

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

### PROPOSED ACQUISITION OF 3 PARCELS OF CONTIGUOUS LEASEHOLD LAND, LOCATED IN MUKIM KUALA LUMPUR, DAERAH KUALA LUMPUR, NEGERI WILAYAH PERSEKUTUAN KUALA LUMPUR, FOR A PURCHASE CONSIDERATION OF RM458.00 MILLION, TO BE SATISFIED ENTIRELY IN CASH ("PROPOSED ACQUISITION")

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#### 1. INTRODUCTION

On behalf of the Board of Directors of Radium ("**Board**"), UOB Kay Hian Securities (M) Sdn Bhd ("**UOBKH**") wishes to announce that Radium J Velodrome Sdn Bhd (formerly known as Gi Citarasa Sdn Bhd) ("**RVSB**" or the "**Purchaser**"), a wholly-owned subsidiary of Montanica Development Sdn Bhd ("**Montanica**"), which is in turn a wholly-owned subsidiary of Radium, had on 25 November 2024, entered into a conditional sale and purchase agreement ("**SPA**") with Dupion Development Sdn Bhd ("**DDSB**" or the "**Vendor**"), for the proposed acquisition of the following 3 parcels of contiguous leasehold land:-

- (i) a piece of 99-year leasehold land expiring on 16 July 2113 held under Pajakan Negeri 52861 Lot 480881, Tempat Velodrom Cheras, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 49,800 square metres (12.30 acres) bearing postal address Lot 480881, Jalan Yaacob Latif, Bandar Tun Razak, 56000 Wilayah Persekutuan Kuala Lumpur;
- (ii) a piece of 99-year leasehold land expiring on 23 June 2115 held under Pajakan Negeri 52880 Lot 481143, Tempat Jalan Cheras, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 2,625 square metres (0.65 acres) bearing postal address Lot 481143, Jalan Yaacob Latif, Bandar Tun Razak, 56000 Wilayah Persekutuan Kuala Lumpur; and
- (iii) a piece of 99-year leasehold land expiring on 23 June 2115 held under Pajakan Negeri 52879 Lot 481144, Tempat Jalan Cheras, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur measuring approximately 835 square metres (0.21 acres) bearing postal address Lot 481144, Jalan Yaacob Latif, Bandar Tun Razak, 56000 Wilayah Persekutuan Kuala Lumpur,

(collectively referred to as the "**Subject Lands**"), for a total purchase consideration of RM458.00 million ("**Purchase Consideration**"), to be satisfied entirely in cash ("**Proposed Acquisition**").

The Proposed Acquisition is deemed as a related party transaction pursuant to Paragraph 10.08 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**") ("**Bursa Securities**"), by virtue of the interests of the directors and/ or major shareholders of Radium in relation to the Proposed Acquisition as set out in **Section 9** of this announcement. Accordingly, MainStreet Advisers Sdn Bhd ("**MainStreet**" or the "**Independent Adviser**") has been appointed on 26 March 2024 as the independent adviser to advise the non-interested directors and non-interested shareholders of the Company in relation to the Proposed Acquisition.

Further details of the Proposed Acquisition are set out in the ensuing sections of this announcement.

#### 2. DETAILS OF THE PROPOSED ACQUISITION

The Vendor has agreed to sell and RVSB has agreed to purchase the Subject Lands on an "as is where is" basis with vacant possession further subject to the conditions of title express or implied in the title and free from all encumbrances for the Purchase Consideration. The salient terms of the SPA are set out in **Appendix I** of this announcement.

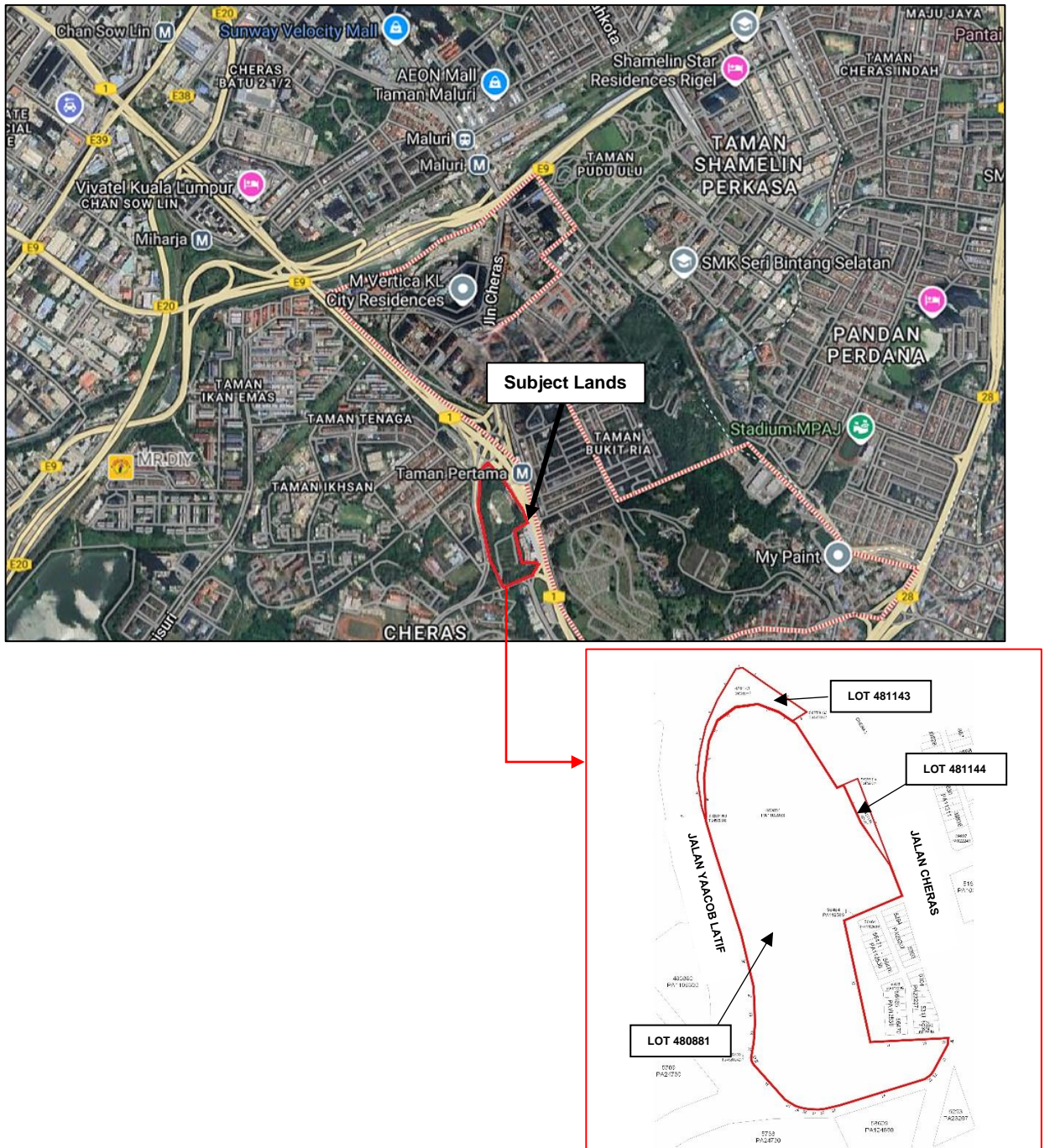
##### 2.1 Information on the Subject Lands

