

RADIUM DEVELOPMENT BERHAD ("RADIUM" OR "THE COMPANY")

PROPOSED ACQUISITION BY RADIUM GLOBAL SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF RADIUM DEVELOPMENT BERHAD OF A PIECE OF FREEHOLD LAND HELD UNDER GM 9196, NO. LOT/PT 38323, MUKIM PETALING, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN AND A PIECE OF LEASEHOLD LAND HELD UNDER PN 30685, NO. LOT/PT 31955, MUKIM PETALING, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN FOR A TOTAL PURCHASE CONSIDERATION OF RM71,789,364.00 ("PROPOSED ACQUISITION")

1. INTRODUCTION

The Board of Directors of Radium Development Berhad ("Radium" or "the Company") wishes to announce that Radium Global Sdn. Bhd. ("Radium Global" or "the Purchaser"), a wholly-owned subsidiary of the Company, had on 9 June 2023, entered into a conditional Sale & Purchase Agreement ("SPA") to acquire all that piece of freehold land held under GM 9196, No. Lot/PT 38323, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 124,172.47 square feet in area ("the Said Property 1") and all that piece of leasehold land of ninety nine (99) years expiring on 17th April 2085 held under PN 30685, No. Lot/PT 31955, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan measuring approximately 35,359.45 square feet in area ("the Said Property 2") from LAU LEOK WOOL, LOW YOKE KEONG, LOW BOON WAH @ LAWRENCE LOW, LOW LAY CHING @ NANCY LOW, CATHERINE LOW LAY MING AND LOW LAY TENG (collectively "the Vendors") for a total purchase consideration of RM71,789,364.00 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 Said Property 1 and the Said Property 2 (collectively "the Said Properties") are 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.

The Proposed Acquisition represents two (2) out of the three (3) parcels of land located in Mukim Petaling as disclosed in prospectus dated 27 April 2023 in connection with Radium's Initial Public Offering ("IPO") ("the Prospectus") that Radium intended to acquire the Said Properties from a related party namely, Citarasa Kontrek Sdn Bhd ("CKSB"). There was a sale and purchase agreement signed between CKSB and the Vendors on the Said Properties, which was subsequently revoked on 8 June 2023.

3. DETAILS OF THE PROPOSED ACQUISITION

3.1 Information on the Said Properties

The Said Properties are located at Jalan Klang Lama within Taman Sri Sentosa, Kuala Lumpur. It is approximately 15 kilometres due south-west of Kuala Lumpur City Centre.

The Said Properties are presently not encumbered to any bank and/or financial institution.

The Said Property 2 is subject with an Express Condition that "Tanah ini hendaklah digunakan untuk perusahaan yang diluluskan oleh Pihak Berkuasa sahaja" and Restriction In Interest that is to say "Tanah ini tidak boleh dipindahmilik, dipajak, dicagarkan dan digadai melainkan dengan kebenaran Jawantankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur" (the Said

Property 2 cannot be transferred, leased or charged without the written consent from the relevant State Authority) (hereinafter referred to as "the State Authority Written Consent").

3.2 Information on the Purchaser

Radium Global (Registration No. 202101017186 (1417486-X)) is a private limited company incorporated in Malaysia on 6 May 2021 and having its registered address at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal nature of business of Radium Global is property development.

The present issued share capital of Radium Global is RM1 comprising of 1 ordinary share. Radium Global is a wholly-owned subsidiary of Radium.

3.3 Information on the Vendors

The Vendors are lawful individuals in Malaysia, abiding by all the applicable laws and regulations.

The Vendors are the legal and registered owners of the Said Properties in the following undivided shares: -

- | | |
|--------------------------------|----------------------------|
| 1. LAU LEOK WOOI | - 1/4 undivided share; |
| 2. LOW YOKE KEONG | - 1/4 undivided share; |
| 3. LOW BOON WAH @ LAWRENCE LOW | - 1/8 undivided share; |
| 4. LOW LAY CHING @ NANCY LOW | - 1/8 undivided share; |
| 5. CATHERINE LOW LAY MING | - 1/8 undivided share; and |
| 6. LOW LAY TENG | - 1/8 undivided share. |

4. BASIS AND JUSTIFICATION OF DETERMINING THE PURCHASE CONSIDERATION

The purchase consideration is derived at based on "willing buyer-willing seller" basis negotiated by the parties, after taking into consideration the preliminary market valuation of RM72,000,000.00 as appraised by Henry Butcher Malaysia (SEL) Sdn. Bhd., an independent firm of valuers, which includes the accessibility of the site, development of the surrounding areas as well as comparative transacted prices and/or asking prices of similar properties in the surrounding areas.

5. SALIENT TERMS OF THE SPA

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

(a) Agreement to sell and purchase

The Vendors have agreed to sell and the Purchaser has agreed to purchase the Said Property 1 at the purchase price of Ringgit Malaysia Fifty Five Million Eight Hundred Seventy Seven Thousand Six Hundred And Eleven and Cents Fifty (RM55,877,611.50) only and the Said Property 2 at the purchase price of Ringgit Malaysia Fifteen Million Nine Hundred Eleven Thousand Seven Hundred And Fifty Two and Cents Fifty (RM15,911,752.50) only totalling Ringgit Malaysia Seventy One Million Seven Hundred Eighty Nine Thousand Three Hundred And Sixty Four (RM71,789,364.00) only ("the Purchase Price") subject to the existing trespass encroachments, unlawful/ illegal occupation and/ or buildings, infringement or the like upon the Said Properties, the Indian Temple, monsoon drains and public roads included, save as otherwise stated herein above, the Said Properties shall be sold free from all tenants, charges, encumbrances, trespass encroachment,

unlawful/ illegal occupation and or buildings, infringement, caveats, restraints howsoever with legal possession and subject to the special conditions as follows:

- (i) Upon signing of the SPA, the Purchaser and the Vendors ("the Parties") have agreed that a limited Power of Attorney be granted by the Vendors to the Purchaser for the sole purpose of securing the development order thereon on the Said Properties with the relevant authorities.
- (ii) The Parties have agreed that the Vendors shall have an option to purchase total of six (6) units in the proposed development on the Said Properties from the Purchaser and/or the Purchaser's joint venture developer, as the case maybe, with a fifty per cent (50%) discount of the gross selling price.

