3	3.1	2.4	2.6	4.0	4.2
Selangor	2.4	3.2	2.8	2.8	2.9	4.3	4.3
Malaysia	3.1	3.4	3.4	3.3	3.3	4.5	4.6

Source: Unemployment Rate by State and Industry, Department of Statistics Malaysia

Airport Traffic and Travel Market Intentions

Airport passenger volumes for KLIA1/KLIA2, the primary airport facility serving the Proposed Hotel's market area, recorded 62.3mil passengers in 2019, and a 3.9% increment from the previous year. Between 2017 and 2019, passenger volumes have grown at a CAGR of 3.2%. Increasing passenger volumes reflects an increasing demand for accommodation, growing local business activity, and the overall economic health of the area.

⁹ Establishment Profile, 2015, Department of Statistics

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

Table 1.7 Passenger Volume of the primary airport for the market area, 2017-2022

Airport	KLIA1/KLIA2	Total Receipts (RM million)
2017	58,554,627	9,295
2018	59,988,409	10,235
2019	62,336,469	12,141
2020	13,156,363	5,273
2021	4,012,000	3,084
2022	25,377,000	-
CAGR (2017-2019¹⁰):	3.2%	14.3%

Source: Malaysia Airports Statistics 2020; Domestic Tourism Survey 2021, Department of Statistics Malaysia; MAHB Passenger Traffic_Dec 2022 (Operating Statistics) Note: Data before 2017 is not publicly available.

In 2021, the top destinations of tourist visits to KL include Mid Valley Megamall, KLCC, SOGO and Bintang Walk. As for the purpose of visiting KL, the top reasons were visiting relatives and friends, followed by holiday/leisure/relaxation which account for a total of 81.2% of the percentage share.

Table 1.8 Domestic Tourism Trips to KL by Main Purpose of Visit, 2021

Tourists	Percentage Share (%)
Visiting relatives & friends	61.35
Holiday/ leisure/ relaxation	19.84
Shopping	8.86
Medical treatment/ wellness	4.99
Entertainment/ attending special event/ sports	3.12
Official business/ business/ education	1.14
Incentive travel/ others	0.65
Religious worship/ visit places of worship	0.05

Source: Domestic Tourism Survey KL, 2021, Department of Statistics Malaysia.

The total expenditures on overnight visits in the country amounted to an estimated RM86.1 billion in 2019, registering a CAGR of 5.7% between 2015 to 2019. Expenditures from accommodation is the second largest contributor of the overall tourism spent, which recorded a share of 24.0% in 2019 and it has been growing at a CAGR of 4.2% between 2015 to 2019, signifying the continued growing demand of the hotel industry.

Table 1.9 Tourism Expenditure in Malaysia, 2015-2020

Components (in RM million)	2015	2016	2017	2018	2019	2020	CAGR (2015-2019) ¹¹
Shopping	21,634	26,025	26,868	28,101	28,944	4,489	7.5%
Accommodation	17,556	20,443	21,034	21,623	20,674	2,965	4.2%
Food and Beverage	9,262	10,755	10,928	11,274	11,457	1,852	5.5%
Local Transportation	4,562	5,419	4,766	5,132	6,547	921	9.5%
Organised Tours	4,009	4,433	4,026	3,702	5,427	602	7.9%
Entertainment	2,488	3,202	3,204	3,029	2,929	577	4.2%
Domestic Air fares	2,419	2,545	2,629	2,524	2,240	176	-1.9%
International Air fares	2,557	3,612	3,369	3,786	4,221	577	13.3%
Medical	2,143	2,956	3,040	2,861	2,929	351	8.1%
Fuel	622	657	575	589	258	23	-19.7%
Sports	207	246	247	252	172	-	-4.5%
Miscellaneous	1,659	1,806	1,479	1,262	345	168	-32.5%
Total	69,120	82,098	82,165	84,135	86,143	12,688	5.7%

Source: Malaysia Tourism Performance January – December 2019, Tourism Malaysia; Malaysia Tourism Performance January – December 2020.

Accessibility and Tourism Potential

Being strategically positioned in the heart of KL, Ampang offers good transportation access to and from the City Centre via public transportation options such as LRT, taxis, local buses and ride sharing services, through Jalan Ampang, or by the Ampang-Kuala Lumpur Elevated Highway (AKLEH) exit Ampang with tolls or the Middle Ring Road 2 (MRR2) exit Ampang without tolls, or Sungai Besi-Ulu Kelang Elevated (SUKEL) Highway exit Ampang with tolls.

Several attractions and activities within the area that would draw visitors to the area includes:

- **Ecotourism** – Outdoor activities such as nature walks, hiking, and extreme sports at Zoo Negara, Bukit Saga, KL Forest Eco Park, Skytrex Adventure, ATV sports, etc.
- **Recreational activities** - Shopping at KLCC and the Golden Triangle, golfing in a 9-hole course at Kelab Darul Ehsan, attending international festivals, conventions and events, and etc.
- **Historical and cultural visits** – National Arts Gallery, tin mining legacy, and pre-war buildings.
- **Culinary experiences** – Ampang is well-known for its diverse eateries, including Ampang New Village and Korean delicacies from Little Korea.
- **Health & wellness** – Proximity to Gleneagles Hospital Kuala Lumpur, Ampang Puteri Specialist Hospital, and HSC Medical Centre allows for the Proposed Hotel to benefit from medical tourism.
- Proximity to **wedding venues** such as Ampang glasshouse and Duchess Place Kuala Lumpur.
- **En route to other popular tourist hotspots** such as Genting Highlands, Bukit Tinggi and Batu Caves, etc.

¹⁰ CAGR is maintained for the period until 2019 to reflect pre-pandemic period

¹¹ CAGR is maintained for the period until 2019 to reflect pre-pandemic period

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

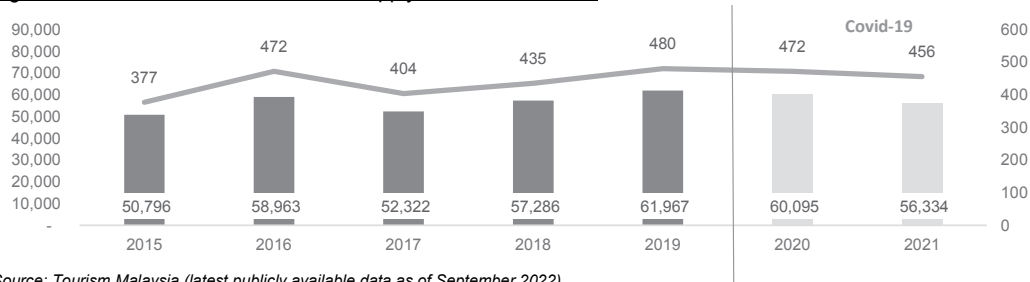
Upcoming major development in the Greater KL area such as PNB 118, Tun Razak Exchange, Bukit Bintang City Centre is expected to result in significant growth in retail sales and accommodation demand, as well as lower unemployment for the coming years.

Supply and Demand

Historical Supply and Demand Data

The number of hotels and room supply in KL has grown in 2015 – 2019¹² with a CAGR of 6.2%. By 2019, the total number of hotels recorded at 480, with notable completions and openings of hotels such as Four Points by Sheraton Kuala Lumpur Chinatown (318 rooms), The Chow Kit (113 rooms), The Quay Hotel (42 rooms), MoMo's Kuala Lumpur (99 rooms), and J-Hotel by Dorsett (154 rooms).

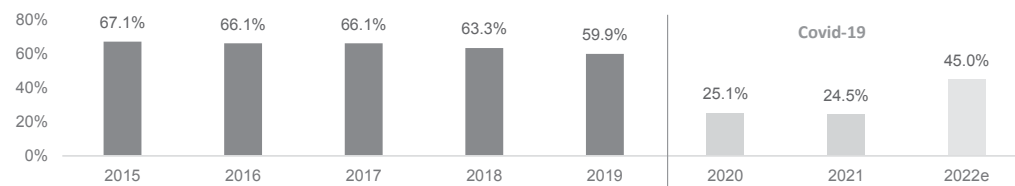
Figure 1.4: Number of hotels and room supply in KL, 2015 – 2021



Source: Tourism Malaysia (latest publicly available data as of September 2022)

The occupancy rate for hotels in KL was on average over 64% from 2015 to 2019, indicating a relatively healthy demand and supply dynamics of the capital's hotel and accommodation market. The occupancy rate declined by the end of 2019 to less than 60% due to a 7% drop in the number of visitors to KL and an 8% increase in number of rooms available in the year. Although some hotels were able to capture quarantine or Covid-19 related room nights during the pandemic, the occupancy rate had dipped to about 25.1% by 2020 and 24.5% in 2021.

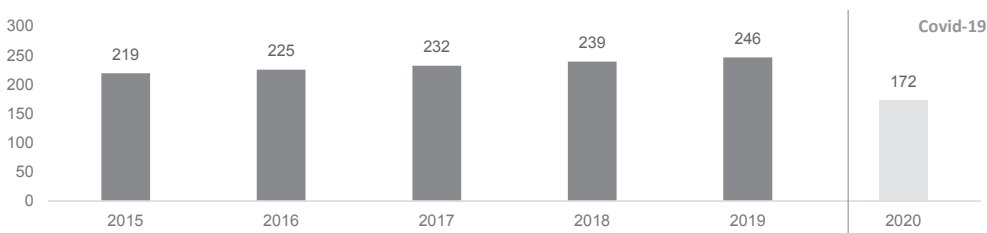
Figure 1.5: Average occupancy rate for hotels in KL, 2015 – 2022e¹³



Source: Tourism Malaysia; Malaysia Association of Hotels (MAH) (received 27th September 2022); Ipsos analysis.
Note: Insufficient information available to breakdown average occupancy rates by hotel star rating.