The Subject Lands comprise a parcel of mixed-use land (Lot 480881) along with 2 parcels of commercial land (Lot 481143 and Lot 481144), which when combined forms a regular parcel of land with a combined land area of 53,260 square metres (13.16 acres).

The Subject Lands, which are contiguous, are located within Cheras in Kuala Lumpur and are broadly bounded by Jalan Cheras to its immediate east, Middle Ring Road 2 (MRR2) to its south and Sungai Besi Expressway to its north. Geographically, the Subject Lands are located approximately 5 km due south-east from Kuala Lumpur city centre.

Surrounding residential properties in the Subject Lands' immediate vicinity include Taman Pertama, Taman Midah, Taman Ikan Emas, Taman Bukit Mewah, Taman Bukit Asa, Taman Miharja, Maluri and Taman Shamelin Perkasa. Prominent landmarks situated nearby include Cheras Rehabilitation Hospital, Pantai Hospital Cheras, Sekolah Menengah Kebangsaan (SMK) Cheras, AEON Mall Taman Maluri and Sunway Velocity Mall. The Subject Lands are accessible via Jalan Tun Razak, Jalan Loke Yew and thence onto several internal roads which lead towards the Subject Lands, all being well-maintained metalled roads. Further, the Subject Lands are also accessible via the Taman Pertama Mass Rapid Transit ("MRT") station (forming part of the Kajang Line) connecting from Kwasa Damansara to Kajang.

The location of the Subject Lands are depicted in the map below:-



Further details of the Subject Lands are summarised in the table below:-

<b>Registered proprietor</b>	:	Dupion Development Sdn Bhd		
<b>Identification</b>	:	Lot 480881	Lot 481143	Lot 481144
<b>Locality</b>	:	Velodrom Cheras	Jalan Cheras	Jalan Cheras
<b>Mukim/ District/ State</b>	:	Mukim and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur		
<b>Title land area</b>	:	49,800 square metres/ 536,043 square feet/ 12.30 acres	2,625 square metres/ 28,255 square feet/ 0.65 acres	835 square metres/ 8,988 square feet/ 0.21 acres
<b>Category of land use</b>	:	"Bangunan"		
<b>Express conditions</b>	:	"Tanah ini hendaklah digunakan hanya untuk tujuan tapak pembangunan bercampur sahaja"	"Tanah ini hendaklah digunakan hanya untuk tujuan tapak perdagangan sahaja"	
<b>Restriction-In-Interest</b>	:	"Tanah ini tidak boleh dipindahmilik, dipajak, dicagar atau digadai tanpa kebenaran Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur"		
<b>Tenure</b>	:	Leasehold interest for a term of 99 years, expiring 16 July 2113	Leasehold interest for a term of 99 years, expiring 23 June 2115	
<b>Encumbrances</b>	:	Charged to RHB Islamic Bank Berhad vide Presentation No. PDSC16859/2021, registered on 11 May 2021	Charged to RHB Islamic Bank Berhad vide Presentation No. PDSC16860/2021, registered on 11 May 2021	Charged to RHB Islamic Bank Berhad vide Presentation No. PDSC16858/2021, registered on 11 May 2021
<b>Net book value as at 31 December 2023</b>	:	RM437,484,936.25	RM23,060,199.95	RM7,335,339.79
<b>Valuer</b>	:	Knight Frank Malaysia Sdn Bhd		
<b>Method of valuation</b>	:	Comparison Approach		
<b>Market value/ Date of valuation</b>	:	RM458,000,000/ 7 October 2024		

For information purposes, Dewan Bandaraya Kuala Lumpur ("**DBKL**") had, on 1 April 2024, provided an approval-in-principal to the Vendor for a master development order to be issued at a later date, pending the submission and approval of the latest site layout plan pursuant to the Subject Lands. The said master development order entails the designation of the Subject Lands for the purpose of mixed-use development with a proposed plot ratio of 1:8.

In view of the above, the latest proposed site layout plan, dated 16 April 2024, was submitted by the Vendor to DBKL on 17 April 2024. However, at this juncture, the abovementioned site layout plan has yet to be approved. As such, the final timeframe and development costs required for the development of the Subject Lands cannot be confirmed at this juncture.

