

RADIUM DEVELOPMENT BERHAD (“RADIUM” OR “THE COMPANY”)

PROPOSED ACQUISITION BY MAYANG SEPAKAT SDN. BHD., AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF RADIUM OF A PIECE OF LEASEHOLD LAND HELD UNDER PN110508, LOT NO. 62019 SEKSYEN 15, BANDAR AMPANG, DAERAH ULU LANGAT, NEGERI SELANGOR DARUL EHSAN FOR A TOTAL PURCHASE CONSIDERATION OF RM45,000,888.00 (“PROPOSED ACQUISITION”)

1. INTRODUCTION

The Board of Directors of Radium wishes to announce that Mayang Sepakat Sdn. Bhd. (“**Mayang Sepakat**” or “**the Purchaser**”), an indirect wholly-owned subsidiary of the Company, had on 3 December 2024, entered into a conditional Sale & Purchase Agreement (“**SPA**”) with Majlis Perbandaran Ampang Jaya (“**MPAJ**” or “**the Vendor**”) to acquire a piece of leasehold land expiring on 6 August 2108 held under PN110508, Lot No. 62019 Seksyen 15, Bandar Ampang, Daerah Ulu Langat, Negeri Selangor Darul Ehsan measuring approximately 2.56 acres in area (“**the Land**”) for a total purchase consideration of RM45,000,888.00 (“**Purchase Consideration**”) subject to the terms and conditions therein the SPA.

2. RATIONALE OF THE PROPOSED ACQUISITION

The Proposed Acquisition represents an opportunity for Radium and its subsidiaries (“**Radium Group**” or “**the Group**”) to accumulate strategic land for property development purposes. The Land is situated in a strategic location where the necessary infrastructures are readily available. The Board of Directors believes that the Proposed Acquisition will contribute positively to the future earnings of Radium Group.

3. DETAILS OF THE PROPOSED ACQUISITION

3.1 Information on the Land

The Land, measuring 2.56 acres, is located at Jalan Pandan Indah within Bandar Ampang, Selangor Darul Ehsan. It is approximately 10 kilometres due southeast of Kuala Lumpur City Centre.

The Land is easily accessible via major highways, including Kuala Lumpur Middle Ring Road 2 (MRR2) and Sungai Besi Expressway (SBE). The Land area is also well-served by public transportation including Light Rapid Transit (LRT) Ampang Line Cempaka Station which is approximately 350 meters away from the Land, and RapidKL buses.

The Land is subject to the following express condition and restriction in interest: -

(i) Express condition : Bangunan perniagaan

(ii) Restriction in interest : Tanah ini boleh dipindahmilik, dipajak atau digadai setelah mendapat kebenaran Pihak Berkuasa Negeri.

The Group is unable to disclose the net book value of the Land as it is not privy to this information. As at the date of this announcement, the Land is free from encumbrances, caveat, charges and liens. The original issue document of title to the Land is in the custody of the Vendor.

3.2 Information on the Purchaser

Mayang Sepakat (Registration No. 202001033539 (1389860-D)) is a private limited company incorporated in Malaysia on 20 October 2020 and having its registered address at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The present issued share capital of Mayang Sepakat is RM2,000,000 comprising of 2,000,000 ordinary shares. Mayang Sepakat became an indirect subsidiary of Radium since 8 April 2024.

The principal nature of business of Mayang Sepakat is property development.

3.3 Information on the Vendor

MPAJ is the local government authority established under the Local Government Act 1976 (Act 171), with its principal office at Menara MPAJ, Persiaran MPAJ, Jalan Pandan Utama, Pandan Indah, 55100 Kuala Lumpur, responsible for the administration and management of the Ampang Jaya, Selangor Darul Ehsan. MPAJ plays a crucial role to ensure the orderly development and provision of essential services to the residents and businesses within its area, promoting sustainable and well-managed urban growth.

4. BASIS AND JUSTIFICATION OF DETERMINING THE PURCHASE CONSIDERATION

The Purchase Consideration is derived at based on a “willing buyer-willing seller” basis after taking into consideration of the following:

- a. The prospects of the Land and the proposed development in view of existing amenities, ready connectivity and established catchment;
- b. The Land falls within Transit Oriented Development zone due to its proximity to the Cempaka LRT Station;
- c. The Land is classified under the zone “perniagaan dan perkhidmatan” in accordance to Rancangan Tempatan MPAJ (Perubahan 2) 2020 with permitted plot ratio of 1:8; and
- d. The development potential of the Land, with an estimated Gross Development Value (“**GDV**”) of approximately RM470 million, is aligned with current market pricing.

Based on preliminary plans and subject to approvals by the relevant authorities, the proposed development on the Land features a mixed-use development with approximately 1,128 residential units including 340 units of Service Apartment Mampu Milik (SAMM) as well as commercial lots.