The average daily room rates (ADR) for four (4)-star hotels in KL averaged at RM232 from 2015 to 2019 and declined to RM172 in 2020 due to the pandemic.

Figure 1.6: Average Daily Room Rates (ADR) in MYR for four (4)-Star hotels in KL, 2015 – 2020



Source: The Malaysian Association of Hotels (MAH); Ipsos analysis

Separately, the ADR for all rated hotels in KL were recorded at an average of RM229 in 2021 and an average of RM255 in 2022¹⁴, signalling that the hotel industry is on track to recover with the relaxed domestic travel restrictions.

¹² CAGR is maintained for the period until 2019 to reflect pre-pandemic period

¹³ Note: Insufficient information available to breakdown average occupancy rates by hotel star rating

¹⁴ The Malaysian Association of Hotels (MAH), received 27th September 2022. Breakdown by hotel star rating is not available

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

Competitive Supply and New Supply Changes

The following lists out a sample of competitors that are expected to have some degree of competitive interaction with the Proposed Hotel- i.e., hotels with four (4) and five (5)-star ratings operating within the 10KM radius of the Proposed Hotel.

Table 1.10: Profiles of a sample of the Proposed Hotel's Competitors (hotels within close proximity only)

Hotel Name	Location	Star Rating	Proximity to the hotel	Rates per room per night	Amenities & Services
Flamingo Hotel by the Lake Kuala Lumpur	Jalan Hulu Kelang, Selangor	3	1.0KM	RM100 – RM250	Outdoor pool, fitness centre and a jogging track, restaurant, free WIFI, meeting & banquet facilities, 24HR front desk & security, etc.
Oakwood Hotel & Residence Kuala Lumpur	Jalan Ampang, KL	4	2.5KM	RM130 – RM230	Outdoor pool, fitness centre, meeting facilities, free WIFI, 24HR front desk & security, restaurants & bar, full-service and self-service laundry, Doctor On-Call service, etc.
Intercontinental Kuala Lumpur	Jalan Ampang, KL	5	4.0KM	RM300 – RM400	Outdoor pool, fitness centre, spa, restaurants and bar, free WIFI, meeting & banquet facilities, 24HR front desk & security, babysitting services, etc.
Corus Hotel	Jalan Ampang, KL	4	4.5KM	RM260- RM360	Outdoor pool and jacuzzi, fitness centre, spa, meeting & banquet facilities, free WIFI, 24HR front desk & security, restaurants & bar, etc.
W Kuala Lumpur	Jalan Ampang, KL	5	5.0KM	RM850 – RM950	Outdoor pool and jacuzzi, fitness centre, sauna and spa, meeting & banquet facilities, free WIFI, restaurants & bar, etc.
Ascott Kuala Lumpur	Jalan Pinang, KL	4	5.0KM	RM330 – RM450	Outdoor pool, fitness centre, tennis courts, sauna & spa, free WIFI, meeting rooms, restaurants & bar, 24HR front desk & security, etc.
PNB Perdana Hotel & Suites On The Park Kuala Lumpur	Jalan Binjai, KL	4	5.0KM	RM180 – RM280	Outdoor pool, fitness centre & tennis court, free WIFI, meeting & banquet facilities, restaurants, 24HR front desk & security, etc.
Element Kuala Lumpur	Jalan Binjai, KL	4	5.0KM	RM270 – RM380	Indoor pool, fitness centre, meeting & banquet facilities, free WIFI, restaurants & bar, full-service and self-service laundry, free bicycle hire, etc.

Source: Ipsos analysis

Note: The rates depicted within the table are for standard rooms and they are inclusive of applicable fees and taxes. The Covid-19 pandemic would have an impact on these rates.

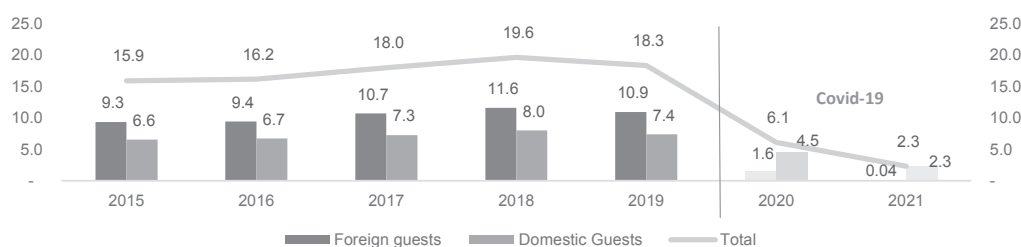
More international chain affiliated brand projects in KL are expected to increase the supply of available rooms over the next five (5) to six (6) years by more than 7,000 rooms, although most of these projects were planned prior to the pandemic.

While we have taken practical steps to investigate Proposed Hotel projects and their status, due to the nature of real estate development, it is challenging to determine with certainty every proposed new hotel will be opened during the said period. However, our analysis has identified Jumeirah @ Oxley Tower and So Sofitel @ Oxley Tower to be potential competitors to the Proposed Hotel based on their proposed location along Jalan Ampang¹⁵.

Hotel Guests

The CAGR of hotel guests in KL was approximately 3.6% between 2015 and 2019¹⁶, with foreign guests registering a higher growth rate (4.0%) than domestic guests (3.1%). Foreign guests accounted for a larger proportion of hotel guests at 59.6% in 2019. Strict travel restrictions imposed as a result of the pandemic had led to an 85.5% decrease in foreign guests and a 67% decrease in total number of guests staying in KL in 2020. 2021 recorded a further decrease in terms of total number of guests staying in KL because of the pandemic, with 97.4% decrease in foreign guests and 62.1% decrease in total number of guests staying in KL.

Figure 1.7: Hotel guests in KL, Foreign vs. Domestic Guest, 2015 – 2021 (million)



Source: Tourism Malaysia, latest publicly available information as of September 2022

Projected Demand and Supply, and Future Outlook

2021 was a challenging year for the hotel industry in Malaysia. However, outlook of the industry in totality is optimistic in the medium to long-term. Demand for the hotel and accommodation industry will continue to be dominated by local guests, at least until 2023 as the segment continue to be the major contributor to the tourism economy with various initiatives from the Government to help bolster economic recovery, restore tourist confidence, and intensify domestic tourism.

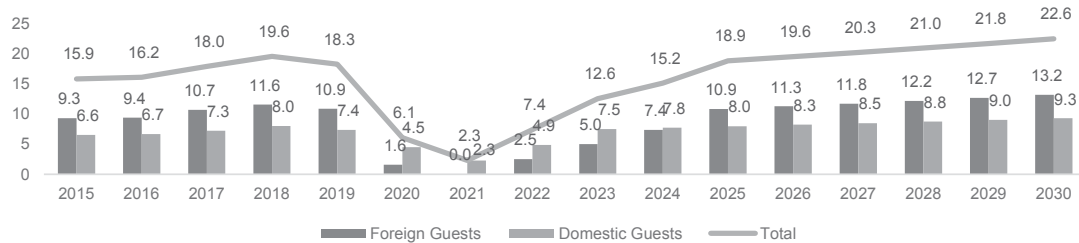
¹⁵ Further detail information is not available at the time the study is conducted.

¹⁶ CAGR is maintained for the period until 2019 to reflect pre-pandemic period

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

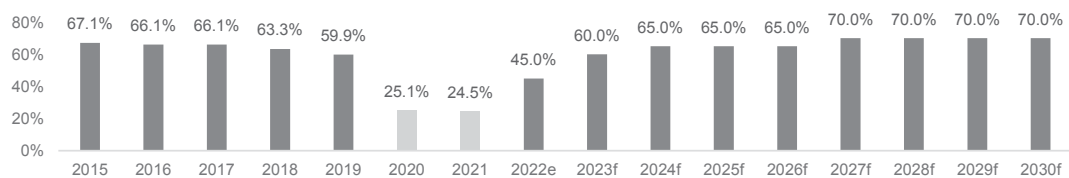
International hotel guests are expected to recover by 2025¹⁷ as Malaysia sets to welcome back international travels with the borders reopening completely starting in April 2022¹⁸. By 2026, total number of guests, both foreign and domestic is expected to reach pre-pandemic level¹⁹. The occupancy rates on the other hand are expected to reach pre-pandemic levels of 65% by 2024²⁰.

Figure 1.8 Hotel guests in KL, Projection



Source: Tourism Malaysia, latest publicly available information as of September 2022; Ipsos analysis
 Note: Projection is based on Ipsos analysis on the assumption of the following: 1) The industry continues to be dominated by local guests, at least until 2023; 2) International arrivals are expected to recover by 2025; 3) Travel restrictions are lifted, and borders are expected to reopen completely; 4) Effective virus containment by the local Government; 5) Regained travellers' confidence; 6) Tourism arrivals increased from 50,613 in 2021 to 2,132,160 in the 1H of 2022, signalling a start to a positive development of the industry moving forward.

Figure 1.9: Average Occupancy Rate, Projection

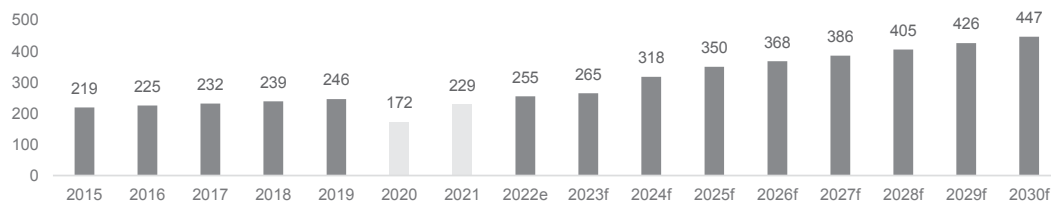


Source: Tourism Malaysia; Malaysia Association of Hotels (MAH) (received) 27th September 2022; Ipsos analysis

The Average Daily Rate (ADR) for four (4)-star hotels have declined in 2020 to RM172. Separately, the ADR for all rated hotels in KL were recorded at an average of RM229 in 2021 and an average of RM255 in 2022²¹, signalling that the hotel industry is on track to recover with the relaxed domestic travel restrictions.