Notwithstanding the above, a summary of the proposed development of the Subject Lands, based on preliminary estimates, is set out as follows:-

Proposed type of development	:	Mixed-use development potentially comprising service apartments and commercial lots
Estimated gross development value ("GDV")	:	RM2.54 billion <sup>*1</sup>
Estimated gross development cost ("GDC")	:	RM2.11 billion <sup>*1</sup>

**Note:-**

<sup>\*1</sup> Based on the management of Radium's estimates at this juncture, which may vary subject to amongst others, prevailing market conditions, the outcome of planning provisions, and the outcome of approvals from relevant authorities for the proposed development of the Subject Lands.

## 2.2 Information on the Vendor

DDSB was incorporated in Malaysia on 16 May 2014 under the Companies Act 1965. DDSB is principally involved in property development, construction and real estate activities.

As at 20 November 2024, being the latest practicable date of this announcement ("LPD"), the issued share capital of DDSB is RM10.00 million, comprising 10.00 million ordinary shares of DDSB.

As at the LPD, the directors and shareholders of DDSB and their shareholdings in DDSB are set out below:-

Name	Designation	Nationality/ Place of incorporation	<-----Direct----->		<-----Indirect----->	
			No. of shares ('000)	%	No. of shares ('000)	%
Platinum Victory (WM) Sdn Bhd	Substantial shareholder	Malaysia	5,000	50	-	-
Jakel Development Sdn Bhd	Substantial shareholder	Malaysia	5,000	50	-	-
Jakel Holdings Sdn Bhd	Substantial shareholder	Malaysia	-	-	5,000 <sup>*1</sup>	50
Tan Sri Datuk Seri Gan Yu Chai (" <b>Tan Sri Gan</b> ")	Director/ Substantial shareholder	Malaysian	-	-	5,000 <sup>*2</sup>	50
Gan Yee Hin	Director/ Substantial shareholder	Malaysian	-	-	5,000 <sup>*2</sup>	50
Datuk Seri Mohamed Faroz bin Mohamed Jakel	Director/ Substantial shareholder	Malaysian	-	-	5,000 <sup>*3</sup>	50
Mohamed Nizam bin Mohamed Jakel	Director	Malaysian	-	-	-	-
Mohamed Izani bin Mohamed Jakel	Director	Malaysian	-	-	-	-
Puan Sri Datin Seri Lee Kuan Kiow	Director	Malaysian	-	-	-	-
Gan Lee Hoon	Alternate Director	Malaysian	-	-	-	-

Name	Designation	Nationality/ Place of incorporation	<-----Direct----->		<-----Indirect----->	
			No. of shares ('000)	%	No. of shares ('000)	%
Gan Lee Ha	Alternate Director	Malaysian	-	-	-	-
Muhammad Ashraf bin Muhammad Amir	Alternate Director	Malaysian	-	-	-	-

**Notes:-**

<sup>\*1</sup> Deemed interested by virtue of its direct interest in Jakel Development Sdn Bhd pursuant to the Companies Act 2016 ("Act").

<sup>\*2</sup> Deemed interested by virtue of his direct interest in Platinum Victory (WM) Sdn Bhd pursuant to the Act.

<sup>\*3</sup> Deemed interested by virtue of his indirect interest in Jakel Development Sdn Bhd, through Jakel Holdings Sdn Bhd, pursuant to the Act.

### 2.3 Information on the Purchaser

RVSB was incorporated in Malaysia on 4 June 2024 under the Act. RVSB is principally involved in property development as at the LPD and was incorporated for the purpose of undertaking the property development on the Subject Lands.

As at the LPD, the issued share capital of RVSB is RM1,000,000 comprising 1,000,000 ordinary shares of RVSB.

The directors and shareholders of RVSB and their shareholdings in RVSB, as at the LPD, are set out below:-

Name	Designation	Nationality/ Place of incorporation	<-----Direct----->		<-----Indirect----->	
			No. of shares	%	No. of shares	%
Montanica	Substantial shareholder	Malaysia	1,000,000	100	-	-
Radium	Substantial shareholder	Malaysia	-	-	1,000,000 <sup>*1</sup>	100
Cengal 2020 Sdn Bhd ("Cengal")	Substantial shareholder	Malaysia	-	-	1,000,000 <sup>*2</sup>	100
Datuk Gan Kah Siong	Director/ Substantial shareholder	Malaysian	-	-	1,000,000 <sup>*3</sup>	100
Gan Tiong Kian	Director	Malaysian	-	-	-	-
Gan Kok Peng	Director	Malaysian	-	-	-	-
Chai Woon Hou	Director	Malaysian	-	-	-	-

**Notes:-**

<sup>\*1</sup> Deemed interested by virtue of its direct interest in Montanica pursuant to the Act.

<sup>\*2</sup> Deemed interested by virtue of its indirect interest in Montanica, through Radium, pursuant to the Act.

<sup>\*3</sup> Deemed interested by virtue of his indirect interest in Montanica, through Radium and Cengal, pursuant to the Act.

## 2.4 Basis and justification of arriving at the Purchase Consideration

The Purchase Consideration of RM458.00 million was arrived at on a willing buyer-willing seller basis, and taking into consideration the following factors:-

- (i) the total market value of the Subject Lands of RM458.00 million, as appraised by Knight Frank Malaysia Sdn Bhd ("**Knight Frank**" or the "**Valuer**") based on the "comparison approach" method as at the date of valuation on 7 October 2024. The "comparison approach" considers *the sales of similar or substitute properties and related market data, and establishes a value estimate by adjustments made for differences in factors that affect value. In general, a property being valued is compared with sales of similar properties that have been transacted in the open market;* and
- (ii) the rationale and justification of the Proposed Acquisition and prospects of the Subject Lands as set out in **Sections 3 and 4.3** of this announcement respectively.