The Parties acknowledge that the sale of the Said Properties shall be simultaneously presented at the relevant Land Registry and completed. The Parties acknowledge that there shall not be any circumstances whatsoever where the Said Properties are completed individually and that the sale and purchase is on an "all or nothing" basis.

(b) Purchase Price

The Purchase Price is payable in the following manner: -

- (i) In consideration of the sum of Ringgit Malaysia Seven Million One Hundred Seventy Eight Thousand Nine Hundred And Thirty Six and Cents Forty (RM7,178,936.40) only which is equivalent to ten per centum (10%) of the Purchase Price being the Deposit paid by the Purchaser to the Vendors' Solicitors upon the execution of the SPA; and
- (ii) the balance sum of Purchase Price amounting to Ringgit Malaysia Sixty Four Million Six Hundred Ten Thousand Four Hundred And Twenty Seven and Cents Sixty (RM64,610,427.60) only shall be paid to the Vendors' Solicitors on or before the payment deadline being the expiry date of the period of three (3) months from the Unconditional Date ("the Payment Deadline").
- (iii) In the event the Purchaser is unable to comply with the provisions of sub-paragraph 5(b)(ii) for any reasons whatsoever, the Vendors hereby automatically grants the Purchaser a further period of two (2) months from the Payment Deadline ("the Extended Period") to pay the balance of Purchase Price provided that the Purchaser pays the Vendors interest on the balance of Purchase Price then outstanding at the rate of eight per centum (8%) per annum calculated on a daily basis from the first day of the Extended Period till the date on which the full Purchase Price has been paid by the Purchaser to the Vendors' Solicitors.

(c) Conditions Precedent

The SPA shall be conditional upon the State Authority Written Consent being obtained for the Said Property 2 within the period of four (4) months from the date of the SPA or such other period as may be extended by the Parties ("the Conditional Period") subject to a further extension(s) of two (2) months from the expiry of the Conditional Period to be automatically granted by the Purchaser to the Vendors.

The Parties agreed that where the State Authority Written Consent is not obtained or rejected within the period as stated in paragraph above or the appeals against rejection has not be allowed, as the case may be, the Vendors shall within fourteen (14) days from the State Authority Written Consent's rejection or the rejection of the appeals refund to the Purchaser all monies received under the SPA without interest failing which, the Vendor shall pay an interest of eight per centum

(8%) per annum calculated on daily basis on the monies due to be refunded to the Purchaser commencing from the expiry of 14th day and thereupon the SPA shall be rendered null and void and the parties hereto shall have no further claim or claims against each other save and except for any antecedent breaches.

Upon the State Authority Written Consent being obtained within the period stated in the first paragraph of 5(c), the SPA shall become unconditional ("the Unconditional Date") upon receipt of a certified true copy of the State Authority Written Consent by the Purchaser's Solicitor from the Vendors' Solicitors and completion of the purchase shall take place accordingly pursuant to paragraph 5(b).

In the event if the State Authority Written Consent is not obtained within the abovementioned Six (6) months period as provided in the first paragraph of 5(c) hereinabove and the parties mutually does not agree to extend the time allowed to procure the same, the SPA shall automatically be terminated whereupon the Vendors shall refund the Deposit paid by the Purchaser, free of interest in exchange for return of all documents in respect of the Said Properties with the Vendors' interest intact which may have been released to the Purchaser or the Purchaser's Solicitors pursuant to the terms and conditions stated in the SPA.

(d) Power of Attorney

For the purpose to make the submission and/ or applications to the appropriate authorities or bodies for:-

- (i) a procurement of the development order and/ or the planning approval for the Said Properties,
- (ii) the alterations, variations and modifications to the matters set out in paragraph (i) above after those matters have been duly approved by the relevant authorities or bodies,

((i)&(ii) collectively be hereinafter referred as "Relevant Submissions") on behalf of the Vendors, the Vendors shall within a period of fourteen (14) days from the date of execution of the SPA or upon notification by the Purchaser, whichever is later, grant to the Purchaser or its nominee a Power of Attorney with respect to the Said Properties, appointing the Purchaser or its nominee, to be their true and lawful attorney and in the name of the Vendors' to act for the Vendors for the purpose of undertaking the Relevant Submissions and in respect of all matters set out under the form of Power of Attorney.

6. LIABILITIES TO BE ASSUMED

There are no liabilities, including contingent liabilities and guarantees to be assumed by Radium arising from the Proposed Acquisition.

7. SOURCE OF FUNDING

The Purchase Consideration will be funded from IPO proceeds as disclosed in the Prospectus.

8. 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.

9. EFFECTS OF THE PROPOSED ACQUISITION

9.1 Share Capital

The Proposed Acquisition will not have any effect on the issued and paid-up share capital of Radium.

9.2 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 2023.

9.3 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 2023.

10. 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 18.76%.

11. RISK FACTORS

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.

12. APPROVALS SOUGHT

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

13. 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.

14. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed within seven (7) months from the date of the SPA.

15. 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, 47810 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 9 June 2023.