Following this, Ipsos projects that the ADR for four (4) star hotels are expected to follow suit and ADRs are expected to improve as the industry recovers, barring any unexpected events.

Figure 1.10: Average Daily Rate (ADR), Projection



Source: MAH; Ipsos analysis

Note: Projection is based on Ipsos analysis on the assumption of the following: 1) ADR for four (4)-star hotels were set at RM 246 for 2019 (base year), based on a triangulated information gathering from sources such as MAH, hotel ADR rates and primary research; 2) Average occupancy rates expected to increase from 2020 onwards and reach pre-pandemic levels by 2024; 3) The industry continues to be dominated by domestic demand, at least until 2023; 4) International arrivals are expected to recover by 2025; 5) Travel restrictions are lifted, and borders reopen completely; 6) Effective virus containment by the local Government; 7) Regained travellers' confidence; 8) Shortage of supply rooms to support pent-up demand and anticipated returns of tourists post-pandemic; 9) Tourism arrivals increased from 50,613 in 2021 to 2,132,160 in the 1H of 2022, signalling a start to a positive development of the industry moving forward.

With this optimistic outlook for the industry, hotels are expected to remain resilient and innovative in order to meet the growing market demand for authentic experiences, wellness, and safety in the post-pandemic era.

Hotel Projections

The management of Proposed Hotel have prepared a 20-year projection to which Ipsos Sdn. Bhd. have reviewed to determine the reasonability of the projection prepared, in particular to the Proposed Hotel's revenue and expenses that directly drives this revenue. This involves comparing the relevant bases and assumptions of the projection against historical trends and market data.

¹⁷ 12th Malaysia Plan 2021- 2025: Re-energizing the tourism industry

¹⁸ Tourism Malaysia Media Releases, March 11 2022: Malaysia ready to welcome international travellers as borders fully reopen on 1 April

¹⁹ Ipsos analysis

²⁰ Ipsos analysis

²¹ The Malaysian Association of Hotels (MAH), received 27th September 2022. Breakdown by hotel star rating is not available.

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

Occupancy Rate and Room Rate

The Proposed Hotel's revenue and other income (such as food and beverage, and other miscellaneous income) are driven by the number of guests. The Proposed Hotel's occupancy is expected to be at 60% in Year 1, 65% in Year 2, and 70% in the years thereafter. In comparison, the projected occupancy rate for four (4)-star hotels in 2026 is 65% and 70% in the years thereafter (as discussed in Section 4.5).

The management of the Proposed Hotel is also expecting further refurbishments and renovations to be carried out on the hotel in Year 10, to which the occupancy rate in that year shall drop slightly to 65% and then return to 70% in Year 11 onwards.

Room rates for the hotel are projected as follows:

Room Type	Qty	Room Size	Rate in Year 1	Annual Increment
1 Bedroom	125	452sqf – 509sqf	RM400	3% on alternate years to take into account the annual inflation rates
2 Bedrooms	20	844sqf	RM550	
1 Bedroom with living hall and jacuzzi		915sqf	RM550	

Note: In comparison, the projected ADR for four (4)-star hotels in 2026 (as discussed in Section 4.5) is RM368.

These projected room rates are reflective of the Proposed Hotel's unique selling propositions, which are:

- The size of all the rooms offered by the Proposed Hotel is significantly larger than most hotels in general. For example, the two (2)-bedroom option will be able to fit up to three (3) to four (4) guests who will also have full access to the hotel's facilities during their stay. This includes two (2) gym rooms, two (2) sauna rooms, one (1) swimming pool, a yoga deck, a business lounge, a restaurant with a view of the city, etc.
- The Proposed Hotel shall be the only hotel lodging with four (4)-star furnishings in Ampang.
- Coupled with the hotel's strategic location, the Proposed Hotel will be a welcoming alternative to four (4) and five (5)-star hotel guests.

It is also worthwhile to note here that both occupancy rates and room rates can be adjusted to a certain degree by the management via promotional campaigns, packaged deals and cross-selling in order to take advantage of seasonality and maximise revenue. Hence, the expectations above are believed to be reflective of a viable operating strategy implemented by a typical, professional hotel management team to achieve an optimal mix of occupancy and average rate.

Revenue and Expenses

The Proposed Hotel's projected revenue streams shall consist of the following, most of which are dependent upon the number of guests at the Proposed Hotel (i.e., the Proposed Hotel's occupancy rates):

- Room revenue which are computed using the above occupancy rate and average rate as basis.
- Food revenue from room, bar, café, and restaurant, assumed to be at 25% of room revenue in Year 1 to 6 and 35% of room revenue from Year 7 onwards
- Room other revenue (e.g., rendering of ancillary services), assumed to be at 3% of room revenue each year.
- Miscellaneous revenue (e.g., rental of the Proposed Hotel's facilities such as the gym, yoga deck and business lounge, and event revenues), fixed at RM200,000 per annum.

In their efforts to ensure that the projected occupancy levels will be achieved, the management of the Proposed Hotel shall implement various branding and marketing strategies. This includes engaging travel agents and Online Travel Agents (OTAs) to assist with the Proposed Hotel's marketing and advertising and booking and reservation activities. The sales commission payable to these agents are assumed to be at 18% of room revenue in Year 1 to 6, and 15% from Year 7 onwards. Other advertising and promotional costs are projected to be at RM200,000 in Year 1 and shall increase by 10% every three (3) years.

The operations of the Proposed Hotel are anticipated to stabilise within the 3rd year since the hotel shall be managed by a team who has prior experiences in running four (4) to five (5)-star hotels. The industry's outlook in totality is optimistic in the mid to long term. The rebound in the local economy, widespread vaccinations and easing of international travel restrictions are expected to drive occupancy rates to pre-pandemic levels by 2024. Further, in general, established hotels with detailed and comprehensive hotel management systems will likely stabilise in their technical and operational aspects after 12 months of launching. On the other hand, lesser established hotels will take up to two (2) years. As such, the anticipation for the operations of the Proposed Hotel to stabilise within the 3rd year is fair.

As per the 20-year projections provided, the Proposed Hotel is projected to be profitable at the end of the 20-year period. This is after taking into consideration the RM109.3 million initial cost of investment and the RM10.9 million refurbishment and renovation cost in Year 10.

Opportunities and Risks

Opportunities

- Central location with excellent access and proximity to nearby attractions.
- The Proposed Hotel will be the newest and the only hotel with four (4)-star furnishing developed in the area since the nearest accommodation, Flamingo Hotel by The Lake, is a three (3)-star hotel built in 1995 and renovated in 2008.
- When compared to the surrounding market (i.e., the KLCC area), Ampang represents a more affordable and less crowded accommodation option.

Risks

- New supply being developed elsewhere in the greater KL area.

7. EXECUTIVE SUMMARY OF THE FEASIBILITY STUDY REPORT IN RESPECT OF THE HOTEL (cont'd)

- Unforeseen events or trends that could impact the demand and supply in the hotel industry – e.g.:
 - Government-imposed movement and travel restrictions to mitigate the spread of the Covid-19 pandemic.
 - An economic downturn which limits the number of travels and spending power of local and foreign travellers into KL.
 - New norms of the pandemic such as working from home and the widespread adoption of digital tools for meetings reduces the need for business travels.
- Lack of local talents and manpower required to operate and manage the Proposed Hotel seamlessly and cost-effectively.

Conclusion

In determining the potential feasibility of the Proposed Hotel, we analysed the hotel and accommodation industry, researched the area's locality and economics, ascertained the future outlook of rooms supply and demand, and reviewed the 20-year projection of income and expense and the assumptions therein for the Proposed Hotel.

Based on our analysis and review, we are in the opinion that:

- There is **market support** for a new upscale, full-service, boutique branded hotel at the proposed location at this time.
 - The market area represents a **favourable potential** for the establishment of a new hotel with four (4)-star furnishings, owing to its existing and established demand generators and strong leisure attention base, which supports the projections provided herein.
 - The surrounding market is also stable characterised by **steady population growth and strong spending power**. This location, along with a comprehensive transportation network, has made the neighbourhood appealing to visitors looking for a place to stay near KLCC.
- The Proposed Hotel will have the potential to generate demand primarily from tourists' excursion, followed by business or family visits.
- The **projected occupancy rates and room rates are reasonable** in order to meet the hotel's desired revenue levels as the room rates are reflective of the hotel's unique selling propositions.
- The **bases and assumptions** used in projecting the Proposed Hotel's total revenue and expenses that have a direct impact on hotel's occupancy (i.e., sales commissions, and advertising & promotional costs) are reasonable.

It is worthwhile to note here that the Proposed Hotel and the commercial-residential tower in which the Proposed Hotel shall be located do not yet exist as of the date of this report. Our feasibility study does not address unforeseeable events that could alter the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report.

Several important assumptions have also been applied to this feasibility study. Specific assumptions relating to the future supply and demand for the hotel & accommodation industry are set forth as a footnote to which they relate to in the charts, while general assumptions can be found within the **Statement of Assumptions** section of this report, and these are set forth in the **Statement of Assumptions** section of this report.