## 2.5 Mode of settlement

Pursuant to the terms of the SPA, the Purchase Consideration will be satisfied entirely in cash in the following manner:-

Payment terms	Timing	RM'000	%
Deposit (refundable)	Paid to the Vendor's solicitors, as stakeholders, upon signing of the SPA	45,800	10
Balance purchase price	Payable to the Vendor's solicitors, as stakeholders, on or before 3 months following the fulfilment of the conditions precedent of the SPA (" <b>Completion Period</b> "), failing which the Completion Period will be automatically extended for 1 month from the expiry date of the Completion Period or such further period as the parties may mutually agree in writing, as set out in <b>Appendix I</b> of this announcement	412,200	90
	<b>Total</b>	<b>458,000</b>	<b>100</b>

## 2.6 Source of funding

Pursuant to the terms of the SPA, the Purchase Consideration amounting to RM458.00 million shall be satisfied through a combination of internally generated funds and/ or bank borrowings, the exact quantum to be determined by the Board at a later date. Purely for illustration purposes, based on internal preliminary discussions, the indicative quantum of the funding at this juncture is tabulated in the following manner:-

	RM	%
Internally generated funds	137,400,000	30
Bank borrowings	320,600,000	70
<b>Total</b>	<b>458,000,000</b>	<b>100</b>

## 2.7 Original cost and date of investment by the Vendor

The original cost of investment by the Vendor in the Subject Lands is approximately RM402.35 million and the date of investment is 29 June 2020.

## 2.8 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SPA, there are no other liabilities, including contingent liabilities or guarantees, to be assumed by Radium and its subsidiaries ("**Radium Group**" or the "**Group**").

## 2.9 Additional financial commitment required

Upon completion of the Proposed Acquisition, the Group expects to incur additional financial commitment to develop the Subject Lands which will include, amongst others, construction costs, infrastructure works, professional adviser fees, financing costs and project management costs.

The development costs will be funded via a combination of progressive collections from sales billings, internally generated funds, and bank borrowings, the exact quantum of which will be determined by the Board and the management of RVSB at a later stage, depending on the cost of funding and the Group's cash requirements at the material time. For information purposes, the preliminary estimate for the GDC pursuant to the proposed development of the Subject Lands is set out in **Section 2.1** of this announcement.

## 3. RATIONALE AND JUSTIFICATIONS FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is undertaken in line with the Group's business strategy to expand its property development and investment business by increasing its present landbank and/ or undertaking further property development projects.

Based on the latest audited financial statements of the Group for the financial year ended ("**FYE**") 31 December 2023, Radium derives all of its revenue from its property development and investment business.

As at the LPD, the Group's total landbank consists of approximately 20.77 acres located in Kuala Lumpur, of which 5.31 acres remain undeveloped and reserved for future development. Accordingly, the remaining 15.46 acres is currently under development, with the Group's ongoing property development portfolio as at the LPD comprising of the following projects:-

- (i) Suite Canselor (commercial-residential) - approximately 2.03 acres, with an estimated GDV of RM474 million and estimated to be completed by 2027;
- (ii) Residensi Desa Timur (suite apartment and Residensi Wilayah) - approximately 9.77 acres, with an estimated GDV of RM995 million and estimated to be completed by 2027; and
- (iii) Residensi Radium (suite apartment) - approximately 3.66 acres, with an estimated GDV of RM550 million and estimated to be completed by 2028.

The Proposed Acquisition will enable the Group to supplement its existing landbank in a strategic location within Kuala Lumpur. The Subject Lands are strategically located within the mature neighborhood of Jalan Cheras which is complemented by a mix of residential, commercial, healthcare and educational developments, as well as enjoy good accessibility and connectivity to a network of expressways and highways. The Subject Lands also form part of a transit-oriented development ("**TOD**") zone whereby it is located approximately 100 metres away from the Taman Pertama MRT station, and this in turn may enhance the marketability of the property's appeal and exposure for potential investors and owner-occupiers due to convenience of access to public transportation. Based on the above, the Board opines that the acquisition of the Subject Lands will further strengthen the Group's foothold in the property development business by increasing the Group's landbank to improve its future earnings visibility and by offering potential capital appreciation.

Premised on the foregoing and in line with the Group's strategy to strengthen its property development business, the Board opines that the Proposed Acquisition will benefit the Group by expanding its current landbank and from potential income that may be derived from the development of the Subject Lands.

## 4. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

### 4.1 Overview and outlook of the Malaysian economy

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

Going forward, growth of the Malaysian economy will be driven by robust expansion in investment activity, continued improvement in exports, and resilient household spending. On the domestic front, investment activities will be supported by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and higher realisation of approved investments are also key drivers for investment activities. These investments, which are supported by higher capital imports, will raise exports and expand productive capacity in the economy. Household spending will be underpinned by continued employment and wage growth as well as policy measures. Externally, the ongoing global tech upcycle, continued strong demand for manufactured goods and commodities, and higher tourist spending are expected to lift exports. The growth outlook remains subject to downside risks stemming from slower external demand, further escalation of geopolitical tensions and protectionist measures, as well as weaker-than-expected commodity production. Nevertheless, upside risks to growth include greater spillovers from the tech upcycle, faster implementation of investment projects and more robust tourism activity.

*(Source: Economic and Financial Developments in Malaysia in the Third Quarter of 2024, Bank Negara Malaysia)*

### 4.2 Overview and outlook of the property market in Malaysia

In 2023, WP Kuala Lumpur registered 20,344 property transactions with collective value of about RM21.42 billion. The transacted volume was higher by circa 11.1% on the year albeit registering lower corresponding transacted value (-2.7%) (2022: 18,312 transactions worth RM22.00 billion). The residential sub-sector holds a dominant position in the property market, representing approximately 67.6% and 53.1% share of total sales volume and sales value respectively. In the commercial sub-sector (commercial-residential and commercial sub-sectors), there were 6,253 transactions with collective value of RM8.06 billion, accounting for 30.7% of total sales volume and 37.7% of sales value respectively. Despite recording higher annual sales volume (30.9%), the corresponding sales value was lower by about 5.0%. This suggests that a larger number of lower-valued commercial properties were sold during this period.

