

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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**WCE HOLDINGS BERHAD**  
(Registration No. 200001031761 (534368-A))  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO**

**PART A**

**PROPOSED DISPOSAL OF THE ENTIRE 40% EQUITY INTEREST IN RADIANT PILLAR SDN BHD HELD BY WCE HOLDINGS BERHAD ("WCEHB" OR "COMPANY") AND ITS SUBSIDIARIES TO IJM PROPERTIES SDN BHD FOR A TOTAL CASH CONSIDERATION OF RM494.00 MILLION ("PROPOSED DISPOSAL")**

**PART B**

**INDEPENDENT ADVICE LETTER FROM UOB KAY HIAN SECURITIES (M) SDN BHD TO THE NON-INTERESTED SHAREHOLDERS OF OUR COMPANY IN RELATION TO THE PROPOSED DISPOSAL**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser for Part A*



**RHB Investment Bank Berhad**

(Registration No. 197401002639  
(19663-P))

(A Participating Organisation of Bursa  
Malaysia Securities Berhad)

*Financial Adviser*



NEWFIELDS

**Newfields Advisors Sdn Bhd**

(Registration No. 199401010372  
(296051-V))

(A Corporate Finance Adviser licensed  
by the Securities Commission Malaysia)

*Independent Adviser for Part B*



**UOB KAY HIAN SECURITIES (M)  
SDN BHD**

(Registration No. 199001003423  
(194990-K))

(A Participating Organisation of Bursa  
Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of WCEHB will be held on a virtual basis through live streaming from the broadcast venue at Unit 7-21, Wisma Conlay, No. 1, Jalan USJ 10/1, Taipan Business Centre, 47620 Subang Jaya, Selangor Darul Ehsan using Remote Participation and Voting Facilities ("**RPV Facilities**") provided by our Share Registrar, Metra Management Sdn Bhd via its website at [www.metramanagement.com.my](http://www.metramanagement.com.my) on Monday, 20 February 2023 at 2.30 p.m. The Notice of the EGM, Administrative Guide for the EGM and Form of Proxy are enclosed in this Circular and can be downloaded from our Company's website at [www.wcehb.com.my](http://www.wcehb.com.my) or Bursa Securities' website at <https://www.bursamalaysia.com>.

A member entitled to participate, speak (in the form of real time submission of typed texts) and vote remotely at the EGM is entitled to appoint not more than two (2) proxies to participate, speak and vote remotely on his/her behalf. If you decide to appoint a proxy(ies) to participate, speak and vote remotely on your behalf at the EGM, please complete and lodge the Form of Proxy in hard copy form or by electronic means in the following manner and the Form of Proxy must be received by our Company/Share Registrar (where applicable) not less than forty-eight (48) hours before the time appointed for holding the EGM:

- (i) In hard copy form – The Form of Proxy must be deposited at the registered office of our Company situated at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
- (ii) By electronic means via email – The Form of Proxy must be received via email to [Kar.Mun.Thong@my.tricorglobal.com](mailto:Kar.Mun.Thong@my.tricorglobal.com) and/or [Shirley.Fong@my.tricorglobal.com](mailto:Shirley.Fong@my.tricorglobal.com).
- (iii) By electronic means via online – The Form of Proxy must be electronically lodged with our Share Registrar via its website at [www.metramanagement.com.my](http://www.metramanagement.com.my). Please refer to the Procedure for Electronic Submission of the Form of Proxy in the Administrative Guide for the EGM.

For options (ii) and (iii), our Company may request you to deposit the original executed Form of Proxy to our registered office before or on the day of the EGM for verification purpose. The lodging of the relevant Form of Proxy will not preclude you from participating, speaking and voting remotely at the EGM should you subsequently wish to do so.

Last date and time for lodgement of the Form of Proxy : Saturday, 18 February 2023 at 2.30 p.m.

Date and time of the EGM : Monday, 20 February 2023 at 2.30 p.m.

This Circular is dated 31 January 2023

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## DEFINITIONS

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Except where the context otherwise requires, the following abbreviations and definitions shall apply throughout this Circular:

"Act"	:	Companies Act 2016
"Bandar Rimbayu Development"	:	An ongoing integrated township development known as Bandar Rimbayu located within Mukim of Tanjong Duabelas, District of Kuala Langat, State of Selangor
"Board"	:	Board of Directors of our Company
"BRSB"	:	Bandar Rimbayu Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Circular"	:	This circular dated 31 January 2023 comprising Part A – Letter to our shareholders in relation to the Proposed Disposal and Part B – IAL from UOB Kay Hian to the non-interested shareholders of our Company in relation to the Proposed Disposal
"Completion"	:	The completion of the sale and purchase of the Sale Shares in accordance with the SSA
"Completion Date"	:	The date falling 14 business days from the Unconditional Date, or such other date as may be agreed upon between the parties upon which the Completion is to take place
"Corporate Guarantee"	:	The corporate guarantee to be provided by IJML to KEBM and KEBB on the Completion Date which shall take effect from the Completion Date to irrevocably and unconditionally guarantee IJMP's payments of the Second Instalment and Third Instalment, and which shall remain valid and enforceable until full payment of the Second Instalment and Third Instalment by IJMP to KEBM and KEBB
"Deposit"	:	A sum of RM98.80 million which forms 20% of the Disposal Consideration was paid by IJMP to KEBM and KEBB upon signing of the SSA
"Directors"	:	The directors of our Company and shall have the meaning given in Section 2(1) of the Act
"Disposal Consideration"	:	A total cash consideration of RM494.00 million
"EGM"	:	Extraordinary general meeting
"EPS"	:	Earnings per WCEHB Share
"First Instalment"	:	A sum of RM197.60 million which forms 40% of the Disposal Consideration payable by IJMP to KEBM and KEBB on the Completion Date
"First Instalment Payment Date"	:	The date of payment of the First Instalment falling on the Completion Date
"FPE"	:	Financial period ended
"FYE"	:	Financial year ended/ending, as the case may be

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**DEFINITIONS (CONT'D)**

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"Government"	:	Government of Malaysia
"IAL"	:	The independent advice letter dated 31 January 2023 from the Independent Adviser to the non-interested shareholders of our Company in relation to the Proposed Disposal, as set out in Part B of this Circular
"IJM"	:	IJM Corporation Berhad
"IJMC"	:	IJM Construction Sdn Bhd
"IJM Group"	:	Collectively, IJM and its subsidiaries
"IJML"	:	IJM Land Berhad
"IJMP" or "Purchaser"	:	IJM Properties Sdn Bhd
"Interested Director"	:	Lee Chun Fai
"Interested Shareholder"	Major	: IJM
"KEBB"	:	KEB Builders Sdn Bhd
"KEBM"	:	KEB Management Sdn Bhd
"KEBP"	:	KEB Plantations Holdings Sdn Bhd
"Land Disposal"	:	The disposal of 4 parcels of land in RPSB Group pursuant to sale and purchase agreements dated 17 August 2020, 8 January 2022 and 24 May 2022 entered into for the land disposal by BRSB to third parties for a total sale consideration of approximately RM213.18 million to be satisfied fully in cash. For information purposes, the net gain from the Land Disposal is expected to amount to approximately RM68.71 million
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	3 January 2023, being the latest practicable date before the date of this Circular
"Maximum Scenario"	:	Based on the assumption that all the outstanding Warrants 2019/2029 in our Company are exercised into new WCEHB Shares before the Completion
"Minimum Scenario"	:	Based on the assumption that none of the outstanding Warrants are exercised into WCEHB Shares before the Completion
"NA"	:	Net assets
"Properties"	:	The real properties, on-going development projects and investment properties owned by RPSB and BRSB as at 31 July 2022 located within the Bandar Rimbayu Development
"Proposed Disposal"	:	Proposed disposal of the entire 40% equity interest in RPSB held by the KEBM and KEBB to IJMP for the Disposal Consideration

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**DEFINITIONS (CONT'D)**

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"RHB Investment Bank" or the "Principal Adviser"	:	RHB Investment Bank Berhad
"RPSB"	:	Radiant Pillar Sdn Bhd
"RPSB Group"	:	Collectively, RPSB and its subsidiary
"RPSB Shares"	:	Ordinary shares in RPSB
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"Sale Shares"	:	A total of 400,000 RPSB Shares, representing 40% equity interest in RPSB to be sold by KEBM and KEBB and purchased by IJMP in accordance with the terms and conditions of the SSA
"Second Instalment"	:	A sum of RM98.80 million which forms 20% of the Disposal Consideration payable by IJMP to KEBM and KEBB on the date falling 6 months from the First Instalment Payment Date
"sq. metres"	:	Square metres
"SSA"	:	The conditional share sale agreement dated 25 November 2022 entered into between KEBM and KEBB and IJMP for the Proposed Disposal
"Third Instalment"	:	A sum of RM98.80 million which forms 20% of the Disposal Consideration payable by IJMP to KEBM and KEBB on the date falling 9 months from the First Instalment Payment Date
"Unconditional Date"	:	The date on which the last conditions precedent of the SSA has been fulfilled or waived by mutual agreement of the Vendors and the Purchaser (as the case may be)
"UOB Kay Hian" or "Independent Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd, the independent adviser to advise the non-interested Directors and the non-interested shareholders of our Company in relation to the Proposed Disposal
"Valuation Certificate"	:	The valuation certificate dated 23 November 2022 issued by the Valuer in respect of the Properties
"Valuation Report"	:	The valuation report dated 23 November 2022 issued by the Valuer in respect of the Properties
"Valuer"	:	PA International Property Consultants (KL) Sdn Bhd
"Vendors"	:	KEBM and KEBB
"Warrants"	:	The Warrants 2019/2029 of our Company
"WCE Project"	:	The development of the West Coast Expressway from Banting in Selangor to Taiping in Perak with 233 kilometres of tolled highway pursuant to a concession agreement signed between WCESB and the Government on 2 January 2013
"WCEHB" or "Company"	:	WCE Holdings Berhad

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**DEFINITIONS (CONT'D)**

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"WCEHB Group" or "Group" : Collectively, WCEHB and its subsidiaries

"WCEHB Shares" or "Shares" : Ordinary shares in our Company

"WCESB" : West Coast Expressway Sdn Bhd

References to "our Company" in this Circular are to WCEHB and references to "our Group" are to the Company and the subsidiaries. References to "we", "us", "our" and "ourselves" in this Circular are to the Company and where the context otherwise requires, shall include its subsidiaries. All references to "you" in this Circular are to the shareholders.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

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

Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date respectively, unless otherwise specified.

Certain amounts and percentage figures included herein have been subject to rounding adjustments. Any discrepancy between the figures shown herein and figures published by our Company, such as in its quarterly results or annual reports, is due to rounding differences.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board (save for the Interested Director) after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Company's and/or our Group's plans and objectives will be achieved.

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**NOTICE OF EGM** **ENCLOSED**

**ADMINISTRATIVE GUIDE FOR THE EGM** **ENCLOSED**

**FORM OF PROXY** **ENCLOSED**

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**PART A**

**LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED DISPOSAL**



## EXECUTIVE SUMMARY

*This Executive Summary highlights only the salient information of the Proposed Disposal as set out in Part A of this Circular. You are advised to read and carefully consider the contents of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Disposal before voting at the forthcoming EGM.*

<b>Salient information</b>	<b>Description</b>	<b>Reference to Circular</b>
Summary of the Proposed Disposal	The proposed disposal by KEBM, our wholly-owned subsidiary and KEBB, our indirect wholly-owned subsidiary of a total of 400,000 RPSB Shares, representing 40% equity interest in RPSB for a total cash consideration of RM494.00 million.	Sections 1 and 2 of Part A of this Circular
Basis of and justification for arriving at the Disposal Consideration	<p>The Disposal Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration the following:</p> <ul style="list-style-type: none"> <li>(i) the total market value of the Properties owned by RPSB Group of RM1,700.00 million as appraised by PA International Property Consultants (KL) Sdn Bhd, being the independent valuer appointed by our Company on 15 November 2021;</li> <li>(ii) the adjusted unaudited consolidated NA of RPSB as at 31 July 2022 after taking into consideration the revaluation surplus arising from the valuation of the Properties and the deferred tax amount arising thereof and the estimated net gain on the Land Disposal; and</li> <li>(iii) the rationale and benefits of the Proposed Disposal as detailed in Section 3 of Part A of this Circular.</li> </ul>	Section 2.2 of Part A of this Circular
Rationale and benefits of the Proposed Disposal	<ul style="list-style-type: none"> <li>• The Proposed Disposal will provide an opportunity for our Group to realise and unlock the value of our investment in RPSB, an associate company.</li> <li>• Since the commencement of our Group's investment in RPSB in 2003, RPSB has yet to declare any dividend to its shareholders.</li> <li>• Our management acknowledges the risks/challenges associated with the property market in Malaysia as it continues to be weighed down by weak consumer sentiments due to economic uncertainties, volatility in the Malaysian Ringgit, rising cost of living, increase in prices of construction materials and banks' stringent lending rules.</li> <li>• Our management had decided to channel approximately 76% of the cash proceeds from the Proposed Disposal for equity injection into WCESB for the purposes of the WCE Project which will enable our Group to save on financing costs should similar amount of funds be sourced from other modes of financing or borrowings.</li> </ul>	Section 3 of Part A of this Circular

**EXECUTIVE SUMMARY (CONT'D)**

<b>Salient information</b>	<b>Description</b>	<b>Reference to Circular</b>
Risk factors of the Proposed Disposal	<p>The Proposed Disposal is subject to the following risks:</p> <ul style="list-style-type: none"> <li>(i) Non-completion of the Proposed Disposal;</li> <li>(ii) Contractual risk;</li> <li>(iii) Loss of income from RPSB; and</li> <li>(iv) Risk of late payment.</li> </ul>	Section 4 of Part A of this Circular
Approvals required/obtained for the Proposed Disposal	<ul style="list-style-type: none"> <li>• The Proposed Disposal is subject to the following approvals being obtained: <ul style="list-style-type: none"> <li>(i) the non-interested shareholders of our Company, for the Proposed Disposal at a forthcoming EGM for the Proposed Disposal;</li> <li>(ii) RPSB receiving the approval-in-principle for the release of KEBM, KEBB, and/or our Company from all securities, guarantees and undertakings created or given by the KEBM, KEBB and/or our Company for all the relevant existing financing of RPSB from RHB Bank Berhad amounting to RM440.00 million, upon and subject to the Completion; and</li> <li>(iii) any other relevant authorities and/or parties, if required.</li> </ul> </li> <li>• The Proposed Disposal is not conditional upon any other proposals undertaken or to be undertaken by our Company.</li> </ul>	Section 6 of Part A of this Circular
Interests of Directors, major shareholders and/or persons connected	<p>IJM, our major shareholder, is deemed interested in the Proposed Disposal by virtue of it being the holding company of IJML, which in turn is the holding company of IJMP, the Purchaser.</p> <p>Lee Chun Fai, our Non-Independent Non-Executive Director, is deemed as an Interested Director in the Proposed Disposal by virtue of him being IJM's nominee director in our Company. He is also the Deputy Chief Executive Officer and Deputy Managing Director of IJM.</p> <p>Save for IJM and Lee Chun Fai, none of the Directors, major shareholder of our Company and/or persons connected with them have any interests, whether direct or indirect, in the Proposed Disposal.</p>	Section 8 of Part A of this Circular

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Salient information</b>	<b>Description</b>	<b>Reference to Circular</b>
Audit Committee's statement	<p>Our Audit Committee, after having considered all aspects of the Proposed Disposal (including but not limited to the rationale and effects of the Proposed Disposal) and the evaluation of the Independent Adviser on the fairness and reasonableness of the Proposed Disposal, is of the opinion that the Proposed Disposal is:</p> <ul style="list-style-type: none"><li>(i) in the best interest of our Company;</li><li>(ii) fair, reasonable and on normal commercial terms; and</li><li>(iii) not detrimental to the interest of the non-interested shareholders of our Company.</li></ul>	Section 10 of Part A of this Circular
Directors' statement and recommendation	<p>Our Board (save for the Interested Director), having considered all aspects of the Proposed Disposal, including the rationale and benefits of the Proposed Disposal, salient terms of the SSA, basis of and justification for arriving at the Disposal Consideration, the effects of the Proposed Disposal as well as the evaluation of the Independent Adviser on the fairness and reasonableness of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of our Company.</p> <p>Accordingly, our Board (save for the Interested Director) recommends that you <b>vote in favour</b> of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.</p>	Section 11 of Part A of this Circular

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**WCE HOLDINGS BERHAD**  
(Registration No. 200001031761 (534368-A))  
(Incorporated in Malaysia)

**Registered Office**

Unit 30-01, Level 30, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8 Jalan Kerinchi  
59200 Kuala Lumpur

31 January 2023

**Board of Directors**

Datuk Ir. Hamzah bin Hasan (*Chairman/ Independent Non-Executive Director*)  
Datuk Oh Chong Peng (*Senior Independent Non-Executive Director*)  
Datuk Wira Hj. Hamza bin Taib (*Independent Non-Executive Director*)  
Tan Chor Teck (*Independent Non-Executive Director*)  
Lee Chun Fai (*Non-Independent Non-Executive Director*)  
Tang King Hua (*Non-Independent Non-Executive Director*)  
Vuitton Pang Hee Cheah (*Non-Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

**PROPOSED DISPOSAL**

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**1. INTRODUCTION**

On 25 November 2022, RHB Investment Bank had, on behalf of our Board, announced that KEBM, our wholly-owned subsidiary, and KEBB, a wholly-owned subsidiary of KEBP, which in turn is our wholly-owned subsidiary, had entered into a conditional SSA with IJMP for the Proposed Disposal of a total of 400,000 RPSB Shares, representing our Group's entire 40% equity interest in RPSB to IJMP, for a total cash consideration of RM494.00 million.

The remaining 60% equity interest in RPSB is currently held, directly and indirectly, by IJMP. As such, the Proposed Disposal entails a disposal of the remaining 40% equity interest in RPSB not held by IJMP to IJMP. Upon the Completion, RPSB will be a wholly-owned subsidiary of IJMP.

The Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of Chapter 10 of the Listing Requirements. Accordingly, we have appointed UOB Kay Hian on 26 October 2022 to act as the Independent Adviser to advise the non-interested Directors and non-interested shareholders of our Company on the fairness and the reasonableness of the Proposed Disposal and whether the Proposed Disposal is detrimental to the non-interested shareholders of our Company. The Independent Advice Letter from UOB Kay Hian in relation to the Proposed Disposal is set out in Part B of this Circular.

Further details of the Proposed Disposal are set out in the ensuing sections of Part A of this Circular.

**THE PURPOSE OF PART A OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED DISPOSAL AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.**

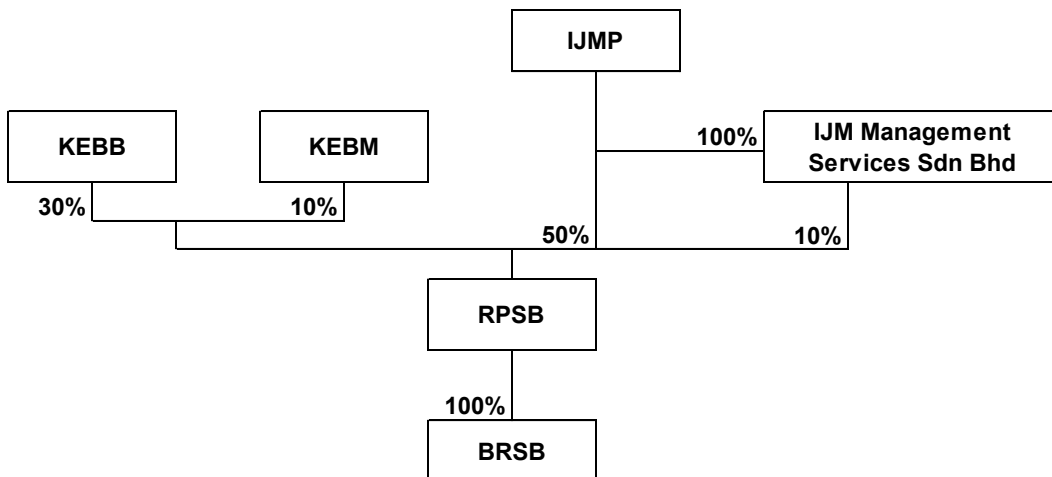
**YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART A OF THIS CIRCULAR TOGETHER WITH THE RECOMMENDATION OF THE INDEPENDENT ADVISER IN RELATION TO THE PROPOSED DISPOSAL AS SET OUT IN PART B OF THIS CIRCULAR AND THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM.**

## 2. DETAILS OF THE PROPOSED DISPOSAL

The Proposed Disposal entails the disposal by KEBM and KEBB of 400,000 Sale Shares, representing 40% equity interest in RPSB to IJMP for the Disposal Consideration of RM494.00 million, subject to the terms and conditions of the SSA.

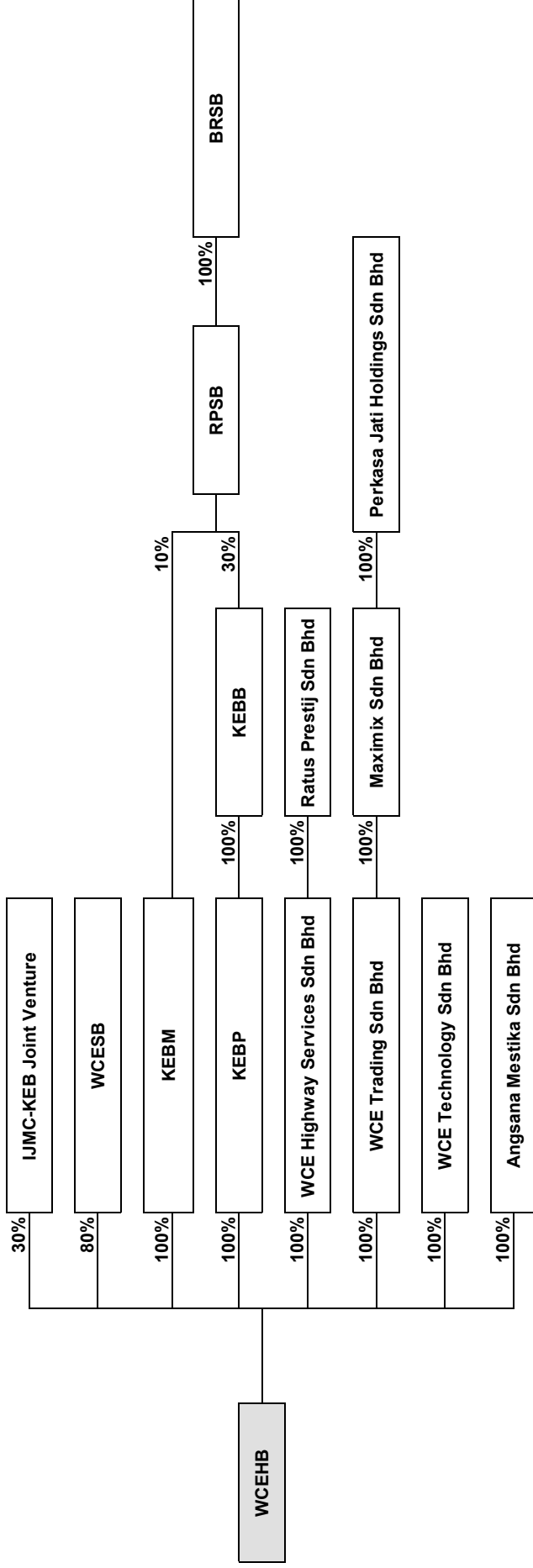
Pursuant to the terms of the SSA, KEBM and KEBB have agreed to sell and IJMP has agreed to purchase the Sale Shares free from all claims, liens, charges and encumbrances and with full legal and beneficial title and with all rights attaching thereto (including all dividends and distributions, whether declared or undeclared, in respect thereof) with effect from the Completion Date and on the basis of the warranties contained in the SSA.

The current shareholding of RPSB is as follows:

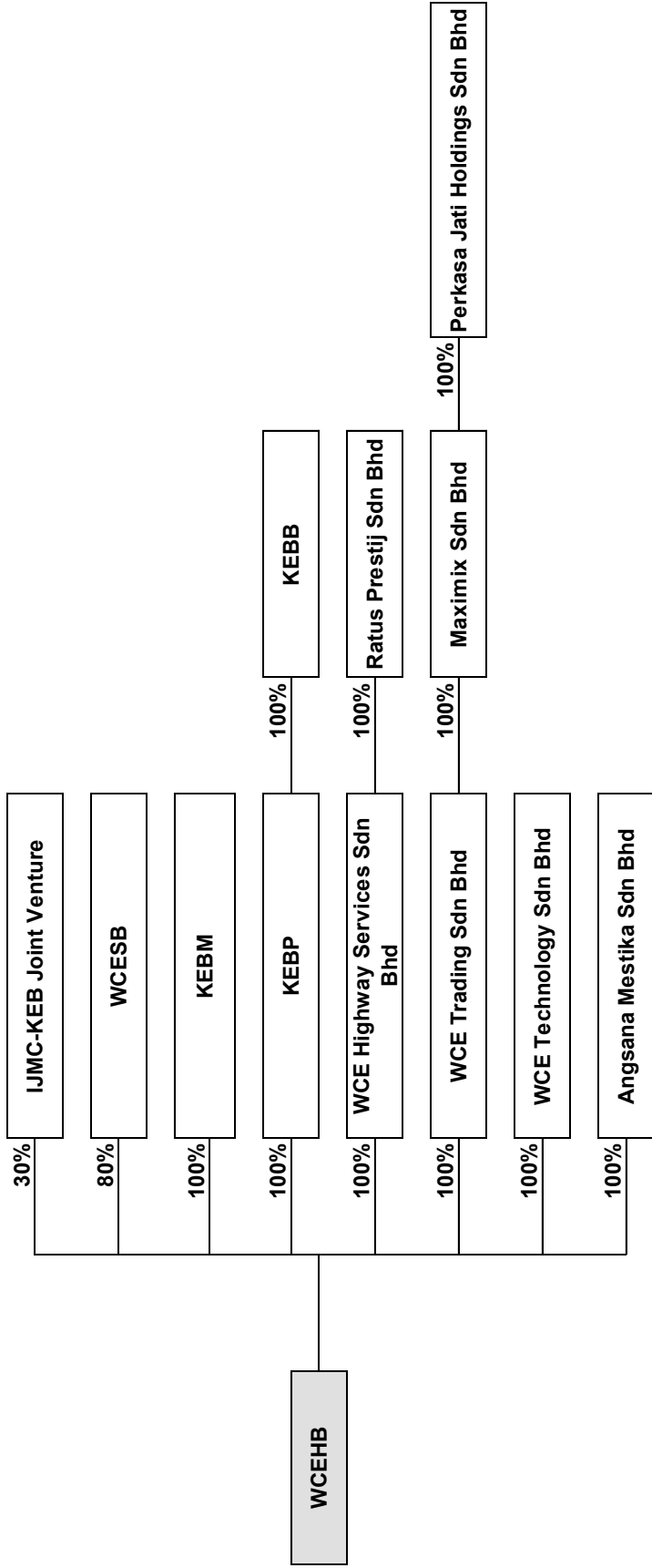


The structure of our Group before and after the Proposed Disposal is illustrated in the following page.

*Before the Proposed Disposal*



*After the Proposed Disposal*



## **2.1 Information on RPSB**

RPSB was incorporated in Malaysia on 21 December 1999 under the Companies Act, 1965 as a private limited company and is deemed registered under the Act. The principal activities of RPSB are investment holding and property development. It has commenced its business operation in 2003. BRSB, the wholly-owned subsidiary of RPSB, is principally engaged in construction contracting and property development.

BRSB is the developer of the Bandar Rimbayu Development. The Bandar Rimbayu Development which was launched in 2013 comprises residential, commercial, industrial and recreational components encompassing 4 core precincts, namely Flora Precinct, Fauna Precinct, Bayu Precinct and Nadi Rimbayu Business Hub. It spans over approximately 1,879 acres or approximately 7.60 million square metres of gross development area.

The Properties owned by RPSB Group as at 31 July 2022 located within the Bandar Rimbayu Development comprise the following:

- (a) 29 parcels of undeveloped lands comprising of 14 residential lands and 15 commercial lands;
- (b) 19 unsold units within Phase 8A1 (Halaman 11);
- (c) 4 on-going developments on Phase 12 (Starling), Phase 13 (Uptown), Phase 14 (Robin) and Phase 15 (Uptown Square);
- (d) 2 units of double-storey detached commercial buildings occupied by Starbucks and Kenny Rogers Roasters/Krispy Kreme/Sala, and a clubhouse complex occupied by The Club; and
- (e) A parcel of commercial land improved upon with an institutional premise together with facilities known as "Oasis International School".

Please refer to Appendix I of this Circular for further information on RPSB and the details of the Properties.

## **2.2 Basis of and justification for arriving at the Disposal Consideration**

The Disposal Consideration was agreed and arrived at on a willing-buyer willing-seller basis after taking into consideration the following:

- (a) The total market value of the Properties owned by RPSB Group of RM1,700.00 million as appraised by PA International Property Consultants (KL) Sdn Bhd, being the independent Valuer appointed by our Company on 15 November 2021. Please refer to Section 6 of Appendix I of this Circular on the salient terms of the Valuation Certificate and Appendix V of this Circular for the Valuation Certificate.