Statement of Assumptions

1. We assume that the construction of the commercial-residential tower in which the Proposed Hotel will be located shall complete within the expected timeframe.
2. Both the commercial-residential tower and the hotel operations are assumed to be in full compliance with all applicable federal, state, local laws, regulations, licences, permits and certifications, can be freely renewed by the building management and hotel operator when necessary.
3. The quality of a hotel's services, facilities and onsite management has direct impact on the hotel's economic viability. The financial projections presented in this analysis assume responsible ownership, competent management, and market-appropriate services and facilities. Any departure from this assumption may have a significant impact on the projected operating results.
4. The market analysis presented in this report is based upon assumptions, estimates, and evaluations of the market conditions in the local and national economy, which may be subject to sharp rises and declines. Over the projection period considered in our analysis, wages and other operating expenses may increase or decrease because of market volatility and economic forces outside the control of the hotel's management. We assume that the price of hotel rooms, food, beverages, and other sources of revenue to the hotel will be adjusted to offset any increases or decreases in related costs.
5. We assume that the projections in its entirety have been prepared in good faith by the management of the Proposed Hotel.

8. RISK FACTORS

YOU SHOULD EVALUATE AND CONSIDER CAREFULLY BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES, ALONG WITH OTHER MATTERS IN THIS PROSPECTUS, THE RISKS (WHICH MAY NOT BE EXHAUSTIVE) BELOW. ADDITIONAL RISKS, WHETHER KNOWN OR UNKNOWN, MAY IN THE FUTURE HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND PERFORMANCE.

8.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

8.1.1 We are subject to 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 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. Following the COVID-19 pandemic, Malaysia's GDP contracted at a CAGR of 1.06% from RM1.42 trillion in 2019 to RM1.39 trillion in 2021. Adverse economic conditions may impact the employment market and consumer purchasing power, causing consumers to be more prudent in making investment decisions which may subsequently affect the demand for properties.

According to the IMR Report, in Kuala Lumpur, there was an increase in number of high-rise residential property transactions but a decline in the value of transactions between 2019 and 2021, which resulted in a decline in the average price per unit from approximately RM790,000 to RM760,000 at a CAGR of -1.92%. Over the same period, in Selangor, both value and number of high-rise residential property transactions increased which resulted in an increase in the average price per unit from approximately RM380,000 to RM390,000 at a CAGR of 1.31%. In 2022, in Kuala Lumpur and Selangor, both value and number of high-rise residential property transactions increased which resulted in the increase in the average price per unit at year-on-year rates of 12.21% from RM760,000 to RM860,000 in Kuala Lumpur and 2.55% from RM390,000 to RM400,000 in Selangor. The increased number of high-rise residential property transactions in Kuala Lumpur and Selangor were mainly driven by improved economic conditions in 2021 and 2022 and various Government initiatives to boost the property market, which were sustained by demand for properties in Kuala Lumpur and Selangor, especially for properties which are strategically located and competitively priced.

While we have encountered a total of 104 cancellation of sales for our projects during the Financial Years and Period Under Review and up to the LPD, this did not result in material adverse impact to our Group in view that we had resold these units and 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, 100.00% sold rate for Residensi PV9, 100.00% sold rate for Residensi Vista Sentul, 60.17% sold rate for Residensi Platinum Mira (i.e. project was officially launched in June 2021) and 0.53% sold rate for Suite Canselor (i.e., project was launched in February 2023) as at the LPD. Please refer to Section 5.3.1 of this Prospectus for further details on the sales of our Group's projects and Section 12.2.11(i) of this Prospectus for further details on the cancellation of sales. Although we have successfully resold these cancelled units and our sales remain unaffected, 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.

8. RISK FACTORS (*cont'd*)

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.

8.1.2 Our business operations are impacted by the outbreak of the COVID-19 pandemic and possible similar future outbreaks may have a significant adverse effect on our Group

(i) Impact on our Group and operations

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). During the period of the first MCO and NRP where our Group was allowed to operate under MITI's approval, we were also required to limit our workforce capacity according to the SOP set out by MITI. 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 the 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.

(ii) Impact on the construction progress and delivery of our projects

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.

8. RISK FACTORS (cont'd)

Despite the temporary disruption to our construction progress, our projects were not subject to any LAD claims from home buyers. This was due to the Government (e.g., through the COVID-19 Act) granting the exclusion of period in calculating the LAD to be paid to home buyers for any delay in the delivery of vacant possession. Further details on the COVID-19 Act and the delivery of our projects pursuant to the outbreak of the COVID-19 pandemic 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 as the delay in the delivery of vacant possession is still within the exclusion period that was granted, 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.

8.1.3 We are exposed 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 above 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.

In the event of a delay in delivery of vacant possession, LAD claims made by buyers to our Group are calculated daily based on 10% per annum on the purchase price of the buyer's unit. Assuming the delay is caused by our contractor, we may claim LAD from the contractor, which is calculated in various ways depending on the contract. In this respect, our Group's LAD claims from our contractors are usually lower than the buyer's LAD claims from our Group. The difference between these claims is an exposure to our Group and is an inherent risk undertaken by property developers.

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). Nevertheless, 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.

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8. RISK FACTORS (cont'd)

8.1.4 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.

There is also a risk of simultaneous demand for immediate repayment on our outstanding short term credit facilities, and tightening of loan facilities due to deteriorating market conditions arising from economic, financial, political and other reasons. If the call back on our callable credit facilities (i.e., bank overdrafts) take place, this would have a material adverse effect on our cash flows, working capital and in turn, will have a material effect on our Group's financial performance and prospects.

Socio-economic conditions with negative impacts, such as by the COVID-19 pandemic and MCOs arising from it, may cause financial institutions to be more cautious in lending as businesses are expected to be affected by the dampened consumer sentiment and change in spending habits. This may affect our Group's borrowings in which we may not be able to secure any credit facilities from financial institutions or that the credit facilities secured may not be sufficient to fund our acquisition of landbanks or to proceed with project development activities.

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.

8.1.5 We may not be able to acquire 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.

Our subsidiary, Rasa Wangi had on 20 September 2022 entered into a joint venture agreement with Kadar Jutajaya Sdn Bhd for a proposed development consisting *inter alia* 404 units of Residensi Wilayah and 932 units of condominium on a piece of leasehold land held under Hakmilik Sementara H.S(D) No.123036, No. Lot: PT50316, Negeri Wilayah Persekutuan Kuala Lumpur, Daerah Kuala Lumpur, Mukim Batu measuring approximately 21,505 square metres. The project, as at the LPD, is in its planning stages and submission to DBKL for its approval of planning and development of the project is targeted to made by June 2023. Subject to the necessary approvals having been obtained, we expect to commence construction and launch the project for sale in the first half of 2024 and with an expected completion within four (4) years from the launch. Furthermore, as at the LPD, our subsidiary, Idaman Sejiwa (Ampang) has one (1) on-going project which was launched in February 2023; and our subsidiary, Fitrah Resources has one (1) on-going project which is expected to be launched in the third quarter of 2023. With the project through our joint venture agreement under Rasa Wangi, the on-going projects under Idaman Sejiwa (Ampang) and Fitrah Resources, our Group estimates that this is sufficient for

8. RISK FACTORS (*cont'd*)

us to achieve sustainable revenue and profit at least up to 2027. Save as disclosed above, our Group does not hold any other landbank for development as at the LPD.

As at the LPD, we have also shortlisted two (2) parcels of land which we intend to acquire and another one (1) parcel of land which we intend to develop through a joint venture arrangement using our IPO proceeds for future development. The two (2) parcels of vacant land that have been shortlisted for the development of one (1) project is expected to generate revenue and profit for at least three (3) years pursuant to the launching of the project which is anticipated to be in 2024; and another one (1) parcel of vacant land which is intended to be a joint venture development is expected to generate revenue and profit for at least four (4) years pursuant to the launching of the project which is anticipated to be in 2025. With that, we estimate that we will be able to achieve sustainable revenue and profit at least up to 2029. Please refer to Section 5.15.1 of this Prospectus for further details on the shortlisted parcels of land. However, our ability to acquire these parcels of land at favourable terms (including but not limited to a pricing at commercially viable prices) and/or completing such acquisitions may be subject to factors beyond our control. In such circumstances, we may need to seek for other acquisition or joint venture opportunities and additional time may be required to do so. In addition, our hotel operations which are expected to commence in the third quarter of 2026, is expected to provide our Group with additional revenue stream and recurring income to our Group in addition to existing revenue stream derived from our property development business.

Notwithstanding the above, 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 landowners 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.

8.1.6 We may achieve lower than estimated GDV for our projects

We have engaged an Independent Valuer to value our on-going and future 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. During the period of the COVID-19 pandemic from March 2020 and up until the LPD, there were 50 cancellation of sales that were collectively contributed from Residensi Vista Wirajaya, Residensi Semarak Platinum, Residensi Platinum OUG, Residensi PV9, Residensi Vista Sentul, Residensi Platinum Mira. These 50 cancellations are part of the total 104 cancellation of sales during the Financial Years and Period Under Review and up to the LPD. Further details on the number of units sold for the respective projects are as set out in Section 5.3.1 and details on the cancellation of sales are as set out in Section 12.2.11(i) of this Prospectus. Hence, our Group is exposed to the risk that our future launches may be impacted by adverse changes 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., 31 January 2023) 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.

8. RISK FACTORS (cont'd)

8.1.7 Our Group is dependent 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 Managing Director, Datuk Gan Kah Siong has 18 years of experience in the property development industry. Our Executive Directors, Gan Tiong Kian 30 years of experience in the building materials and property development industry; Gan Kok Peng has 34 years of experience in the building materials and property development industry; and Chai Woon Hou has 13 years of working experience in audit, corporate affairs and internal control. Our Executive Directors have in-depth knowledge of our operations and is supported by our Key Senior Management, comprising individuals who each have significant relevant experience in the property development industry. Further details on the experience of our Executive Directors and Key Senior Management are as set out in Sections 3.2.2 and 3.3.3 of this Propsectus.

Our Group's success is also dependent on the continued service of our Executive Directors and Key Senior Management. Due to their in-depth knowledge of our operations and experience in the property development industry, they are critical to the overall management and operations of our business and our property development projects, our corporate culture and our strategic direction.