In 2023, there was improved activity in WP Kuala Lumpur's residential property market. The volume and value of transactions were higher on the year by circa 10.8% and 5.6% respectively. In the commercial residential segment, the sales volume and corresponding sales value were significantly higher by 41.5% and 41.7% respectively. On the mukim level, Mukim Kuala Lumpur registered higher volume (18.4%) and value (9.7%) of residential transactions in 2023 when compared to year 2022. Market activity (transacted volume) in the commercial residential segment improved by two-fold with a corresponding 92.8% jump in transacted volume.

Under Budget 2024, which was tabled in October 2023, the government announced several significant initiatives related to housing and development. Notable highlights include the imposition of a flat 4.0% stamp duty on MOT for non-citizens and foreign-owned companies, effective from 1 January 2024, to potentially help control land and property prices for locals. Additionally, a fixed stamp duty fee of RM10 will replace the previous variable rate for real estate transfer documents when beneficiaries relinquish their rights to eligible beneficiaries as per a will, Faraid, or the Distribution Act 1958.



The government has allocated RM2.5 billion for public housing projects (PPRs) in 2024 to enhance homeownership, particularly among the population in the B40 category. Furthermore, the allocation for the Housing Credit Guarantee Scheme has been doubled from RM5 billion in 2023 to RM10 billion in 2024 and this is expected to benefit 40,000 borrowers.

Budget 2024 has also introduced several incentives to promote electric vehicles (EV) as part of Putrajaya's efforts to facilitate the energy transition. The Ministry of Housing and Local Government (KPKT) has released comprehensive guidelines for EV charging bays, aiming to support the growth of the EV market. It is noteworthy to mention that Scientex Bhd and Sime Darby Beyond Auto Sdn Bhd have signed a Memorandum of Understanding (MOU) to encourage EV adoption and integrate EV charging facilities into affordable housing developments, with Scientex planning to establish EV charging stations at selected locations within its housing projects in Malaysia.

There are also growing collaborations between developers and banks to support homeownership:

- Arte Corp and Affin Bank are offering financing solutions for homebuyers, including reduced monthly repayments and a margin of up to 90%, with additional allocation for essential aspects.
- UEM Sunrise and Affin Bank collaborated to empower female homebuyers through the 'Affinita' mortgage acquisition programme, providing discounts and benefits through exclusive merchants.
- Sime Darby Property Bhd and Maybank have partnered to integrate Maybank's Home2u financing platform into Sime Darby Property's online booking system, offering swift home financing approval and competitive financing rates.
- SkyWorld Development Bhd and MRCB Land are offering full-fledged home interior solutions to ease the burden of homebuyers, including financing for home interior makeovers and hassle-free fit-out solutions for fully furnished units.

The Subject Lands are strategically located within the mature neighborhood of Jalan Cheras which is complemented by a mix of residential, commercial, healthcare and educational developments. It falls within a TOD zone due to its proximity to the Taman Pertama MRT station. The latter is part of the Sungai Buloh-Kajang Line that connects Kwasa Damansara and Kajang regions to central Kuala Lumpur. The Proposed Development will be linked to the Taman Pertama MRT station and this will enhance its accessibility and connectivity for the convenience of its future residents/occupiers.

In conclusion, the residential property market is expected to be on a positive growth trajectory in 2024, backed by right product positioning and supported by rising sales volume, new property launches, and successful completions. Various government initiatives and incentives coupled with improved collaboration between developers and banks are fueling this momentum, enhancing homeownership. As a result, the residential market maintains a cautiously optimistic outlook for the year ahead.

*(Source: National Property Information Centre and Knight Frank Research)*

#### **4.3 Prospects of the Subject Lands**

In undertaking the Proposed Acquisition, the Board has taken into consideration the strategic location of the Subject Lands, attributable to the following factors:-

- (i) The Subject Lands are strategically located within the locality of Cheras and falls under the TOD zone. It is located within close proximity to (a) mature residential areas (i.e. Taman Pertama, Taman Midah etc), (b) established educational and healthcare amenities (i.e. Sekolah Kebangsaan Sri Cheras, SMK Cheras, Cheras Health Clinic, Cheras Rehabilitation Hospital etc), and (c) various commercial landmarks (i.e. Aeon Mall Taman Maluri, Sunway Velocity Mall, MyTown etc);

- (ii) The Subject Lands enjoy good accessibility and connectivity to major conurbations within Klang Valley via a network of expressways and highways, namely Maju Expressway (MEX), Middle Ring Road 2 (MRR2), Sungai Besi Expressway (SEB) and Sungai Besi-Ulu Kelang Expressway (SUKU). Furthermore, the Subject Lands have a direct road frontage onto Jalan Cheras, being the main arterial road serving the locality of Cheras; and
- (iii) The Subject Lands form part of a TOD at Taman Pertama, where is located approximated 100 metres away from Taman Pertama MRT station. For developers, TOD sites generally offer potential for higher density project, potential for enhanced potential marketing opportunities due to elevated visibility and exposure, and enhanced attractiveness in the eyes of potential investors and owner-occupiers due to convenience of access to public transportation coupled with road connectivity and surrounding amenities.

In consideration of the above, the Board also takes cognisance of the overview and outlook of the property market industry in Malaysia as stated in **Section 4.2** of this announcement. Pursuant to this, the Board opines that the Subject Lands hold significant development potential. Upon completion of the Proposed Acquisition, the Board intends to leverage on the expertise and manpower of its property development business, to undertake potential development(s) on the Subject Lands, in order to generate future revenue to the Group.

Barring any unforeseen circumstances, the Board remains optimistic of the prospects and development potential of the Subject Lands. The Board endeavours to carefully deliberate on the potential development plan to be undertaken, in order to optimise the potential revenue income from the Subject Lands.