- (b) The adjusted unaudited consolidated NA of RPSB as at 31 July 2022 after taking into consideration the estimated net gain on the Land Disposal<sup>(a)</sup> and the revaluation surplus arising from the valuation of the Properties and the deferred tax amount arising thereof. For information purposes, the Land Disposal is expected to be completed by the 2<sup>nd</sup> quarter of 2023. For the avoidance of doubt, the expected completion timeline of the Land Disposal is not expected to give rise to any material impact/risk to the Proposed Disposal which is expected to be completed by end February 2023. Furthermore, the Disposal Consideration has already taken into account the net gain from the Land Disposal.

The adjusted unaudited consolidated NA of RPSB as at 31 July 2022<sup>(b)</sup> is as follows:

	<b>Ref.</b>	<b>RM</b>
Market value of the Properties owned by RPSB Group as at 31 July 2022 <sup>(c)</sup>		1,700,000,000
Less: Net book value of the Properties as at 31 July 2022		(937,561,182)
Revaluation surplus		762,438,818
Less: Deferred tax liabilities at the rate of 24%		(182,985,316)
Net revaluation surplus		579,453,502
Add: Net gain from the Land Disposal		68,706,850
Add: Unaudited consolidated NA of RPSB as at 31 July 2022		638,974,844
<b>Adjusted consolidated NA of RPSB as at 31 July 2022</b>	<b>(A)</b>	<b>1,287,135,196</b>
The adjusted NA value of our Company's shares in RPSB <sup>(d)</sup>	<b>(A) x 40%</b>	<b>514,854,078</b>

**Notes:**

- (a) *The Land Disposal entails the disposal by BRSB to third parties of the following 4 pieces of land:*

<b>Title No:</b>	<i>Part of Master Title Nos. HSD 47106 PT 51247 and HSD 47107 PT51248</i>	<i>Part of Master Title No. HSD 47108 PT 51249</i>	<i>Part of Master Title No.HSD 47108 PT 51249</i>	<i>Part of Master Title No.HSD 33609 PT 36342 (now known as HSD 47100 PT 51241)</i>
<b>Location:</b>	<i>Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor</i>			
<b>Size (in sq. metres):</b>	121,338	12,141	28,025	9,105
<b>Tenure:</b>	<i>Leasehold interest for 91 years expiring on 23 December 2111</i>			
<b>Date of sale and purchase agreement:</b>	<i>24 May 2022</i>	<i>8 January 2022</i>	<i>8 January 2022</i>	<i>17 August 2020</i>
<b>Consideration sum:</b>	<i>RM146,264,025</i>	<i>RM14,892,636</i>	<i>RM34,376,586</i>	<i>RM17,641,800</i>

- (b) *For information purposes, the unaudited consolidated NA of RPSB as at 31 July 2022 instead of the audited consolidated NA of RPSB as at 31 March 2022 was used to arrive at the adjusted consolidated NA of RPSB as WCE and IJMP had negotiated the terms and conditions of the Proposed Disposal based on the cut-off date of 31 July 2022.*
  - (c) *Please refer to Section 6 of Appendix I of this Circular on the salient terms of the Valuation Certificate and Appendix V of this Circular for the Valuation Certificate.*
  - (d) *Representing 40% of the adjusted unaudited consolidated NA of RPSB as at 31 July 2022.*
- (c) The rationale and benefits of the Proposed Disposal as detailed in Section 3 of Part A of this Circular.

The Disposal Consideration represents a discount of approximately RM20.85 million or approximately 4% to the adjusted NA value of our Company's shares in RPSB of approximately RM514.85 million (being 40% of the adjusted NA of RPSB as at 31 July 2022) as set out in Section 2.2(b) of Part A of this Circular. Our Board (save for the Interested Director) is of the view that the said discount is justifiable after taking into consideration the following:

- (i) that 76% of the intended utilisation of proceeds of the Proposed Disposal as detailed in Section 2.9 of Part A of this Circular is allocated for the equity injection into WCESB to finance the WCE Project, our Group's core business, which is expected to enable our Group to generate a long-term and stable stream of income upon full completion without the need to obtain alternative sources of financing of which our Group may incur interest expenses;
- (ii) the Proposed Disposal entails a disposal by our Group of its non-controlling 40% equity interest in RPSB to IJMP who is already in control of RPSB via its 60% equity interest in RPSB; and
- (iii) the effects of the Proposed Disposal which is expected to result in a pro forma gain of approximately RM245.67 million from the Proposed Disposal upon completion as detailed in Section 2.8 of Part A of this Circular.

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## 2.3 Mode of settlement of the Disposal Consideration

The Disposal Consideration will be satisfied entirely by cash in the manner set out below:

Payment terms	Timing	RM	%
Deposit	Paid upon signing of the SSA on 25 November 2022.	98,800,000	20.00
Balance disposal consideration	Payable in 3 instalments in the following manner:		
	(a) <b><u>First Instalment</u></b>	197,600,000	40.00
	Payable within 14 business days from the Unconditional Date which is the First Instalment Payment Date;		
	(b) <b><u>Second Instalment</u></b>	98,800,000	20.00
	Payable within 6 months from the First Instalment Payment Date; and		
	(c) <b><u>Third Instalment</u></b>	98,800,000	20.00
	Payable within 9 months from the First Instalment Payment Date.		
<b>Total</b>		<b>494,000,000</b>	<b>100.00</b>

The Completion will fall on the First Instalment Payment Date. On the Completion Date, IJMP's solicitors are required to release to IJMP the undated transfer forms that are duly signed by KEBM and KEBB for the transfer of the Sale Shares in favour of IJMP, which had been delivered to IJMP's solicitors upon the signing of the SSA.

IJMP will procure IJML, its immediate holding company, to provide to KEBM and KEBB the Corporate Guarantee on the Completion Date. Further details of the Corporate Guarantee are set out in Section 4 of Appendix III of this Circular.

Our Board (save for the Interested Director) is of the view that the mode of settlement of the Disposal Consideration is fair and reasonable having considered the following:

- (a) the mode of settlement for the Proposed Disposal was agreed and arrived at on a willing-buyer willing-seller basis after taking into consideration the opportunity to realise and unlock the value in our Company's investment in the associate company at the Disposal Consideration;
- (b) the Deposit and the First Instalment which amounts to RM296.40 million, forms 60% of the Disposal Consideration which would help strengthen our Group's cash flow in the immediate term; and
- (c) the payment of the Second Instalment and Third Instalment will be secured by the Corporate Guarantee thus securing the payment of the balance of the Disposal Consideration.

## 2.4 Information on IJMP

IJMP was incorporated in Malaysia on 18 April 1983 under the Companies Act, 1965 as a private limited company under the name of Camino Sdn Bhd and is deemed registered under the Act. It assumed its present name on 21 December 1989. The principal activities of IJMP are investment holding, property development and related activities. The subsidiaries of IJMP are principally engaged in investment holding, property management and project and construction management services.

IJMP is a wholly-owned subsidiary of IJML which in turn is the wholly-owned subsidiary of IJM.

Please refer to Appendix II of this Circular for further information on IJMP.

## 2.5 Salient terms of the SSA

Please refer to Appendix III of this Circular for the salient terms of the SSA.

## 2.6 Liabilities which will remain with our Company

There are no liabilities, including contingent liabilities and guarantees, in relation to RPSB which will remain with our Company after the Completion. In addition, there are no guarantees given by our Company to IJMP or RPSB pursuant to the Proposed Disposal.

## 2.7 Date and original cost of investment

The date and original cost of investment for the Sale Shares are set out below:

Vendors	Date of investment	No. of Sale Shares '000	Original cost of investment RM'000
KEBM	16 December 2003	60	60
KEBM	21 March 2006	40	40
KEBB	16 December 2003	300	300
<b>Total</b>		<b>400</b>	<b>400</b>

## 2.8 Expected gain arising from the Proposed Disposal

The Proposed Disposal is expected to result in a pro forma gain on disposal to our Group, details of which are set out below:

	<b>RM'000</b>
Disposal Consideration	494,000
Less: Total cost of investment for the Sale Shares	(400)
Less: Realisation of total post-acquisition reserve as at 31 March 2022	<sup>(a)</sup> (246,287)
Less: Estimated expenses in relation to the Proposed Disposal	(1,640)
<b>Total pro forma gain on the Proposed Disposal</b>	<b>245,673</b>

**Note:**

- (a) Being our Company's share of results of associate as at 31 March 2022 (based on our audited consolidated financial statements for the FYE 31 March 2022) comprising the following:

	<b>RM'000</b>
At the beginning of the FYE 31 March 2022	223,428
Share of results for the FYE 31 March 2022	22,859
<b>At the end of the FYE 31 March 2022</b>	<b><u>246,287</u></b>

Based on the latest audited consolidated financial statements of our Company for the FYE 31 March 2022, the Proposed Disposal is expected to result in a pro forma gain on disposal to our Group of approximately RM245.67 million after taking into consideration the realisation of total post-acquisition reserve as at 31 March 2022. The actual gain arising from the Proposed Disposal can only be ascertained upon the Completion based on the realisation of total post-acquisition reserve as at the Completion Date.

## 2.9 Utilisation of proceeds

The Disposal Consideration is intended to be utilised by our Group in the following manner:

Details of utilisation	Time frame for utilisation	RM'000	%
Injection as equity into WCESB <sup>(a)</sup>	See note (b)	375,610	76.03
Payment of non-trade payable <sup>(c)</sup>	Within 12 months <sup>#</sup>	68,250	13.82
Repayment of a term loan <sup>(d)</sup>	Within 12 months <sup>#</sup>	48,500	9.82
Estimated expenses in relation to the Proposed Disposal <sup>(e)</sup>	Within 1 month <sup>#</sup>	1,640	0.33
<b>Total</b>		<b><u>494,000</u></b>	<b><u>100.00</u></b>

**Notes:**

# Time frame for utilisation shall be from the Completion Date.

- (a) On 2 January 2013, WCESB signed a concession agreement with the Government of Malaysia in relation to the WCE Project. The WCE Project involves the development of the West Coast Expressway from Banting in Selangor to Taiping in Perak with 233 kilometres of tolled highway. As at the LPD, the percentage of the overall construction of the WCE Project is 81% whereby 4 out of 11 sections have been completed and opened for toll operations. The completed sections are located at Section 5 (New North Klang Straits Bypass – Bandar Bukit Raja Utara), Section 8 (Hutan Melintang – Teluk Intan), Section 9 (Kampung Lekir – Changkat Cermin) and Section 10 (Changkat Cermin – Beruas). Construction for the remaining sections is still on-going. The full completion of the WCE Project is expected to be in the year 2024. Our Company's equity injection into WCESB will be carried out on a pro-rata basis with the other shareholder of WCESB, Road Builder (M) Holdings Bhd which is a wholly-owned subsidiary of IJM, and hence will not have any effect on the shareholdings structure of WCESB.
- (b) Our Company intends to inject part of the Deposit of up to RM98.8 million as equity into WCESB within 3 months from the date of receipt of Deposit from IJMP ("Initial Injection"). As at the LPD, our Company has injected a total of RM12.24 million out of the Deposit as equity into WCESB. The remaining balance (after the Initial Injection) of the RM375.61 million earmarked for the injection as equity into WCESB shall be utilised within 12 months from the Completion Date.

- (c) Our Company intends to utilise RM68.25 million of the proceeds from the Proposed Disposal for the payment of non-trade payables which include the payment to IJMC - KEB Joint Venture, a jointly-controlled entity of our Company, for advances obtained from IJMC - KEB Joint Venture via an agreement entered into by KEBB with IJMC - KEB Joint Venture on 21 February 2019. The advances which amounts to RM65.00 million and bears an interest rate of 5% per annum was obtained by KEBB for the purposes of part-financing the working capital requirements of KEBB, on-lending to our Company and to re-finance payment obligations owed to IJMC - KEB Joint Venture. As at the LPD, the total outstanding non-trade payable to IJMC – KEB Joint Venture including interest payable is approximately RM68.25 million which represents the principal amount of RM65.00 million as well as the interest expense amounting to RM3.25 million, based on an interest rate of 5% per annum of the principal amount. The intended payment of the non-trade payable is expected to result in interest cost savings of RM3.25 million per annum based on the interest rate of the non-trade payable of 5% per annum.
- (d) The total borrowings of our Group as at the LPD is approximately RM4,116.02 million. Our Company intends to utilise RM48.50 million of the proceeds from the Proposed Disposal to pare down the outstanding principal amount of an existing term loan provided by IJMC of RM48.50 million. The said term loan was fully drawdown and utilised by our Company for the purpose of providing its share of financial support and assistance either by way of shareholder's advances and/or equity contribution to WCESB for part-financing WCESB's working capital requirements for or relating to the WCE Project. The intended repayment of the said term loan is expected to result in interest cost savings of approximately RM2.43 million per annum based on the interest rate of the term loan of approximately 5% per annum.

*For the avoidance of doubt, the abovementioned intended repayment of term loan will not involve any repayment of credit facilities extended by RHB Bank Berhad.*

- (e) The estimated expenses in relation to the Proposed Disposal comprise the following:

	<b>RM'000</b>
Professional fees (i.e. principal adviser, financial adviser, solicitors, valuer, independent adviser and other professionals)	1,523
Regulatory fees	45
Other incidental expenses such as printing and advertising costs, general meeting costs and other ancillary expenses	72
<b>Total</b>	<b><u>1,640</u></b>

Pending utilisation of the cash proceeds from the Proposed Disposal for the above purposes, the cash proceeds will be placed in interest-bearing deposit(s) with licensed financial institution(s) and/or short-term money market instrument(s). The interest derived from such deposit(s) and/or any gain arising from such short-term money market instrument(s) will be utilised for the future working capital requirements of our Group.

## **2.10 Cash company or Practice Note 17 listed issuer**

The Proposed Disposal will not result in our Company becoming a cash company or a Practice Note 17 listed issuer as defined under the Listing Requirements.

## **3. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL**

The Proposed Disposal will provide an opportunity for our Group to realise and unlock the value of its investment in RPSB, an associate company. The Proposed Disposal will enable our Group to realise a pro forma gain on disposal of approximately RM245.67 million based on the carrying value of its investment in RPSB of RM246.69 million as at 31 March 2022 and after taking into consideration the estimated expenses in relation to the Proposed Disposal amounting to RM1.64 million.

Since the commencement of our Group's investment in RPSB in 2003, RPSB has yet to declare any dividend to its shareholders. Any profit earned by RPSB over the years has been channelled into the launching of future phases and infrastructure cost of the Bandar Rimbayu Development by BRSB. Additionally, as at 31 March 2022, RPSB has an amount owing of RM368.34 million to IJM Group mainly due to, amongst others, the property development costs for the Bandar Rimbayu Development.

Moving forward, despite the favourable take-up rate for RPSB's ongoing developments within the Bandar Rimbayu Development thus far, our management acknowledges the risks/challenges associated with the property market in Malaysia as it continues to be weighed down by weak consumer sentiments due to economic uncertainties, volatility in the Malaysian Ringgit, rising cost of living, increase in prices of construction materials and banks' stringent lending rules. Furthermore, the Bandar Rimbayu Development is only expected to be fully completed by 2033. Hence, the Proposed Disposal represents an attractive opportunity for our Group to monetise our investment in RPSB at the current market value of the Properties instead of during the course of the remaining development period for the Bandar Rimbayu Development whereby our Group will be subjected to the associated risks of the property development industry.

Our management had decided to channel approximately 76% of the cash proceeds from the Proposed Disposal for equity injection into WCESB for the purposes of the WCE Project which will enable our Group to save on financing costs should similar amount of funds be sourced from other modes of financing or borrowings.

Additionally, the WCE Project which is our Group's core business is expected to enable our Group to generate a long-term and stable stream of income upon full completion. For information purposes, as at the LPD, 4 out of 11 sections of the WCE Project have been completed and opened for toll operations while construction for the remaining sections is still on-going. The full completion of the WCE Project is expected to be in the year 2024.

#### **4. RISK FACTORS OF THE PROPOSED DISPOSAL**

##### **4.1 Non-completion of the Proposed Disposal**

Completion is conditional upon the conditions precedent of the SSA, as set out in Section 2 of Appendix III of this Circular, being fulfilled or waived (as the case may be). If any of the conditions precedent is not fulfilled or waived (as the case may be), the Proposed Disposal may be terminated. Where the SSA is terminated due to the non-satisfaction of the conditions precedent, our Company would be required to refund the Deposit, free of interest, to IJMP within 14 days from the notice of termination. There can be no assurance that all the conditions precedent will be fulfilled or waived (as the case may be) in accordance with the terms of the SSA within the stipulated timeframe.

Nevertheless, our Company will endeavour to ensure that all the conditions precedent for the SSA, insofar as they are within the control of our Company, will be fulfilled or waived (as the case may be) within the stipulated timeframe to complete the Proposed Disposal in a timely manner.

##### **4.2 Contractual risk**

Our Company, through KEBM and KEBB, has given warranties and/or undertakings, as set out in the SSA, in favour of IJMP. In this respect, our Company may be subject to claims in accordance with the terms and conditions of the SSA either jointly or severally for breach of any warranties and/or undertakings given by them. In this regard, our Company will endeavour to ensure compliance with our Company's obligations under the SSA in order to minimise the risk of any breach of the warranties and/or undertakings given.

#### **4.3 Loss of income from RPSB**

Our Group recorded a share of profit from RPSB of approximately RM22.86 million for the FYE 31 March 2022. Upon Completion, RPSB will cease to be an indirect associate company of our Group and as such, our Company would no longer derive any share of profit contribution from RPSB in the future.

Notwithstanding the above, our Group is expected to realise a pro forma gain arising from the Proposed Disposal of approximately RM245.67 million. Further details of the pro forma gain is set out in Section 2.8 of Part A of this Circular.

Our Company intends to utilise the Disposal Consideration in the manner set out in Section 2.9 of Part A of this Circular. The Proposed Disposal enables our Company to re-mobilise capital and resources for the business operations of our Group into the WCE Project, which is expected to enable our Group to generate a long-term and stable stream of income in the future as the WCE Project has a concession period of 50 years commencing from 20 December 2013. As at the LPD, 4 out of its 11 sections have been completed and opened for toll operations and our Group is targeting to open the remaining sections by the year 2024.

#### **4.4 Risk of late payment**

The payment terms of the Disposal Consideration as detailed in Section 2.3 of Part A of this Circular has been mutually agreed by KEBM, KEBB and IJMP whereby IJMP has paid the Deposit upon the signing of the SSA and the balance Disposal Consideration shall be payable in 3 instalments via the First Instalment, Second Instalment and Third Instalment within the stipulated payment terms under the SSA. It should also be noted that the First Instalment Payment Date will fall on the Completion Date. On the Completion Date, IJMP's solicitors are required to release to IJMP the undated transfer forms that are duly signed by KEBM and KEBB for the transfer of the Sale Shares in favour of IJMP, which had been delivered to IJMP's solicitors upon the signing of the SSA.

There is no assurance that KEBM and KEBB will be able to receive the scheduled Second Instalment and Third Instalment from IJMP within the stipulated payment terms under the SSA. Notwithstanding that, IJMP had provided an additional guarantee measure to KEBM and KEBB by procuring IJML to guarantee the payments of the Second Instalment and Third Instalment. Our Company had also taken into consideration the financial strength of IJML and that IJML is the wholly-owned subsidiary of IJM, which is also a major shareholder of our Company.

### **5. EFFECTS OF THE PROPOSED DISPOSAL**

#### **5.1 Issued share capital and substantial shareholders' shareholding**

The Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings in our Company as the Proposed Disposal will not involve the issuance of any new WCEHB Shares.



## 5.2 NA per WCEHB Share and gearing

Based on the latest audited consolidated statements of financial position of our Company as at 31 March 2022 and assuming that the Proposed Disposal had been effected on that date, the pro forma effects of the Proposed Disposal on the NA per WCEHB Share and gearing of our Group are as follows:

### Minimum Scenario

	Audited as at 31 March 2022 RM'000	After the Proposed Disposal RM'000
Share capital	1,509,087	1,509,087
Warrant reserve	90,246	90,246
Accumulated losses	(587,776)	(a) (342,103)
<b>Shareholders' funds/NA</b>	<b>1,011,557</b>	<b>1,257,230</b>
No. of Shares in issue ('000)	2,987,707	2,987,707
NA per Share (RM)	0.34	0.42
Total borrowings (RM'000)	3,825,633	(b) 3,777,133
Gearing ratio (times)	3.78	3.00

#### Notes:

- (a) After realising a pro forma gain arising from the Proposed Disposal of RM245.67 million which has accounted for the estimated expenses of RM1.64 million.
- (b) After repayment of term loan amounting to RM48.50 million via the proceeds from the Proposed Disposal, as detailed in Section 2.9 of Part A of this Circular.

### Maximum Scenario

	Audited as at 31 March 2022 RM'000	I Assuming all the outstanding Warrants are exercised RM'000	II After I and the Proposed Disposal RM'000
Share capital	1,509,087	(a)(b) 1,794,866	1,794,866
Warrant reserve	90,246	(b) -	-
Accumulated losses	(587,776)	(587,776)	(c) (342,103)
<b>Shareholders' funds/NA</b>	<b>1,011,557</b>	<b>1,207,090</b>	<b>1,452,763</b>
No. of Shares in issue ('000)	2,987,707	(a) 3,489,075	3,489,075
NA per Share (RM)	0.34	0.35	0.42
Total borrowings (RM'000)	3,825,633	3,825,633	(d) 3,777,133
Gearing ratio (times)	3.78	3.17	2.60

#### Notes:

- (a) Assuming all the 501,367,794 outstanding Warrants are exercised at the exercise price of RM0.39 per Warrant into 501,367,794 new WCEHB Shares before the Completion.
- (b) After the transfer of the warrant reserve to the share capital account assuming all the outstanding Warrants are exercised into new WCEHB Shares.
- (c) After realising a pro forma gain arising from the Proposed Disposal of RM245.67 million which has accounted for the estimated expenses of RM1.64 million.
- (d) After repayment of term loan amounting to RM48.50 million via the proceeds from the Proposed Disposal as detailed in Section 2.9 of Part A of this Circular.

### 5.3 EPS

The pro forma effects of the Proposed Disposal on the consolidated EPS of our Company assuming the Proposed Disposal had been effected at the beginning of the FYE 31 March 2022, is illustrated as follows:

#### **Minimum Scenario**

	<b>Audited for the FYE 31 March 2022 RM'000</b>	<b>After the Proposed Disposal RM'000</b>
Loss after tax attributable to owners of our Company	(115,484)	(115,484)
Less: Share of profit of RPSB for the FYE 31 March 2022	-	(22,859)
Add: Pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 <sup>(a)</sup>	-	268,532
Add: Interest savings from the payment of the non-trade payable	-	3,250
Add: Interest savings from the repayment of the term loan	-	2,425
(Loss)/ Profit after tax attributable to owners of our Company	<u>(115,484)</u>	<u>135,864</u>
Weighted average no. of WCEHB Shares in issue ('000)	2,568,237	2,568,237
Basic (Loss per WCEHB Share)/ EPS (sen)	(4.50)	5.29

#### **Note:**

(a) *The pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 (being the beginning of the FYE 31 March 2022) is as follows:*

	<b>RM'000</b>
<i>Disposal Consideration</i>	<i>494,000</i>
<i>Less: Total cost of investment for the Sale Shares</i>	<i>(400)</i>
<i>Less: Realisation of total post-acquisition reserve as at 1 April 2021 <sup>(1)</sup></i>	<i>(223,428)</i>
<i>Less: Estimated expenses in relation to the Proposed Disposal</i>	<i>(1,640)</i>
<b><i>Total pro forma gain on the Proposed Disposal</i></b>	<b><u><u>268,532</u></u></b>

#### **Sub-note:**

(1) *Being our Company's share of results of associate as at 1 April 2021.*

*The difference between the pro forma gain on the Proposed Disposal of RM245.67 million disclosed in Section 2.8 of Part A of this Circular (based on cut-off of 31 March 2022) and the aforementioned total pro forma gain on the Proposed Disposal of RM268.53 million (based on 1 April 2021, being the beginning of the FYE 31 March 2022) of RM22.86 million was due to our Company's share of result of associate for the FYE 31 March 2022.*

## Maximum Scenario

	Audited as at 31 March 2022 RM'000	I Assuming all the outstanding Warrants are exercised RM'000	II After I and the Proposed Disposal RM'000
Loss after tax attributable to owners of our Company	(115,484)	(115,484)	(115,484)
Less: Share of profit of RPSB for the FYE 31 March 2022	-	-	(22,859)
Add: Pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 <sup>(a)</sup>	-	-	268,532
Add: Interest savings from the payment of the non-trade payable	-	-	3,250
Add: Interest savings from the repayment of the term loan	-	-	2,425
(Loss)/Profit after tax attributable to owners of our Company	(115,484)	(115,484)	135,864
Weighted average no. of WCEHB Shares in issue ('000)	2,568,237	3,069,605 <sup>(b)</sup>	3,069,605
Basic (Loss per WCEHB Share)/ EPS (sen)	(4.50)	(3.76)	4.43

### Notes:

(a) *The pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 (being the beginning of the FYE 31 March 2022) is as follows:*

	<b>RM'000</b>
<i>Disposal Consideration</i>	494,000
<i>Less: Total cost of investment for the Sale Shares</i>	(400)
<i>Less: Realisation of total post-acquisition reserve as at 1 April 2021<sup>(1)</sup></i>	(223,428)
<i>Less: Estimated expenses in relation to the Proposed Disposal</i>	(1,640)
<b>Total pro forma gain on the Proposed Disposal</b>	<b>268,532</b>

### Sub-note:

(1) *Being our Company's share of results of associate as at 1 April 2021.*

*The difference between the pro forma gain on the Proposed Disposal of RM245.67 million disclosed in Section 2.8 of Part A of this Circular (based on cut-off of 31 March 2022) and the aforementioned total pro forma gain on the Proposed Disposal of RM268.53 million (based on 1 April 2021, being the beginning of the FYE 31 March 2022) of RM22.86 million was due to our Company's share of result of associate for the FYE 31 March 2022.*

(b) *Assuming all the 501,367,794 outstanding Warrants are exercised into 501,367,794 new WCEHB Shares before the Completion.*

## 6. APPROVALS REQUIRED/OBTAINED

The Proposed Disposal is subject to the following approvals being obtained:

- (a) the non-interested shareholders of our Company, for the Proposed Disposal at the forthcoming EGM of our Company;
- (b) RPSB receiving the approval-in-principle for the release of KEBM and KEBB, and/or our Company from all securities, guarantees and undertakings created or given by the KEBM, KEBB and/or our Company for all the relevant existing financing of RPSB from RHB Bank Berhad amounting to RM440.00 million, upon and subject to the Completion; and
- (c) any other relevant authorities and/or parties, if required.

The Proposed Disposal is not conditional upon any other proposal undertaken or being undertaken by our Company.

## 7. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Disposal pursuant to Paragraph 10.02(g) of the Listing Requirements is approximately 48.84%, computed based on the Disposal Consideration as compared to the latest audited consolidated NA of our Company as at 31 March 2022.

## 8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

IJM, our major shareholder, is deemed interested in the Proposed Disposal by virtue of it being the holding company of IJML, which in turn is the holding company of IJMP, the Purchaser. IJM will abstain and will ensure that persons connected with it will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Disposal at the forthcoming EGM of our Company.

Lee Chun Fai, the Non-Independent Non-Executive Director of our Company, is deemed as an Interested Director in the Proposed Disposal by virtue of him being IJM's nominee director in our Company. He is also the Deputy Chief Executive Officer and Deputy Managing Director of IJM. Accordingly, he has abstained and will continue to abstain from deliberating and voting on the Proposed Disposal at the relevant Board meetings. In addition, he will abstain and will ensure that persons connected with him will abstain from voting in respect of their respective direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Disposal at the forthcoming EGM of our Company.

Save as disclosed above, none of the Directors and major shareholders of our Company, and/or persons connected with them have any interests, whether direct or indirect, in the Proposed Disposal.

The direct and indirect shareholdings of the Interested Major Shareholder and Interested Director in our Company as at the LPD are as follows:

Name	Shareholdings as at the LPD			
	<-----Direct----->		<-----Indirect----->	
	No. of Shares	%	No. of Shares	%
IJM	796,105,843	26.65	-	-
Lee Chun Fai	-	-	-	-

**9. TOTAL AMOUNT TRANACTED WITH THE SAME RELATED PARTY FOR THE PRECEDING 12 MONTHS**

The Proposed Disposal is deemed as a related-party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

Save for the Proposed Disposal, there were no other related-party transactions (excluding recurrent related-party transactions entered into in the ordinary course of business) entered into between our Company and the Interested Major Shareholder for the 12 months preceding the date of this Circular.

**10. AUDIT COMMITTEE'S STATEMENT**

The Audit Committee of our Company, after having considered all aspects of the Proposed Disposal (including but not limited to the rationale and effects of the Proposed Disposal) and the evaluation of the Independent Adviser on the fairness and reasonableness of the Proposed Disposal, is of the opinion that the Proposed Disposal is:

- (a) in the best interest of our Company;
- (b) fair, reasonable and on normal commercial terms; and
- (c) not detrimental to the interest of the non-interested shareholders of our Company.

In forming its views, the Audit Committee of our Company has taken into consideration, amongst others, the following:

- (i) the rationale and benefits of the Proposed Disposal;
- (ii) the salient terms of the SSA;
- (iii) the basis of and justification for arriving at the Disposal Consideration; and
- (iv) the effects of the Proposed Disposal.

**11. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board (save for the Interested Director), having considered all aspects of the Proposed Disposal, including the rationale and benefits of the Proposed Disposal, salient terms of the SSA, basis of and justification for arriving at the Disposal Consideration, the effects of the Proposed Disposal as well as the evaluation of the Independent Adviser on the fairness and reasonableness of the Proposed Disposal, is of the opinion that the Proposed Disposal is in the best interest of our Company.