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. Therefore, our ability to attract and retain a highly-skilled and experienced workforce is crucial for our continued success, future business growth and prospects.

8.1.8 We may face 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.

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8. RISK FACTORS (cont'd)

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. If 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 deliver 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 bear a portion of the increase in cost to ensure the timely completion of our projects, it will increase our GDC and thus, adversely affecting our financial performance.

Our cash flows and profitability are dependent upon our ability to accurately estimate the costs associated with our property development projects during planning stage before the finalisation of project development and commencement of construction works, as well as to manage them throughout the duration of our projects. These costs may be affected by a variety of factors, such as lower/longer than estimated quality and timely completion of construction works, conditions at the work sites differing materially from what was anticipated prior to the commencement of the construction works, higher costs of construction materials and labour than the estimations made prior to the appointment of contractors and commencement of construction works, delay in the availability of financing and political or social disruptions, amongst others.

These variations in costs may cause actual gross profit for a project to differ from those originally estimated and, as a result, certain projects could have lower margins than anticipated, which will adversely affect our profitability, cash flows and results of operations.

8.1.9 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. For example, while we are insured against losses resulting from fires and burglary, we do not maintain insurance against losses as a result of natural disasters, wars and acts of terrorism as these losses are neither insurable nor economically insurable.

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. For the Financial Years and Period Under Review, we have encountered one (1) incident of claim due to an accidental damage caused by a driver to our hoarding board at our project site, as well as three (3) hospitalisation and surgical insurance claims made by our employees, all of which are not material to our Group. Save as disclosed above, we have not encountered any material incidences that require our Group to make claims on our insurance policies.

8. RISK FACTORS (cont'd)

8.1.10 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 proceedings were taken 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.

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 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 amount of approximately RM35.56 million to 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.

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 on our Group's reputation and branding due to the loss of confidence from home buyers who have purchased our units. 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.

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.

8. RISK FACTORS (cont'd)

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

Please refer to Section 16.4 of this Prospectus for further details on the litigation cases in respect of the said development land.

8.2 RISKS RELATING TO OUR INDUSTRY**8.2.1 We are subject to the risk of 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 (e.g., introduction of regulatory measures to curb speculative investments), 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.

Further, any introduction of regulatory measures which dampen consumer sentiment or cause declines in value of properties may adversely affect our development planning decisions which include the types of property to develop and selling price of the properties, or may cause a delay in the timing of the launch of our planned property development projects, and ultimately will adversely affect our Group's business, cash flow and sales performance.

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.

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8. RISK FACTORS (cont'd)

8.2.2 We are dependent 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.

Notwithstanding our arrangements with contractors, we are ultimately responsible for the timely completion and quality of the construction works which will influence the overall quality of our property development projects. Despite entering into formal agreements with our appointed contractors, we may experience delays in completion or poor quality of work attributed to our contractors due to instances such as insufficient resources (e.g. labour, building materials and equipment) and/or poor quality building materials during the course of construction and/or poor quality workmanship.

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.

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.

Further, 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.

8. RISK FACTORS (cont'd)

8.2.3 We face competition from other developers in the property development industry

The property market in Kuala Lumpur and Selangor is competitive due to the large number of industry players that compete in this space. Industry players may be involved in the development of various types of buildings/developments such as residential, commercial, industrial, mixed, infrastructure and social amenities.

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.

8.3 RISKS RELATING TO OUR SHARES AND IPO
8.3.1 Delay in or aborted of our listing

The occurrences of any of the following events may cause a delay in or aborted of our Listing: -

- (i) the selected investors fail to subscribe for the portion of our IPO Shares allocated to them;
- (ii) our Manging Underwriter and Joint Underwriters exercising its rights pursuant to the Underwriting Agreement to discharge from its obligations under the Underwriting Agreement;
- (iii) the revocation of approvals from the relevant authorities for the Listing and/or admission for whatever reason; or
- (iv) we fail to meet the public shareholding spread requirement of the Listing Requirements of at least 25% of our enlarged issued share capital to be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the time of our Listing.

Where prior to the issuance and allotment of our IPO Shares: -

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to have been withdrawn and cancelled and we shall repay without interest all monies received from the applicants and if any such money is not repaid within 14 days of the stop order, we shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC from the expiration of that period pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, investors will not receive any of our IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

8. RISK FACTORS (cont'd)

Where subsequent to the issuance and allotment of our IPO Shares: -

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and we shall repay without interest all monies received from the applicants and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC from the expiration of that period and take necessary steps to effect the order pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
 - (a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Directors.

8.3.2 No prior market for our Shares

There has been no prior market for our Shares prior to our Listing and there can be no assurance that an active market for our Shares will develop, or even if developed, that such market liquidity can be sustained.

In addition, there can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities upon our Listing. There is also no assurance that the market price of our Shares will not decline below the IPO Price.

8.3.3 Volatility of our Share price and trading volume

The volatility of trading price and volume of our Shares on Bursa Securities may fluctuate due to, amongst others, the following factors, some of which are not within our control and may be unrelated or disproportionate to our financial results: -

- (i) variations in our financial results and operations;
- (ii) success or failure of our Key Senior Management in implementing business and growth strategies;
- (iii) additions or departures of our Key Senior Management;
- (iv) fluctuation in stock market prices and volume;
- (v) changes in government laws, decrees, legislation or regulation;
- (vi) changes in securities analysts' recommendations and projections of our Group's financial performance;

8. RISK FACTORS (cont'd)

- (vii) changes in market conditions, general economic conditions or stock market sentiments or other related events or factors; and
- (viii) changes in market valuations and share prices of companies with similar businesses to our Group that may be listed on Bursa Securities.

The performance of Bursa Securities, market and investors sentiment could be affected by external factors such as the performance of the regional and global stock exchanges, the inflow or outflow of foreign funds as well as internal factors such as economic and political conditions and the growth potential of the various sectors of the local economy. These factors contribute to the volatility of trading price and volume on Bursa Securities, thus adding risks to the future volatility of the market price of our Shares.

8.3.4 Control by our Promoters

Our Promoters will collectively hold approximately 71.60% of our enlarged issued share capital upon Listing. As a result, our Promoters will significantly influence amongst others, the election of Directors, timing and payment of dividends as well as the outcome of any ordinary resolution to be tabled at general meetings, unless they are required to abstain from voting by law and/or by the relevant guidelines or regulations.

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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			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	Total Solid and PV Development	Interested director ⁽ⁱ⁾ : - (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			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	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			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	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			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	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 ^(vii)	-	-	-	-	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			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	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: -

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE			FPE	1 November 2022 up to the LPD#
				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⁾ Licensing fee charged by PV Development to Omega Edisi ⁽ⁱⁱⁱ⁾	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	- 150

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	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			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	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			FPE	1 November 2022 up to the LPD# RM'000
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	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 Pembangunan 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.

9. RELATED PARTY TRANSACTIONS (cont'd)

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 include 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. RELATED PARTY TRANSACTIONS (cont'd)

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			FPE	1 November 2022
				2019	2020	2021	2022	up to the LPD#
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	Radium Group and PV Development	Interested director ⁽ⁱⁱ⁾ : -	Advances from PV Development to Radium Group ⁽ⁱⁱ⁾	67,673	97,078	71,761	14,698	-
		(i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai ⁽ⁱ⁾		Being 42.33% of our Group's NA	Being 37.50% of our Group's NA	Being 19.43% of our Group's NA	Being 3.75% of our Group's NA	
		(iv) Gan Tian Soo @ Gan Ah Kan ⁽ⁱ⁾	Repayment of advances from Radium Group ⁽ⁱⁱ⁾ to PV Development	37,217	134,299	142,390	205,129	9,741
		Interested major shareholder ⁽ⁱⁱ⁾ : -						
		(i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Tan Sri Datuk Seri Gan Yu Chai ⁽ⁱ⁾	Interest charged by PV Development to Radium Group ⁽ⁱⁱ⁾	8,256	9,072	4,608	224	16
				Being 5.05% of our Group's PBT	Being 6.89% of our Group's PBT	Being 3.18% of our Group's PBT	Being 0.17% of our Group's PBT	
2.	Radium Group and PV Holdings and its related parties	Interested director ⁽ⁱⁱⁱ⁾ : -	Advances to PV Holdings from Radium Group ⁽ⁱⁱⁱ⁾	9,544	1,740	18,528	-	-
		(i) Datuk Gan Kah Siong (ii) Gan Kok Peng (iii) Gan Tiong Kian (iv) Tan Sri Datuk Seri Gan Yu Chai ⁽ⁱ⁾		Being 5.97% of our Group's NA	Being 0.67% of our Group's NA	Being 5.02% of our Group's NA		
		(v) Gan Tian Soo @ Gan Ah Gan ⁽ⁱ⁾ (vi) Lee Ang Hoo ⁽ⁱ⁾ (vii) Puan Sri Datin Seri Lee Kuan Kiow ⁽ⁱ⁾	Repayment of advances to Radium Group from PV Holdings ⁽ⁱⁱⁱ⁾	7,008	-	30,465	-	-
				Being 4.38% of our Group's NA		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			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	RM'000	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⁾ Interested major shareholder ^(iv) : - (i) Gan Kok Peng (ii) Gan Tiong Kian	Advances to Jayyid Land from Radium ^(iv) Repayment of advance from Jayyid Land to 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	- -

9. RELATED PARTY TRANSACTIONS (cont'd)

No.	Transacting parties	Interested director/ major shareholder/ person connected	Nature of transaction	FYE			FPE	1 November 2022 up to the LPD#
				2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	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			FPE	1 November 2022 up to the LPD#
				2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	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			FPE	1 November 2022 up to the LPD#
				2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	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		Indirect		Mitigating factor
					No. of shares held	%	No. of shares held	%	
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		Indirect		Mitigating factor
					No. of shares held	%	No. of shares held	%	
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		Indirect		Mitigating factor
					No. of shares held	%	No. of shares held	%	
									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 Gan Kok Peng Gan Tiong Kian	Property developer	-	-	-	200,000 ⁽ⁱⁱ⁾	20.00	<p>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.</p> <p>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.</p> <p>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.</p>