## 5. RISK FACTORS

Save as disclosed below, which may not be exhaustive, the Board does not foresee any other additional risks arising from the Proposed Acquisition:-

### 5.1 Completion risk

The Proposed Acquisition is conditional upon the fulfilment of the conditions precedent in the SPA as set out in **Appendix I** of this announcement. If any of the conditions precedent are not fulfilled within the stipulated time frame, the SPA may be terminated and as a result, the Group may not be able to complete the Proposed Acquisition. Nevertheless, the Board will endeavor to ensure the satisfaction of these conditions precedent in order to complete the Proposed Acquisition in a timely manner.

### 5.2 Acquisition risk

The Proposed Acquisition is expected to contribute positively to the future performance of the Group in the long term. However, there is no assurance that the anticipated benefits arising from the Proposed Acquisition can be realised after the completion of the Proposed Acquisition. Accordingly, there can be no assurance that the Group will be able to generate sufficient returns from the development of the Subject Lands to offset the associated costs arising from the Proposed Acquisition. Meanwhile, there can be no assurance that any adverse conditions to the property industry and/ or economic factors will not affect the Group's business operations.

The Board will exercise due care in considering the potential risks and benefits associated with the Proposed Acquisition, and the Board believes that the Proposed Acquisition will be value accretive to the Group, after taking into consideration among others, the prospects of the Subject Lands.

### **5.3 Risk of property overhang**

The Group may face the risk of property overhang, which can arise from factors such as oversupply, low demand, economic downturns, unfavourable financial conditions, and marketability challenges related to the Subject Lands' leasehold tenure and competition from neighbouring developments. In the event of a property overhang upon completion of the development, the Group's property sales and financial performance could be adversely affected.

To mitigate this risk, the Group will closely monitor the outlook and developments in the property market and engage in careful management planning in order to enhance competitiveness, particularly in terms of the design and pricing of the development, prior to finalizing and/ or launching the development of the Subject Lands. Nevertheless, there can be no assurance that the Group's financial performance will not be adversely impacted as a result of property overhang.

### **5.4 Development risk**

The development of the Subject Lands will be subject to several risks which include, amongst others, shortages of materials, equipment and skilled labour, escalation of construction costs, adverse weather conditions, natural disasters, accidents, failure or delay in obtaining approvals from the relevant authorities. Such adverse events may lead to interruptions or delays in the completion of the development of the Subject Lands, which may consequently result in cost overruns that may potentially affect the Group's profitability and cash flow.

The Board seeks to limit such risks through efficient operating procedures and prudent financial management, including careful planning and close monitoring of the development progress. The Board also intends to work closely with suppliers, contractors and relevant authorities to ensure that the risks in completing the development of the Subject Lands are minimised.

### **5.5 Financing risk**

The Group has the intention to fund the Proposed Acquisition through a combination of bank borrowings and internally generated funds, and hence may incur additional interest expenses. In view that interest expenses charged on bank borrowings are subject to prevailing interest rates, the Group may potentially be exposed to interest rate fluctuations, which may significantly increase the acquisition cost and affect the Group's cash flows as well as its profitability. The Group will actively review its debt portfolio taking into consideration the level and nature of borrowings and seek to adopt cost effective financing actions. However, there can be no assurance that the performance of the Group would not be materially affected by any adverse changes in interest rates.

### **5.6 Compulsory acquisition by the Government**

Pursuant to the Land Acquisition Act, 1960 ("**LA 1960**"), the relevant state authority has the power to compulsorily acquire any land within its relevant jurisdiction in Malaysia in accordance with the aforesaid LA 1960. In the event of any compulsory acquisition of the Subject Lands or any part thereof, the amount of compensation to be awarded will be determined on the basis prescribed in the LA 1960 and other relevant laws.

If the Subject Lands, or any portion of them, are compulsorily acquired and the compensation awarded is less than the Purchase Consideration, the Group may incur potential losses. To mitigate this risk, the Group may invoke the relevant provisions of the LA 1960 to submit an objection regarding the compensation amount, if necessary.

## 6. EFFECTS OF THE PROPOSED ACQUISITION

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

The Proposed Acquisition will not have any effect on the issued share capital and substantial shareholders' shareholdings in the Company as there will be no issuance of new ordinary shares in Radium arising from the Proposed Acquisition.

### 6.2 Net assets ("NA") and gearing level

Based on the latest audited consolidated financial statements of Radium Group for the FYE 31 December 2023, the pro forma effects of the Proposed Acquisition on the NA and gearing level of the Group are set out below:-

	<b>Audited 31 December 2023 RM'000</b>	<b>After the Proposed Acquisition RM'000</b>
Share capital	465,943	465,943
Retained earnings	322,327	321,827 <sup>1</sup>
<b>NA</b>	<b>788,270</b>	<b>787,770</b>
Number of shares in issue ('000 units)	3,468,000	3,468,000
NA per Share (RM)	0.23	0.23
Total borrowings (RM'000)	40,462	361,062 <sup>2</sup>
Gearing level (times)	0.05	0.46

**Notes:-**

<sup>1</sup> After deducting estimated expenses of approximately RM0.50 million for the Proposed Acquisition.

<sup>2</sup> Assuming the Purchase Consideration is partially funded by bank borrowings of RM320.60 million, as set out in **Section 2.6** of this announcement.

### 6.3 Earnings and earnings per Share ("EPS")

The Proposed Acquisition is not expected to have any immediate material effect on the earnings of Radium Group for the FYE 31 December 2024. Nevertheless, barring any unforeseen circumstances, the development of the Subject Lands may contribute positively to the earnings and EPS of the Group in future financial years, as and when the development of the Subject Lands has commenced.

## 7. APPROVALS REQUIRED

The Proposed Acquisition is subject to the following approvals:-

- (i) the non-interested shareholders of Radium at an extraordinary general meeting ("EGM") to be convened;
- (ii) the relevant state authority for consent to transfer the Subject Lands; and
- (iii) any other relevant parties/ authorities, if required.