Based on the feasibility study conducted, the Purchase Consideration is within the range of acceptable land costs given the potential GDV/ profits to be generated. Given the Group’s knowledge of the market value of the properties surrounding the Land, no valuation was carried out on the Land.

5. SALIENT TERMS OF THE SPA

The salient terms and conditions of the SPA include, amongst others, the following: -

5.1 Agreement to sell and purchase

The Vendor is desirous of selling and the Purchaser is desirous of purchasing the Land with vacant possession free from all encumbrances, caveat, charges and liens at the Purchase

Consideration of Ringgit Malaysia Forty-Five Million Eight Hundred Eighty Eight (RM45,000,888.00) subject to such conditions and restriction in interest in the title thereto and upon the terms and subject to the conditions contained in the SPA.

5.2 Purchase Consideration

The Purchase Consideration shall be paid in the following manner:

Payment	Date of Payment	Consideration (RM)
Deposit	30% of Purchase Consideration paid on 2 October 2024	13,500,266.40
Balance Purchase Price	To be paid within the period of THREE (3) months from the Unconditional Date of the SPA, with an extension of THREE (3) months for the Purchaser to pay the Balance Purchase Price to the Vendor subject to interest at the rate of eight percent (8%) per annum calculated on a daily basis only on the unpaid balance of the Balance Purchase Price.	31,500,621.60
Total		45,000,888.00

5.3 Conditions Precedent

- 5.3.1 The SPA shall be conditional upon the Vendor having obtained the unconditional written consent and/or approvals from the appropriate authorities consenting to the transfer of the Land from the Vendor to the Purchaser to acquire the Land from the Vendor (**“the Letter(s) of Approval”**) within the period of SIX (6) months from the date of SPA (**“Conditional Period”**) and/or the extended period of THREE (3) months commencing immediately upon expiry of the Conditional Period (**“Extended Conditional Period”**) and/or the further Extended Conditional Period as may be granted by the Purchaser at the Purchaser’s discretion (**“Further Extended Conditional Period”**), as the case may be.
- 5.3.2 If at the expiry of the Conditional Period, the Vendor is still not able to obtain the Letters of Approval, the Parties agree to extend the Conditional Period for a further period of THREE (3) months commencing immediately upon the expiry of the Conditional Period in order for the Vendor to obtain the Letters of Approval.
- 5.3.3 If at the expiry of the Extended Conditional Period, the Vendor is still not able to obtain the Letters of Approval, the Purchaser may at its sole discretion elect to terminate the SPA or further extend the Extended Conditional Period at the Purchaser’s discretion.
- 5.3.4 The SPA shall become unconditional on the date of the Purchaser’s Solicitors’ receipt of the original Letters of Approval in favour of the Purchaser.

6. PROSPECTS

6.1 Overview and prospects of the Malaysian economy

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q 2024: 4.2%). The growth is driven by stronger domestic demand and further expansion in exports. Household

spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Exports improved amid higher external demand and positive spillovers from the global tech upcycle. Most supply-side sectors registered higher growth. The manufacturing sector was supported by broad-based improvement across all clusters, particularly in electrical and electronics (E&E). The services sector recorded strong growth, driven by consumer and business-related subsectors. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.9% (1Q 2024: 1.5%).

Growth in the second half of 2024 will be driven by domestic spending with continued strong support from external demand. On the domestic front, household spending will be underpinned by continued employment and wage growth as well as policy measures. Investment activities will be driven by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and the higher realisation of approved investments are also key drivers for investment activities. Externally, the ongoing global tech upcycle and continued strong demand for non-electrical and electronics goods are expected to lift exports. Improvement in tourist arrivals and spending are expected to continue. Upside risks to growth include greater spillover from the tech upcycle, robust tourism activities, and faster implementation of existing and new investment projects. Downside risks to Malaysia's growth prospects stem from a downturn in external demand, an escalation in geopolitical conflicts and lower-than-expected commodity production.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2024)

6.2 Overview and prospects of the property industry in Malaysia

The property market performance recorded an increase in the first half of 2024. A total of 198,906 transactions worth RM105.65 billion were recorded, showing an increase of 8.0% in volume and 23.8% in value compared to the first half of 2023, which recorded 184,140 transactions worth RM85.37 billion. Of the total transactions, 63.9% (127,043 transactions) and 32.5% (64,725 transactions) were transfers dated in 2024 and 2023, respectively while the remaining percentage share was for prior years' transfers.

Sectoral market activity performance showed upward movements. All subsectors recorded year-on-year growths in volume of transactions: residential (6.1%), commercial (22.4%), industrial (2.3%), agricultural (6.5%), and development land and others (12.1%).

Value of transactions recorded higher increase for all sub-sectors i.e. residential, commercial, industrial, agriculture and development land and others, each at 10.4%, 41.5%, 23.4%, 37.8% and 59.3% respectively.