Accordingly, our Board (save for the Interested Director) recommends that you **vote in favour** of the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

## 12. INDEPENDENT ADVISER

In view that the Proposed Disposal is deemed as a related-party transaction pursuant to Paragraph 10.08 of the Listing Requirements, our Company has appointed UOB Kay Hian to act as the Independent Adviser to undertake the following in relation to the Proposed Disposal:

- (a) comment as to:
- (i) whether the Proposed Disposal is fair and reasonable in so far as the non-interested shareholders of our Company are concerned; and
  - (ii) whether the Proposed Disposal is to the detriment of the minority shareholders of our Company,
- and such opinions must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;
- (b) advise the minority shareholders of our Company whether they should vote in favour of the Proposed Disposal; and
- (c) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in items (a) and (b) above.

Please refer to Part B of this Circular for the IAL in relation to the Proposed Disposal. You are advised to read and carefully consider the contents of this Circular (including the IAL) before voting on the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

## 13. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

As at the LPD, save for the Proposed Disposal, there is no other corporate exercise which has been announced but has yet to be completed.

## 14. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Disposal is expected to be completed by the 1<sup>st</sup> quarter of 2023.

The tentative timetable for the implementation of the Proposed Disposal is set out below:

<b>Date/Month</b>	<b>Events</b>
20 February 2023	<ul style="list-style-type: none"><li>• Convening of the EGM to obtain the approval from the non-interested shareholders of our Company for the Proposed Disposal</li></ul>
End February 2023	<ul style="list-style-type: none"><li>• Fulfilment of all the conditions precedent of the SSA for the Proposed Disposal</li></ul>
End February 2023	<ul style="list-style-type: none"><li>• Completion of the SSA (payment of the First Instalment)</li></ul>

## 15. EGM

The forthcoming EGM will be held on a virtual basis through live streaming from the broadcast venue at Unit 7-21, Wisma Conlay, No. 1, Jalan USJ 10/1, Taipan Business Centre, 47620 Subang Jaya, Selangor Darul Ehsan using RPV Facilities provided by our Share Registrar, Metra Management Sdn Bhd via its website at [www.metramanagement.com.my](http://www.metramanagement.com.my) on Monday, 20 February 2023 at 2.30 p.m. for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposed Disposal.

The Notice of the EGM, Administrative Guide for the EGM and Form of Proxy are enclosed in this Circular and can be downloaded from our Company's website at [www.wcehb.com.my](http://www.wcehb.com.my) or Bursa Securities' website at <https://www.bursamalaysia.com>.

A member entitled to participate, speak (in the form of real time submission of typed texts) and vote remotely at the EGM is entitled to appoint not more than two (2) proxies to participate, speak and vote remotely on his/her behalf. If you decide to appoint a proxy(ies) to participate on your behalf at the EGM, please complete and lodge the Form of Proxy in hard copy form or by electronic means in the following manner and the Form of Proxy must be received by our Company/Share Registrar (where applicable) not less than forty-eight (48) hours before the time appointed for holding the EGM:

(i) In hard copy form

The Form of Proxy must be deposited at the registered office of our Company situated at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By electronic means via email

The Form of Proxy must be received via email to [Kar.Mun.Thong@my.tricorglobal.com](mailto:Kar.Mun.Thong@my.tricorglobal.com) and/or [Shirley.Fong@my.tricorglobal.com](mailto:Shirley.Fong@my.tricorglobal.com).

(iii) By electronic means via online

The Form of Proxy must be electronically lodged with our Share Registrar via its website at [www.metramanagement.com.my](http://www.metramanagement.com.my). Please refer to the Procedure for Electronic Submission of the Form of Proxy in the Administrative Guide for the EGM.

For options (ii) and (iii), our Company may request you to deposit the original executed Form of Proxy to our registered office before or on the day of the EGM for verification purpose.

The lodging of the relevant Form of Proxy will not preclude you from participating, speaking and voting remotely at the EGM should you subsequently wish to do so.

## 16. ADDITIONAL INFORMATION

You are advised to refer to Part B of this Circular and the appendices for additional information.

Yours faithfully,  
For and on behalf of our Board  
**WCE HOLDINGS BERHAD**

**DATUK IR. HAMZAH BIN HASAN**  
Chairman/ Independent Non-Executive Director

**PART B**

**IAL FROM UOB KAY HIAN TO THE NON-INTERESTED SHAREHOLDERS OF OUR COMPANY  
IN RELATION TO THE PROPOSED DISPOSAL**



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## EXECUTIVE SUMMARY

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*All definitions used in this Executive Summary shall have the same meaning as the words and expressions defined in the "Definitions" section in Part A of the Circular, except where the context otherwise requires or where otherwise defined herein. All references to "we", "us" or "our" are references to UOB Kay Hian, being the independent adviser for the Proposed Disposal.*

**This Executive Summary is intended to be a brief summary of this IAL. Non-interested shareholders of WCEHB are advised to read and understand this IAL in its entirety, together with the letter to shareholders in Part A of the Circular and the accompanying appendices for other relevant information and not to rely solely on this Executive Summary in forming an opinion on the Proposed Disposal.**

**Non-interested shareholders of WCEHB are also advised to carefully consider the recommendations contained therein before voting on the ordinary resolution to give effect to the Proposed Disposal to be tabled at the forthcoming EGM of the Company.**

**If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

### 1. INTRODUCTION

On 25 November 2022, RHB Investment Bank had, on behalf of the Board, announced that KEBM and KEBB had on even date entered into the SSA with IJMP for the Proposed Disposal.

In view of the interests of IJM as set out in Section 8, Part A of the Circular, the Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

Accordingly, on 26 October 2022, UOB Kay Hian has been appointed as the Independent Adviser to advise the Company's non-interested Directors and non-interested shareholders of WCEHB in respect of the Proposed Disposal.

The purpose of this IAL is to provide the non-interested shareholders of WCEHB with an independent evaluation as to:-

- (i) whether the Proposed Disposal is fair and reasonable insofar as the non-interested shareholders of WCEHB are concerned;
- (ii) whether the Proposed Disposal is detrimental to the interest of the minority shareholders of WCEHB; and
- (iii) our recommendation on whether the non-interested shareholders of WCEHB should vote in favour or against the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

**2. EVALUATION OF THE PROPOSED DISPOSAL**

In evaluating the Proposed Disposal, we have taken into consideration the following factors in forming our opinion:-

<b>Section in this IAL</b>	<b>Area of evaluation</b>	<b>Our comments</b>
Section 6.1	Rationale of the Proposed Disposal	<p>We are of the opinion that the rationale of the Proposed Disposal is <b>REASONABLE</b> and <b>NOT DETRIMENTAL</b> to the interests of the non-interested shareholders of WCEHB as the Proposed Disposal:-</p> <ul style="list-style-type: none"><li>(i) will provide an opportunity for WCEHB Group to realise and unlock the value of its investment in its associate company, namely RPSB;</li><li>(ii) is expected to record a pro forma gain on disposal of approximately RM245.67 million which will improve the financial position of the Group; and</li><li>(iii) is expected to contribute positively to the financial performance and financial position of the Group in the near to medium term.</li></ul>
Section 6.2	Basis and justification in arriving at the Disposal Consideration	<p>As set out in Section 2.2, Part A of the Circular, the Disposal Consideration was arrived at on a willing-buyer willing-seller basis after taking into consideration, amongst others, the following:-</p> <ul style="list-style-type: none"><li>(i) the total market value of the Properties owned by RPSB Group of RM1,700.00 million as appraised by the Valuer;</li><li>(ii) the adjusted unaudited consolidated NA of RPSB as at 31 July 2022 after taking into consideration the estimated net gain on the Land Disposal and the revaluation surplus arising from the valuation of the Properties and the deferred tax amount arising thereof. For information purposes, the Land Disposal is expected to be completed by the 2<sup>nd</sup> quarter of 2023; and</li><li>(iii) the rationale for and benefits of the Proposed Disposal as detailed in Section 3, Part A of the Circular.</li></ul>

In arriving at the market value of the Properties, it was noted that the Valuer had appraised the Properties using the comparison method, residual method under the income approach and cost approach method and we have reviewed the key bases and assumptions adopted by the Valuer and are satisfied with the reasonableness of the key bases and assumptions.

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**EXECUTIVE SUMMARY (CONT'D)**

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<b>Section this IAL</b>	<b>in Area of evaluation</b>	<b>Our comments</b>
		<p>Under the comparison method, the market value of the property is derived by comparing the property with similar properties that have been sold recently and those that are currently being offered for sale in the vicinity or other comparable localities.</p> <p>Under the residual method, the market value of the property is the total gross development value of the completed developments ("<b>GDV</b>") and deducting the total development cost such as infrastructures, building construction costs, professional fees, contingencies and management costs, interests on finance (collectively, the "<b>GDC</b>"), and developers' profit. The resultant sum is then appropriately discounted to reflect the inherent risk and holding cost for the period of development and sales to arrive at the residual land value, which is also the market value of the property in its present state of approval, development and sales.</p> <p>Under the cost approach, the market value of the property is adding the value of the land to the depreciated replacement cost of the building and other site improvements.</p> <p>In arriving at the GDV, the Valuer has adopted the comparison method to arrive at the expected selling prices of the properties under the on-going developments. As for GDC, the Valuer has made reference to, amongst others, the following:-</p> <ul style="list-style-type: none"><li>(i) the costs estimated by the developer (i.e. BRSB);</li><li>(ii) industry averages from similar developments; and</li><li>(iii) average building costs of similar properties as the Construction Cost Handbook Malaysia 2022 published by JUBM Sdn Bhd, Arcadis (Malaysia) Sdn Bhd and Arcadis Projek Sdn Bhd.</li></ul> <p>We are of the view that the Disposal Consideration pursuant to the Proposed Disposal is <b>FAIR AND REASONABLE</b> and <b>NOT DETRIMENTAL</b> to the interests of the non-interested shareholders of WCEHB given that the Disposal Consideration is based upon the NA of RPSB as at 31 July 2022 as appraised by the Valuer with a slight discount of 4.05%.</p>
Section 6.3	Salient terms of the SSA	We find the salient terms of the SSA to be generally <b>REASONABLE</b> and <b>NOT DETRIMENTAL</b> to the interest of the non-interested shareholders of WCEHB.

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## EXECUTIVE SUMMARY (CONT'D)

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Section in this IAL	Area of evaluation	Our comments
Section 6.4	Effects of the Proposed Disposal	<p>The Proposed Disposal does not involve in the issuance of new ordinary shares in WCEHB and will not have any effect on the issued share capital and the substantial shareholders' shareholdings of WCEHB.</p> <p>The Proposed Disposal is expected to increase the basic LPS of the Group from 4.50 sen to EPS of 5.29 sen and 4.43 sen under the Minimum Scenario and Maximum Scenario, respectively.</p> <p>Further, the NA of the Group is expected to increase slightly from RM1,011.56 million as at the LPD, to RM1,257.23 million and RM1,452.76 million under the Minimum Scenario and Maximum Scenario, respectively, due to the pro form gain of RM245.67 million and estimated expenses in relation to the Proposed Disposal of approximately RM1.64 million.</p> <p>The gearing of the Group will decrease from 3.78 times to 3.00 times and 2.60 times under the Minimum Scenario and Maximum Scenario, respectively, due to the repayment of term loan of RM48.50 million.</p> <p>Nevertheless, we are of the view that the Proposed Disposal will not have any detrimental impact on the financial performance and financial position of WCEHB as the future earnings, the EPS, NA and gearing of WCEHB should improve after realizing a pro forma gain arising from the Proposed Disposal and after repayment of term loan via the proceeds from the Proposed Disposal.</p> <p>Hence, taken as a whole, we are of the view that the financial effects of the Proposed Disposal are <b>NOT DETRIMENTAL</b> to the interests of the non-interested shareholders of WCEHB.</p>
Section 6.5	Risk factors of the Proposed Disposal	<p>We take note of the risk factors mentioned in Section 4, Part A of the Circular.</p> <p>We are of the opinion that the risks are <b>REASONABLE</b> and the Board and management of the Group are expected to take steps to mitigate the risks to the extent possible.</p>

### 3. CONCLUSION AND RECOMMENDATION

Based on our evaluation, we are of the opinion that, on the basis of the information available to us, the Proposed Disposal is **FAIR AND REASONABLE** and **NOT DETRIMENTAL** to the non-interested shareholders of WCEHB.

As such, we advise and recommend that the non-interested shareholders of WCEHB to **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM of the Company.

31 January 2023

**To: The non-interested shareholders of WCE Holdings Berhad**

Tel: 603 2147 1888  
Fax: 603 2147 1950

Dear Sir/ Madam,

www.uobkayhian.com  
Co. No. 194990-K

**WCE HOLDINGS BERHAD ("WCEHB" OR THE "COMPANY")**

**INDEPENDENT ADVICE LETTER TO THE NON-INTERESTED SHAREHOLDERS OF WCEHB IN RELATION TO THE PROPOSED DISPOSAL**

*This IAL is prepared for inclusion in the Circular in relation to the Proposed Disposal. All definitions used in this IAL shall have the same meaning as the words and expressions defined in the "Definitions" section in Part A of the Circular, except where the content otherwise requires or where otherwise defined herein. All references to "we", "us" or "our" are references to UOB Kay Hian, being the independent adviser for the Proposed Disposal.*

## 1. INTRODUCTION

On 25 November 2022, RHB Investment Bank had, on behalf of the Board, announced that KEBM and KEBB had on even date entered into the SSA with IJMP for the Proposed Disposal.

In view of the interests of IJM as set out in Section 8, Part A of the Circular, the Proposed Disposal is deemed a related party transaction pursuant to Paragraph 10.08 of the Listing Requirements.

Accordingly, on 26 October 2022, UOB Kay Hian has been appointed as the Independent Adviser to advise the Company's non-interested Directors and non-interested shareholders of WCEHB in respect of the Proposed Disposal.

The purpose of this IAL is to provide the non-interested shareholders of WCEHB with an independent evaluation as to:-

- (i) whether the Proposed Disposal is fair and reasonable insofar as the non-interested shareholders of WCEHB are concerned;
- (ii) whether the Proposed Disposal is detrimental to the interest of the minority shareholders of WCEHB; and
- (iii) our recommendation on whether the non-interested shareholders of WCEHB should vote in favour or against the resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM.

Notwithstanding the above, the non-interested shareholders of WCEHB should rely on their own evaluation of the merits of the Proposed Disposal before making a decision on the course of action to be taken at the forthcoming EGM of the Company.

This IAL is prepared solely for the use of the non-interested shareholders of WCEHB to consider the Proposed Disposal and should not be used or relied upon by any other party for any other purposes whatsoever.

**YOU ARE ADVISED TO READ THIS IAL, THE LETTER TO SHAREHOLDERS AS SET OUT IN PART A OF THE CIRCULAR TOGETHER WITH THE APPENDICES, AND TO CONSIDER CAREFULLY THE RECOMMENDATIONS CONTAINED HEREIN BEFORE VOTING ON THE ORDINARY RESOLUTION TO GIVE EFFECT TO THE PROPOSED DISPOSAL TO BE TABLED AT THE FORTHCOMING EGM OF THE COMPANY.**

**IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2. SCOPE AND LIMITATIONS TO THE EVALUATION OF THE PROPOSED DISPOSAL**

We have not been involved in the formulation of, deliberations and negotiations of the terms and conditions pertaining to the Proposed Disposal. Our terms of reference pursuant to our appointment as Independent Adviser to the non-interested Directors and non-interested shareholders of WCEHB are in accordance with the requirements relating to Independent Adviser as contained in Paragraphs 10.08(2) and (3) of the Listing Requirements and the Best Practice Guide in relation to Independent Advice Letters issued by Bursa Securities.

Our scope as Independent Adviser is limited to expressing an independent opinion on the Proposed Disposal based on information and documents provided to us or which are available to us, including the following:-

- (i) the SSA;
- (ii) the Valuation Report dated 23 November 2022 prepared by the Valuer;
- (iii) the announcement made by the Company on 25 November 2022 in relation to the Proposed Disposal;
- (iv) the information contained in Part A of the Circular together with the accompanying appendices;
- (v) other relevant information furnished to us by WCEHB or obtained in or derived from our discussion with the management and/ or representatives of WCEHB on 17 November 2022 and 21 November 2022, respectively; and
- (vi) other relevant publicly available information.

We have relied on the Board and the management of WCEHB to take due care in ensuring that all the information, documents and representations provided to us by them to facilitate our evaluation of the Proposed Disposal is accurate, valid and complete in all material aspects. We have also performed our reasonable check on the said information, documents and representations provided by the Company and where possible to certain extent, corroborating such information with independent sources.

Accordingly, we have not independently verified such information as stated above for its reliability, accuracy and/ or completeness and have not undertaken any form of independent investigation into the business, affairs, operations, financial position or prospects of the Group and all relevant parties involved in the Proposed Disposal.

The Board (save for Lee Chun Fai) has confirmed in writing to us that:-

- (i) after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements and/ or information, the omission of which would make any statement herein inaccurate, incomplete or misleading in any respect;
- (ii) all material facts and information required for the purpose of our evaluation of the Proposed Disposal and preparation of this IAL have been disclosed to us, and that there are no facts or information, the omission of which would make any information, confirmation and/ or document supplied to us misleading, or would materially affect our evaluation, views and recommendation in this IAL; and
- (iii) the Board has seen, reviewed and accepted this IAL and they individually and collectively accept full responsibility for the accuracy and completeness of the information contained herein (save and except for opinions expressed by us).

In preparing this IAL, we have taken into consideration factors that we believe are of relevance and general importance for the assessment of the Proposed Disposal and therefore of concern to the shareholders of WCEHB as a whole in arriving at our advice. We have not taken into consideration to the specific investment objectives, risk profiles, financial situations or particular needs of any individual non-interested Shareholder or any specific group of non-interested shareholders. We recommend that any individual non-interested shareholder or group of non-interested shareholders who require specific advice in relation to the Proposed Disposal in the context of their individual investment objectives, risk profiles, financial situations and particular needs should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers immediately.

The scope of our responsibilities with regards to our evaluation and recommendation is based on the assessment of fairness and reasonableness and other implications of the Proposed Disposal and whether the Proposed Disposal is detrimental to the non-interested shareholders of WCEHB. We will not be responsible for any damages or losses of any kind sustained or suffered by any individual non-interested shareholder or group of non-interested shareholders in reliance on the opinions stated herein for any purpose whatsoever.

Our opinions expressed in this IAL are, amongst others, based on economic, market and other conditions prevailing at, and the information and/ or documents made available to us as at the LPD. Such conditions may change significantly over a short period of time. It should be noted that our evaluation and opinions expressed in this IAL do not take into account the information, events or conditions arising after the LPD.

We shall notify the non-interested shareholders of WCEHB if after despatch of this IAL and until the date of the EGM, we become aware of the following:-

- (i) there is a significant change affecting the information contained in the IAL;
- (ii) there is a false, misleading and/ or deceptive statement provided in the IAL; and
- (iii) there is a material omission in the IAL.

If circumstances require, a supplementary IAL will be sent to the non-interested shareholders of WCEHB.

We are satisfied that sufficient information has been disclosed to us in enabling us to formulate our recommendation. After making all reasonable enquiries and to the best of our knowledge and belief, the information used is reasonable, accurate, complete and free from material omission. Notwithstanding that, UOB Kay Hian shall not be under any responsibility or liability for any misstatement of fact or from any omissions therein.

### **3. DECLARATION OF CONFLICT OF INTEREST AND OUR CREDENTIALS, EXPERIENCE AND EXPERTISE**

We confirm that there is no existing or potential conflict of interest situation for us to carry out our role as the Independent Adviser for the Proposed Disposal and UOB Kay Hian does not have any other professional relationship with WCEHB in the past 2 years prior to the date of this IAL.

We are a holder of a Capital Markets Services Licence issued by the Securities Commission Malaysia as a Principal Adviser who is permitted to carry on the regulated activity of advising on corporate finance under the CMSA.

The corporate finance department of UOB Kay Hian supports clients in the areas of take-overs, mergers and acquisitions, initial public offerings, reverse take-overs, secondary equity issuance, capital markets coverage as well as independent advisory services. Our corporate finance team comprises experienced personnel with the requisite qualification and experience to provide amongst others, independent advice and render an opinion on the fairness and reasonableness of transactions relating to acquisitions, disposals and take-over offers.

Our credentials and recent experience as an independent adviser include, amongst others, the following:-

- (i) independent advice circular to the non-interested shareholders of Olympia Industries Berhad ("**Olympia**") dated 18 August 2022 in relation to the conditional mandatory take-over offer by Duta Equities Sdn Bhd and Kenny Height Developments Sdn Bhd through RHB Investment Bank Berhad to acquire all the remaining ordinary shares in Olympia not already held by it as well as Tan Sri Dato' Yap Yong Seong and Puan Sri Datin Leong Li Nar;
- (ii) independent advice letter dated 6 July 2021 included in the Circular of FCW Holdings Berhad ("**FCW**") in relation to the proposed disposal by FCW of four parcels of leasehold land from CFM Development Sdn Bhd for a total disposal consideration of RM91.10 million, satisfied entirely in cash; and
- (iii) independent advice letter to the non-interested shareholders of Ranhill Utilities Berhad ("**Ranhill**") dated 14 June 2021 in relation to the proposed acquisition of 100% equity interest in Ranhill Bersekutu Sdn Bhd from Ranhill Berhad for a purchase consideration of RM93,875,000 and 51% equity interest in Ranhill Worley Sdn Bhd from Ranhill Group Sdn Bhd for a purchase consideration of RM117,956,625 to be settled by issuance of new ordinary shares in Ranhill and proposed exemption for Tan Sri Hamdan Mohamad and any other person acting in concert with Tan Sri Hamdan Mohamad from the obligation to undertake a mandatory take-over offer to acquire the remaining ordinary shares in Ranhill not already owned by them.

#### 4. DETAILS OF THE PROPOSED DISPOSAL

Pursuant to the SSA, RPSB shall be disposed by KEBM and KEBB to the Purchaser:-

- (i) for a cash consideration of RM494.00 million;
- (ii) free from all liens, charges and encumbrances, details of which are set out in Section 2, Part A of the Circular;
- (iii) subject to the fulfilment of the conditions precedent of the SSA.

Based on the Valuation Report prepared by the Valuer, the Properties owned by RPSB Group together with its market value as at 31 July 2022 is set out below:-

No.	Property/ Phase	Type of Properties (Under Valuation)	Market value RM	Valuation method
<b><u>I) Undeveloped Lands</u></b>				
a)	Vacant residential land	Fourteen (14) parcels of vacant residential lands	476,400,427	Comparison Method
b)	Vacant commercial land	Fifteen (15) parcels of vacant commercial lands	800,431,700	Comparison Method
<b><u>II) Remaining Unsold Units</u></b>				
a)	Phase 8A1 (Part of Lot 75835)	Nineteen (19) unsold units of Rumah Selangorku	1,726,000	Based on the regulated selling price for Rumah Selangorku
<b><u>III) On-going developments</u></b>				
a)	Phase 12 (680 individual titles)	680 units of subdivided double-storey terraced houses	98,338,750	Residual Method
b)	Phase 13 (Master Title)	68 units of single-storey, double-storey & three-storey shop/ offices together with a	53,593,939	Residual Method



No.	Property/ Phase	Type of Properties (Under Valuation)	Market value RM	Valuation method
		parcel of undeveloped vacant commercial land		
c)	<b>Phase 14 (Master Title)</b>	615 units of double-storey terraced house	74,545,485	Residual Method
d)	<b>Phase 15 (Master Title)</b>	84 units of double-storey & three-storey shop/ offices together with a parcel of undeveloped vacant commercial land	76,951,431	Residual Method and Comparison Method
<b>IV) Commercial Properties</b>				
a)	<b>Part of PT 36309</b>	Two (2) units of double-storey detached commercial buildings occupied by "Starbucks" & "Kenny Rogers Roasters/ Krispy Kreme/ Sala"; and a clubhouse complex occupied by "The Club", all improved upon part of PT 36309	42,133,942	Cost Approach
b)	<b>PT 41192</b>	A parcel of commercial land improved upon with an institutional building together with the facilities known as "Oasis International School"	77,646,213	Cost Approach
<b>Total</b>			<b>1,701,767,887</b>	
<b>Say</b>			<b>1,700,000,000</b>	

The details of the Proposed Disposal are set out in Section 2, Part A of the Circular and should be read in their entirety by the non-interested shareholders of WCEHB.

## 5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, AND/ OR PERSONS CONNECTED WITH THEM

As set out in Section 8, Part A of the Circular, save as disclosed below, none of the Directors, Major Shareholders, and/ or persons connected with them have any interest, direct or indirect, in relation to the Proposed Disposal:-

### (i) IJM

IJM is the major shareholder of the Company and is deemed interested in the Proposed Disposal by virtue of it being the holding company of IJML, which in turn is the holding company of IJMP, the Purchaser.

IJM has abstained and will continue to abstain from deliberations and voting on the Proposed Disposal at the relevant board meetings of the Company and has undertaken to ensure that him and persons connected with him will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Disposal to be tabled at the Company's forthcoming EGM.

As at the LPD, the direct and indirect shareholdings of IJM is as follows:-

	Direct No. of Shares	%	Indirect No. of Shares	%
(ii) IJM	796,105,843	26.65	-	-
<b>Lee Chun Fai</b>				

Lee Chun Fai is the Non-Independent Non-Executive Director of the Company, is deemed as an interested director in the Proposed Disposal by virtue of him being IJM's nominee director in the Company. He is also the Deputy Chief Executive Officer and Deputy Managing Director of IJM.

Lee Chun Fai has abstained and will continue to abstain from deliberations and voting on the Proposed Disposal at the relevant board meetings of the Company and has undertaken to ensure that him and persons connected with him will abstain from voting in respect of their direct and/ or indirect shareholdings in the Company, if any, on the resolution pertaining to the Proposed Disposal to be tabled at the Company's forthcoming EGM.

As at the LPD, Lee Chun Fai does not hold any direct and indirect shareholdings in the Company.

The interests of IJM and Lee Chun Fai and/ or persons connected to them (together with their course of actions in relation to the Proposed Disposal) are set out in Section 8, Part A of the Circular.

## 6. EVALUATION OF THE PROPOSED DISPOSAL

In evaluating the Proposed Disposal, we have taken into consideration the following factors in forming our opinion:-

No.	Area of evaluation	Section in this IAL
1	Rationale of the Proposed Disposal	Section 6.1
2	Basis and justification in arriving at the Disposal Consideration	Section 6.2
3	Salient terms of the SSA	Section 6.3
4	Effects of the Proposed Disposal	Section 6.4
5	Risk factors of the Proposed Disposal	Section 6.5

### 6.1 Rationale of the Proposed Disposal

The rationale of the Proposed Disposal as extracted from Section 3, Part A of the Circular and our commentaries are set out below:-

*The Proposed Disposal will provide an opportunity for WCEHB Group to realise and unlock the value of its investment in RPSB, an associate company. The Proposed Disposal will enable the Group to realise a pro forma gain on disposal of approximately RM245.67 million based on the carrying value of its investment in RPSB of RM246.69 million as at 31 March 2022 and after taking into consideration the estimated expenses in relation to the Proposed Disposal amounting to RM1.64 million.*

*Since the commencement of the Group's investment in RPSB in 2003, RPSB has yet to declare any dividend to its shareholders. Any profit earned by RPSB over the years has been channelled into the launching of future phases and infrastructure cost of the Bandar Rimbayu Development by BRSB.*

*Moving forward, despite the favourable take-up rate for RPSB's ongoing developments within the Bandar Rimbayu Development thus far, the management of the Company acknowledges the risks/ challenges associated with the property market in Malaysia as it continues to be weighed down by weak consumer sentiments due to economic uncertainties, volatility in the Malaysian Ringgit, rising cost of living, increase in prices of construction materials and banks' stringent lending rules. Furthermore, the Bandar Rimbayu Development is only expected to be fully completed by 2033. Hence, the Proposed Disposal represents an attractive opportunity for the Group to monetise its investment in RPSB at the current market value of the Properties instead of during the course of the remaining development period for the Bandar Rimbayu Development whereby the Group will be subjected to the associated risks of the property development industry.*

*The management of the Company had decided to channel approximately 76% of the cash proceeds from the Proposed Disposal for equity injection into WCESB for the purposes of the WCE Project which will enable the Group to save on financing costs should similar amount of funds be sourced from other modes of financing or borrowings.*

*Additionally, the WCE Project which is the Group's core business is expected to enable the Group to generate a long-term and stable stream of income upon full completion. For information purposes, as at the LPD, 4 out of 11 sections of the WCE Project have been completed and opened for toll operations while construction for the remaining sections is still on-going. The full completion of the WCE Project is expected to be in the year 2024.*

Taking cognisance of the rationale for the Proposed Disposal as set out in Section 3, Part A of the Circular, we noted that the Proposed Disposal is undertaken based on the following key rationales:-

**(i) The Proposed Disposal will provide an opportunity for WCEHB Group to realise and unlock the value of its investment in its associate company, namely RPSB;**

The Proposed Disposal represent a strategic opportunity for the Group to monetise its investment in RPSB and redeploy its resources into its other core businesses. Notwithstanding that the Group will cease to recognise the share of profit from RPSB after the Proposed Disposal, it provides the Group with an immediate opportunity to monetise its investments in RPSB after taking into consideration the adjusted unaudited consolidated NA of RPSB.