The Proposed Acquisition is not conditional upon any other proposals undertaken or to be undertaken by the Company.

## 8. HIGHEST PERCENTAGE RATIO APPLICABLE

The highest percentage ratio applicable for the Proposed Acquisition pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Securities is approximately 58.10%, calculated based on the Purchase Consideration against the NA of the Company for the FYE 31 December 2023.

## 9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/ OR PERSONS CONNECTED WITH THEM

Save as disclosed below, none of the directors, major shareholders of Radium and persons connected with them have any interest, direct or indirect, in the Proposed Acquisition:-

	Name	<----Direct---->		<----Indirect---->		Nature of relationship
		No. of Shares ('000)	%	No. of Shares ('000)	%	
(i)	Cengal	1,060,374	30.6	-	-	<ul style="list-style-type: none"> <li>Major shareholder of Radium</li> <li>100% equity interest held by Datuk Gan Kah Siong</li> <li>Deemed interested in the Proposed Acquisition by virtue of Datuk Gan Kah Siong being the brother of Tan Sri Gan, a director and indirect major shareholder of DDSB</li> </ul>
(ii)	Datuk Gan Kah Siong	507,612	14.6	1,060,376 <sup>1,2</sup>	30.6	<ul style="list-style-type: none"> <li>Major shareholder and Group Managing Director of Radium</li> <li>Deemed interested in the Proposed Acquisition by virtue of him being the brother of Tan Sri Gan, a director and indirect major shareholder of DDSB</li> <li>Brother of Gan Tiong Kian and Gan Kok Peng</li> </ul>
(iii)	Gan Tiong Kian	260,000	7.5	78,002 <sup>2,3</sup>	2.2	<ul style="list-style-type: none"> <li>Substantial shareholder and Executive Director of Radium</li> <li>Deemed interested in the Proposed Acquisition by virtue of him being the brother of Tan Sri Gan, a director and indirect major shareholder of DDSB</li> <li>Brother of Datuk Gan Kah Siong and Gan Kok Peng</li> </ul>
(iv)	Gan Kok Peng	260,000	7.5	39,002 <sup>2,4</sup>	1.1	<ul style="list-style-type: none"> <li>Substantial shareholder and Executive Director of Radium</li> <li>Deemed interested in the Proposed Acquisition by virtue of him being the brother of Tan Sri Gan, a director and indirect major shareholder of DDSB</li> <li>Brother of Datuk Gan Kah Siong and Gan Tiong Kian</li> </ul>

### Notes:-

<sup>1</sup> Deemed interested by virtue of his shareholdings in Cengal pursuant to the Act.

<sup>2</sup> Deemed interested by virtue of his shareholdings in Platinum Victory Holdings Sdn Bhd pursuant to the Act.

<sup>3</sup> Deemed interested by virtue of his shareholdings in Java Citarasa Sdn Bhd pursuant to the Act.

<sup>4</sup> Deemed interested by virtue of his shareholdings in Tambun Team Sdn Bhd pursuant to the Act.

All the abovementioned persons are collectively referred to as the "**Interested Parties**". Datuk Gan Kah Siong, Gan Tiong Kian, and Gan Kok Peng are collectively referred to as the "**Interested Directors**".

Accordingly, the Interested Directors have abstained and will continue to abstain from all Board deliberations and voting at the relevant Board meetings and on the resolution pertaining to the Proposed Acquisition.

Further, the Interested Parties shall abstain from voting in respect of their respective direct and/ or indirect shareholdings in Radium on the ordinary resolution pertaining to the Proposed Acquisition at the EGM to be convened. In addition, the Interested Parties will also undertake to ensure that all the persons connected with them will abstain from voting in respect of their direct and/ or indirect shareholdings, if any, on the ordinary resolution pertaining to the Proposed Acquisition at the EGM to be convened.

## **10. TRANSACTIONS WITH THE RELATED PARTIES FOR THE PRECEDING 12 MONTHS**

Save for the Proposed Acquisition (being the subject matter of this announcement), and transactions under shareholders' mandate for recurrent related party transactions as set out in the circular dated 30 April 2024 and were approved at Radium's 10th annual general meeting held on 27 June 2024, there have been no other transactions entered into by the Group with the related parties in the preceding 12 months from the date of this announcement.

## **11. AUDIT COMMITTEE'S STATEMENT**

The audit committee of Radium, after taking into consideration the advice of the Independent Adviser, namely MainStreet, is of the opinion that the Proposed Acquisition is:-

- (i) in the best interests of the Company;
- (ii) fair, reasonable and on normal commercial terms; and
- (iii) not detrimental to the interests of the non-interested shareholders of Radium,

after having taken into consideration, amongst others, the following:-

- (i) the rationale and justification of the Proposed Acquisition;
- (ii) the salient terms of the SPA;
- (iii) the basis and justification of arriving at the Purchase Consideration of the Subject Lands; and
- (iv) the prospects and financial effects of the Proposed Acquisition.

## **12. DIRECTORS' STATEMENT**

The Board (save for the Interested Directors), after having considered all aspects of the Proposed Acquisition including but not limited to the terms and conditions of the SPA, rationale of the Proposed Acquisition, prospects of the Subject Lands, risk factors and financial effects of the Proposed Acquisition, is of the opinion that the Proposed Acquisition is in the best interest of the Company.

## **13. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Acquisition is expected to be completed by the first half of 2025.

## **14. APPLICATION TO THE AUTHORITIES**

Barring any unforeseen circumstances, the application to the relevant authorities shall be made within 2 months from the date of this announcement.

## 15. ADVISERS

UOBKH has been appointed as the Principal Adviser for the Proposed Acquisition.