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.*

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

- (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			FPE	1 November 2022
				2019	2020	2021	2022	up to the LPD#
				RM'000	RM'000	RM'000	RM'000	RM'000
Southern Score ⁽ⁱ⁾⁽ⁱⁱ⁾	Our supplier	Contractor	<ul style="list-style-type: none"> - 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	87,034	189,641	99,105	24,815
			<ul style="list-style-type: none"> Being 4.79% of our Group's revenue Being 14.80% of our Group's revenue Being 33.64% of our Group's revenue Being 32.82% of our Group's revenue 					

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

Name of company	Nature of relationship	Nature of business	Nature of interest	FYE			FPE	1 November 2022 up to the LPD#
				2019	2020	2021	2022	
				RM'000	RM'000	RM'000	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

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

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

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

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, Managing 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

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
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

11. FINANCIAL INFORMATION (cont'd)

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)

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
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: -

	Unaudited as at 28 February 2023 RM'000	Pro Forma	
		I	II
		After the Public Issue RM'000	After Pro Forma I and the utilisation of proceeds 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⁽¹⁾ (times)	0.26	0.12	0.07

11. FINANCIAL INFORMATION (cont'd)

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).

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

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.

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

(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.

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

(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.

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

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.

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

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). Nevertheless, 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.

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

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.

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

(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.

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

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.

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

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: -

Projects	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	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		Audited	
	FPE 2021		FPE 2022	
	RM'000	%	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.

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

- (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.

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

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

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

- (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

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

- (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.

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

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: -

Projects	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	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

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

Projects	Unaudited		Audited	
	FPE 2021		FPE 2022	
	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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12. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (cont'd)

	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

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

(v) GP and GPM by projects

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

Projects	Audited					
	FYE 2019		FYE 2020		FYE 2021	
	GP	GPM	GP	GPM	GP	GPM
	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

Projects	Unaudited		Audited	
	FPE 2021		FPE 2022	
	GP	GPM	GP	GPM
	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.

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

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

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

- (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

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

- (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.

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

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;

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

- (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.

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

- (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.

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

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 Marketing and promotional expenses	2,169	13.94	3,028	16.03	811	5.18
Staff costs	1,734	11.14	681	3.60	329	2.10
Sales commission ⁽ⁱ⁾	4,967	31.92	5,569	29.47	5,513	35.18
Scale model ⁽ⁱⁱ⁾	5,788	37.20	8,815	46.65	8,419	53.72
Others ⁽ⁱⁱⁱ⁾	538	3.46	214	1.13	-	-
	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 Marketing and promotional expenses	743	5.85	1,233	9.65
Staff costs	275	2.16	269	2.10
Sales commission ⁽ⁱ⁾	3,850	30.27	4,073	31.87
Scale model ⁽ⁱⁱ⁾	7,494	58.93	5,888	46.07
Others ⁽ⁱⁱⁱ⁾	-	-	547	4.28
	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.).

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

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.

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

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;

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

- (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.

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

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

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.

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

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

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

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.

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

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

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

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

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;

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

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

(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;

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

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

	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 ⁽ⁱⁱ⁾
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.

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

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

(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.

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

- (ii) *Computed based 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. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (cont'd)

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

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⁽¹⁾	8,905	27,298	111,571	25,961

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

Note: -

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

	<i>Audited</i>			
	<i>FYE 2019</i>	<i>FYE 2020</i>	<i>FYE 2021</i>	<i>FPE 2022</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
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);

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

- (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.

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

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.

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

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

(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 approximately 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 approximately 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

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

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

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	Payable after one (1) year
				RM'000	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

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

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

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

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

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

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

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.

13. ACCOUNTANTS' REPORT



5 April 2023

The Board of Directors
Radium Development Berhad
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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.

13. ACCOUNTANTS' REPORT (cont'd)



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.

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)



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.

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Paul Tan Hong".

Paul Tan Hong
No. 03459/11/2023 J
Chartered Accountant

Kuala Lumpur

Date: 5 April 2023

13. ACCOUNTANTS' REPORT (cont'd)

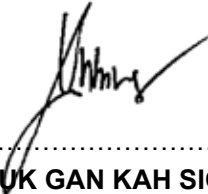
RADIUM DEVELOPMENT BERHAD

Accountants' Report

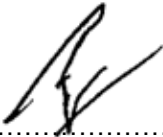
STATEMENT BY DIRECTORS

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: 05 APR 2023

13. ACCOUNTANTS' REPORT (cont'd)

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.

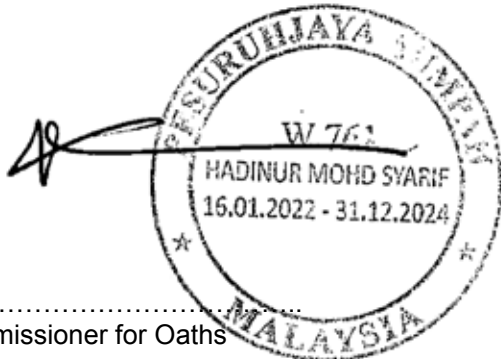


.....
SAM YAN LI
(MIA Membership No:30416)

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on

05 APR 2023

Before me,



.....
Commissioner for Oaths

CHAMBERS TWENTY - FIVE
NO 25, JALAN TUNKU, GUKIT TUNKU
50480 KUALA LUMPUR

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

COMBINED STATEMENTS OF FINANCIAL POSITION

	Note	← Audited as at →			
		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

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Note	← Audited → FYE 31 December			Audited	Unaudited
		2019 RM'000	2020 RM'000	2021 RM'000	FPE 31 October 2022 RM'000	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.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Note	Attributable to owners of the Company			Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Redeemable convertible preference shares RM'000	Retained earnings 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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Note	Attributable to owners of the Company			Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Redeemable convertible preference shares RM'000	Retained earnings 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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Note	Attributable to owners of the Company			Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Redeemable convertible preference shares RM'000	Irredeemable convertible preference shares 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

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Note	Attributable to owners of the Company			Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Share capital RM'000	Redeemable convertible preference shares RM'000	Retained earnings 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.

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	← Audited → FYE 31 December			Audited	Unaudited
		2019 RM'000	2020 RM'000	2021 RM'000	FPE 31 October 2022 RM'000	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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

(a) Purchase of property, plant and equipment:

	Note	Audited FYE 31 December			Audited	Unaudited
		2019 RM'000	2020 RM'000	2021 RM'000	FPE 31 October 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:

	01.01.2019 RM'000	Cash flows		Non-cash	31.12.2019 RM'000
		Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others 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

	01.01.2020 RM'000	Cash flows		Non-cash	31.12.2020 RM'000
		Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others 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

13. ACCOUNTANTS' REPORT (cont'd)**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)

	01.01.2021 RM'000	Cash flows		Non-cash	31.12.2021 RM'000
		Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others 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

	01.01.2022 RM'000	Cash flows		Non-cash	31.10.2022 RM'000
		Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others 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

	01.01.2021 RM'000	Cash flows		Non-cash	31.10.2021 RM'000
		Advance/ Drawdown RM'000	Repayment/ Receipt RM'000	Others 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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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 →				Principal place of business/ country of incorporation	Principal activities
	31.12.2019	31.12.2020	31.12.2021	31.10.2022		
	%	%	%	%		
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

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

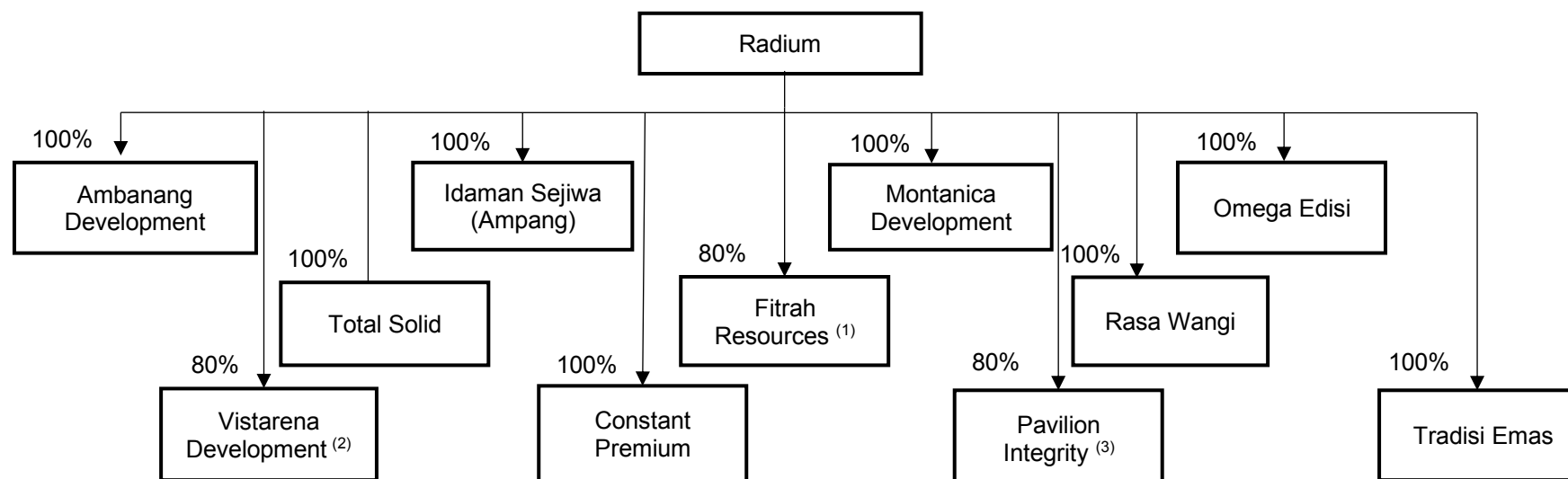
Accountants' Report

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.*

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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)
	<hr/>
Deficit charged directly to equity	(4,945)
	<hr/>

(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)
	<hr/>
Excess charged directly to equity	373
	<hr/>

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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)
	<hr/>
Excess charged directly to equity	58
	<hr/>

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)
	<hr/>
Excess charged directly to equity	60
	<hr/>

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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)
	<hr/>
Total identifiable net assets acquired	34
Goodwill arising on acquisition (Note 7)	773
Non-controlling interest at fair value	(7)
	<hr/>
Fair value of consideration transferred	800
	<hr/>

Effect of the acquisition on cash flows:

	RM'000
Fair value of consideration transferred	800
Increase in share of net assets	(33)
	<hr/>
Net cash outflows on acquisition	767
	<hr/>

(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.