With the Proposed Disposal, the Group will no longer be subject to various business risks involved in property development industry such as property overhang, commonly caused by over-supply and low demand for similar properties and other factors such as economic downturns and unfavourable financial conditions and competition risks among property developers to amongst others, identify and purchase strategically located and reasonable priced landbank, engaging reliable contractors and purchasing sufficient and reasonably priced building materials.

**(ii) The Proposed Disposal is expected to record a pro forma gain on disposal of approximately RM245.67 million which will improve the financial position of the Group;**

The Proposed Disposal is expected to result in a one-off pro forma gain on disposal of RM245.67 million, which will increase the NA and earnings of the Group upon completion of the Proposed Disposal.

As at 31 March 2022, the Group's outstanding borrowings amounted to RM3,825.63 million with gearing ratio of 3.78 times. Approximately RM48.50 million of the cash proceeds received will be utilised to repay the existing borrowings of the Group. We noted that the aforesaid intended repayment of the Group's borrowings will not involve any repayment of credit facilities extended by RHB Bank Berhad.

This shall reduce the Group's outstanding borrowings by RM48.50 million and the gearing level of the Group. It will also improve the debt capacity of the Group, which will provide more financial flexibility for the Group to raise any future funding if required.

Furthermore, the repayment of bank borrowings will also result in interest savings of approximately RM2.43 million per annum to the Group, which will then improve its future profitability. The Group's cash flow is also expected to improve with lower interest expense.

**(iii) Since the commencement of the Group's investment in RPSB in 2003, RPSB has yet to declare any dividend to its shareholders.**

In view of the 40% equity interest in RPSB, it is only recognised as an associate company, as such, the Group has only been able to recognise the share of profit from RPSB up to the extent of the Group's equity interest in RPSB. However, any profit earned by RPSB over the years has been channelled into the launching of future phases and infrastructure cost of the Bandar Rimbayu Development by BRSSB.

Accordingly, it is the Company's strategic and commercial decision not to allocate more resources to its property business. Instead, the Company intends to focus on streamlining its core businesses i.e. toll concession and construction. The management of the Company had decided to channel approximately 76% of the cash proceeds from the Proposed Disposal for equity injection into West Coast Expressway Sdn Bhd for the purposes of the WCE Project which is expected to enable the Group to generate a long-term and stable stream of income upon full completion of the said project.

Premised on the above, we are of the opinion that the rationale of the Proposed Disposal is **REASONABLE** and **NOT DETRIMENTAL** to the interests of the non-interested shareholders of WCEHB as it will enable the Company to focus on its toll concession business segment and potentially strengthen the financial position of the Group in the near to medium term. Nevertheless, the non-interested shareholders of WCEHB should note that the potential benefits arising from the Proposed Disposal, are subject to certain risk factors as disclosed in Section 4, Part A of the Circular.

## 6.2 Basis and justification in arriving at the Disposal Consideration

As set out in Section 2.2, Part A of the Circular, the Disposal Consideration was arrived at on a willing buyer willing seller basis after taking into consideration, amongst others, the following:-

- (i) the total market value of the Properties owned by RPSB Group of RM1,700.00 million as appraised by the Valuer;
- (ii) the adjusted unaudited consolidated NA of RPSB as at 31 July 2022<sup>\*1</sup> after taking into consideration the estimated net gain on the Land Disposal and the revaluation surplus arising from the valuation of the Properties and the deferred tax amount arising thereof. We noted that the unaudited consolidated NA of RPSB as at 31 July 2022 was used to arrive at the adjusted consolidated NA of RPSB (instead of the audited consolidated NA of RPSB as at 31 March 2022) and we are of the view that this is reasonable as WCE and IJMP had negotiated the terms and conditions of the Proposed Disposal based on the cut-off date of 31 July 2022. Accordingly, the adjusted NA value of the Company's shares in RPSB as at the aforesaid cut-off date provides a more accurate representation of the value of RPSB for the purpose of arriving at the Disposal Consideration.

For information purposes, the Land Disposal is expected to be completed by the 2nd quarter of 2023. For the avoidance of doubt, the expected completion timeline of the Land Disposal is not expected to give rise to any material impact/risk to the Proposed Disposal which is expected to be completed by end February 2023. Furthermore, the Disposal Consideration has already taken into account the net gain from the Land Disposal.

**Note:-**

\*1 The NA of RPSB, after adjusting for the revaluation surplus based on the estimated market value of the Properties as appraised by the Valuer, is as follows:-

	<b>RM</b>
Market value of the Properties owned by RPSB Group	1,700,000,000
Less: Net book value of the Properties as at 31 July 2022	(937,561,182)
Revaluation surplus	<u>762,438,818</u>
Less: Deferred tax liabilities at the rate of 24%	(182,985,316)
<b>Net revaluation surplus</b>	<b><u>579,453,502</u></b>
Add: Net gain from the Land Disposal	68,706,850
Add: Unaudited consolidated NA of RPSB as at 31 July 2022	638,974,844
<b>Adjusted unaudited consolidated NA of RPSB as at 31 July 2022 (A)</b>	<b><u>1,287,135,196</u></b>
<b>Disposal Consideration (B)</b>	<b>494,000,000</b>
Less: 40% x (A)	<b>(514,854,078)</b>
<b>Discount of Disposal Consideration (A) – (B)</b>	<b>(20,854,078)</b> <b>or 4.05%</b>

- (iii) the rationale and benefits of the Proposed Disposal as detailed in Section 3, Part A of the Circular.

The Disposal Consideration represents a discount of approximately RM20.85 million or approximately 4% to the adjusted NA value of the Company's shares in RPSB of approximately RM514.85 million (being 40% of the adjusted NA of RPSB as at 31 July 2022) as set out in Section 2.2(b), Part A of the Circular. The Board (save for the Interested Director) is of the view that the said discount is justifiable after taking into consideration the following:-

- (i) that 76% of the intended utilisation of proceeds of the Proposed Disposal as detailed in Section 2.9, Part A of the Circular is allocated for the equity injection into WCESB to finance the WCE Project, the Group's core business, which is expected to enable the Group to generate a long-term and stable stream of income upon full completion without the need to obtain alternative sources of financing of which the Group may incur interest expenses;
- (ii) the Proposed Disposal entails a disposal by the Group of its non-controlling 40% equity interest in RPSB to IJMP who is already in control of RPSB via its 60% equity interest in RPSB; and
- (iii) the effects of the Proposed Disposal which is expected to result in a pro forma gain of approximately RM245.67 million from the Proposed Disposal upon completion as detailed in Section 2.8, Part A of the Circular.

**Valuation methodologies and assumptions**

In arriving at the market value of the Properties, it was noted that the Valuer had appraised the Properties using the comparison method, residual method under the income approach and cost approach method and we have reviewed the key bases and assumptions adopted by the Valuer and are satisfied with the reasonableness of the key bases and assumptions.

In evaluating the Disposal Consideration, the Valuer has adopted three methods of valuation as set out below:-

Valuation methodologies	Discussion
Comparison method	The value of the property is derived by comparing the property with similar properties that have been sold recently and those that are currently being offered for sale in the vicinity or other comparable localities. The characteristics, merits and demerits of these properties are noted and appropriate adjustments are made to arrive at the value of the property.
Residual method	This method entails the assessing of the total gross development value of the project as if fully completed and deducting the total development cost such as infrastructures, building construction costs, professional fees, contingencies and management costs, interests on finance, and developers' profit. The resultant sum is then appropriately discounted to reflect the inherent risk and holding cost for the period of development and sales to arrive at the residual land value, which is also the market value of the property in its present state of approval, development and sales.
Cost approach	The value of the property is derived by adding the value of the land to the depreciated replacement cost of the building <sup>#</sup> and other site improvements. The value of the site is determined by comparison with similar lands that have been sold recently and those that are currently being offered for sale in the vicinity with appropriate adjustments made to reflect improvements and other dissimilarities and to arrive at the value of the subject land as an improved site.

**Note:-**

*# The depreciated replacement cost of the building is derived from the estimation of reconstructing a building of same kind and design as when new based on current market prices for materials, labour and present construction techniques and deducting there from the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.*

The details of the valuations of the Properties are set out below:-

No.	Area of evaluation	Section in this IAL
1	Undeveloped lands	Section 6.2.1
2	Remaining unsold units	Section 6.2.2
3	On-going developments	Section 6.2.3
4	Commercial properties	Section 6.2.4

For information purposes, the development of Bandar Rimbayu Development which commenced in March 2013 has a total expected gross development value of RM11,500 million and it is to be developed over a period of approximately 20 years. Based on the Company's Annual Report 2022, approximately 52.5% of the project has been developed to-date with a remaining 47.5% future development area of 892 acres.

### 6.2.1 Valuation of the undeveloped lands

The undeveloped lands are apportioned into 14 parcels of vacant residential lands and 15 parcels of vacant commercial lands.

The comparison method was adopted by the Valuer to derive the market value of RM1,276.83 million of the 29 parcels of undeveloped lands. For the purpose of this valuation, the components forming the undeveloped lands have been categorised under 4 clusters, as follows:-

<b>Cluster/ Type</b>	<b>Lot No.</b>
<u>Cluster 1</u> 9 parcels of residential land situated within the main development zone	PT 36330, PT 36331, PT 36332, PT 36332, PT 41185, PT 41186, PT 41188, PT 41189, PT 41213
<u>Cluster 2</u> 3 odd residential lots separated outside the main development zone	PT 36348, PT 36349, PT 36333
<u>Cluster 3</u> 2 parcels of residential land for affordable housing use	PT 44090, undeveloped portion of Lot 75835
<u>Cluster 4</u> 15 parcels of commercial land situated within the main development zone	PT 36344, PT 51240, PT 51241, PT 51242, PT 51243, PT 51244, PT 51245, PT 51251, PT 51250, PT 41090, PT 41217, PT 44088, PT 41216, Lot 74773 (formerly known as PT 43417), undeveloped portion of PT 36309

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(a) **Cluster 1**

Using the comparison method against cluster 1, the Valuer has selected comparables based on vacant residential/ development lands within the Klang Valley area that were transacted not more than 5 years ago and bear other similar characteristics to the base parcel (PT 41186) under cluster 1, such as location/ accessibility, development synergy, tenure of lease and restriction in interest and density. The following details of the selected comparables that are considered to be comparable evidence of values are as set out below:-

<b>Description</b>	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>
Type of land	2 parcels of adjoining residential land	A parcel of residential land	2 parcels of residential land	A parcel of unconverted development land zoned for residential use
Lot no.	PT 66691 & PT 66692	Lot 76869	Lot 2268 & Lot 2269	Lot 13533
Location	Jalan Permai 12, Taman Lestari Permai, Seri Kembangan, Selangor Darul Ehsan	Jalan Lelangit U8/45, Bukit Jelutong, Shah Alam, Selangor Darul Ehsan	Jalan Semenyih, north of Kajang East and south-west of Kiara Plaza	Persiaran Bayu, Bandar Rimbayu, Selangor Darul Ehsan
Tenure	Leasehold (expiring on August 2118)	Freehold	Freehold	Leasehold (expiring on 18 May 2092)
Land area (square feet (" <b>sq. ft.</b> "))	656,599	792,676	561,111	4,415,356
Transaction date	8 April 2022	10 July 2020	2 December 2019	8 January 2018
Consideration	RM36,114,289	RM34,500,000	RM30,754,348	RM145,700,000
Vendor	B&G Evergreen Sdn Bhd	Bear Canyon Sdn Bhd	Kiara Susila Sdn Bhd	Group Link Sdn Bhd
Purchaser	Nature Development Sdn Bhd	Nature Development Sdn Bhd	Pentagon Victory Sdn Bhd	Semanja Kemuning Sdn Bhd
Upward adjustments	Accessibility development synergy	and accessibility, development synergy and negative factor	Location/ accessibility, and development synergy	Accessibility, tenure & restriction in interest, category of land use and land size.
Downward adjustments	Location/ density and approval	accessibility, development and density	Location/ accessibility, and development synergy	Accessibility, tenure & restriction in interest, category of land use and land size.
Adjusted value (per square foot (" <b>psf.</b> "))	RM46.75	RM45.70	RM54.81	RM48.67



The Valuer has adopted comparable no. 1, analysed at RM46.75 psf., as the best comparable for being the latest sale with least effective adjustments and bears near similar characteristics to derive at the base land value for the base parcel (PT 41186) under cluster 1. The base land value in the above have been further adjusted to reflect the differences between the individual parcels in terms of development synergy, land area, pond premium, infra improvement and density before arriving at the final or adjusted value of these parcels.

We are of the view that the adopted base value for cluster 1 of RM46.75 psf., which was derived based on the adjusted land value of comparable no. 1, is fair due to the following:-

- (i) the bases and assumptions used by the Valuer in deriving the respective adjusted land values of the comparable are reasonable;
- (ii) whilst comparable no. 1's adjusted land value of RM46.75 psf. falls below the average adjusted land value for the comparables of RM48.98 psf., the selection of comparable no. 1 as the best comparable is reasonable as it was transacted in 2022 which is the more recent transaction and therefore most reflective of the current market value of cluster 1 whereas the other 3 comparables were transacted between 2018 to 2020; and
- (iii) comparable no. 1 has the least effective adjustments and bears near similar characteristics to derive at the base land value for the base parcel (PT 41186) under cluster 1.

Subsequently, the Valuer has also deducted the remaining cost to complete for common shared infrastructure costs of the individual parcels against the adjusted land values to arrive at the market value at its current state of development, as set out below:-

Lot No.	Provisional Land Area (acres)	Adjusted Factors	Less Main Infra Cost	Market Value	Analysed psf.
PT 36330	118.55			RM43,970,217.00	RM8.51 psf.
PT 36331	158.21			RM120,018,765.00	RM17.42 psf.
PT 36332	125.25			RM75,245,719.00	RM13.79 psf.
PT 41184	15.23	Development Synergy,	Analysed at RM7.18 psf.	RM26,254,338.00	RM39.57 psf.
PT 41185	19.88	Land Area, Pond Premium, Infra		RM34,252,848.00	RM39.56 psf.
PT 41186	20.85	Improvement and Density		RM35,939,808.00	RM39.57 psf.
PT 41188	22.53			RM38,824,026.00	RM39.56 psf.
PT 41189	12.40			RM26,422,397.00	RM48.92 psf.
PT 41213	40.24			RM61,169,701.00	RM34.90 psf.

**(b) Cluster 2**

Using the comparison method against cluster 2, the Valuer has selected comparables based on vacant residential/ development lands within the same locality that were transacted not more than 5 years ago and bear other similar characteristics to the base parcel (PT 36348) under cluster 2, such as location/ accessibility, development synergy, tenure of lease and restriction in interest and density. The following details of the selected comparables that are considered to be comparable evidence of values are as set out below:-

<b>Description</b>	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>
Type of land	A parcel of agricultural land zoned for residential use	A parcel of residential land	A parcel of agricultural land zoned for residential use
Lot no.	Lot 1203	PT 18677	Lot 1054
Location	Jalan Sungai Buaya, west of Kampung Sungai Jarom, Jenjarom, Darul Ehsan	Jalan SP 2, Bandar Saujana Putra, Selangor Darul Ehsan	Jalan Sungai Buaya, west of Kampung Sungai Jarom, Jenjarom, Selangor Darul Ehsan
Tenure	Freehold	Leasehold (expiring on 5 February 2094)	
Land area (sq. ft.)	217,797	138,731	219,164
Transaction date	13 July 2021	29 July 2020	5 March 2020
Consideration	RM6,650,000	RM4,161,913	RM7,393,750
Vendor	Teh Hock Chai & Teh Kim Huat	Pintar Arif Sdn Bhd	Ang Peck Jin, Ang Keng En, Ang Keng Peow & Ang King Chiong
Purchaser	JW Wealth Land Sdn Bhd	Sanjungan Cekap Sdn Bhd	See Chan Keong & Poh Soon Terng
Upward adjustments	Location, accessibility, master layout approval and category of land use	Location, accessibility, tenure & restriction in interest and master layout approval	Location, accessibility, master layout approval and category of land use
Downward adjustments	Tenure & restriction in interest	-	Tenure & restriction in interest
Adjusted value (psf)	RM38.17	RM35.25	RM30.12

The Valuer has adopted comparable no. 2, analysed at RM35.25 psf., as the best comparable for having least effective adjustments and bears near similar characteristics to derive at the base land value for the base parcel (PT 36348) under cluster 2. The base land value has been further adjusted to reflect the differences between the individual parcels in terms of location, accessibility and land area before arriving at the final or adjusted value of other individual parcels.

We are of the view that the adopted base value for cluster 2 of RM35.25 psf., which was derived based on the adjusted land value of comparable no. 2, is fair due to the following:-

- (i) the bases and assumptions used by the Valuer in deriving the respective adjusted land values of the comparable are reasonable; and
- (ii) comparable no. 2 has the least effective adjustments and bears near similar characteristics to derive at the base land value for the base parcel (PT 36348) under cluster 2.

Subsequently, the Valuer also deducted the remaining cost to complete for common shared infrastructure costs of the individual parcels against the adjusted land values to arrive at the market value at its current state of development, as set out below:-

Lot No.	Provisional Land Area (acres)	Adjusted Factor	Less Main Infra Cost	Market Value	Analysed psf.
PT 36348	2.27			RM2,778,316.00	RM28.07 psf.
PT 36349	4.03	Location, Accessibility and Land Area	Analysed at RM7.18 psf.	RM3,995,412.00	RM22.77 psf.
PT 33633	15.88			RM6,043,536.00	RM8.74 psf.

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(c) **Cluster 3**

Using the comparison method against cluster 3, the Valuer has selected comparables based on vacant residential lands with proposed development of affordable homes within the Klang Valley area that were transacted not more than 5 years ago and bear other similar characteristics to the base parcel (PT 44090) under cluster 3, such as location/ accessibility, development synergy and restriction in interest and density. The following details of the selected comparables that are considered to be comparable evidence of values are as set out below:-

<b>Description</b>	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>
Type of land	A parcel of residential land with a proposed development of affordable homes	3 parcels of residential land with a proposed development of affordable homes	A parcel of residential land with a proposed development of affordable homes
Lot no.	Lot 93270	PT 51723, PT 53775 & PT 51727	Lot 98209 & Lot 98210
Location	Jalan Arca U8/80 within Bukit Jelutong, Shah Alam, Selangor Darul Ehsan	Elmina West Township, Shah Alam, Selangor Darul Ehsan	Jalan Sungai Jelok, Taman Indah, Kajang, Selangor Darul Ehsan
Tenure	Freehold	Freehold	Freehold
Land area (sq. ft.)	457,251	1,138,927	235,439
Transaction date	8 July 2020	8 July 2020	20 May 2020
Consideration	RM9,660,000	RM15,021,000	RM2,072,297
Vendor	Highlands & Lowlands Bhd	Sime Darby Property Sdn Bhd	Prestige Improvement Sdn Bhd
Purchaser	Nadi Cergas Sdn Bhd	Nadi Cergas Sdn Bhd	Trans Loyal Development Sdn Bhd
Upward adjustments	Accessibility	Location/ accessibility, accessibility and land area	Location/ accessibility, accessibility and development synergy
Downward adjustments	Location/ accessibility, tenure & restriction in interest and density	Tenure & restriction in interest and density	Tenure & restriction in interest, density and land area
Adjusted value (psf)	RM14.79	RM12.53	RM8.80

The Valuer has adopted comparable no. 3, analysed at RM8.80 psf., as the best comparable for having the least effective adjustments and bears near similar characteristics to derive at the base land value for the base parcel (PT 44090) under cluster 3. The land value for the undeveloped portion of Lot 75835 has been further adjusted to reflect the 13% penalty imposed (in terms of 129 contra units of Rumah Idaman MBI to the Selangor State Government) for the conversion of the remaining 810 units of Rumah Selangorku low-cost component (Type A and Type B) to Rumah Idaman MBI vide Lembaga Perumahan dan Hartanah Selangor letter dated 25 February 2021 bearing Reference No. Bil (7)LPHS/1798/SPP/15. By adopting the aforesaid penalty as the yardstick, the Valuer had adjusted the land value by 15%.

For information purpose, the details of the conversion of Rumah Selangorku low-cost component to Rumah Idaman MBI are as follows:-

	-----Before conversion----->		<-----After conversion----->	
Building component	Size (sq. ft.)	No. of units	Building component	No. of units
Rumah Selangorku Type A	700	270		
Rumah Selangorku Type B	750	540		
Rumah Selangorku Type C	900	670	Rumah Idaman MBI	>1,000
Rumah Selangorku Type D	1,000	670		2,150

We are of the view that the adopted base value for cluster 3 of RM8.80 psf., which was derived based on the adjusted land value of comparable no. 3, is fair due to the following:-

- (i) the bases and assumptions used by the Valuer in deriving the respective adjusted land values of the comparable are reasonable; and
- (ii) whilst comparable no. 3's adjusted land value of RM8.80 psf. has the lowest adjusted land value among all the 3 comparables, the selection of comparable no. 3 as the best comparable is reasonable as comparable no. 3 has the least effective adjustments and bears near similar characteristics to derive at the base land value for the base parcel (PT 44090) under cluster 3.

Subsequently, the Valuer has also deducted the remaining cost to complete for common shared infrastructure costs of the individual parcels against the adjusted land values to arrive at the market value at its current state of development, as set out below:-

Lot No.	Provisional Land Area (acres)	Adjusted Factor	Less Main Infra Cost	Market Value	Analysed psf.
PT 44090	18.23	-		RM1,284,316.00	RM1.62 psf.
Undeveloped portion of Lot 75835	15.61	Contra Unit to Selangor State Government	Analysed at RM7.18 psf.	RM201,028.00	RM0.30 psf.

(d) **Cluster 4**

Using the comparison method against cluster 4, the Valuer has selected comparables based on vacant commercial lands within the Klang Valley area that were transacted not more than 5 years ago and bear other similar characteristics to the base parcel (PT 51242) under cluster 4, such as location/ accessibility, development synergy and restriction in interest and plot ratio. The following details of the selected comparables that are considered to be comparable evidence of values are as set out below:-

<b>Description</b>	<b>Comparable 1</b>	<b>Comparable 2</b>	<b>Comparable 3</b>	<b>Comparable 4</b>
Type of land	2 parcels of commercial land	A parcel of commercial land	3 parcels of commercial land	A parcel of commercial land
Lot no.	Lot 7282 & 7284	Lot 122949	Lot 83189, Lot 84200 & Lot 84201	PT 65618
Location	Jalan Salleh, Meru, Klang, Selangor Darul Ehsan	Persiaran Kuala Selangor, Seksyen 26, Shah Alam, Selangor Darul Ehsan	Jalan Batu Nilam 3, within Bandar Bukit Tinggi 1, Klang, Selangor Darul Ehsan	Persiaran Bistari, Cyberjaya, Selangor Darul Ehsan
Tenure	Freehold	Freehold	Freehold	Freehold
Land area (sq. ft.)	712,180	506,011	699,159	502,233
Transaction date	28 March 2022	29 November 2021	1 March 2021	18 February 2021
Consideration	RM74,778,914	RM90,000,000	RM69,915,903	RM50,223,330
Vendor	Goldwing Venture Sdn Bhd	The Paramount Property	Labur Bina Sdn Bhd	SMD Real Estate Sdn Bhd
Purchaser	Welloyd Properties Sdn Bhd	Goodhart Management Sdn Bhd	Kristalajaya Sdn Bhd	Boon Koon Capital Sdn Bhd
Upward adjustments	Location/ accessibility and development synergy	Accessibility and development synergy	Accessibility, development synergy and exposure	Location/ accessibility and development synergy
Downward adjustments	Tenure & restriction in interest and plot ratio	Location/ accessibility, interest and plot ratio	Location/ accessibility, interest and plot ratio	Tenure & restriction in interest and plot ratio
Adjusted value (psf)	RM110.25	RM133.40	RM100.00	RM110.00

The Valuer has adopted comparable no. 1, analysed at RM110.25 psf., as the best comparable for being the latest sale with least effective adjustments and bears near similar characteristics to derive at the base land value for the base parcel (PT 51242) under cluster 4. The base land value in the above have been further adjusted to reflect the differences between the individual parcels in terms of location (exposure), land area, negative factor, plot ratio, pond premium, limited usage and infra improvement before arriving at the final or adjusted value of these parcels.

We are of the view that the adopted base value for the valuation of cluster 4 of RM110.25 psf., which was derived based on the adjusted land value of comparable no. 1, is fair due to the following:-

- (i) the bases and assumptions used by the Valuer in deriving the respective adjusted land values of the comparable are reasonable;
- (ii) whilst comparable no. 1's adjusted land value of RM110.25 psf. falls below the average adjusted land value for the comparables of RM133.41 psf, the selection of comparable no. 1 as the best comparable is reasonable as it was transacted in 2022 which is the more recent transaction and therefore most reflective of the current market value of cluster 4 whereas the other 3 comparables were transacted in 2021; and
- (iii) comparable no. 1 has the least effective adjustments and bears near similar characteristics (i.e. location/ accessibility, development synergy and restriction in interest and plot ratio), to derive at the base land value for the base parcel (PT 51242) under cluster 1.

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Subsequently, the Valuer has also deducted the remaining cost to complete for common shared infrastructure costs of the individual parcels against the adjusted land values to arrive at the market value at its current state of development, as set out below:-

Lot No.	Provisional Land Area (acres)	Adjusted Factors	Less Main Infra Cost	Market Value	Analysed psf.
PT 36344	41.51			RM80,302,914.00	RM44.41 psf.
PT 51240	5.58			RM20,348,898.00	RM83.77 psf.
PT 51241	17.39			RM78,066,149.00	RM103.06 psf.
PT 51242	17.09			RM76,750,352.00	RM103.07 psf.
PT 51243	9.89			RM46,787,197.00	RM108.58 psf.
PT 51244	11.25			RM45,019,561.00	RM91.86 psf.
PT 51245	12.00			RM48,116,889.00	RM92.05 psf.
PT 51251	13.92			RM62,493,070.00	RM103.07 psf.
PT 51250	40.51		Analysed at RM7.18 psf.	RM133,230,488.00	RM75.51 psf.
PT 41090	7.00	Location (Exposure),		RM23,013,543.00	RM75.50 psf.
PT 41217	9.51	Land Area, Negative		RM15,285,241.00	RM36.91 psf.
PT 44088	6.16	Factor, Plot Ratio,		RM17,303,870.00	RM64.48 psf.
PT 41216	20.37	Pond Premium,		RM66,998,076.00	RM75.51 psf.
Lot 74773 (formerly known as PT 43417)	5.66	Limited Usage and		RM27,468,452.00	RM111.34 psf.
Undeveloped portion of PT 36309	13.20	Infra Improvement		RM59,247,000.00	RM83.05 psf.

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The summary of values for 29 parcels of undeveloped lands are set out as follows:-

<b>Components</b>	<b>Market Value</b>
Cluster 1	RM462,097,819.00
Cluster 2	RM12,817,264.00
Cluster 3	RM1,485,344.00
Cluster 4	RM800,431,700.00
<b>Total</b>	<b><u>RM1,276,832,127.00</u></b>

**Based on the above, we noted that the Valuer has adopted the comparison method as the only approach to derive at the present market value of the 29 parcels of undeveloped lands. We concur that this approach is considered as the best approach due to the fact that they are parcels of residential/ commercial lands without any planning approval as at the date of the valuation.**

## 6.2.2 Valuation of the remaining unsold units

The Valuer has derived the market value of the remaining unsold units (Rumah Selangorku) using the selling price for Rumah Selangorku as extracted from the surrender and re-alienation approval letter for Phase 8A And Phase 8B dated 27 October 2016, as set out below:-

<b>Type</b>	<b>Selling price</b>
Rumah Selangorku Type A	RM42,000.00
Rumah Selangorku Type B	RM100,000.00
Rumah Selangorku Type C	RM180,000.00
Rumah Selangorku Type D	RM220,000.00

In summary, the market value for 19 unsold units is tabulated as follows:-

<b>Type</b>	<b>No. of unit</b>	<b>Adopted Selling Price per unit</b>	<b>Total market value</b>
Rumah Selangorku Type A	3	RM42,000.00	RM126,000.00
Rumah Selangorku Type B	16	RM100,000.00	RM1,600,000.00
<b>Total</b>			<b><u>RM1,726,000.00</u></b>

**Based on the above, we noted that the Valuer has adopted the selling price for Rumah Selangorku to derive the market value of the remaining unsold units. We concur that this approach is considered as the best approach and the selling prices are also regulated by Selangor State Government via Lembaga Perumahan Dan Hartanah Selangor 2013 Circular on the Selangor Affordable Housing (Rumah Selangorku).**

## 6.2.3 Valuation of the on-going developments

The residual method was adopted by the Valuer to derive the market value of RM303.43 million of the on-going developments. For the purpose of this valuation, the components forming the on-going developments have been categorised under 4 phases, as follows:-

Phases	Type of properties
Phase 12 (Starling)	680 units of subdivided double-storey terraced houses
Phase 13 (Uptown)	68 units of single-storey, double-storey & three-storey shop/ offices together with a parcel of undeveloped vacant commercial land
Phase 14 (Robin)	615 units of double-storey terraced house
Phase 15 (Uptown Square)	84 units of double-storey & three-storey shop/ offices together with a parcel of undeveloped vacant commercial land

### (a) Phase 12 (Starling)

The residual method was adopted by the Valuer to derive the market value of Phase 12 (Starling). The computation of the residual method of valuation is set out as follows:-

Description	Amount
GDV <sup>1</sup>	RM196,030,211.20
Less: GDC <sup>2</sup>	RM87,761,148.79
<b>Net development land value</b>	<b>RM108,269,062.41</b>
Development period	1.25 years
Discount rate (present value)	8.00%
<b>Market value</b>	<b>RM98,338,750.00</b>

#### Notes:-

<sup>1</sup> The total GDV for Phase 12 (Starling), comprising Phase 12A-12D is as follows:-

Phases	Amount
Phase 12A	RM27,747,200.00
Phase 12B	RM33,636,330.00
Phase 12C	RM64,357,150.00
Phase 12D	RM78,150,539.20
	RM203,891,219.20
Less: 88 oversold bumiputra allocated units	(RM7,861,008.00)
<b>Total GDV</b>	<b>RM196,030,211.20</b>

In order to derive the GDV for each Phases, the Valuer had adopted the sales value after rebate and bumiputra discount, amount billed and amount unbilled as at 31 July 2022.