Residential market activity recorded a total of 121,964 transactions worth RM49.43 billion in the first half of 2024, a marginal increase of 6.1% in volume and 10.4% in value as compared to the first half of 2023. The improvement was supported by higher market volume in all states except Negeri Sembilan, Kedah, Sarawak, Terengganu, and Perlis, which recorded a decline in market activity. Selangor contributed the highest volume and value to the national market share, capturing 22.3% in volume (27,174 transactions) and 30.6% in value (RM15.15 billion).

The affordable houses with a price range of RM300,000 and below remained in demand as the numbers dominated the volume, accounting for 53.1% of the total residential transactions. The price range bracket of RM300,001 to RM500,000 came in second (24.3%), followed by RM500,001 to RM1 million (17.3%), and more than RM1 million (5.3%).

Market performance for serviced apartments recorded strong growth in the first half of 2024. The volume and value of transactions increased by 47.4% in volume to 6,804 transactions and 68.5% in value to RM4.94 billion, against the first half of 2023 (4,616 transactions worth RM2.93 billion). Serviced apartments contributed 31.6% and 20.8% of the commercial property transaction volume and value, respectively.

Prices of serviced apartments were stable on the whole, with positive growth recorded in strategic schemes served with good accessibility, particularly in Kuala Lumpur and Selangor. Selangor experienced price increases in Petaling and Hulu Langat, transacted below RM1 million in Petaling, while prices for Hulu Langat were in the lower range of RM320,000 to RM530,000.

In conclusion, the performance of the property market in the first half of 2024 continue to improve, driven by stronger market activity, an improvement in market status, and encouraging construction activity. The strengthening of market activity was driven by a positive performance of transactions in all subsectors, supported by various initiatives outlined by the government under Budget 2024, including providing guarantees of up to RM10 billion under Skim Jaminan Kredit Perumahan (SJKP) and the extension of the stamp duty exemption period for property transfer documents for the purchase of first-time home buyers valued at RM500,000 and below until December 2025.

(Source: Malaysia Property Market Report First Half 2024 from National Property Information Centre (NAPIC))

7. LIABILITIES TO BE ASSUMED

Save for the costs and expenses related to the Proposed Acquisition, there is no other liability, including contingent liability and guarantee to be assumed by Radium arising from the Proposed Acquisition.

8. SOURCE OF FUNDING

The Company intends to fund the costs and expenses related to the Proposed Acquisition and the proposed development through a combination of internally generated funds and bank borrowings.

The exact funding mix will be decided by the management at a later stage after taking into consideration the Group's gearing level, interest costs as well as internal cash requirements for its business operations.

9. STATEMENT BY DIRECTORS

The Directors are of the opinion that the Proposed Acquisition is in the best interest of the Company and it is fair and reasonable and is not detrimental to the Company and its shareholders.

10. EFFECTS OF THE PROPOSED ACQUISITION

10.1 Share capital and shareholdings of substantial shareholders

The Proposed Acquisition has no impact on the issued share capital and the shareholdings of the substantial shareholders of Radium as it does not involve any issuance of new ordinary shares in Radium.

10.2 Earnings and Net Assets per Share

The Proposed Acquisition is not expected to have any material impact on the earnings and net assets per share of Radium Group for the current financial year ending 31 December 2024. However, the Proposed Acquisition is expected to enhance net assets of Radium Group in the future in view of the potential future profit contribution arising from the development of the Land.

10.3 Gearing

The Proposed Acquisition is not expected to have any impact on the Radium Group's gearing ratio for the current financial year ending 31 December 2024.

11. PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 5.7%.

12. RISK FACTORS

The Proposed Acquisition would subject the Group to risks inherent in the property development business of which the Group is already involved in. Such risks may include sensitivity to economic conditions, financing risk, construction cost/materials price increases, delays in commencement and completion, competition from other property developers, dependence on key personnel, compulsory acquisition and pandemic risks.

Any adverse change in these conditions may have a material adverse effect on the Group. These risks are addressed as part of the Group's ordinary course of business and are not expected to represent new risks to the Group's operations. The Group seeks to mitigate these risks with prudent implementation of business strategies, financial risk management, efficient operating procedures and active engagement with authorities. The Board of Directors does not foresee any material risks pursuant to the Proposed Acquisition except for the political and economic risk, as well as the inherent business risk factors associated with property development industry, and general risks such as non-compliance of the SPA.

13. APPROVALS REQUIRED

Save for the approval to be obtained from the appropriate authorities, the Proposed Acquisition does not require approval from the shareholders of the Company and other regulatory authorities.

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

None of the Directors, major shareholders of the Company and/or persons connected with them has any interest, direct or indirect, in the Proposed Acquisition.

15. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed in the second half of 2025.

16. DOCUMENTS AVAILABLE FOR INSPECTION

The SPA will be made available for inspection at the registered office of the Company at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during business hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 3 December 2024.