13. ACCOUNTANTS' REPORT (cont'd)**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:

Name of company	Ownership interest			
	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:

Name of company	Audited as at			
	31.12.2019	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	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:

Name of company	Audited			
	FYE 31 December			FPE 31
	2019	2020	2021	October 2022
	RM'000	RM'000	RM'000	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

13. ACCOUNTANTS' REPORT (cont'd)**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**

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)

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)**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)	<u>109,268</u>	<u>(4,171)</u>	<u>(585)</u>
Summarised statement of comprehensive income FYE 31 December 2021			
Revenue	115,514	6,901	287
Profit/(loss) for the financial year	<u>31,869</u>	<u>(611)</u>	<u>(323)</u>
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	<u>9,814</u>	<u>619</u>	<u>2,809</u>
Net (decrease)/increase in cash and cash equivalents	<u>(18,175)</u>	<u>320</u>	<u>66</u>

13. ACCOUNTANTS' REPORT (cont'd)**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)	<u>21,587</u>	<u>(2,757)</u>	<u>(1,827)</u>
Summarised statement of comprehensive income FPE 31 October 2022			
Revenue	47,618	16,846	-
Profit/(loss) for the financial period	<u>12,320</u>	<u>1,414</u>	<u>(1,243)</u>
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	<u>(145,387)</u>	<u>(1,238)</u>	<u>13,295</u>
Net increase in cash and cash equivalents	<u>10,944</u>	<u>1,020</u>	<u>3,548</u>

* *Less than 1,000*

13. ACCOUNTANTS' REPORT (cont'd)**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:

Name of entity	FYE 31 December			FPE 31 October	
	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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)**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	2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	(699)	523
Adjustments for:		
Finance costs	7,725	7,840
<u>Changes in working capital</u>		
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	2020
	RM'000	RM'000
Earnings per share		
- Basic and diluted	(0.0003)	0.0002

13. ACCOUNTANTS' REPORT (cont'd)**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:

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
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

13. ACCOUNTANTS' REPORT (cont'd)**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 (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.

13. ACCOUNTANTS' REPORT (cont'd)**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 (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.

13. ACCOUNTANTS' REPORT (cont'd)

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 (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.

13. ACCOUNTANTS' REPORT (cont'd)**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)****(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.

13. ACCOUNTANTS' REPORT (cont'd)**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)****(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.

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

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.

Debt instruments

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHADAccountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**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**

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 materially 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.

13. ACCOUNTANTS' REPORT (cont'd)**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)**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.

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)

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)

(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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**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*.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

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 recognise 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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)

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	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

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)**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 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

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	RM'000
Borrowing costs	34,709	40,218	41,531	42,429

7. GOODWILL

	← Audited as at →			
	31.12.2019	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	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	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	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.

13. ACCOUNTANTS' REPORT (cont'd)**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				Principal activities
		31.12.2019	31.12.2020	31.12.2021	31.10.2022	
		%	%	%	%	
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.

13. ACCOUNTANTS' REPORT (cont'd)**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 →				Principal activities
		31.12.2019 %	31.12.2020 %	31.12.2021 %	31.10.2022 %	
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

13. ACCOUNTANTS' REPORT (cont'd)**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	-	-	-

13. ACCOUNTANTS' REPORT (cont'd)**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	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	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	-	-	-

13. ACCOUNTANTS' REPORT (cont'd)

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	Contract liabilities	Contract assets	Contract liabilities	Contract assets	Contract liabilities	Contract assets	Contract liabilities
	Increase/ (decrease)	(Increase)/ decrease	Increase/ (decrease)	(Increase)/ decrease	Increase/ (decrease)	(Increase)/ decrease	Increase/ (decrease)	(Increase)/ decrease
	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-
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)	-

13. ACCOUNTANTS' REPORT (cont'd)**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 RM'000	2020 RM'000	2021 RM'000	2022 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

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)**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")**

	Note	Number of preference shares		Amount	
		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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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		-	-

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**14. LOANS AND BORROWINGS**

	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:					
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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)

RADIUM DEVELOPMENT BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

15. DEFERRED TAX LIABILITIES

	At 1 Recognised January 2019		At 31 Recognised December 2019		At 31 Recognised December 2020		At 31 Recognised December 2021		At 31 October 2022
	in profit or loss (Note 22)		in profit or loss (Note 22)		in profit or loss (Note 22)		in profit or loss (Note 22)		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	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).

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**16. TRADE AND OTHER PAYABLES**

	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 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%).

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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 →			Audited	Unaudited
	FYE 31 December			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	-	-	-
	<u>472,177</u>	<u>587,689</u>	<u>563,404</u>	<u>277,011</u>	<u>505,478</u>
At a point in time:					
Property development	496	-	-	25,000	-
Sale of goods	133	378	287	-	287
	<u>629</u>	<u>378</u>	<u>287</u>	<u>25,000</u>	<u>287</u>
	<u>472,806</u>	<u>588,067</u>	<u>563,691</u>	<u>302,011</u>	<u>505,765</u>

18. OTHER INCOME

	← 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 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 COVID-19 related	-	-	-	47,000	-
rent concession income	-	24	-	-	-
Gain on lease modification	-	-	4	9	4
Salvage income	-	-	420	-	-
Dividend income	44,100	-	-	-	-
Others	157	147	358	320	328
	<u>44,691</u>	<u>806</u>	<u>1,098</u>	<u>47,912</u>	<u>565</u>

13. ACCOUNTANTS' REPORT (cont'd)**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:

	Note	← Audited →			Audited	Unaudited
		FYE 31 December			FPE 31 October	
		2019	2020	2021	2022	2021
		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

13. ACCOUNTANTS' REPORT (cont'd)**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 difference	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

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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	Unaudited
	2019	2020	2021	FPE 31 October 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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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	-
	<u>111,020</u>	<u>111,020</u>	<u>-</u>
Financial liabilities			
Loans and borrowings	(77,910)	(77,910)	-
Trade and other payables	(526,920)	(526,920)	-
	<u>(604,830)</u>	<u>(604,830)</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (cont'd)**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	-
	<u>134,022</u>	<u>134,022</u>	<u>-</u>
Financial liabilities			
Loans and borrowings	(91,949)	(91,949)	-
Trade and other payables	(562,720)	(562,720)	-
	<u>(654,669)</u>	<u>(654,669)</u>	<u>-</u>
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	-
	<u>246,848</u>	<u>217,535</u>	<u>29,313</u>
Financial liabilities			
Loans and borrowings	(91,597)	(91,597)	-
Trade and other payables	(361,775)	(361,775)	-
	<u>(453,372)</u>	<u>(453,372)</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (cont'd)**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	-
	<u>127,749</u>	<u>117,165</u>	<u>10,584</u>
Financial liabilities			
Loans and borrowings	(94,842)	(94,842)	-
Trade and other payables	(121,779)	(121,779)	-
	<u>(216,621)</u>	<u>(216,621)</u>	<u>-</u>

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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's 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.

13. ACCOUNTANTS' REPORT (cont'd)

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:

	Contract assets RM'000	Current RM'000	Trade receivables					Total 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	
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

13. ACCOUNTANTS' REPORT (cont'd)

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)

	Contract assets RM'000	Retention sums RM'000	Current RM'000	Trade receivables					Total 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	
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

13. ACCOUNTANTS' REPORT (cont'd)

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)

	Contract assets RM'000	Retention sums RM'000	Current RM'000	Trade receivables					Total 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	
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

13. ACCOUNTANTS' REPORT (cont'd)

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)

	Contract assets RM'000	Retention sums RM'000	Trade receivables					Total 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
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

13. ACCOUNTANTS' REPORT (cont'd)**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**

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.

13. ACCOUNTANTS' REPORT (cont'd)**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.

Maturity analysis

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:

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years 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

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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)

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years 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

13. ACCOUNTANTS' REPORT (cont'd)**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**

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
<hr/>			
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
<hr/>			

13. ACCOUNTANTS' REPORT (cont'd)**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.

13. ACCOUNTANTS' REPORT (cont'd)

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:

	Carrying amount RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
		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 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)

13. ACCOUNTANTS' REPORT (cont'd)

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)

	Carrying amount RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
		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 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)

13. ACCOUNTANTS' REPORT (cont'd)

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)

	Carrying amount RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
		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)

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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	<u>10,584</u>

26. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	← Audited as at →			
	31.12.2019	31.12.2020	31.12.2021	31.10.2022
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
- Motor vehicles	-	433	-	-

13. ACCOUNTANTS' REPORT (cont'd)**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 FPE 31 October	Unaudited FPE 31 October
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2021 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

13. ACCOUNTANTS' REPORT (cont'd)**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

13. ACCOUNTANTS' REPORT (cont'd)**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 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	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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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:

	Note	← Audited as at →			
		31.12.2019	31.12.2020	31.12.2021	31.10.2022
		RM'000	RM'000	RM'000	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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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 Judicial 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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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.