<sup>2</sup> The bases and assumptions that were considered in arriving the GDC of Phase 12 (Starling) are as follows:-

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
1	Preliminary expenditure	RM8,293,761.97	We noted that the preliminary expenditure includes local authority processing fee, local authority contribution, Tenaga Nasional Berhad (TNB) connection fees, Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) contribution, title premium & survey fees, ISF Contribution, TM professional fees, Landscaping contributions and Indah Water Consortium (IWK) contribution.  The Valuer adopted 1.00% for the IWK contribution. We noted that the adoption of 1.00% for the IWK contribution is normal practice as it is in line with the Water Services Industry (Sewerage Capital Contribution Fund) Regulations 2011 under the First Schedule.
2	Common shared infrastructure costs  Local Infrastructure Cost	RM17,737,674.04  RM10,834,742.70	We noted that the common shared and local infrastructure costs includes site clearance, earthworks & soil improvement works, road & drainage works, street lighting & telecommunication works, landscaping works, water rectification works, sewerage works and other miscellaneous.  The Valuer had analysed the infrastructure costs based on the actual contract sum provided by BRSSB.
3	Building Cost	RM22,887,477.45	We noted that the Valuer has adopted the remaining cost to complete i.e. RM17,737,674.04 and RM10,834,742.70 in this valuation as these costs are contractual.
4	Professional Fees	RM1,690,170.99	We noted that the Valuer had analysed the building cost at RM108.42 psf. This is in line with Juru Ukur Bahan Malaysia ("JUBM") & Arcadis Construction Cost Handbook Malaysia 2022, which states that the construction cost for terraced houses is within the range from RM89.19 psf. to RM145.86 psf.
5	Contingencies	RM53,150,065.18	We noted that the Valuer has adopted the remaining unpaid professional fees i.e. RM1,690,170.99, as the project is in its advance stage of completion i.e. 77.42%.
6	Administration & Management Cost	RM51,459,894.19	We noted that the Valuer has based it on 10.0% of total remaining cost, which consists of common shared and local infrastructure costs, building costs and professional fees, after taking into consideration the large scale of the whole Bandar Rimbayu Development.
7	Finance Cost	RM58,979,670.64	We noted that the Valuer has adopted 1.00% from the remaining common shared and local infrastructure costs and building costs, which is in line with the industry average.  We noted that a finance cost of 8.00% per annum was adopted on the 30% of the balance of the total construction cost. The financing cost is the prevailing lending rate charged by financial institutions for project bridging finance, i.e. current Base Lending Rate (BLR) 5.73% per annum adding a reasonable spread

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
8	Developer's Risk & Profit	RM19,603,021.12	of 1.00% to 2.50% per annum as security margin. The rate adopted is in line with the industry average.  We noted that the Valuer have adopted 10.00% of the GDV, which is equivalent to 29% from the remaining cost to complete.  We noted that developer's profit is a reward to developers for initiating and facilitating the development and assuming a higher level of risk as property development is perceived to be riskier
9	Take-up Rate & Development Period and PV Factor	RM0.9083	We noted that the Valuer took into consideration of the fully sold status and the expected completion for Phase 12A by November 2022, Phase 12B by January 2023, Phase 12C by March 2023 and Phase 12D by June 2023, the allocation of 1.25 years is deemed reasonable and fair.  The discount rate used to arrive at the present value of Phase 12 (Starling) is 8.00% per annum, which is fair as per current market sentiment and is in line with the finance rate adopted.

The expected completion date for Phase 12 (Starling), comprising Phase 12A-12D is as follows:-

Phase	Expected Completion Date
Phase 12A	23 November 2023
Phase 12B	10 January 2023
Phase 12C	17 March 2023
Phase 12D	23 June 2023

The overall percentage of completion for Phase 12 (Starling) is 77.42% as at the valuation date on 31 July 2022. As at the date of this IAL, phases 12A and 12B have been completed while Phase 12C is progressing on track as planned and the progress of Phase 12D is slightly delayed mainly due to shortages of certain construction material supplies. However, we are of the view that there are no potential risks/ concerns associated with the progress of Phase 12 (Starling) due to the following:-

- (i) the contractors have been and will continue to follow-up closely on the sourcing of the construction material supplies until the completion of the projects; and
- (ii) despite the slight progress delay for Phase 12D; and
- (iii) as at the date of this IAL, RPSB Group expects to deliver Phases 12C and 12D by the expected completion date. As such, WCEHB Group is not expected to encounter any material financial risk/ liability arising from any late delivery of vacant possession to the property buyers.

**(b) Phase 13 (Uptown)**

The residual method was adopted by the Valuer to derive the market value of Phase 13 (Uptown). The computation of the residual method of valuation is set out as follows:-

<b>Description</b>	<b>Amount</b>
GDV <sup>*1</sup>	RM140,465,406.60
Less: GDC <sup>*2</sup>	RM77,953,436.12
<b>Net development land value</b>	<b>RM62,511,970.48</b>
Development period	2.00 years
Discount rate (present value)	8.00%
<b>Market value</b>	<b>RM53,593,939.00</b>

**Notes:-**

\*1 The total GDV for Phase 13 (Uptown) is as follows:-

<b>Type</b>	<b>Amount</b>
Total GDV of 68 units shop/ office (sold and unsold units)	RM175,505,958.00
Less: billed amount	(RM34,902,551.40)
Less: bumiputra release penalty	(RM7,107,600.00)
Add: sales value of commercial plot	RM6,969,600.00
<b>Total GDV</b>	<b>RM140,465,406.60</b>

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<sup>2</sup> The bases and assumptions that were considered in arriving the GDC of Phase 13 (Uptown) are as follows:-

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
1	Preliminary expenditure	RM3,338,984.54	We noted that the preliminary expenditure includes local authority processing fee, local authority contribution, Tenaga Nasional Berhad (TNB) connection fees, Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) contribution, title premium & survey fees, ISF Contribution, TM Professional fees, Landscaping contributions and Indah Water Consortium (IWK) contribution.  The Valuer adopted 1.00% for the IWK contribution. We noted that the adoption of 1.00% for the IWK contribution is normal practice as it is in line with the Water Services Industry (Sewerage Capital Contribution Fund) Regulations 2011 under the First Schedule.
2	Common shared infrastructure costs  Local Infrastructure Cost	RM3,370,396.78  RM7,213,510.00	We noted that the common shared and local infrastructure costs includes site clearance, earthworks & soil improvement works, road & drainage works, street lighting & telecommunication works, landscaping works, water rectification works, sewerage works and other miscellaneous.  The Valuer had analysed the infrastructure costs based on the actual contract sum provided by BRSB. Based on information gathered from related professionals, contractors as well as the BRSB's proposed costing, the Valuer has adopted RM100,000.00 per unit for the shops/ offices and RM100,000.00 per acre for the commercial plot to be fair for Phase 13 (Uptown) development.
3	Building Cost	RM30,196,444.33	We noted that the Valuer has adopted the remaining cost to complete i.e. RM3,370,396.78 and RM7,213,510.00 in this valuation as these costs are contractual.
4	Professional Fees	RM2,618,696.80	We noted that the Valuer had analysed the building cost at RM123.46 psf. This is in line with JUBM & Arcadis Construction Cost Handbook Malaysia 2022, which states that the construction cost for terraced houses is within the range from RM89.19 psf. To RM145.86 psf.
5	Contingencies	RM4,339,904.79	We noted that the Valuer has adopted 7.00% as the rate for professional fees from the remaining construction cost as Phase 13 (Uptown) is in its early stage of construction. The contract sum provided by BRSB is analysed at approximately 2.67% of the total local infrastructure cost and total building cost, which is below the industry range of 6.00% to 8.00%.
6	Sales, legal and agency fees	RM27,734.40	We noted that the Valuer has based it on 10.0% of total remaining cost, which consists of common shared and local infrastructure costs, building costs and professional fees, after taking into consideration the large scale of the whole Bandar Rimbayu Development.  We noted that the Valuer has adopted 2.0% of unsold unit sales value which is in line with market practices.

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
7	Administration & Management Cost	RM407,803.51	We noted that the Valuer has adopted 1.00% from the remaining common shared and local infrastructure costs and building costs, which is in line with the industry average.
8	Finance Cost	RM1,156,187.77	We noted that a finance cost of 8.00% per annum was adopted on the 30% of the balance of the total construction cost. The financing cost is the prevailing lending rate charged by financial institutions for project bridging finance, i.e. current Base Lending Rate (BLR) 5.73% per annum adding a reasonable spread of 1.00% to 2.50% per annum as security margin. The rate adopted is in line with the industry average.
9	Developer's Risk & Profit	RM25,283,773.19	We noted that the Valuer have adopted 18.00% of the GDV based on their surveys and enquiries with developers which revealed that the rate of return expected by a developer is in the region of 15.00% to 20.00% of the GDV.
10	Take-up Rate & Development Period and PV Factor	RM0.8573	We noted that the Valuer took into consideration of the high take up rate i.e. 98.53%, of the development, its early stage of construction and coupled with small development scale, i.e. 68 units and is in the opinion that the 2.0 years is a reasonable period for the completion of this development i.e. 17 <sup>th</sup> September 2024  The discount rate used to arrive at the present value of Phase 13 (Uptown) is 8.00% per annum, which is fair as per current market sentiment and is in line with the finance rate adopted.

The expected completion date for Phase 13 (Uptown) is on 17 September 2024 and the percentage of completion of Phase 13 (Uptown) is 16.71%. As at the date of this IAL, the progress of Phase 13 (Uptown) is delayed mainly due to shortages of manpower supplies for the construction works. However, we are of the view that there are no potential risks/ concerns associated with the progress of Phase 13 (Uptown) due to the following:-

- (i) the contractors have been and will continue to follow-up closely on the sourcing of manpower supplies until the completion of the projects; and
- (ii) working hours at the construction sites have been extended to mitigate the delay. As at the date of this IAL, RPSB Group expects to deliver Phase 13 by the expected completion date.

(c) **Phase 14 (Robin)**

The residual method was adopted by the Valuer to derive the market value of Phase 14 (Robin). The computation of the residual method of valuation is set out as follows:-

<b>Description</b>	<b>Amount</b>
GDV <sup>1</sup>	RM372,271,380.00
Less: GDC <sup>2</sup>	RM281,910,441.24
<b>Net development land value</b>	<b>RM90,360,938.76</b>
Development period	2.50 years
Discount rate (present value)	8.00%
<b>Market value</b>	<b>RM74,545,485.00</b>

**Notes:-**

<sup>1</sup> The total GDV for Phase 14 (Robin) is as follows:-

<b>Type</b>	<b>Amount</b>
Phase 14A-14D (sold and unsold units)	RM415,710,840.00
Less: billed amount	(RM34,330,560.00)
Less: bumiputra release penalty	(RM8,294,016.00)
Less: remaining bumiputra allocation	(RM814,884.00)
<b>Total GDV</b>	<b>RM372,271,380.00</b>

<sup>2</sup> The bases and assumptions that were considered in arriving the GDC of Phase 14 (Robin) are as follows:-

<b>No.</b>	<b>Bases and assumptions</b>	<b>Estimate cost</b>	<b>UOB Kay Hian's comments</b>
1	Preliminary expenditure	RM10,995,031.08	We noted that the preliminary expenditure include local authority processing fee, local authority contribution, Tenaga Nasional Berhad (TNB) connection fees, Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) contribution, title premium & survey fees, ISF Contribution, TM professional fees, Landscaping contributions and Indah Water Konsortium (IWK) contribution.
			The Valuer adopted 1.00% for the IWK contribution. We noted that the adoption of 1.00% for the IWK contribution is normal practice as it is in line with the Water Services Industry (Sewerage Capital Contribution Fund) Regulations 2011 under the First Schedule.



No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
2	Common shared infrastructure costs Local Infrastructure Cost	RM14,342,352.96 RM26,019,473.80	<p>We noted that the common shared and local infrastructure costs includes site clearance, earthworks &amp; soil improvement works, road &amp; drainage works, street lighting &amp; telecommunication works, landscaping works, water rectification works, sewerage works and other miscellaneous.</p> <p>The Valuer had analysed the infrastructure costs based on the actual contract sum provided by BRSB. Based on information gathered from related professionals, contractors as well as the BRSB's proposed costing, the Valuer has adopted RM40,000.00 per unit for the double-storey terraced houses to be fair for Phase 14 (Robin) development.</p> <p>We noted that the Valuer has adopted the remaining cost to complete i.e. RM14,342,352.96 and RM26,019,473.80 in this valuation as these costs are contractual and in line with the market range.</p>
3	Building Cost	RM127,171,294.78	<p>We noted that the Valuer had analysed the building cost at RM144.27 psf. This is in line with JUBM &amp; Arcadis Construction Cost Handbook Malaysia 2022, which states that the construction cost for terraced houses is within the range from RM89.19 psf. to RM145.86 psf.</p>
4	Professional Fees	RM10,723,353.80	<p>We noted that the Valuer has adopted 7.00% as the rate for professional fees from the remaining construction cost as Phase 14 (Robin) is in its early stage of construction. The contract sum provided by BRSB is analysed at approximately 2.11% of the total local infrastructure cost and total building cost, which is below the industry range of 6.00% to 8.00%.</p>
5	Contingencies	RM17,825,647.53	<p>We noted that the Valuer has based it on 10.0% of total remaining cost, which consists of common shared and local infrastructure costs, building costs and professional fees, after taking into consideration the large scale of the whole Bandar Rimbayu Development.</p>
6	Sales, legal and agency fees	RM210,081.60	<p>We noted that the Valuer has adopted 2.0% of unsold unit sales value which is in line with market practices.</p>
7	Administration & Management Cost	RM1,675,331.22	<p>We noted that the Valuer has adopted 1.00% from the remaining common shared and local infrastructure costs and building costs, which is in line with the industry average.</p>
8	Finance Cost	RM5,939,026.07	<p>We noted that a finance cost of 8.00% per annum was adopted on the 30% of the balance of the total construction cost. The financing cost is the prevailing lending rate charged by financial institutions for project bridging finance, i.e. current Base Lending Rate (BLR) 5.73% per annum adding a reasonable spread of 1.00% to 2.50% per annum as security margin. The rate adopted is in line with the industry average.</p>
9	Developer's Risk & Profit	RM67,008,848.40	<p>We noted that the Valuer have adopted 18.00% of the GDV based on their surveys and enquiries with developers which revealed that the rate of return expected by a developer is in the region of 15.00% to 20.00% of the GDV.</p>

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
10	Take-up Rate & Development Period and PV Factor	RM0.82497	<p>We noted that the Valuer took into consideration of the high take up rate i.e. 97.72% sold as well as its early stage of construction and is in the opinion that the 2.5 years is a reasonable period for the completion of this development.</p> <p>The discount rate used to arrive at the present value of Phase 14 (Robin) is 8.00% per annum, which is fair as per current market sentiment and is in line with the finance rate adopted.</p>

The expected completion date for Phase 14 (Robin), comprising Phase 14A-14D is as follows:-

Phase	Expected Completion Date
Phase 14A	22 November 2023
Phase 14B	23 November 2023
Phase 14C	21 December 2023
Phase 14D	14 December 2023

The overall percentage of completion for Phase 14 (Robin) is 16.35% as at the valuation date on 31 July 2022. As at the date of this IAL, the progress of Phases 14A, 14B, 14C and 14D are delayed mainly due to shortages of manpower supplies for the construction works. However, we are of the view that there are no potential risks/ concerns associated with the overall progress of Phase 14 (Robin) due to the following:-

- (i) the contractors have been and will continue to follow-up closely on the sourcing of the manpower supplies until the completion of the projects;
- (ii) working hours at the construction sites have also been extended to mitigate the delay; and
- (iii) as at the date of this IAL, RPSB Group expects to deliver Phases 14A, 14B, 14C and 14D by the expected completion date. As such, WCEHB Group is not expected to encounter any material financial risk/ liability arising from any late delivery of vacant possession to the property buyers of RPSB Group.

(d) **Phase 15 (Uptown Square)**

The residual method and comparison method were adopted by the Valuer to derive the market value of Phase 15 (Uptown Square). The computation of the residual method of valuation for Phase 15A is set out as follows:-

Description	Amount
GDV <sup>1</sup>	RM164,428,800.00
Less: GDC <sup>2</sup>	RM101,216,479.77
<b>Net development land value</b>	<b>RM63,212,320.23</b>
development period	3.00 years
discount rate (present value)	8.00%
<b>Market value</b>	<b>RM50,179,978.00</b>

**Notes:-**

<sup>1</sup> The total GDV for Phase 15A is as follows:-

Type	Amount
Total GDV of 84 units shop/ office	RM171,280,000.00
Less: bumiputra allocation discount (40% allocation at 10% discount)	RM6,851,200.00
<b>Total GDV</b>	<b>RM164,428,800.00</b>

<sup>2</sup> The bases and assumptions that were considered in arriving the GDC of Phase 15A are as follows:-

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
1	Preliminary expenditure	RM3,545,985.62	We noted that the preliminary expenditure include local authority processing fee, local authority contribution, Tenaga Nasional Berhad (TNB) connection fees, Syarikat Bekalan Air Selangor Sdn Bhd (SYABAS) contribution, title premium & survey fees, ISF Contribution, TM professional fees, Landscaping contributions and Indah Water Consortium (IWK) contribution.
			The Valuer adopted 1.00% for the IWK contribution. We noted that the adoption of 1.00% for the IWK contribution is normal practice as it is in line with the Water Services Industry (Sewerage Capital Contribution Fund) Regulations 2011 under the First Schedule.

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
2	Common shared infrastructure costs Local Infrastructure Cost	RM3,489,401.52 RM8,400,000.00	<p>We noted that the common shared and local infrastructure costs includes site clearance, earthworks &amp; soil improvement works, road &amp; drainage works, street lighting &amp; telecommunication works, landscaping works, water rectification works, sewerage works and other miscellaneous.</p> <p>The Valuer had analysed the infrastructure costs based on the actual contract sum provided by BRSB. Based on information gathered from related professionals, contractors as well as the BRSB's proposed costing, the Valuer has adopted RM100,000.00 per unit for shops/ office to be fair for Phase 15A development.</p> <p>We noted that the Valuer has adopted the remaining cost to complete i.e. RM3,489,401.52 and RM8,400,000.00 in this valuation as these costs are contractual and in line with the market range.</p>
3	Building Cost	RM43,637,760.00	<p>We noted that the Valuer had analysed the building cost at RM10 psf., RM120 psf and RM130 psf. This is in line with JUBM &amp; Arcadis Construction Cost Handbook Malaysia 2022, which states that the construction cost for terraced houses is within the range from RM89.19 psf. to RM145.86 psf.</p>
4	Professional Fees	RM3,642,643.20	<p>We noted that the Valuer has adopted 7.00% of the total local infrastructure cost and total building cost for professional fees as a reasonable amount of fees payable to various professionals.</p>
5	Contingencies	RM5,916,980.47	<p>We noted that the Valuer has based it on 10.0% of total remaining cost, which consists of common shared and local infrastructure costs, building costs and professional fees, after taking into consideration the large scale of the whole Bandar Rimbayu Development.</p>
6	Sales, legal and agency fees	RM65,771.52	<p>We noted that the Valuer has adopted 2.0% of the GDV, which is in line with the industry average.</p>
7	Administration & Management Cost	RM555,271.62	<p>We noted that the Valuer has adopted 1.00% from the remaining common shared and local infrastructure costs and building costs, which is in line with the industry average.</p>
8	Finance Cost	RM2,365,48.82	<p>We noted that a finance cost of 8.00% per annum was adopted on the 30% of the balance of the total construction cost. The financing cost is the prevailing lending rate charged by financial institutions for project bridging finance, i.e. current Base Lending Rate (BLR) 5.73% per annum adding a reasonable spread of 1.00% to 2.50% per annum as security margin. The rate adopted is in line with the industry average.</p>
9	Developer's Risk & Profit	RM299,597,184.00	<p>We noted that the Valuer have adopted 18.00% of the GDV based on their surveys and enquiries with developers which revealed that the rate of return expected by a developer is in the region of 15.00% to 20.00% of the GDV.</p>

No.	Bases and assumptions	Estimate cost	UOB Kay Hian's comments
10	Take-up Rate & Development Period and PV Factor	RM0.79	<p>We noted that the Valuer took into consideration of the high take up rate i.e. 97.72% sold as well as its early stage of construction and is in the opinion that the 2.5 years is a reasonable period for the completion of this development.</p> <p>The discount rate used to arrive at the present value of Phase 14 (Robin) is 8.00% per annum, which is fair as per current market sentiment and is in line with the finance rate adopted.</p>

We noted that Phase 15A was launched on 12 June 2022 and as at the valuation date on 31 July 2022, the percentage of completion was nil given that it was a newly launched phase. In addition, the management of RPSB expects to deliver Phase 15A by the expected completion date.

Using the comparison method against the undeveloped portion of Phase 15 (Uptown Square), the Valuer had use the comparables under cluster 4 as set out in Section 6.2.1(d) of this IAL. The Valuer has adopted comparable no. 1 among the comparables under cluster 4, analysed at RM99.75 psf. as the best comparable for being the latest sale with least effective adjustments and bears near similar characteristics to the subject scheme.

We are of the view that the adopted base value for the valuation of the undeveloped portion of Phase 15 (Uptown Square) of RM99.75 psf., which was derived based on the adjusted land value of comparable no. 1 under cluster 4, is fair due to the following:-

- (i) the bases and assumptions used by the Valuer in deriving the respective adjusted land values of the comparable are reasonable;
- (ii) whilst comparable no. 1's adjusted land value of RM99.75 psf. falls below the average adjusted land value for the comparables of RM101.34 psf, the selection of comparable no. 1 as the best comparable is reasonable as it was transacted in 2022 which is the more recent and therefore most reflective of the current market value of the undeveloped portion of Phase 15 (Uptown Square) whereas the other 3 comparables were transacted in 2021; and
- (iii) comparable no. 1 has the least effective adjustments and bears near similar characteristics (i.e. location/ accessibility, development synergy and restriction in interest and plot ratio) to the undeveloped portion of Phase 15 (Uptown Square).

Taking into consideration the above, the land value for undeveloped portion of Phase 15 (Uptown Square) is derived as follows:-

Base Value	RM99.75 psf.	
<b>Micro Adjustment</b>		
Land Area	5% (Adjusted for smaller land area)	
<b>Effective Adjustment</b>	5%	<b>RM104.74 psf.</b>
Land area	(6.30 acres)	274,428 sq. ft.
Land Value before Common Shared Infrastructure Cost		RM28,742,930.23
<b>Less Common Shared Infrastructure Cost</b>		
((6.30 acres/1,121.75 acres) apportionment from the total Common Shared Infrastructure Costs)		(RM1,971,476.75)
0.5616% from apportionment of cost to complete		
		<b>RM26,771,453.48</b>
<b>Market Value</b>		<b>RM26,771,453.00</b>
		@ RM 97.55 psf.

In summary, the Valuer has arrived at the aggregate market value for Phase 15 (Uptown Square) as shown below:-

Components	Valuation Approaches	Market Value
Phase 15A	Income Capitalisation Approach via Residual Method	RM50,179,978.00
Undeveloped Portion of Phase 15 (Uptown Square)	Comparison	RM26,771,453.00
<b>Aggregate market value</b>		<b>RM76,951,431.00</b>

Based on the above, we noted that the Valuer has adopted the residual method as the approach to derive at the present market value of the on-going developments of Phase 12 (Starling), Phase 13 (Uptown) and Phase 14 (Robin). We concur that this approach is considered as the best approach due to the on-going nature of the development located in the subject property and the lack of an alternate valuation approach which could account adequately and appropriately the many variables comprised within an on-going project.

Further, we noted that the Valuer has adopted the residual method as well as the comparison method as the approach to derive at the present market value of the on-going development of Phase 15 (Uptown Square). We concur that these approaches are considered as the best approach premised on the justifications that Phase 15A has been granted with planning approval with over 90% of sales booking, which can be considered in the approval.

#### 6.2.4 Valuation of the commercial properties

The residual method was adopted by the Valuer to derive the market value of RM119.78 million of the commercial properties. For the purpose of this valuation, the commercial properties have been categorised as follows:-

Property	Type of properties
Part of PT 36309	2 units of double-storey detached commercial buildings occupied by "Starbucks" & "Kenny Rogers Roasters/ Krispy Kreme/ Sala"; and a clubhouse complex occupied by "The Club", all improved upon part of PT 36309
PT 41192	A parcel of commercial land improved upon with an institutional building together with the facilities known as "Oasis International School"

(a) **Part of PT 36309**

The bases and assumptions used by the Valuer in the cost approach to derive the market value of part of PT 36309 are as follows:-

<b>Bases and assumptions</b>	<b>Estimate cost</b>	<b>UOB Kay Hian's comments</b>
Land value	RM18,659,528.06 (RM134.71 psf.)	We noted that for the valuation of the land, the Valuer had used the comparison approach by analysing selected transactions of vacant residential lands within Klang Valley area, with adjustments made for location/ accessibility, accessibility, tenure & restriction in interest, exposure, land area, plot ratio, development synergy and development approval. The details of the comparables are set out in Section 6.2.1(d) of this IAL. The Valuer has adopted adjusted rate of comparable no. 1, analysed at RM123.38 psf, as the best comparable for being the latest transacted sale.
Building value	RM23,474,414.10	We noted that for the valuation of the building value, the Valuer has adopted the current construction costs to construct similar buildings less depreciation of 5% to reflect the age of the building, which are approximately 3 years old.  The Valuer has analysed the construction cost at RM196.37 psf. This is in line with the Royal Institution of Surveyors Malaysia (RISM) Handbook 2022 which states that the average construction cost for restaurants is at RM175.59 psf. to RM185.81 psf. (inclusive of 10% preliminaries but excluding piling works and contingencies).

(b) **PT 41192**

The bases and assumptions used by the Valuer in the cost approach to derive the market value of PT 41192 are as follows:-

<b>Bases and assumptions</b>	<b>Estimate cost</b>	<b>UOB Kay Hian's comments</b>
Land value	RM50,649,306.81 (RM 97.69 psf.)	We noted that for the valuation of the land, the Valuer had used the comparison approach by analysing selected transactions of vacant residential lands within Klang Valley area, with adjustments made for location/ accessibility, accessibility, tenure & restriction in interest, exposure, land area, plot ratio, development synergy and development approval. The details of the comparables are set out in Section 6.2.1(d) of this IAL. The Valuer has adopted adjusted rate of comparable no. 1, analysed at RM123.38 psf, as the best comparable for being the latest transacted sale.

Bases and assumptions	Estimate cost	UOB Kay Hian's comments
Building value		<p>We noted that for the valuation of the building value, the Valuer has adopted the current construction costs to construct similar buildings less depreciation of 5% to reflect the age of the building, which are approximately 4 years old.</p> <p>The Valuer has analysed the construction cost at RM349.99 psf. This is in line with JUBM &amp; Arcadis Construction Cost Handbook Malaysia 2022 which states that the average construction cost for a basic primary &amp; secondary school is at RM98.32 psf. to RM127.23 psf. (inclusive of preliminaries but excluding contingencies) whereas the construction cost for a multi-purpose sports/ leisure centres (dry sports) is at RM235.00 psf to RM302.66 psf. (inclusive of preliminaries but excluding contingencies). In addition, the Valuer also noted that based on the Building Cost Information Services Malaysia (BCISM) Pocket Cost Book published in 2020, the average cost for a pre-school, primary school and secondary school (IBS) is in the range of RM194.17 psf to RM341.88 psf (inclusive of preliminaries but excluding contingencies). We also noted that the latest costs for school buildings are not inclusive nor updated in the latest Building Cost Information Services Malaysia (BCISM) Pocket Cost Book published in 2021 and 2022. Therefore, the cost considered in this valuation cited from the (BCISM) Pocket Cost Book published in 2020 is deemed as the latest version available in regards to school building category.</p>

**Based on the above, we noted that the Valuer has adopted the cost approach to derive at the present market value of part of PT 36309. We concur that this approach is considered as the best approach as the township still being considered new and yet to have an economic stronghold for the required commercial catchment to reflect the true market value of the commercial properties.**

**Further, we noted that the Valuer has adopted the cost approach to derive at the present market value of PT 41192. We concur that this approach is considered as the best approach as the building is still considerably new with the actual construction cost made available. The Valuer also noted that the existing rental arrangement between the parties cannot be substantiated with the current concluded market rental evidences of similar type due to its unique characteristic in nature.**

We note the Disposal Consideration of RM494,000,000 represents a discount of RM20,854,078.16 or approximately 4.05% to the adjusted unaudited consolidated NA of RPSB as at 31 July 2022.

