

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

### **MATERIAL LITIGATION – KUALA LUMPUR HIGH COURT OF MALAYA CIVIL SUIT NO: WA-22NCvC-280-06/2023 PURCHASERS OF RESIDENSI PLATINUM OUG IN BLOCK B AGAINST VISTARENA DEVELOPMENT SDN. BHD.**

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#### **1) INTRODUCTION**

The Board of Directors of Radium wishes to announce that Vistarena Development Sdn. Bhd. (an 80%-owned subsidiary of Radium) (“the Defendant”) had on 9 June 2023 been served with a Writ of Summons and Statement of Claim dated 1 June 2023 from 241 individual purchasers of Residensi Platinum OUG in Block B (“the Plaintiffs”) regarding a lawsuit (“the Suit”).

The Residensi Platinum OUG (“the Development”) comprises a combined development of condominiums (Block B), affordable housing (Block B), and civil servants housing (Block A) under the same development order.

#### **2) CIRCUMSTANCES LEADING TO THE SUIT**

Prior to the filing of the Suit, on 18 October 2022, there was a meeting held between representatives from relevant government authorities, Defendant, the architect, the civil and structural consultant, main contractor as well as purchasers’ representatives from all components of the Development to discuss the issues pertaining to the Development including but not limited to the matters raised in the Suit such as the entrances and defects. However, it was concluded in the meeting that the construction of separate entrances will be put on hold until the formation of the management corporation of the Development and Defendant to expedite the defect rectification works.

On 1 June 2023, the Plaintiffs, legitimate owners of units in Block B (the “Property”), filed the Suit against the Defendant. They claim they were misled by the Defendant's representations about the purchase of the Property, specifically the separate entrances between Block A and Block B, which justified a significant price difference.

The Plaintiffs also allege severe defects in the common facilities provided by the Defendant. Although some rectification work has been done, the Defendant has not completed or rectified the access cards facilities or established access control in a shared common area. Despite notifying the Defendant multiple times about safety-related defects, no action has been taken, and the lack of access separation and clear signage between Block A and Block B is impacting Block B residents’ financial prospects.

The Plaintiffs are concerned about the potential for a future management corporation to reallocate rights to use common facilities, disadvantaging Block B residents.

Hence, the Plaintiffs allege the value of Block B has declined, and the Defendant has not taken responsibility.

As of the date of this announcement, the management corporation for the Development has yet to be incorporated and all defect-related complaints received have been rectified within a reasonable time frame.

### **3) PARTICULARS OF THE CLAIMS**

The Plaintiffs are seeking the Court orders, injunctions, and judgments as follows:

- (a) A declaration that the Defendant has conducted in misrepresentation and breach of contract towards the Plaintiffs in the process of selling the Property to the Plaintiffs;
- (b) An injunction against the Defendant to take all necessary and reasonable steps to establish two (2) access paths at the entrance to Block A and Block B within a period of three (3) months from the date of judgment/order;
- (c) A judgment that the Defendant rectifies all listed safety-related defects, and the rectification works are to be completed to the satisfaction of the Plaintiffs' representative within a period of three (3) months from the date of judgment or order, with costs borne solely by the Defendant;
- (d) An order for general damages to be assessed by the Honourable Court;
- (e) Exemplary damages amounting to RM25,000.00 to be paid to each Plaintiff within seven (7) days from the date of judgment/order;
- (f) Costs;
- (g) 5% interest on the judgment awarded by the Honourable Court from the date of filing the Suit until full settlement;
- (h) Such other orders, reliefs, and directions deemed just and appropriate by the Honourable Court.

The Suit is now fixed for its first case management on 3 July 2023.

### **4) FINANCIAL AND OPERATIONAL IMPACT**

At this juncture, it is too early to determine the financial and operational impact of the Suit on the Defendant as it depends on the outcome of the Suit.

### **5) STEPS TAKEN IN RESPECT OF THE SUIT**

The defendant is in consultation with its solicitors and will make the necessary announcement on any material development of the Suit in due course.

This announcement is dated 13 June 2023.