13. ACCOUNTANTS' REPORT (cont'd)**RADIUM DEVELOPMENT BERHAD**

Accountants' Report

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:				
<i>Included in the measure of segments profit are:</i>				
Employee benefits expense				(6,539)
Depreciation of property, plant and equipment				(321)

13. ACCOUNTANTS' REPORT (cont'd)**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:				
<i>Included in the measure of segments profit are:</i>				
Employee benefits expense				(7,255)
Depreciation of property, plant and equipment				(839)

13. ACCOUNTANTS' REPORT (cont'd)**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 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:				
<i>Included in the measure of segments profit are:</i>				
Employee benefits expense				(9,266)
Depreciation of property, plant and equipment				(1,789)

13. ACCOUNTANTS' REPORT (cont'd)**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:				
<i>Included in the measure of segments profit are:</i>				
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)

13. ACCOUNTANTS' REPORT (cont'd)**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:				
<i>Included in the measure of segments profit are:</i>				
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.

14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION



Baker Tilly Monteiro Heng PLT
20190600600 (LLP0019411-LCA)
Chartered Accountants (AF D117)
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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,

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.

14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)



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.

14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)



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.

14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)



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,

A handwritten signature in black ink, appearing to read "Baker Tilly Monteiro Heng".

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

A handwritten signature in black ink, appearing to read "Paul Tan Hong".

Paul Tan Hong
No. 03459/11/2023 J
Chartered Accountant

14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)

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").



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)

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.



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)**RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES****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.

	Combined Statements of Financial Position as at 31 October 2022# RM'000	Pro Forma I After the Public Issue RM'000	Pro Forma II 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



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)**RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES****3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)**

3.1 (Continued)

	Combined Statements of Financial Position as at 31 October 2022# RM'000	Pro Forma I After the Public Issue RM'000	Pro Forma II After Pro Forma I and the utilisation of proceeds 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



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)
RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES
3. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION OF THE GROUP (CONTINUED)
3.1 (Continued)

	Combined Statements of Financial Position as at 31 October 2022#	Pro Forma I After the Public Issue	Pro Forma II 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.



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)**RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES****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:

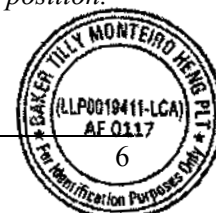
3.2.1 The pro forma combined statements of financial position of the Group, for which the directors of Radium are solely responsible, have been prepared for illustrative purposes only, to show the effects on the combined audited statements of financial position of the Group as at 31 October 2022, had 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.



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)
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.



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)

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)

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.



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)
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	Effects on
	Total Assets	Total Equity/ Liabilities
	RM'000	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)
	<u>(57,696)</u>	<u>(57,696)</u>

3.2.4 Movements in share capital and reserves are as follows:

	Share capital	Retained
	RM'000	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	<u>476,400</u>	<u>345,707</u>
Arising from the defrayment of estimated listing expenses in relation to the Listing	(5,006)	(12,241)
As per Pro Forma II	<u>471,394</u>	<u>333,466</u>



14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)
RADIUM DEVELOPMENT BERHAD AND ITS COMBINING ENTITIES
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	<u>469,126</u>
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	<u>382,326</u>

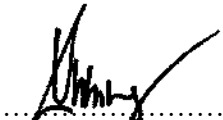


14. REPORTING ACCOUNTANTS' LETTER ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (cont'd)

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 **05 APR 2023**


.....
Datuk Gan Kah Siong
Director


.....
Gan Tiong Kian
Director



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)

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15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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 Muhibbah, Kampung Muhibbah, Bukit OUG, 58200 Kuala Lumpur.	RM187,000
Sub-Total				RM1,267,000

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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 4 th 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)



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

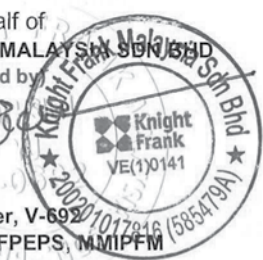
For and on behalf of
KNIGHT FRANK MALAYSIA SDN BHD
 (signed and sealed by)

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)



15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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
	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
Accessory Parcel Area(s)	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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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 17 th November 2114		
Consideration	RM563,850	RM500,400	RM487,500
Net Consideration	RM563,850	RM500,400	RM438,750 ^(Note)
Date	6 th April 2021	6 th April 2021	17 th 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 3 rd April 2115	Leasehold interest for a term of 97 years, expiring on 3 rd April 2115	Leasehold interest for a term of 99 years, expiring on 14 th October 2119
Consideration	RM15,000	RM15,000	RM10,000
Date	30 th July 2021	12 th June 2020	28 th 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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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 Muhibbah, Kampung Muhibbah, 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.

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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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 13 th 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 3 rd April 2115		
Consideration	RM187,000	RM187,000	RM187,000
Date	4 th May 2020	13 th March 2020	22 nd 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)		

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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), lobby, 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**3.1 IDENTIFICATION OF PROPERTY (CONT'D)**

Block	Type	No. of Units		Take-Up Rate	Total Gross Selling Price	Burniputra + Developer's Discount	Total SPA Selling Price (*)	Progress Billing
		(Total)	(Sold)					
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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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 / 11 th 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 / 24 th 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 / 12 th 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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 22 nd 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**4.1 IDENTIFICATION OF PROPERTY (CONT'D)****Proposed Strata Floor Area /
Net Floor Area (NFA)**

Block	Type	Schedule of Parcels	
		(sq m)	(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		Take-Up Rate	Gross Selling Price	Bumiputera Discount	SPA Selling Price ⁽¹⁾	Progress Billing
		(Total)	(Sold)					
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: ⁽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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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 Juruukur 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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

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 ⁽¹⁾
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: ⁽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).

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.

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
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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)



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	–

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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 / 25 th 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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	31 st March 2022	11 th November 2021	4 th 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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)



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)



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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)



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 excluded 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 13 th October 2087	Interest in perpetuity; in respect of all titles	Leasehold interest for a term of 99 years, expiring on 19 th 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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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	28 th October 2021	25 th January 2021	3 rd 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 28 th May 2019 which believed to have lapsed as at the date of transaction	We note that Comparable 3 has 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 30 th 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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 13 th 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: - <ul style="list-style-type: none"> (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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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
7 th February 2022	RM1,000,000.00	RM0.00	RM1,000,000.00 (payment made on 14 th Jan 2022)
7 th May 2022	RM2,106,375.00	RM3,693.37	RM2,110,068.37 ^(Note)
7 th August 2022	RM2,106,375.00	RM339,790.03	RM2,446,165.03 ^(Note)
7 th November 2022	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7 th February 2023	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7 th May 2023	RM2,106,375.00	RM328,709.92	RM2,435,084.92
7 th August 2023	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7 th November 2023	RM2,106,375.00	RM339,790.03	RM2,446,165.03
7 th 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)d/m.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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)



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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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 3 rd December 2118	Leasehold interest for a term of 99 years, expiring on 1 st 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	23 rd May 2022	28 th August 2020	28 th 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 indirect 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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 14 th January 2022	RM1,000,000
	Payment made on 12 th May 2022	RM2,110,068
	Payment made on 11 th August 2022	RM2,446,165
Total Market Value		RM119,737,321
say		RM120,000,000

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)



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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15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)

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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)



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)/h/w 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, MMIPM

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)

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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)**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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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	

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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	<ul style="list-style-type: none"> ➤ Soft launched on 13 January 2023. ➤ Official launched date was on 4 February 2023
Hotel	145	Yet to launch	100%

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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:

- 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.
- 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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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).

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

15. VALUATION CERTIFICATE AND UPDATE VALUATION CERTIFICATE (cont'd)**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.

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 14 January 2022	RM1,000,000
	Payment made on 12 May 2022	RM2,110,068
	Payment made on 11 August 2022	RM2,446,165
	Payment made on 7 November 2022	RM2,446,165
Add: Site Clearance Works, Rock Probing Works, Site Hoardings Common Infrastructure Works Certified Completed To-Date		RM653,902
Total Market Value		RM122,837,388
say		RM123,000,000

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.

16. STATUTORY AND OTHER INFORMATION (cont'd)**(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.

16. STATUTORY AND OTHER INFORMATION (cont'd)**(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.

16. STATUTORY AND OTHER INFORMATION (cont'd)**(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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

(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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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. STATUTORY AND OTHER INFORMATION (cont'd)

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.

16. STATUTORY AND OTHER INFORMATION (cont'd)**(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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

(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. STATUTORY AND OTHER INFORMATION (cont'd)

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.

16. STATUTORY AND OTHER INFORMATION (*cont'd*)

- (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 preceding 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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

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, Orlando 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 Orlando Realty Sdn Bhd in respect of DBKL's refusal to acquire part of Lot 810.

16. STATUTORY AND OTHER INFORMATION (cont'd)

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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

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, Orlando 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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

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 Orlando 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."

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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**").

16. STATUTORY AND OTHER INFORMATION (cont'd)

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:

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- (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)".

16. STATUTORY AND OTHER INFORMATION (cont'd)

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:

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- (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;

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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 utilised 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

16. STATUTORY AND OTHER INFORMATION (cont'd)

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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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”.

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (g) On 16 March 2023, the KLMC has informed via 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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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 Managing 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.

16. STATUTORY AND OTHER INFORMATION (cont'd)

- (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.

<u>Types of Application</u>	<u>Application Method</u>
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. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)**17.2.2 Private Placement**

<u>Types of Application</u>	<u>Application Method</u>
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

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (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. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(cont'd)*

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. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

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 allotting 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).

17. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

- (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. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (cont'd)

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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