Notwithstanding the foregoing, we wish to highlight that WCEHB is disposing a non-controlling interest in RPSB, of which it may be challenging to identify other purchaser who is willing to take up a minority stake in a property development company as the purchaser will not be able to make overall operational decisions in regards to RPSB's business direction and strategies. In addition, in view of the 40% minority stake, the purchaser will not be able to push through resolutions in RPSB which require the vote of shareholders.



As an associate company, save for the share of profit, the only return to WCEHB from such investment would be in the form of dividend payment. However, WCEHB has not enjoyed any dividend payment from RPSB as RPSB has not declared or paid any dividend since WCEHB's initial investment in RPSB in 2003 up until today. Any profit earned by RPSB over the years has been channelled into the launching of future phases and infrastructure cost of the Bandar Rimbayu Development by BRSB. Effectively, there has been no cash flow accruing to WCEHB from this investment up until today and WCEHB has no control over the decision making of its investment.

Accordingly, the Proposed Disposal provides an opportunity for WCEHB Group to realise and unlock the value of its investment in RPSB at a pro forma gain on disposal of RM245.67 million. Pursuant to the Proposed Disposal, WCEHB will focus on the WCE Project which is the Group's core business in which the management of WCEHB had decided to channel approximately 76% of the cash proceeds from the Proposed Disposal for equity injection into WCESB for the purposes of the WCE Project which will enable the Group to save on financing costs should similar amount of funds be sourced from other modes of financing or borrowings.

Premised on the above, a slight discount to the adjusted unaudited consolidated NA is necessary to entice IJMP to acquire the remaining 40% equity interest in RPSB, while at the same time allowing WCEHB to monetise its investment in RPSB. As such, we are of the view that the Disposal Consideration is **FAIR AND REASONABLE** and **NOT DETRIMENTAL** to the interests of the non-interested shareholders of WCEHB.

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## 6.3 Salient terms of the SSA

The salient terms of the SSA are disclosed in Appendix III, Part A of the Circular. The following sets out only a summary of the material salient terms of the SSA that was considered by us and non-interested shareholders of WCEHB are advised to read Appendix III, Part A of the Circular in its entirety.

### Salient terms of the SSA

### UOB Kay Hian's comments

#### Sale and purchase

The Vendors agree to sell and the Purchaser agrees to purchase the Sale Shares, free from all liens, charges and encumbrances and with full legal and beneficial title, with all rights attaching thereto (including all dividends and distributions declared in respect thereof) with effect from the Completion Date and on the basis of the warranties as set out in the SSA, subject to the terms and conditions of the SSA.

These terms are typical in transaction of such nature and serve to state the subject matter of the transaction.

#### Payment terms of the Disposal Consideration

The Disposal Consideration shall be paid by the Purchaser to the Vendors in the following manner:-

- (a) The Deposit, shall be paid by the Purchaser at the time of execution of the SSA.
- (b) The balance consideration representing 80% of the Disposal Consideration shall be payable by the Purchaser to the Vendors in three instalment payments in the following manner:-
  - (i) The First Instalment, representing 40% of the Disposal Consideration within 14 business days from the Unconditional Date;
  - (ii) The Second Instalment, representing 20% of the Disposal Consideration within 6 months from the First Instalment Payment Date; and
  - (iii) The Third Instalment, representing 20% of the Disposal Consideration within 9 months from the First Instalment Payment Date.

Please refer to our evaluation on the Disposal Consideration in Section 6.2 of this IAL. The Disposal Consideration is fair and reasonable given that it is based upon the NA of RPSB as at 31 July 2022 with a slight discount of 4.05%.

We take note that the payment terms of the Disposal Consideration were mutually agreed upon by the Vendors and Purchaser. We also noted that the Completion Date of the SSA falls on the First Instalment Payment Date. In other words, the Proposed Disposal is deemed completed on the First Instalment Payment Date, in which the total milestone payment at that point in time only represents approximately 60% of the total Disposal Consideration.

Notwithstanding the above, the payment for the Second Instalment and Third instalment of the Disposal Consideration which represents approximately 40% of the total Disposal Consideration ("**Deferred Cash Payment**") will be secured by an irrevocable and unconditional corporate guarantee from IJML, being the holding company of the Purchaser. With the corporate guarantee being provided by the holding company of the Purchaser, the interest of WCEHB from the Deferred Cash Payment is assured and safeguarded. Therefore, we are of the opinion the mode of settlement for the Disposal Consideration is fair and reasonable and not detrimental to the non-interested shareholders of the Company.

## Salient terms of the SSA

However, if the Purchaser does not make the relevant instalment payments at the stipulated time, a late payment interest at the rate of 8% per annum calculated on a daily basis shall accrue on the outstanding amount from the date the relevant instalment payment fall due until such time as the actual payment of the relevant instalment payment is fully paid to the Vendors.

## UOB Kay Hian's comments

The rate of 8% per annum is reasonable for late payment interest and is common for transactions of such nature.

## Conditions Precedent

The SSA is conditional upon the following being fulfilled within 6 months from the date of the SSA or such other date as may be agreed upon between the parties ("**Cut-Off Date**"):-

- (a) the Vendors procuring WCEHB shareholders' approval;
- (b) the Vendors and/or WCEHB obtaining the relevant consents or approvals required from authorities for the performance of the Vendor's obligations under the SSA; and
- (c) RPSB receiving the approval in principle for the release of the Vendors and WCEHB from all securities, guarantees and undertakings created or given by the Vendors and/or WCEHB for the relevant existing financing of RPSB from RHB Bank Berhad amounting to RM440.00 million, upon and subject to Completion.

The terms (a), (b) and (c) are fair and reasonable as they are typical of such transactions and in compliance with the Listing Requirements.

(collectively, "**Conditions Precedent**")

Any waiver of the remaining Conditions Precedent after procuring WCEHB shareholders' approval can only take place by way of mutual agreement of the Vendors and the Purchaser. In considering whether to agree to any such waiver, or otherwise, the Vendors will ensure that it will not be detrimental to the interests of WCEHB Group and WCEHB's minority shareholders. The Board (save for the Interested Director), after taking into consideration the above, is of the view that any waiver of the remaining Conditions Precedent after procuring WCEHB shareholders' approval is fair and reasonable.

This term is not common to transactions of such nature. However, we are of the view that this term is reasonable given that it provides an option for the Vendors and the Purchaser to mutually waive the remaining conditions precedent (after procuring WCEHB shareholders' approval) that cannot be satisfied by the parties under certain circumstances, thereby allowing the Vendors and the Purchaser to complete the Proposed Disposal in a timely manner. Nevertheless, the Vendors, in considering whether to agree to any such waiver, or otherwise, shall ensure that it will not be detrimental to the interests of WCEHB Group and WCEHB's minority shareholders.

## **Salient terms of the SSA**

If the Conditions Precedent is not fulfilled or waived by mutual agreement of the Vendors and the Purchaser by the Cut-Off Date for any reason whatsoever, then either party shall be entitled terminate the SSA by giving written notice to the other party whereupon the Vendors shall refund to the Purchaser, all or any part of the Disposal Consideration received by the Vendors, free of interest, failing which late payment interest at the rate of eight per centum (8%) per annum calculated on a daily basis shall accrue on the amount to be refunded as from the next working day from the date where the notice to terminate the SSA is given by one party to another to the date of full refund thereof (as before or after any judgment or court order).

The SSA shall become unconditional on the Unconditional Date.

### **Termination**

#### **Vendors' rights to terminate**

The SSA can be terminated by the Vendors if the Purchaser commits any of the following event of default:

- (i) if the Purchaser defaults in the satisfaction of the Disposal Consideration in accordance with Section 3 of Appendix III of this Circular; or
- (ii) if the Purchaser is otherwise in material breach of its obligations under the SSA, and where such material breach is capable of remedy, is not remedied within 14 days after a notice to rectify the material breach is issued by the Vendors.

#### **Purchaser's right to terminate**

The SSA can be terminated by the Purchaser if the Vendors commit any of the following event of default, and where such default is capable of remedy, is not remedied within 14 days after a notice to rectify the default is issued by the Purchaser:

- (i) the Vendors fail, neglect or refuse to complete the sale in accordance with the provisions of the SSA; or
- (ii) the Vendors fail, neglect or refuse to perform or comply with any of its undertakings and covenants on its part herein to be performed.

## **UOB Kay Hian's comments**

This terms govern the process for the termination of SSA and are in-line with the common terms for these types of transactions. It is typical to transactions of such nature where in the event any party breaches any material provisions of the SSA and fails to remedy it, the non-defaulting party will have the right to terminate the SSA

The terms are reasonable as it entitles the Vendors to terminate the SSA in the event the Purchaser fails to comply with the manner of payment of the Disposal Consideration or its obligations in accordance with the provisions of the SSA.

The terms are reasonable as it entitles the Purchaser to terminate the SSA in the event the Vendor fails to comply with the terms and conditions within the SSA or if the Vendor materially breaches the warranties provided within the SSA.

## 6.4 Effects of the Proposed Disposal

The pro forma effects of the Proposed Disposal on the issued share capital, substantial shareholders' shareholdings, earnings and EPS, NA, NA per Share and gearing as extracted from Section 5, Part A of the Circular and our comments are as follows:-

### 6.4.1 Issued share capital and substantial shareholders' shareholdings

*The Proposed Disposal will not have any effect on the issued share capital and substantial shareholders' shareholdings in the Company as the Proposed Disposal will not involve the issuance of any new WCEHB Shares.*

**We noted that the Disposal Consideration does not involve in the issuance of new WCEHB Shares as it will be fully satisfied in cash via internally generated funds and/ or borrowings. As such, the Proposed Disposal will not have any dilutive effect on the issued share capital and substantial shareholders' shareholdings in the Company.**

### 6.4.2 Earnings and EPS

*The pro forma effects of the Proposed Disposal on the consolidated EPS of the Company assuming the Proposed Disposal had been effected at the beginning of the FYE 31 March 2022, is illustrated as follows:-*

#### **Minimum Scenario**

	<b>Audited for the FYE 31 March 2022 RM'000</b>	<b>After the Proposed Disposal RM'000</b>
Loss after tax attributable to owners of the Company	(115,484)	(115,484)
Less: Share of profit of RPSB for the FYE 31 March 2022	-	(22,859)
Add: Pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 <sup>(a)</sup>	-	268,532
Add: Interest savings from the payment of the non-trade payable	-	3,250
Add: Interest savings from the repayment of the term loan	-	2,425
<b>(Loss)/ Profit after tax attributable to owners of the Company</b>	<b>(115,484)</b>	<b>135,864</b>
Weighted average no. of WCEHB Shares in issue ('000)	2,568,237	2,568,237
Basic (Loss per WCEHB Share)/ EPS (sen)	(4.50)	5.29

**Note:-**

- (a) The pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 (being the beginning of the FYE 31 March 2022) is as follows:-

	<b>RM'000</b>
Disposal Consideration	494,000
Less: Total cost of investment for the Sale Shares	(400)
Less: Realisation of total post-acquisition reserve as at 1 April 2021 <sup>(1)</sup>	(223,428)
Less: Estimated expenses in relation to the Proposed Disposal	(1,640)
<b>Total pro forma gain on the Proposed Disposal</b>	<b><u>268,532</u></b>

**Sub-note:**

- <sup>(1)</sup> Being the Company's share of results of associate as at 1 April 2021.

For information purposes, the difference between the pro forma gain on the Proposed Disposal of RM245.67 million as set out in Section 6.1 and 6.2 of this IAL (based on cut-off of 31 March 2022) and the aforementioned total pro forma gain on the Proposed Disposal of RM268.53 million (based on 1 April 2021, being the beginning of the FYE 31 March 2022) of RM22.86 million was due to the Company's share of result of associate for the FYE 31 March 2022.

**Maximum Scenario**

	<b>Audited as at 31 March 2022 RM'000</b>	<b>I Assuming all the outstanding Warrants are exercised RM'000</b>	<b>II After I and the Proposed Disposal RM'000</b>
Loss after tax attributable to owners of the Company	(115,484)	(115,484)	(115,484)
Less: Share of profit of RPSB for the FYE 31 March 2022	-	-	(22,859)
Add: Pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 <sup>(a)</sup>	-	-	268,532
Add: Interest savings from the payment of the non-trade payable	-	-	3,250
Add: Interest savings from the repayment of the term loan	-	-	2,425
<b>(Loss)/ Profit after tax attributable to owners of the Company</b>	<b>(115,484)</b>	<b>(115,484)</b>	<b>135,864</b>
Weighted average no. of WCEHB Shares in issue ('000)	2,568,237	3,069,605 <sup>(b)</sup>	3,069,605
Basic (Loss per WCEHB Share)/ EPS (sen)	(4.50)	(3.76)	4.43

**Notes:-**

- (a) The pro forma gain arising from Proposed Disposal based on the realisation of total post-acquisition reserve as at 1 April 2021 (being the beginning of the FYE 31 March 2022) is as follows:-

	<b>RM'000</b>
Disposal Consideration	494,000
Less: Total cost of investment for the Sale Shares	(400)
Less: Realisation of total post-acquisition reserve as at 1 April 2021 <sup>(1)</sup>	(223,428)
Less: Estimated expenses in relation to the Proposed Disposal	(1,640)
<b>Total pro forma gain on the Proposed Disposal</b>	<b>268,532</b>

**Sub-note:**

- <sup>(1)</sup> Being the Company's share of results of associate as at 1 April 2021.

For information purposes, the difference between the pro forma gain on the Proposed Disposal of RM245.67 million as set out in Section 6.1 and 6.2 of this IAL (based on cut-off of 31 March 2022) and the aforementioned total pro forma gain on the Proposed Disposal of RM268.53 million (based on 1 April 2021, being the beginning of the FYE 31 March 2022) of RM22.86 million was due to the Company's share of result of associate for the FYE 31 March 2022.

- (b) Assuming all the 501,367,794 outstanding Warrants are exercised into 501,367,794 new WCEHB Shares prior to the completion of the Proposed Disposal.

**For information purposes, upon completion of the Proposed Disposal, the LPS of the Group is expected to increase from 4.50 sen to EPS of 5.29 sen and 4.43 sen under the Minimum Scenario and Maximum Scenario, respectively.**

### 6.4.3 NA, NA per Share and Gearing

Based on the latest audited consolidated statements of financial position of the Company as at 31 March 2022 and assuming that the Proposed Disposal had been effected on that date, the pro forma effects of the Proposed Disposal on the NA per WCEHB Share and gearing of the Group are as follows:-

**Minimum Scenario**

	<b>Audited as at 31 March 2022 RM'000</b>	<b>After the Proposed Disposal RM'000</b>
Share capital	1,509,087	1,509,087
Warrant reserve	90,246	90,246
Accumulated losses	(587,776)	<sup>(a)</sup> (342,103)
<b>Shareholders' funds/ NA</b>	<b>1,011,557</b>	<b>1,257,230</b>
No. of Shares in issue ('000)	2,987,707	2,987,707
NA per Share (RM)	0.34	0.42
Total borrowings (RM'000)	3,825,633	<sup>(b)</sup> 3,777,133
Gearing ratio (times)	3.78	3.00

**Notes:-**

- (a) After realising a pro forma gain arising from the Proposed Disposal of RM245.67 million which has accounted for the estimated expenses of RM1.64 million.
- (b) After repayment of term loan amounting to RM48.50 million via the proceeds from the Proposed Disposal, as detailed in Section 2.9, Part A of the Circular.

## Maximum Scenario

	Audited as at 31 March 2022 RM'000	I Assuming all the outstanding Warrants are exercised RM'000	II After I and the Proposed Disposal RM'000
Share capital	1,509,087	<sup>(a)(b)</sup> 1,794,866	1,794,866
Warrant reserve	90,246	<sup>(b)</sup> -	-
Accumulated losses	(587,776)	(587,776)	<sup>(c)</sup> (342,103)
<b>Shareholders' funds/ NA</b>	<b>1,011,557</b>	<b>1,207,090</b>	<b>1,452,763</b>
No. of Shares in issue ('000)	2,987,707	<sup>(a)</sup> 3,489,075	3,489,075
NA per Share (RM)	0.34	0.35	0.42
Total borrowings (RM'000)	3,825,633	3,825,633	<sup>(d)</sup> 3,777,133
Gearing ratio (times)	3.78	3.17	2.60

### Notes:-

- (a) Assuming all the 501,367,794 outstanding Warrants are exercised at the exercise price of RM0.39 per Warrant into 501,367,794 new WCEHB Shares prior to the completion of the Proposed Disposal.
- (b) After the transfer of the warrant reserve to the share capital account assuming all the outstanding Warrants are exercised into new WCEHB Shares.
- (c) After realising a pro forma gain arising from the Proposed Disposal of RM245.67 million which has accounted for the estimated expenses of RM1.64 million.
- (d) After repayment of term loan amounting to RM48.50 million via the proceeds from the Proposed Disposal as detailed in Section 2.9, Part A of the Circular.

Pursuant to the Proposed Disposal, the NA of the Group is expected to increase from RM1,011.56 million as at the LPD, to RM1,257.23 million and RM1,452.76 million under the Minimum Scenario and Maximum Scenario, respectively, due to the pro form gain of RM245.67 million and estimated expenses in relation to the Proposed Disposal of approximately RM1.64 million.

The gearing of the Group will decrease from 3.78 times to 3.00 times and 2.60 times under the Minimum Scenario and Maximum Scenario, respectively, due to the repayment of term loan of RM48.50 million. We are of the view that the Company's gearing ratio is low even with the partial funding of the Proposed Disposal via borrowings. Moreover, we are of the view that the Proposed Disposal is expected to contribute positively to the NA of the Group.

Based on our evaluation, the financial effects of the Proposed Disposal are NOT DETRIMENTAL to the interests of the non-interested shareholders of WCEHB.

## 6.5 Risk factors of the Proposed Disposal

In evaluating the Proposed Disposal, the non-interested shareholders of WCEHB should carefully consider the potential risks of the Proposed Disposal as set out in Section 4, Part A of the Circular and extracted as follows:-

### 6.5.1 Non-completion of the Proposed Disposal

*The Completion is conditional upon the conditions precedent of the SSA, as set out in Section 2 of Appendix III of the Circular, being fulfilled or waived (as the case may be). In the event that any of the conditions precedent is not fulfilled or waived (as the case may be), the Proposed Disposal may be delayed or terminated. Where the SSA is terminated due to the non-satisfaction of the conditions precedent, the Company would be required to refund the Deposit, free of interest, to IJMP within 14 days from the notice of termination.*



*There can be no assurance that all the conditions precedent will be fulfilled or waived (as the case may be) in accordance with the terms of the SSA within the stipulated timeframe.*

*Nevertheless, the Company will endeavour to ensure that all the conditions precedent for the SSA, insofar as they are within the control of the Company, will be fulfilled or waived (as the case may be) within the stipulated timeframe to complete the Proposed Disposal in a timely manner.*

**We wish to highlight that there can be no assurance that the relevant approvals will be obtained and the conditions precedent of the SSA as disclosed in Appendix I of the Circular will be fulfilled despite efforts and measures taken by the Board to ensure their fulfilment and to facilitate the completion of the Proposed Disposal.**

#### **6.5.2 Contractual risk**

*The Company, through KEBB and KEBM, has given warranties and/ or undertakings, as set out in the SSA, in favour of IJMP. In this respect, the Company may be subject to claims in accordance with the terms and conditions of the SSA either jointly or severally for breach of any warranties and/ or undertakings given by them. In this regard, the Company will endeavour to ensure compliance with the Company's obligations under the SSA in order to minimise the risk of any breach of the warranties and/ or undertakings given.*

**The Company, through KEBB and KEBM, is subject to certain contractual risks including, but not limited to, amongst others, the representations, warranties, covenants and indemnities which are given or to be given pursuant to the SSA. WCEHB may also be subject to contractual risks if the pre-completion and completion obligations of WCEHB under the SSA are not fulfilled and/ or in the event of any breach of the terms and conditions set out in the SSA. Nonetheless, WCEHB shall endeavour to ensure full compliance in relation to the fulfilment of its obligations under the SSA.**

#### **6.5.3 Loss of income from RPSB**

*The Group recorded a share of profit from RPSB of approximately RM22.86 million for the FYE 31 March 2022. Upon Completion, RPSB will cease to be an indirect associate company of the Group and as such, the Company would no longer derive any share of profit contribution from RPSB in the future.*

*Notwithstanding the above, the Group is expected to realise a pro forma gain arising from the Proposed Disposal of approximately RM245.67 million. Further details of the pro forma gain is set out in Section 2.8, Part A of the Circular.*

*The Company intends to utilise the Disposal Consideration in the manner set out in Section 2.9, Part A of the Circular. The Proposed Disposal enables the Company to re-mobilise capital and resources for the business operations of the Group into the WCE Project, which is expected to enable the Group to generate a long-term and stable stream of income in the future as the WCE Project has a concession period of 50 years commencing from 20 December 2013. As at the LPD, 4 out of its 11 sections have been completed and opened for toll operations and the Group is targeting to open the remaining sections by the year 2024.*

We noted that upon completion of the Proposed Disposal, the Group would no longer be able to enjoy any potential appreciation in the market value of the Properties in the future. In addition, the Group would no longer be able to derive the future economic benefits arising from developing the Properties. We are of the view that the loss of opportunity risk for the Proposed Disposal is acceptable in view that the Proposed Disposal is in the best interest of the Company and is in line with the Group's intention to focus its resources on its core business.

Further, there can be no assurance or guarantee that the Group can source for ready buyers for RPSB in the future and there is no assurance that it can dispose RPSB at a higher value. Hence, we are of the view that the Proposed Disposal from the financial aspect, is not detrimental to the non-interested shareholders of the Company.

#### 6.5.4 Risk of late payment

*The payment terms of the Disposal Consideration as detailed in Section 2.3, Part A of the Circular has been mutually agreed by KEBM, KEBB and IJMP whereby IJMP shall pay the deposit upon the signing of the SSA and the balance disposal consideration shall be payable in 3 instalments via the First Instalment, Second Instalment and Third Instalment within the stipulated payment terms under the SSA. It should also be noted that the Completion will fall on the First Instalment Payment Date. On the Completion Date, IJMP's solicitors are required to release to IJMP the undated transfer forms that are duly signed by KEBM and KEBB for the transfer of the Sale Shares in favour of IJMP, which had been delivered to IJMP's solicitors upon the signing of the SSA.*

*There is no assurance that KEBM and KEBB will be able to receive the scheduled Second Instalment and Third Instalment from IJMP within the stipulated payment terms under the SSA. Notwithstanding that, IJMP had provided an additional guarantee measure to KEBM and KEBB by procuring IJML to guarantee the payments of the Second Instalment and Third Instalment. The Company had also taken into consideration the financial strength of IJML and that IJML is the wholly-owned subsidiary of IJM, which is also a major shareholder of the Company.*

**We wish to highlight that there is no assurance that KEBM and KEBB will be able to receive the scheduled Second Instalment and Third Instalment from IJMP within the stipulated payment terms under the SSA. Notwithstanding the risk of late payment, IJMP will procure IJML to provide a corporate guarantee to guarantee the payments of the Second Instalment and Third Instalment. We have also taken into consideration the financial strength of IJML, being the wholly-owned subsidiary of IJM, which is also a major shareholder of WCEHB.**

**Non-interested shareholders of WCEHB should also take note that the risk factors mentioned in Section 4, Part A of the Circular are not meant to be exhaustive.**

**We also wish to highlight that although measures have been taken by the Group to mitigate the risks associated with the Proposed Disposal, it is pertinent to note that there is no assurance that one or a combination of the risk factors as stated in Section 4, Part A of the Circular will not occur and give rise to material adverse impact on the business and operation of the Group, its financial performance or prospects thereon.**

## 7. OUR CONCLUSION AND RECOMMENDATION

We have assessed and evaluated the Proposed Disposal and have set out our evaluation in Section 6 of this IAL, after taking into consideration various aspects of the financial and non-financial impact of the Proposed Disposal on the Group.

Based on our evaluation, we are of the opinion that, on the basis of the information available to us, the Proposed Disposal is **FAIR AND REASONABLE** and **NOT DETRIMENTAL** to the non-interested shareholders of WCEHB.

As such, we advise and recommend that the non-interested shareholders of WCEHB to **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at the forthcoming EGM of the Company.

Yours faithfully,  
For and on behalf of  
**UOB KAY HIAN SECURITIES (M) SDN BHD**

**TAN MENG KIM**  
Managing Director  
Capital Markets

**NANTHA KUMAR**  
Director  
Co-Head of Corporate Finance

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**INFORMATION ON RPSB**


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**1. HISTORY AND BUSINESS**

RPSB was incorporated in Malaysia on 21 December 1999 under the Companies Act, 1965 as a private limited company and is deemed registered under the Act. The principal activities of RPSB are investment holding and property development. It has commenced its business operation in 2003. BRSB, the wholly-owned subsidiary of RPSB, is principally engaged in construction contracting and property development.

BRSB is the developer of the Bandar Rimbayu Development. The Bandar Rimbayu Development which was launched in 2013 comprises residential, commercial, industrial and recreational components encompassing 4 core precincts, namely Flora Precinct, Fauna Precinct, Bayu Precinct and Nadi Rimbayu Business Hub. It spans over approximately 1,879 acres or approximately 7.60 million square metres of gross development area.

**2. SHARE CAPITAL**

As at the LPD, the issued share capital of RPSB is RM1,000,000 comprising 1,000,000 RPSB Shares.

**3. SHAREHOLDERS**

As at the LPD, the shareholders of RPSB and their respective shareholdings in RPSB are set out below:

Shareholders	Place of incorporation	<-----Direct----->		<-----Indirect----->	
		No. of RPSB Shares	%	No. of RPSB Shares	%
IJMP	Malaysia	500,000	50.00	100,000	10.00 <sup>(a)</sup>
KEBB	Malaysia	300,000	30.00	-	-
IJM Management Services Sdn Bhd	Malaysia	100,000	10.00	-	-
KEBM	Malaysia	100,000	10.00	-	-
IJM	Malaysia	-	-	1,000,000	100.00 <sup>(b)</sup>
IJML	Malaysia	-	-	600,000	60.00 <sup>(c)</sup>
MWE Holdings Sdn Bhd	Malaysia	-	-	400,000	40.00 <sup>(d)</sup>
WCEHB	Malaysia	-	-	400,000	40.00 <sup>(e)</sup>
KEBP	Malaysia	-	-	300,000	30.00 <sup>(f)</sup>

**Notes:**

- (a) Deemed interested by virtue of its interest in IJM Management Services Sdn Bhd pursuant to Section 8(4) of the Act.
- (b) Deemed interested by virtue of its interest in IJML and WCEHB pursuant to Section 8(4) of the Act.
- (c) Deemed interested by virtue of its interest in IJMP pursuant to Section 8(4) of the Act.

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**INFORMATION ON RPSB (CONT'D)**


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- (d) Deemed interested by virtue of its interest in WCEHB pursuant to Section 8(4) of the Act.
- (e) Deemed interested by virtue of its interest in KEBP and KEBM pursuant to Section 8(4) of the Act.
- (f) Deemed interested by virtue of its interest in KEBB pursuant to Section 8(4) of the Act.

**4. DIRECTORS**

As at the LPD, the directors of RPSB and their respective shareholdings in RPSB are set out below:

Directors	Nationality	Designation	<-----Direct----->		<-----Indirect----->	
			No. of RPSB Shares	%	No. of RPSB Shares	%
Tang King Hua	Malaysian	Director	-	-	-	-
Dato' Edward Chong Sin Kiat	Malaysian	Director	-	-	-	-
Vuitton Pang Hee Cheah	Malaysian	Director	-	-	-	-
Chai Kian Soon	Malaysian	Director	-	-	-	-
Datuk Wong Tuck Wai	Malaysian	Director	-	-	-	-

**5. SUBSIDIARY, ASSOCIATE COMPANY AND JOINT VENTURE****5.1 Subsidiary**

As at the LPD, the subsidiary of RPSB is as follows:

Name of company	Date/ Place of incorporation	Share capital RM	Percentage of effective equity interest %	Principal activities
Bandar Rimbayu Sdn Bhd	8 January 2002/ Malaysia	300,000	100.00	Construction contracting and property development

**5.2 Associate company**

As at the LPD, RPSB does not have any associate company.

**5.3 Joint venture**

As at the LPD, the joint venture of RPSB is as follows:

Name of joint venture	Date/ Place of incorporation	Share capital RM	Percentage of participation interest %	Principal activities
IJMP – RPSB Joint Venture	Unincorporated entity in Malaysia	N/A	50.00	Dormant

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**INFORMATION ON RPSB (CONT'D)**


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**6. DETAILS OF THE PROPERTIES AND THE SALIENT TERMS OF THE VALUATION REPORT**

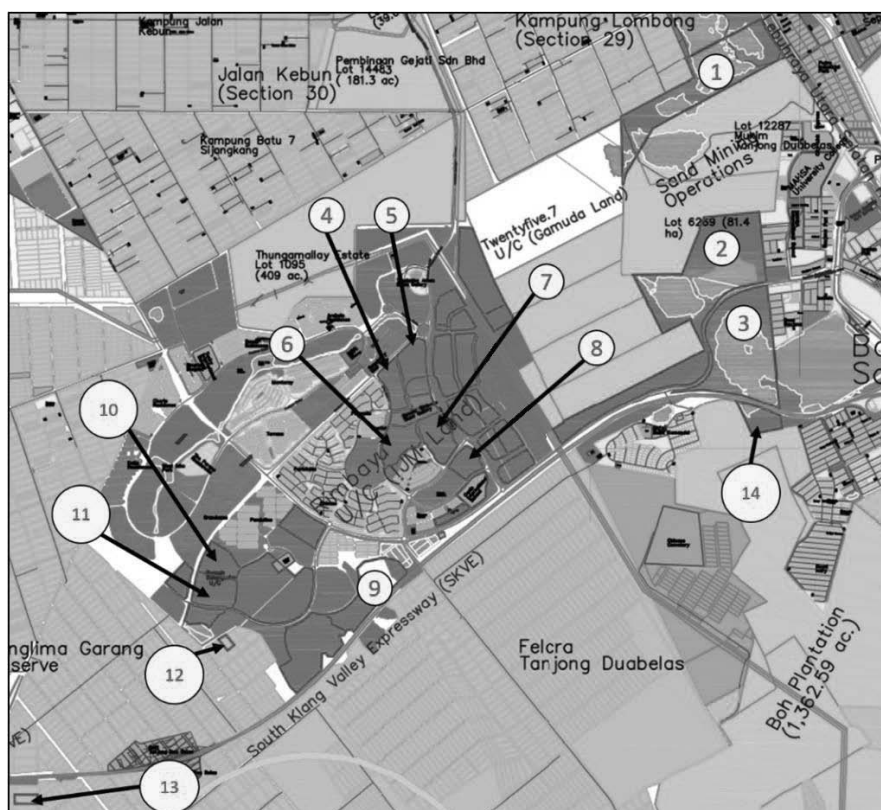
The Properties owned by RPSB Group (with BRSB being the proprietor/registered beneficial owner) as at 31 July 2022 are located within the Bandar Rimbayu Development and comprise the following:

- (a) 29 parcels of undeveloped lands comprising of 14 residential lands and 15 commercial lands;
- (b) 19 unsold units within Phase 8A1 (Halaman 11);
- (c) 4 on-going developments on Phase 12 (Starling), Phase 13 (Uptown), Phase 14 (Robin) and Phase 15 (Uptown Square);
- (d) 2 units of double-storey detached commercial buildings occupied by Starbucks and Kenny Rogers Roasters/Krispy Kreme/Sala, and a clubhouse complex occupied by The Club; and
- (e) a parcel of commercial land improved upon with an institutional premise together with facilities known as "Oasis International School".

For the avoidance of doubt, RPSB does not directly own any land and building.

The map/location plan of the Properties within the Bandar Rimbayu Development is as illustrated below:

- (a) 14 parcels of vacant residential lands

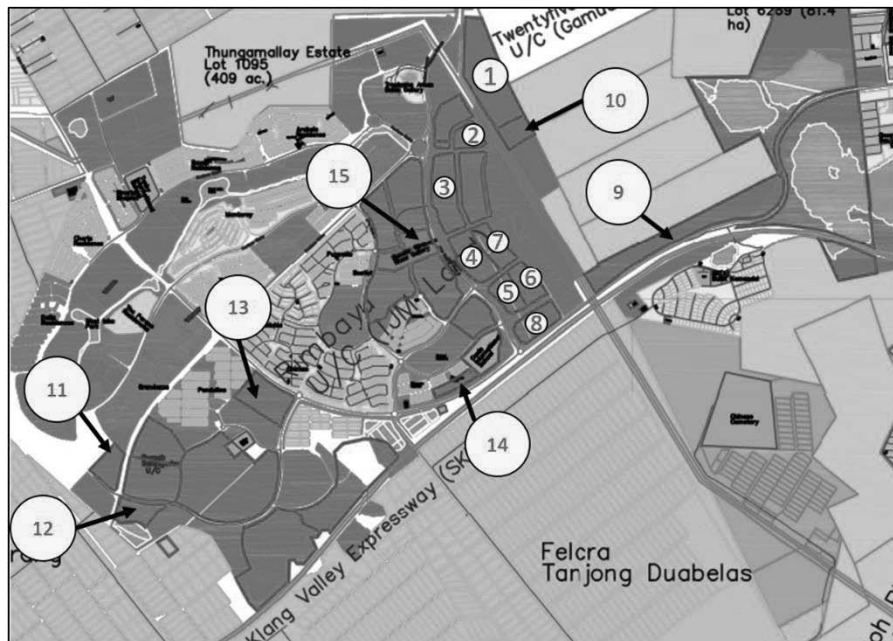


**INFORMATION ON RPSB (CONT'D)**

Legend:

Label	PT No.	Label	PT No.
1	PT 36330	8	PT 41189
2	PT 36331	9	PT 41213
3	PT 36332	10	PT 44090
4	PT 41184	11	Undeveloped portion of Lot 75835
5	PT 41185	12	PT 36348
6	PT 41186	13	PT 36349
7	PT 41188	14	PT 36333

(b) 15 parcels of vacant commercial land

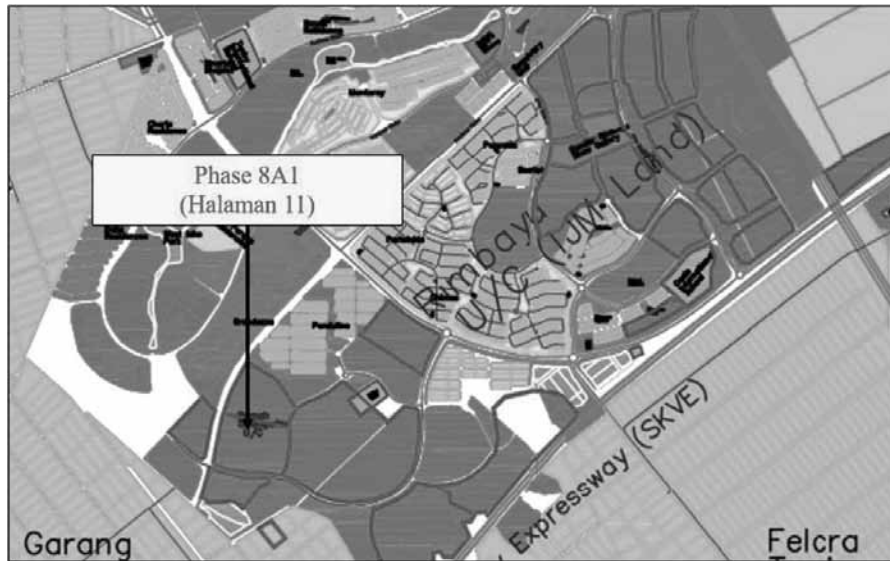


Legend:

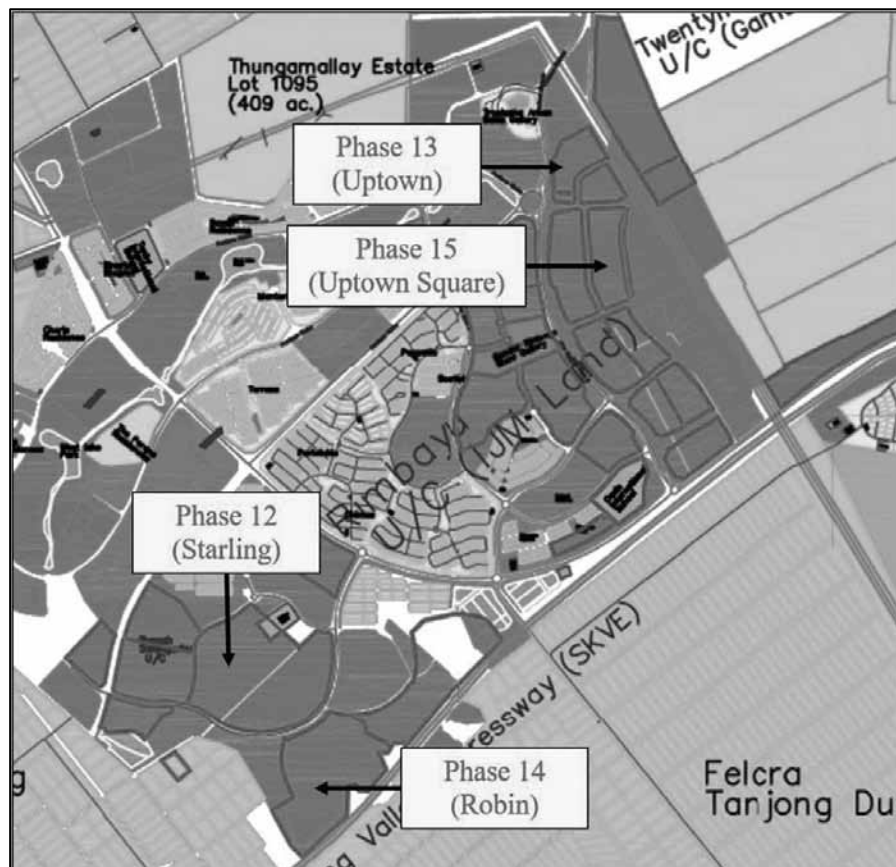
Label	PT No.	Label	PT No.
1	PT 36344	9	PT 51250
2	PT 51240	10	PT 41090
3	PT 51241	11	PT 41217
4	PT 51242	12	PT 44088
5	PT 51243	13	PT 41216
6	PT 51244	14	Lot 74773
7	PT 51245	15	Undeveloped portion of PT 36309
8	PT 51251		

INFORMATION ON RPSB (CONT'D)

- (c) Unsold units - Phase 8A1 (Halaman 11)



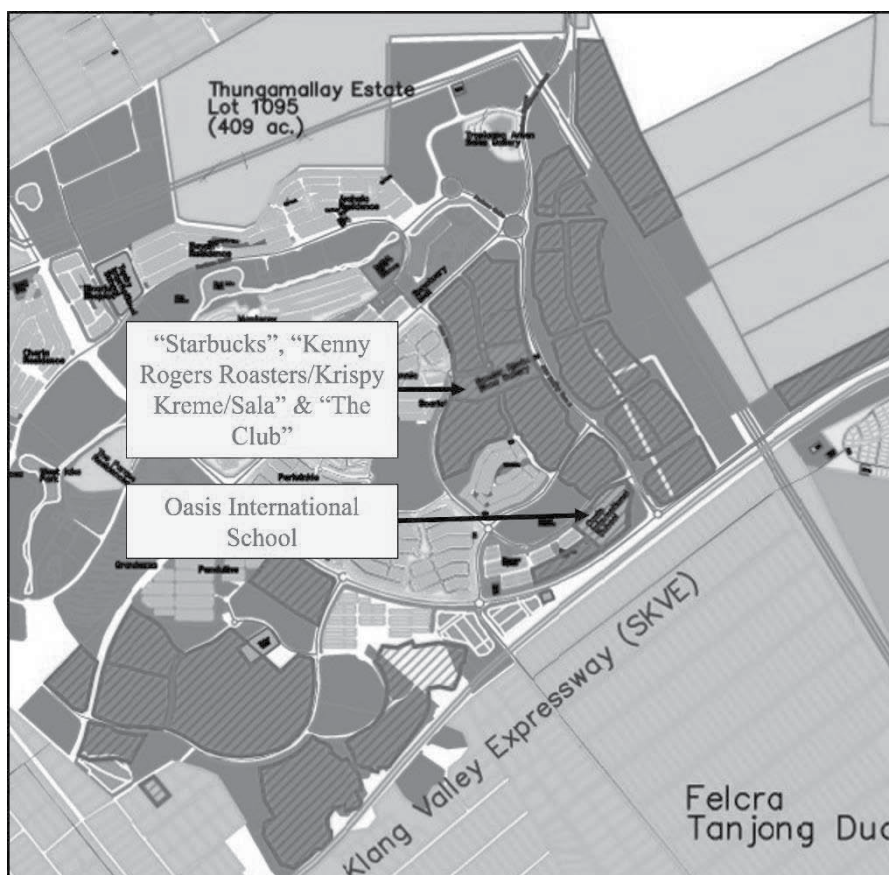
- (d) On-going developments





**INFORMATION ON RPSB (CONT'D)**

- (e) "Starbucks"/"Kenny Rogers Roasters/Krispy Kreme/Sala"/"The Club"/"Oasis International School"



The total land area for the 14 residential lands, 15 commercial lands and the 4 on-going developments within the Bandar Rimbau Development are set out below:

	<b>Land area (sq. metres)</b>
<u>Undeveloped lands</u>	
14 residential lands	2,384,239.93
15 commercial lands	934,982.10
	<u>3,319,222.03</u>
<u>Land under on-going developments</u>	
Phase 12 (Starling)	85,909.76
Phase 13 (Uptown)	43,584.88
Phase 14 (Uptown Square)	185,470.83
Phase 15 (Robin)	70,636.00
	<u>385,601.47</u>
<b>Total</b>	<u><b>3,704,823.50</b></u>

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**INFORMATION ON RPSB (CONT'D)**


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Further details on the Properties extracted from the Valuation Report based on the date of valuation of 31 July 2022 are summarised below:

(a) 29 parcels of undeveloped lands comprising of:

(i) 14 residential lands

Proprietor/Registered/  
Beneficial owner(s) : BRSB

No.	Title No.	Lot No.	Land Area
1.	HSD 33597	PT 36330	515,575.69 sq. metres (479,756.69 sq. metres*)
2.	HSD 33598	PT 36331	640,239.17 sq. metres
3.	HSD 33599	PT 36332	506,863.87 sq. metres
4.	HSD 39279	PT 41184	61,644.88 sq. metres
5.	HSD 39280	PT 41185	80,431.35 sq. metres
6.	HSD 39281	PT 41186	84,387.17 sq. metres
7.	HSD 39283	PT 41188	91,163.82 sq. metres
8.	HSD 39284	PT 41189	50,182.34 sq. metres
9.	HSD 39292	PT 41213	162,851.40 sq. metres
10.	HSD 41696	PT 44090	73,785.79 sq. metres
11.	PN 114780	Undeveloped portion of Lot 75835	9.372 hectares (63,172.11 sq. metres#)
12.	HSD 33615	PT 36348	9,194.97 sq. metres
13.	HSD 33616	PT 36349	16,300.62 sq. metres
14.	HSD 33600	PT 36333	64,265.75 sq. metres

all situated in Mukim Tanjong  
Duabelas, District of Kuala  
Langat, State of Selangor.

\* Remaining land area after acquisition - An area of approximately 35,819 sq. metres has been acquired for PT No. 36330 vide Gazette Notification No. 500 dated 3 February 2022.

# Remaining net land area - Part of the land is improved upon with 2 blocks of Rumah Selangorku's apartment, known as Phase 8A1 (Halaman 11), measuring approximately 7.55 acres.

Tenure : Leasehold interest for 99 years expiring on 23 December 2111

Category of land use : Building

Existing use : Vacant land

Proposed use/  
Development  
potential : Residential development

Express conditions : Bangunan Kediaman

Restriction-in-interest : The land may not be transferred, leased or charged except with the consent of the State Authority.

Encumbrances : **Lot No.** : **Encumbrances**  
PT 36330 to : (i) Charged to RHB Bank Berhad  
PT 36333 by Radiant Pillar Sdn Bhd  
(inclusive) since 20 August 2013.  
and PT 36348 : (ii) Charged twice to RHB Bank  
to PT 36349 Berhad by Bandar Rimbayu  
(inclusive) Sdn Bhd since 31 December  
2015 and 5 March 2019,  
respectively.

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**INFORMATION ON RPSB (CONT'D)**


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	PT 41184 to PT 41186 <i>(inclusive)</i> , PT 41188 to PT 41189 <i>(inclusive)</i> , PT 41213	:	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.
	PT 44090	:	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015.
	Lot 75835	:	Nil
Endorsement	<b>Lot No.</b> PT 36330	:	<b>Endorsement</b> (i) Pindaan cukai tanah, registered on 25 June 2016  (ii) Pengambilan sebahagian tanah - Borang K seluas lebih kurang 35,819 meter persegi dan cukai dipinda kepada RM31,185.00, registered on 5 April 2022.  (iii) Cadangan pengambilan tanah - Borang D seluas lebih kurang 35,819 meter persegi, registered on 19 September 2022.
	PT 36331 to PT 36333 <i>(inclusive)</i> , PT 41184 to PT 41186 <i>(inclusive)</i> , PT 41188 to PT 41189 <i>(inclusive)</i> , PT 41213 and PT 36348 to PT 36349 <i>(inclusive)</i>	:	Pindaan cukai tanah, registered on multiple dates
	PT 44090 and Lot 75835	:	Nil
Net book value <sup>#</sup>	:		RM522,133,828.00
Date of valuation	:		31 July 2022
Method of valuation	:		Comparison Method
Market value	:		RM476,400,427.00

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**INFORMATION ON RPSB (CONT'D)**


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Remarks : 2 blocks of Rumah Selangorku's apartment, known as Phase 8A1 (Halaman 11) is improved upon part of land no. 11 bearing the title number PN 114780 Lot 75835

**Note:**

# Based on the latest audited consolidated financial statements of RPSB for the FYE 31 March 2022.

(ii) 15 commercial lands

Proprietor/Registered/  
Beneficial owner(s) : BRSB

No.	Title No.	Lot No.	Land Area
1.	HSD 33611	PT 36344	175,409.12 sq. metres (* 167,982 sq. metres)
2.	HSD 47099	PT 51240	23,699.89 sq. metres (* 22,567 sq. metres)
3.	HSD 47100	PT 51241	81,054.52 sq. metres (* 70,369 sq. metres)
4.	HSD 47101	PT 51242	71,193.95 sq. metres (* 69,181 sq. metres)
5.	HSD 47102	PT 51243	41,203.96 sq. metres (* 40,033 sq. metres)
6.	HSD 47103	PT 51244	45,814.98 sq. metres (* 45,531 sq. metres)
7.	HSD 47104	PT 51245	48,803.81 sq. metres (* 48,565 sq. metres)
8.	HSD 47110	PT 51251	52,673.97 sq. metres (* 56,331 sq. metres)
9.	HSD 47109	PT 51250	163,928.93 sq. metres
10.	HSD 38217	PT 41090	28,317.16 sq. metres
11.	HSD 39296	PT 41217	38,470.36 sq. metres
12.	HSD 41319	PT 44088	24,932.50 sq. metres
13.	HSD 39295	PT 41216	82,435.07 sq. metres
14.	(formerly HSD 41231)	Lot 74773	2.292 hectares
15.	HSD 33593	Undeveloped portion of PT 36309	66,274.82 sq. metres (* 53,419.08 sq. metres)

all situated in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.

\*\* Surveyed land area – Vide an approved pre-computation plan with Plan No. JP/20/SEL/8073/CH/003-B-2 dated 14 April 2022, portion of these lands have been surrendered for road reserve and TNB main distribution sub-station purposes.

^ Remaining net land area - Part of land has been erected with 2 units of double-storey detached commercial building occupied by "Starbucks" & "Kenny Rogers Roasters/Krispy Kreme/Sala" with a clubhouse complex occupied by "The Club", measuring approximately 3.18 acres.

Tenure : **Title No.** HSD 33611, HSD 38217, HSD 39296, HSD 39295 and HSD 33593 **Tenure** Leasehold interest for 99 years expiring on 23 December 2111

HSD 47099 to HSD 47104, HSD 47109 and HSD 47110 Leasehold interest for 91 years expiring on 23 December 2111

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**INFORMATION ON RPSB (CONT'D)**


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	HSD 41319	Leasehold interest for 99 years expiring on 28 April 2116										
	PN 114724 (formerly HSD 41231)	Leasehold interest for 95 years expiring on 23 December 2111										
Category of land use	:	Building										
Existing use	:	Vacant land										
Proposed use/ Development potential	:	Commercial development										
Express conditions	:	Bangunan Perniagaan										
Restriction-in-interest	:	The land may not be transferred, leased or charged except with the consent of the State Authority.										
Encumbrances	:	<table> <thead> <tr> <th><b>Lot No.</b></th> <th><b>Encumbrances</b></th> </tr> </thead> <tbody> <tr> <td>PT 36344 and Lot 74773</td> <td>(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.</td> </tr> <tr> <td>PT 41090 and PT 41216 to PT 41217 <i>(inclusive)</i></td> <td>(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.</td> </tr> <tr> <td>PT 51240 to PT 51245 <i>(inclusive)</i> and PT 51250 to PT 51251 <i>(inclusive)</i></td> <td>(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.</td> </tr> <tr> <td>PT 44088</td> <td>(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015.  (iii) Charged to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 5 March 2019.</td> </tr> </tbody> </table>	<b>Lot No.</b>	<b>Encumbrances</b>	PT 36344 and Lot 74773	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.	PT 41090 and PT 41216 to PT 41217 <i>(inclusive)</i>	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.	PT 51240 to PT 51245 <i>(inclusive)</i> and PT 51250 to PT 51251 <i>(inclusive)</i>	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.	PT 44088	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015.  (iii) Charged to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 5 March 2019.
<b>Lot No.</b>	<b>Encumbrances</b>											
PT 36344 and Lot 74773	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.											
PT 41090 and PT 41216 to PT 41217 <i>(inclusive)</i>	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.											
PT 51240 to PT 51245 <i>(inclusive)</i> and PT 51250 to PT 51251 <i>(inclusive)</i>	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.											
PT 44088	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015.  (iii) Charged to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 5 March 2019.											

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**INFORMATION ON RPSB (CONT'D)**


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	PT 36309	:	(i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.
Endorsement	<b>Lot No.</b> PT 36344, PT 41090, PT 41216 to PT 41217 ( <i>inclusive</i> ) and PT 36309	:	<b>Endorsement</b> : Pindaan cukai tanah, registered on multiple dates
	PT 44088	:	Permohonan serahbalik, pemberimilikan semula tanah, registered on 20 October 2016.
	PT 51240 to PT 51245 ( <i>inclusive</i> ), PT 51250 to PT 51251 ( <i>inclusive</i> ), Lot 74773	:	Nil
Net book value <sup>#</sup>	:		RM206,060,341.00
Date of valuation	:		31 July 2022
Method of valuation	:		Comparison Method
Market value	:		RM800,431,700.00
Remarks	:		2 commercial units of double-storey detached commercial buildings and a clubhouse is improved upon part of land no. 15 bearing the title number HSD 33593 Lot 36309

**Note:**

# Based on the latest audited consolidated financial statements of RPSB for the FYE 31 March 2022.

For the purpose of the valuation of the 29 parcels of undeveloped land comprising of 14 residential land and 15 commercial land, the market value was derived from the Comparison Method due to the fact that the said parcels of residential and commercial lands are without any planning approval as at the date of this valuation.

The Comparison Method involves analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location/accessibility, terrain, size and shape of land, tenure, planning status, title restrictions, if any and other relevant factors to arrive at the market value.

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**INFORMATION ON RPSB (CONT'D)**


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(b) 19 unsold units within Phase 8A1 (Halaman 11)

Proprietor/Registered/  
Beneficial owner(s) : BRSB

Identification	No.	Unit No	* Approximate Floor Areas (sq. metres)
	1.	RS A-3A-7	71.00
	2.	RS A-3A-9	71.00
	3.	RS A-3A-11	71.00
	4.	RS A-3A-15	71.00
	5.	RS A-3A-17	71.00
	6.	RS A-3A-18	71.00
	7.	RS B-G-15	67.00
	8.	RS B-3A-1	71.00
	9.	RS B-3A-3	71.00
	10.	RS B-3A-5	71.00
	11.	RS B-3A-6	71.00
	12.	RS B-3A-7	71.00
	13.	RS B-3A-9	71.00
	14.	RS B-3A-10	71.00
	15.	RS B-3A-11	71.00
	16.	RS B-3A-12	71.00
	17.	RS B-3A-16	71.00
	18.	RS B-3A-18	67.00
	19.	RS B-3A-20	67.00
	<b>Total</b>		<b><u>1,337.00</u></b>

Improved upon the land bearing the title number HSD 33593 Lot 36309 situated in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.

Master Title tenure : Leasehold interest for 99 years expiring on 23 December 2111

Category of land use : Residential

Existing use : Residential

Approximate age of building : About 8 months (Certificate of Completion and Compliance issued on 24<sup>th</sup> November 2021)

Approximate floor areas : 1,337 sq. metres (in total)

Net lettable or useable area : Not applicable

Percentage of occupancy : Not occupied as it is newly completed

Express conditions (Master Title) : Bangunan Kediaman

Restriction-in-interest (Master Title) : The land may not be transferred, leased or charged except with the consent of the State Authority.

Encumbrances : Nil

Endorsement : Nil

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**INFORMATION ON RPSB (CONT'D)**


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Net book value#	:	RM2,976,052.00
Market value	:	RM1,726,000.00
Date of valuation	:	31 July 2022
Method of valuation	:	Based on Selangor State Government fixed selling price.

**Note:**

# Based on the latest audited consolidated financial statements of RPSB for the FYE 31 March 2022.

For the purpose of the valuation of the Unsold Rumah Selangorku Units, the market value was derived from selling price of the respective units as the selling prices are fixed by the Selangor State Government via Lembaga Perumahan Dan Hartanah Selangor 2013 Circular on the Selangor Affordable Housing (Rumah Selangorku).

- (c) 4 on-going developments on Phase 12 (Starling), Phase 13 (Uptown), Phase 14 (Robin) and Phase 15 (Uptown Square)

(i) Phase 12 (Starling)

Proprietor/Registered/ Beneficial owner(s)	:	BRSB
Identification	:	HSD 47114 for PT 49375 to HSD 47793 PT 50054 (inclusive) comprising of 680 individual titles situated in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.
Tenure	:	Leasehold interest for 91 years expiring on 23 December 2111
Land area	:	85,909.76 sq. metres ( <i>comprising of 680 individual titles</i> )
Category of land use	:	Building
Existing use	:	On-going development
Proposed use/ Development potential	:	Residential development
Express conditions	:	Bangunan Kediaman
Restriction-in-interest	:	The land may not be transferred, leased or charged except with the consent of the State Authority.



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**INFORMATION ON RPSB (CONT'D)**


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Encumbrances	:	<b>Lot No.</b> PT 49375 to PT 50054 (inclusive)	<b>Encumbrances</b> (i) Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.  (ii) Charged twice to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.
		PT 49800	: Nil

Endorsement	:	Nil
Net book value#	:	RM85,310,136.00
Date of valuation	:	31 July 2022
Method of valuation	:	Residual Method
Market value	:	RM98,338,750.00
Estimated gross development value	:	RM196,030,211.20
Estimated gross development cost	:	RM87,761,148.79
Estimated profits	:	RM108,269,062.41

Launched/ completion of development	Expected of the	:	<b>Phase</b>	<b>Launched Date</b>	<b>Expected Completion Date</b>
			Phase 12A	13/06/2020	23/11/2022
			Phase 12B	02/08/2020	10/01/2023
			Phase 12C	06/09/2020	17/03/2023
			Phase 12D	10/01/2021	23/06/2023

As at the date of this Circular, Phases 12A and 12B have been completed while Phase 12C is progressing on track as planned. However, the progress of Phase 12D is slightly delayed mainly due to shortages of certain construction material supplies. The contractors have been and will continue to follow-up closely on the sourcing of the construction material supplies until the completion of the project. As at the date of this Circular, RPSB Group expects to deliver Phases 12C and 12D by the expected completion date. As such, WCEHB Group is not expected to encounter any material financial risk/liability arising from any late delivery of vacant possession to the property buyers of RPSB Group.

Stage/Percentage completion	of	:	77.42% as at 31 July 2022
Source of funds to finance the development cost	:		Internally-generated funds and/or borrowings

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**INFORMATION ON RPSB (CONT'D)**


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Approvals obtained for the development : 1. Planning approval letter by Majlis Perbandaran Kuala Langat (formerly known as Majlis Daerah Kuala Langat) bearing Reference No. MDKL/JPP/15/1/2018(29) dated 4 December 2019; and

2. Building plan approval bearing Reference No. MDKL/JKB/2/4/1374 dated 19 May 2020.

Percentage of sales/ Number of units sold : 100% / 680 units as at 31 July 2022

For the purpose of the valuation of Phase 12, the market value was derived from the Income Capitalisation Approach via Residual Method due to the on-going nature of the development located in the subject property and the lack of an alternate valuation approach which could account adequately and appropriately the many variables comprised within an on-going project.

The Income Capitalisation Approach by Residual Method 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 market value.

(ii) Phase 13 (Uptown)

Proprietor/Registered/  
Beneficial owner(s) : BRSB

Identification : Title No. : HSD 47097  
Lot No. : PT 51238  
situated in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.

Tenure : Leasehold interest for 91 years expiring on 23 December 2111

Land area : 43,584.88 sq. metres

Category of land use : Building

Existing use : On-going development

Proposed use/  
Development potential : Commercial development

Express conditions : Bangunan Perniagaan

Restriction-in-interest : The land may not be transferred, leased or charged except with the consent of the State Authority.

Encumbrances : 1. Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013; and

2. Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.

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**INFORMATION ON RPSB (CONT'D)**


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Endorsement	:	Permohonan serahbalik, pemberimilikan semula tanah, registered on 25 June 2022.
Net book value <sup>#</sup>	:	RM27,424,504.00
Date of valuation	:	31 July 2022
Method of valuation	:	Residual Method
Market value	:	RM53,593,939.00
Estimated gross development value	:	RM140,465,406.60
Estimated gross development cost	:	RM77,953,436.12
Estimated profits	:	RM62,511,970.48
Launched/ completion of the development	Expected of the development	Launched date : 15 May 2021 Expected Date of Completion : 17 September 2024
Stage/Percentage completion	of	16.71% as at 31 July 2022  As at the date of this Circular, the progress of Phase 13 is delayed mainly due to shortages of manpower supplies for the construction works. The contractors have been and will continue to follow-up closely on the sourcing of manpower supplies until the completion of the project. In addition, working hours at the construction sites have also been extended to mitigate the delay. As at the date of this Circular, RPSB Group expects to deliver Phase 13 by the expected completion date.
Source of funds to finance the development cost	:	Internally-generated funds and/or borrowings
Approvals obtained for the development	:	1. Planning approval letter by Majlis Perbandaran Kuala Langat bearing Reference No. MPKL/JPP/15/60/2021(14) dated 24 August 2021; and  2. Building plan approval bearing Reference No. MPKL/JKB/2/2/3/2021(10) dated 15 September 2021.
Percentage of sales/ Number of units sold	:	98.53% / 67 units as at 31 July 2022

For the purpose of the valuation of Phase 13, the market value was derived from the Income Capitalisation Approach via Residual Method due to the ongoing nature of the development located in the subject property and the lack of an alternate valuation approach which could account adequately and appropriately the many variables comprised within an on-going project.

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**INFORMATION ON RPSB (CONT'D)**


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(iii) Phase 14 (Robin)

Proprietor/Registered/ Beneficial owner(s)	:	BRSB		
Identification	:	Title No. : HSD 45031 Lot No. : PT 47618 situated in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.		
Tenure	:	Leasehold interest for 92 years expiring on 23 December 2111		
Land area	:	185,470.83 sq. metres		
Category of land use	:	Building		
Existing use	:	On-going development		
Proposed use/ Development potential	:	Residential development		
Express conditions	:	Bangunan Kediaman		
Restriction-in-interest	:	The land may not be transferred, leased or charged except with the consent of the State Authority.		
Encumbrances	:	Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.		
Endorsement	:	Permohonan serahbalik, pemberimilikan semula tanah, registered on 9 November 2021.		
Net book value <sup>#</sup>	:	RM55,407,030.00		
Date of valuation	:	31 July 2022		
Method of valuation	:	Residual Method		
Market value	:	RM74,545,485.00		
Estimated gross development value	:	RM372,271,380.00		
Estimated gross development cost	:	RM281,910,441.24		
Estimated profits	:	RM90,360,938.76		
Launched/ completion of the development	Expected of the	:	<b>Phase</b>	<b>Launched Date</b>
			Phase 14A	18/11/2021
			Phase 14B	18/11/2021
			Phase 14C	17/12/2021
			Phase 14D	06/12/2021
				<b>Expected Completion Date</b>
				22/11/2023
				23/11/2023
				21/12/2023
				14/12/2023

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**INFORMATION ON RPSB (CONT'D)**


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Stage/Percentage of completion : 16.35% as at 31 July 2022

As at the date of this Circular, the progress of Phases 14A, 14B, 14C and 14D are delayed mainly due to shortages of manpower supplies for the construction works. The contractors have been and will continue to follow-up closely on the sourcing of manpower supplies until the completion of the project. In addition, working hours at the construction sites have also been extended to mitigate the delay. As at the date of this Circular, RPSB Group expects to deliver Phases 14A, 14B, 14C and 14D by the expected completion date. As such, WCEHB Group is not expected to encounter any material financial risk/liability arising from any late delivery of vacant possession to the property buyers of RPSB Group.

Source of funds to finance the development cost : Internally-generated funds and/or borrowings

Approvals obtained for the development : 1. Planning approval letter by Majlis Perbandaran Kuala Langat bearing Reference No. MPKL/JPP/15/16/2021 (21) dated 13 August 2021; and  
2. Building plan approval bearing Reference No. MDKL/JKB/2/4/33/2021 dated 31 October 2021.

Percentage of sales/ Number of units sold : 97.72% / 601 units as at 31 July 2022

For the purpose of the valuation of Phase 14, the market value was derived from the Income Capitalisation Approach via Residual Method due to the on-going nature of the development located in the subject property and the lack of an alternate valuation approach which could account adequately and appropriately the many variables comprised within an on-going project.

(iv) Phase 15 (Uptown Square)

Proprietor/Registered/ Beneficial owner(s) : BRSB

Identification : Title No. : HSD 47105  
Lot No. : PT 51246  
situated Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.

Tenure : Leasehold interest for 91 years expiring on 23 December 2111

Land area	Phase 15A	: 11.15 acres
	Undeveloped Portion	: 6.30 acres
	<b>Total</b>	<b>: 17.45 acres / 70,636 sq. metres</b>

Category of land use : Building

Existing use : On-going development

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**INFORMATION ON RPSB (CONT'D)**


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Proposed use/ Development potential	:	Commercial development									
Express conditions	:	Bangunan Perdagangan									
Restriction-in-interest	:	The land may not be transferred, leased or charged except with the consent of the State Authority.									
Encumbrances	:	<ol style="list-style-type: none"> <li>1. Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013; and</li> <li>2. Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 31 December 2015 and 5 March 2019, respectively.</li> </ol>									
Endorsement	:	Nil									
Net book value <sup>#</sup>	:	RM26,247,157.00									
Date of valuation	:	31 July 2022									
Method of valuation	:	<table> <tr> <td>Phase 15A</td> <td>:</td> <td>Residual Method and Comparison Method; and</td> </tr> <tr> <td>Undeveloped portion</td> <td>:</td> <td>Comparison Method</td> </tr> </table>	Phase 15A	:	Residual Method and Comparison Method; and	Undeveloped portion	:	Comparison Method			
Phase 15A	:	Residual Method and Comparison Method; and									
Undeveloped portion	:	Comparison Method									
Market value	:	<table> <tr> <td>Phase 15A</td> <td>:</td> <td>RM50,179,978.00</td> </tr> <tr> <td>Undeveloped portion</td> <td>:</td> <td>RM26,771,453.00</td> </tr> <tr> <td><b>Total</b></td> <td>:</td> <td><b><u>RM76,951,431.00</u></b></td> </tr> </table>	Phase 15A	:	RM50,179,978.00	Undeveloped portion	:	RM26,771,453.00	<b>Total</b>	:	<b><u>RM76,951,431.00</u></b>
Phase 15A	:	RM50,179,978.00									
Undeveloped portion	:	RM26,771,453.00									
<b>Total</b>	:	<b><u>RM76,951,431.00</u></b>									
Estimated gross development value	:	Phase 15A: RM164,428,800.00									
Estimated gross development cost	:	Phase 15A: RM 101,216,479.77									
Estimated profits	:	Phase15A: RM63,212,320.23									
Launched/ completion of the development	Expected of the	<table> <tr> <td><u>Phase 15A</u></td> <td>:</td> <td></td> </tr> <tr> <td>Launched date</td> <td>:</td> <td>12 June 2022</td> </tr> <tr> <td>Expected Date of Completion</td> <td>:</td> <td>2025</td> </tr> </table>	<u>Phase 15A</u>	:		Launched date	:	12 June 2022	Expected Date of Completion	:	2025
<u>Phase 15A</u>	:										
Launched date	:	12 June 2022									
Expected Date of Completion	:	2025									
Stage/Percentage completion	of	Nil as at the valuation date on 31 July 2022									
Source of funds to finance the development cost	:	Internally-generated funds and/or borrowings									
Approvals obtained for the development	:	For Phase 15A, planning approval letter by Majlis Perbandaran Kuala Langat bearing Reference No. MPKL/JPP/15/16/2022(12) dated 31 May 2022. No planning approval was submitted for the undeveloped portion.									
Percentage of sales/ Number of units sold	:	Nil as at the valuation date on 31 July 2022									

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**INFORMATION ON RPSB (CONT'D)**


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For the purpose of the valuation of Phase 15A, the Valuer has adopted the Income Capitalisation Approach via Residual Method as the main method and the comparison method as the cross-check method because Phase 15A has been granted with planning approval with over 90% of sales booking, which can be considered in the approval, as at the date of the valuation.

For the purpose of valuation of the undeveloped portion of Phase 15, the market value was derived from the comparison method because this approach is considered as the best approach due to the fact that it is a parcel of vacant commercial land without any planning approval as at the date of the valuation.

- (d) 2 units of double-storey detached commercial buildings occupied by Starbucks and Kenny Rogers Roasters/Krispy Kreme/Sala, and a clubhouse complex occupied by The Club

Proprietor/Registered/ Beneficial owner(s)	: BRSB	
Identification	: Part of land bearing the title number HSD 33593 PT 36309 situated in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.	
Tenure	: Leasehold interest for 99 years expiring on 23 December 2111	
Land area	:	<b>Estimated Land Area</b>
	Starbucks	: 0.19 acres
	Kenny Rogers Roasters/ Krispy Kreme/Sala	: 0.62 acres
	The Club	: 2.37 acres
	<b>Total</b>	: <b><u>3.18 acres</u></b>
Category of land use	: Commercial Buildings	
Existing use	: Commercial tenancy	
Approximate age of building	: 3 years old	
Gross built-up area	: <b>Occupants of building</b>	<b>Estimated gross built-up area</b>
	Starbucks	: 352.44 sq. metres
	Kenny Rogers Roasters/Krispy Kreme/Sala	: 348.75 sq. metres
	The Club	: 5,619.22 sq. metres
	<b>Total</b>	: <b><u>6,320.41 sq. metres</u></b>
Net lettable or useable area	: 6,320.41 sq. metres	
Percentage of occupancy	: 100%	
Express conditions	: Bangunan Perniagaan	
Restriction-in-interest	: The land may not be transferred, leased or charged except with the consent of the State Authority.	
Encumbrances	: Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013.	

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**INFORMATION ON RPSB (CONT'D)**


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Endorsement : Pindaan cukai tanah vide a presentation No. 798170/2016, registered on 17 August 2016.

Monthly rental rates : Starbucks

<b>Term</b>	<b>Monthly rental (RM)</b>
1 (3 years)	30,000
2 (3 years)	33,000
3 (3 years)	36,300
4 & 5 (6 years)	Subject to prevailing market rate and shall not exceed 10% of prevailing month's rental

Kenny Rogers Roasters/Krispy Kreme/Sala

<b>Term</b>	<b>Monthly rental (RM)</b>
1 (3 years)	30,000
2 (3 years)	33,000
3 (3 years)	36,300

The Club

<b>Term</b>	<b>Monthly rental (RM)</b>
1 (1 year)	30,000
2 (2 years)	50,000
Option to renew (2 years)	50,000

The tenancy of The Club was negotiated at a lower monthly rental rate of RM30,000 for the first year of tenancy due to the provision of marketing incentives to the tenant of the Club as well as the residents of the Bandar Rimbayu Development.

Net book value# : RM30,897,464.00

Market value : RM42,133,942.00

Date of valuation : 31 July 2022

Method of valuation : Cost approach

The Valuer has adopted only the Cost Approach to assess the market value of the Starbucks, Kenny Rogers Roasters/Krispy Kreme/Sala and Clubhouse buildings as the Bandar Rimbayu township is still being considered new and yet to have an economic stronghold for the required commercial catchment to reflect the true market value of the said properties.

The Valuer has discounted the Income Capitalisation Approach via Investment Method for the reason that the current passing rentals for "Starbucks" & "Kenny Rogers Roasters/Krispy Kreme/Sala", in the Valuer opinion are higher than the current market rental rates which range in the region of RM4.00 per square foot to RM5.00 per square foot. In addition, the current passing rental for the Clubhouse is substantially lower than its outgoings due to the management fee payable by the landlord to the tenant.



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**INFORMATION ON RPSB (CONT'D)**


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- (e) A parcel of commercial land improved upon with an institutional premise together with facilities known as "Oasis International School"

Proprietor/Registered/ Beneficial owner(s)	:	BRSB																																
Identification	:	Title No. : HSD 39287 Lot No. : PT 41192 situated in Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor.																																
Postal address	:	No. 1, Jln Flora 2, Bandar Rimbayu, 42500 Telok Panglima Garang, Selangor																																
Tenure	:	Leasehold interest for 99 years expiring on 23 December 2111																																
Land area	:	48,168.55 sq. metres																																
Category of land use	:	Commercial																																
Existing use	:	Institutional Premise																																
Approximate age of building	:	4 years old																																
Gross built-up area	:	12,773.76 sq. metres / 137,495.60 square feet																																
Net lettable or useable area	:	12,773.76 sq. metres / 137,495.60 square feet																																
Percentage of occupancy	:	100%																																
Express conditions	:	Bangunan Perniagaan																																
Restriction-in-interest	:	The land may not be transferred, leased or charged except with the consent of the State Authority.																																
Encumbrances	:	1. Charged to RHB Bank Berhad by Radiant Pillar Sdn Bhd since 20 August 2013. 2. Charged to RHB Bank Berhad by Bandar Rimbayu Sdn Bhd since 31 December 2015.																																
Endorsement	:	1. Pindaan cukai tanah vide a presentation No.23253/2016, registered on 28 April 2016. 2. Pajakan Seluruh Tanah kepada Northstar Associated Sdn Bhd registrred on 28 January 2019.																																
Monthly rental rates	:	<table border="0"> <thead> <tr> <th>Year</th> <th>Monthly rental (RM)</th> <th>Year</th> <th>Monthly rental (RM)</th> </tr> </thead> <tbody> <tr> <td>1-3</td> <td>380,000 (4 months rental free period)</td> <td>10</td> <td>825,000</td> </tr> <tr> <td>4</td> <td>470,000</td> <td>11</td> <td>906,000</td> </tr> <tr> <td>5</td> <td>516,000</td> <td>12</td> <td>995,000</td> </tr> <tr> <td>6</td> <td>567,000</td> <td>13</td> <td>1,093,000</td> </tr> <tr> <td>7</td> <td>623,000</td> <td>14</td> <td>1,200,000</td> </tr> <tr> <td>8</td> <td>684,000</td> <td>15</td> <td>1,318,000</td> </tr> <tr> <td>9</td> <td>751,000</td> <td></td> <td></td> </tr> </tbody> </table>	Year	Monthly rental (RM)	Year	Monthly rental (RM)	1-3	380,000 (4 months rental free period)	10	825,000	4	470,000	11	906,000	5	516,000	12	995,000	6	567,000	13	1,093,000	7	623,000	14	1,200,000	8	684,000	15	1,318,000	9	751,000		
Year	Monthly rental (RM)	Year	Monthly rental (RM)																															
1-3	380,000 (4 months rental free period)	10	825,000																															
4	470,000	11	906,000																															
5	516,000	12	995,000																															
6	567,000	13	1,093,000																															
7	623,000	14	1,200,000																															
8	684,000	15	1,318,000																															
9	751,000																																	

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**INFORMATION ON RPSB (CONT'D)**


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Net book value#	:	RM69,460,994.00
Market value	:	RM77,646,213.00
Date of valuation	:	31 July 2022
Method of valuation	:	Cost Approach

**Note:**

# Based on the latest audited consolidated financial statements of RPSB for the FYE 31 March 2022.

The Valuer has adopted only the Cost Approach to assess the market value of the Oasis International School building as the subject building is still considerably new with the actual construction cost made available.

The Valuer has discounted the Income Capitalisation Approach via Investment Method for the reason the existing rental arrangement between the parties cannot be substantiated with the current concluded market rental evidences of similar type due to its unique characteristic in nature.

Summary of market value for the Properties under the Valuation Report

No.	Properties	Market value RM
1.	29 parcels of undeveloped lands comprising of 14 residential lands and 15 commercial lands	1,276,832,127.00
2.	19 unsold units within Phase 8A1 (Halaman 11)	1,726,000.00
3.	On-going developments on Phase 12 (Starling), Phase 13 (Uptown), Phase 14 (Robin) and Phase 15 (Uptown Square);	303,429,605.00
4.	2 units of double-storey detached commercial buildings occupied by Starbucks and Kenny Rogers Roasters/ Krispy Kreme/Sala, and a clubhouse complex occupied by The Club	42,133,942.00
5.	A parcel of commercial land improved upon with an institutional premise together with facilities known as "Oasis International School"	77,646,213.00
	<b>Total</b>	<b>1,701,767,887.00</b>
	<b>Say</b>	<b>1,700,000,000.00</b>

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**INFORMATION ON RPSB (CONT'D)**


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**7. HISTORICAL FINANCIAL INFORMATION**

A summary of the audited consolidated financial information of RPSB for the past 3 financial years up to the FYE 31 March 2022 and the unaudited consolidated financial information for the 4-months FPE 31 July 2022 are set out below:

	<-----Audited----->			Unaudited
	<-----FYE 31 March----->			FPE 31 July
	2020	2021	2022	2022
	RM'000	RM'000	RM'000	RM'000
	(Restated) <sup>(a)</sup>	(Restated) <sup>(a)</sup>		
Revenue	220,076	194,580	227,915	141,027
Profit before tax	97,055	75,204	74,071	53,785
Profit after tax ("PAT")	75,898	57,310	57,148	40,872
Share capital	1,000	1,000	1,000	1,000
Shareholders' fund/NA	503,323	560,793	617,661	638,975
Total interest-bearing borrowings	5,233	19,959	2,312	-
No. of issued shares ('000)	1,000	1,000	1,000	1,000
Earnings per share (RM)	75.90	57.31	57.15	40.87
NA per share (RM)	503.32	560.79	617.66	638.98
Current ratio (times)	1.41	1.54	1.62	1.67
Gearing ratio (times)	0.01	0.04	<sub>-(b)</sub>	-

**Notes:**

(a) *Restated to adopt changes in the accounting policy to exclude properties under construction where control of these properties is transferred over time as qualifying assets for the purposes of borrowing cost capitalisation. Please refer to the adoption of changes in accounting policy mentioned in page 24 of the latest audited consolidated financial statements of RPSB for the FYE 31 March 2022 as set out in Appendix IV of this Circular and the related Note 28 as provided in page 82 of the same document.*

(b) *Negligible.*

For the past 3 financial years up to the FYE 31 March 2022:

- (i) there were no exceptional or extraordinary item;
- (ii) there were no accounting policies adopted by RPSB that are peculiar to RPSB due to the nature of its business of the industry it operates in; and
- (iii) there was no audit qualification for the financial statements of RPSB.

Commentaries of past financial performance:

**(a) FYE 31 March 2020**

For the FYE 31 March 2020, RPSB recorded a revenue of approximately RM220.08 million which represents a decrease of approximately RM168.72 million or 43.40% as compared to the preceding financial year of approximately RM388.80 million mainly attributable to lower sales recorded as a result of delay in launching of new phases due to changes in building plan for new launches which required resubmission for approval by relevant authorities.

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**INFORMATION ON RPSB (CONT'D)**

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In addition, RPSB recorded a PAT of approximately RM75.90 million for the FYE 31 March 2020 which represents a decrease of approximately RM33.70 million or 30.75% as compared to the preceding financial year mainly attributable to lower revenue recorded coupled with higher operating expenses, lower finance income and higher finance costs.

**(b) FYE 31 March 2021**

For the FYE 31 March 2021, RPSB recorded a revenue of approximately RM194.58 million which represents a decrease of approximately RM25.50 million or 11.59% as compared to the preceding financial year of approximately RM220.08 million mainly attributable to construction works at site was temporary halted with minimal progress of property development activities in the first quarter as a result of Movement Control Order imposed by the Government of Malaysia in response to the COVID-19 pandemic.

In addition, RPSB recorded a PAT of approximately RM57.31 million for the FYE 31 March 2021 which represents a decrease of approximately RM18.59 million or 24.49% as compared to the preceding financial year mainly attributable to the fall in revenue although there was a reduction in operating expenses and finance costs.

**(c) FYE 31 March 2022**

For the FYE 31 March 2022, RPSB recorded a revenue of approximately RM227.92 million which represents an increase of approximately RM33.34 million or 17.13% as compared to the preceding financial year of approximately RM194.58 million mainly attributable to higher property development revenue and a sale of land.

In addition, RPSB recorded a PAT of approximately RM57.15 million for the FYE 31 March 2022 which represents a decrease of approximately RM0.16 million or 0.28% as compared to the preceding financial year mainly attributable to an increase in selling and distribution expenses such as marketing costs and other operating expenses such as overhead costs, and finance costs.

**(d) FPE 31 July 2022**

For the FPE 31 July 2022, RPSB recorded a revenue of approximately RM141.03 million which represents an increase of approximately RM80.2 million or 131.84% as compared to the corresponding period in the preceding financial year of approximately RM60.83 million mainly attributable to higher progress of property development progress.

In addition, RPSB recorded a PAT of approximately RM40.87 million for the FPE 31 July 2022 which represents an increase of approximately RM30.07 million or 278.42% as compared to the corresponding period in the preceding financial year mainly attributable to higher progress of property development progress.

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**INFORMATION ON RPSB (CONT'D)**


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**8. MATERIAL COMMITMENTS**

As at the LPD, save as disclosed below, there is no material commitment incurred or known to be incurred by RPSB Group which may have a material impact on the financial results/position of RPSB Group:

	<b>RM'000</b>
<b>Capital commitment</b>	
Construction of investment property	
- Approved but not contracted for	<u>716</u>

**9. CONTINGENT LIABILITIES**

As at the LPD, there is no contingent liability incurred or known to be incurred by RPSB Group which, upon becoming enforceable, may have a material impact on the financial results/position of RPSB Group.

**10. MATERIAL LITIGATIONS, CLAIMS AND ARBRITRATION**

As at the LPD, RPSB Group is not involved in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of RPSB is not aware and does not have any knowledge of any proceedings pending or threatened against RPSB Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of RPSB Group.

**11. MATERIAL CONTRACTS**

As at the LPD, the board of directors of RPSB confirmed that there are no material contracts (not being contracts entered in the ordinary course of business) which have been entered into by RPSB Group during the 2 years preceding the date of this Circular.

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**INFORMATION ON IJMP**


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**1. HISTORY AND BUSINESS**

IJMP was incorporated in Malaysia on 18 April 1983 under the Companies Act, 1965 as a private limited company under the name of Camino Sdn Bhd and is deemed registered under the Act. It assumed its present name on 21 December 1989. The principal activities of IJMP are investment holding, property development and related activities. The subsidiaries of IJMP are principally engaged in investment holding, property management and project and construction management services.

**2. SHARE CAPITAL**

As at the LPD, the issued share capital of IJMP is RM100,000,000 comprising 100,000,000 ordinary shares in IJMP.

**3. SHAREHOLDER**

As at the LPD, IJMP is a wholly-owned subsidiary of IJML, which in turn is a wholly-owned subsidiary of IJM.

**4. DIRECTORS**

As at the LPD, the directors of IJMP and their respective shareholdings in IJMP are set out below:

<b>Directors</b>	<b>Nationality</b>	<b>&lt;-----Direct-----&gt;</b>		<b>&lt;-----Indirect-----&gt;</b>	
		<b>No of shares</b>	<b>%</b>	<b>No of shares</b>	<b>%</b>
Dato' Edward Chong Sin Kiat	Malaysian	-	-	-	-
Dato' Toh Chin Leong	Malaysian	-	-	-	-
Chai Kian Soon	Malaysian	-	-	-	-
Liew Hau Seng	Malaysian	-	-	-	-
Datuk Wong Tuck Wai	Malaysian	-	-	-	-

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**SALIENT TERMS OF THE SSA**

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The salient terms of the SSA are set out below:

**1. Basis of sale of the Sale Shares**

The Vendors agree to sell and the Purchaser agrees to purchase the Sale Shares, free from all liens, charges and encumbrances and with full legal and beneficial title, with all rights attaching thereto (including all dividends and distributions declared in respect thereof) with effect from the Completion Date and on the basis of the warranties as set out in the SSA, subject to the terms and conditions of the SSA.

**2. Conditions precedent**

The SSA is conditional upon the following being fulfilled within 6 months from the date of the SSA or such other date as may be agreed upon between the parties ("**Cut-Off Date**"):

- (a) The Vendors procuring WCEHB shareholders' approval;
- (b) The Vendors and/or WCEHB obtaining the relevant consents or approvals from authorities required for the performance of the Vendors' obligations under the SSA; and
- (c) RPSB receiving the approval-in-principle for the release of the Vendors and/or WCEHB from all securities, guarantees and undertakings created or given by the Vendors and/or WCEHB for the relevant existing financing of RPSB from RHB Bank Berhad amounting to RM440.00 million, upon and subject to Completion.

(collectively, "**Conditions Precedent**")

Any waiver of the remaining Conditions Precedent after procuring WCEHB shareholders' approval can only take place by way of mutual agreement of the Vendors and the Purchaser. In considering whether to agree to any such waiver, or otherwise, the Vendors will ensure that it will not be detrimental to the interests of WCEHB Group and WCEHB's minority shareholders. Our Board (save for the Interested Director), after taking into consideration the above, is of the view that any waiver of the remaining Conditions Precedent after procuring WCEHB shareholders' approval is fair and reasonable.

If the Conditions Precedent is not fulfilled or waived by mutual agreement of the Vendors and the Purchaser by the Cut-Off Date for any reason whatsoever, then either party shall be entitled to terminate the SSA by giving written notice to the other party whereupon the Vendors shall refund to the Purchaser, all or any part of the Disposal Consideration received by the Vendors, free of interest, failing which late payment interest at the rate of 8% per annum calculated on a daily basis shall accrue on the amount to be refunded as from the next working day from the date where the notice to terminate the SSA is given by one party to another to the date of full refund thereof (as before or after any judgment or court order).

The SSA shall become unconditional on the Unconditional Date.

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**SALIENT TERMS OF THE SSA (CONT'D)**

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**3. Payment terms of the Disposal Consideration**

The Disposal Consideration shall be paid by the Purchaser to the Vendors in the following manner:

- (a) The Deposit, shall be paid by the Purchaser at the time of execution of the SSA.
- (b) The balance consideration representing 80% of the Disposal Consideration shall be payable by the Purchaser to the Vendors in three instalment payments in the following manner:
  - (i) The First Instalment, representing 40% of the Disposal Consideration within 14 business days from the Unconditional Date;
  - (ii) The Second Instalment, representing 20% of the Disposal Consideration within 6 months from the First Instalment Payment Date; and
  - (iii) The Third Instalment, representing 20% of the Disposal Consideration within 9 months from the First Instalment Payment Date.

However, if the Purchaser does not make the relevant instalment payments at the stipulated time, a late payment interest at the rate of 8% per annum calculated on a daily basis shall accrue on the outstanding amount from the date the relevant instalment payment fall due until such time as the actual payment of the relevant instalment payment is fully paid to the Vendors.

**4. Corporate guarantee by IJML**

- (a) The Purchaser shall procure IJML to provide the Vendors on the Completion Date with an irrevocable and unconditional Corporate Guarantee in such form and substance acceptable to the Vendors, to guarantee the Purchaser's payments of the Second Instalment and Third Instalment, whereby such Corporate Guarantee shall only take effect upon the Completion Date.
- (b) Unless provided otherwise by the SSA, the Purchaser shall ensure that the Corporate Guarantee once procured shall remain valid and enforceable until full payment of the Second Instalment and Third Instalment by the Purchaser to the Vendors pursuant to Section 3 of Appendix III of this Circular, whereupon the Corporate Guarantee shall be returned to the Purchaser.

**5. Completion**

The Completion of the sale and purchase of the Sale Shares shall take place on the Completion Date which falls on the First Instalment Payment Date, which is within 14 business days from the Unconditional Date.



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**SALIENT TERMS OF THE SSA (CONT'D)**

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**6. Termination****(a) Vendors' right to terminate**

The SSA can be terminated by the Vendors if the Purchaser commits any of the following event of default:

- (i) if the Purchaser defaults in the satisfaction of the Disposal Consideration in accordance with Section 3 of Appendix III of this Circular; or
- (ii) if the Purchaser is otherwise in material breach of its obligations under the SSA, and where such material breach is capable of remedy, is not remedied within 14 days after a notice to rectify the material breach is issued by the Vendors,

whereupon:

- (i) 10% of the Deposit shall be forfeited by the Vendors as agreed liquidated damages;
- (ii) the Purchaser and/or the Purchaser's Solicitors shall return to the Vendors, all documents, if any, delivered to the Purchaser;
- (iii) the Vendors shall return to the Purchaser, all documents, if any, delivered to the Vendors by or on behalf of the Purchaser; and
- (iv) the Vendors shall within 14 days from the termination notice return all other part of the Disposal Consideration received by or on behalf of the Vendors, free of interest, to the Purchaser.

**(b) Purchaser's right to terminate**

The SSA can be terminated by the Purchaser if the Vendors commit any of the following event of default, and where such default is capable of remedy, is not remedied within 14 days after a notice to rectify the default is issued by the Purchaser:

- (i) the Vendors fail, neglect or refuse to complete the sale in accordance with the provisions of the SSA; or
- (ii) the Vendors fail, neglect or refuse to perform or comply with any of its undertakings and covenants on its part herein to be performed,

whereupon:

- (i) the Purchaser and/or the Purchaser's Solicitors shall return to the Vendors, all documents, if any, delivered to the Purchaser;
- (ii) the Vendors shall return to the Purchaser, all documents, if any, delivered to the Vendors by or on behalf of the Purchaser; and

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**SALIENT TERMS OF THE SSA (CONT'D)**

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- (iii) the Vendors shall within 14 days from the termination notice return any part of the Disposal Consideration received by or on behalf of the Vendors, free of interest, to the Purchaser and pay to the Purchaser a sum equivalent to 10% of the Deposit as agreed liquidated damages.
- (c) Following the giving of the notice under Section 6(a) or 6(b) of Appendix III of this Circular, neither party shall have any further obligation under the SSA to the other party, except in respect –
  - (i) their respective obligations under Section 6(a) or 6(b) of Appendix III of this Circular (as the case may be);
  - (ii) any obligation under the SSA which is expressly stated to apply after the termination of the SSA; and
  - (iii) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SSA to either party before such termination.
- (d) Either party shall be at liberty to take such action in law as may be necessary to compel the other parties by way of specific performance to complete the sale or purchase in accordance with the provisions of the SSA (in which respect the alternative remedy of monetary compensation shall not be regarded as compensation or sufficient compensation for any default in the performance of the terms and conditions of the SSA) and for damages for the breach of the SSA.

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