In view of the interests of the Interested Parties as set out in **Section 9** of this announcement and in compliance with Paragraph 10.08 of the Listing Requirements, the Proposed Acquisition is hence deemed as a related party transaction. Accordingly, MainStreet has been appointed to act as the Independent Adviser to undertake the following in relation to the Proposed Acquisition:-

- (i) comment as to whether the Proposed Acquisition is:-
  - (a) fair and reasonable so far as the non-interested shareholders of Radium are concerned; and
  - (b) to the detriment of the non-interested shareholders of Radium,

and such opinion must set out the reasons for, the key assumptions made and the factors taken into consideration in forming that opinion;

- (ii) advise the non-interested shareholders of Radium on whether they should vote in favour of the resolution pertaining to the Proposed Acquisition at the EGM to be convened; and
- (iii) take all reasonable steps to satisfy itself that it has a reasonable basis to make the comments and advice in items (i) and (ii) above.

## 16. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA dated 25 November 2024 is available for inspection at the registered office of Radium at 62C, Jalan SS21/62, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia during normal business hours from Mondays to Fridays (except public holidays) for a period of 3 months from the date of this announcement.

**This announcement is dated 25 November 2024.**

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## APPENDIX I – SALIENT TERMS OF THE SPA

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The following is a summary of the salient terms of the SPA:-

### 1. CONSIDERATION

- 1.1 In consideration of the sum of RM45,800,000 (hereinafter called "**the Deposit**") paid by the Purchaser to the Vendor's solicitors as stakeholders upon execution of the SPA, the receipt whereof the Vendor expressly acknowledges, by way of deposit and part payment towards the purchase price of the Subject Lands, the Vendor agrees to sell and the Purchaser agrees to purchase the Subject Lands on an 'as is where is' basis free from all charges, liens, prohibitory orders, restraints, caveats, encumbrances, encroachments, squatters and occupiers whatsoever with vacant possession and also subject to the conditions of title express or implied in the title at the total purchase price of RM458,000,000 (hereinafter called "**the Purchase Price**").
- 1.2 Notwithstanding any clause to the contrary in the SPA, the parties agree that the Vendor's solicitors are authorized to place the Deposit held by them as stakeholders in a fixed deposit account to earn interest therefrom and the Deposit together with such interest earned shall be released as follows:-
- (a) to the Vendor upon the Unconditional Date (as defined in **Section 1.6** of this Appendix I below); or
  - (b) to the Purchaser if any of the Conditions Precedent (as defined in **Section 1.3** of this Appendix I below) is not fulfilled.
- 1.3 The SPA is conditional and subject to the following:-
- (a) the Purchaser obtaining a loan (hereinafter called "**the Loan**") to finance the purchase of the Subject Lands (hereinafter called "**the Loan Approval**");
  - (b) the Vendor securing the written consent from the relevant state authorities to the sale and transfer of the Subject Lands to and in favour of the Purchaser (hereinafter called "**the State Consent**");
  - (c) Radium obtaining the resolutions of its non-interest directors and non-interest shareholders approving the acquisition of the Subject Lands by the Purchaser (hereinafter called "**the Directors' & Shareholders' Approval**")
- The Loan Approval, State Consent, and Directors' & Shareholders' Approval shall hereinafter collectively be called "**the Conditions Precedent**").
- 1.4 Each party shall, at its own cost and expense with the full co-operation of the other party (including but not limited to signing documents and providing information as may be required), fulfill the Conditions Precedent within four (4) months from the date of the SPA (hereinafter called "**the Conditional Period**") or such further period as the Parties may mutually agree in writing.
- 1.5 In the event that the Conditions Precedent cannot be fulfilled through no fault, default and/ or neglect of any party within the Conditional Period or such further period as the Parties may mutually agree in writing, then either party may terminate the SPA by notice in writing and in such an event the Vendor shall within fourteen (14) days from the date of such termination refund to the Purchaser the Deposit together with such interest earned and thereafter the SPA shall become null and void and be of no further effect and neither party shall have any further claims, action or proceedings against the other in respect of or arising out of the SPA.
- 1.6 Each party shall upon the fulfillment of its respective Conditions Precedent immediately in writing inform the same to the Purchaser's solicitors and the last date of receipt by the Purchaser's solicitors of the following shall hereinafter be referred to as "**the Unconditional Date**":-
- (a) the Loan Approval;
  - (b) a copy of the State Consent approval, duly certified by the Vendor's solicitors; and



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## APPENDIX I – SALIENT TERMS OF THE SPA

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- (c) a copy of the Directors' & Shareholders' Approval, duly certified by the Purchaser's company secretary.

1.7 The Purchaser shall be entitled to waive any of the Conditions Precedent.

### **2. COMPLETION OF SALE**

- 2.1 The Purchaser shall pay the sum of RM412,200,000 being the balance of the Purchase Price (hereinafter called "**the Balance Purchase Price**") to the Vendor's solicitors as stakeholders on or before three (3) months from the Unconditional Date (hereinafter called "**the Completion Period**"), failing which the Vendor expressly agrees that the Completion Period shall be automatically extended for one (1) month from the expiry date of the Completion Period (hereinafter called "**the Extended Completion Period**") or such further period as the parties may mutually agree in writing provided the Purchaser pays to the Vendor interest on the Balance Purchase Price or unpaid balance thereof, as the case may be, at an interest rate of 8% per annum calculated on a daily basis for the period of extension given (hereinafter called "**the LPI**"). The LPI shall be paid by the Purchaser to the Vendor's solicitors simultaneously with the payment of the Balance Purchase Price. The parties expressly agree that all payments made to the Vendor's solicitors under the SPA shall be deemed as payment made to the Vendor towards the Purchase Price and deemed received thereof by the Vendor and the date of the Vendor's solicitors' receipt of such full Purchase Price together with the LPI shall hereinafter be referred to as "**the Completion Date**").
- 2.2 In the event the Purchaser is not obtaining the Loan, upon payment of the Balance Purchase Price together with the LPI pursuant to **Section 2.1** of this Appendix I to the Vendor's solicitors, the Vendor expressly authorises the Vendor's solicitors to utilize the Balance Purchase Price and to obtain the Discharge Documents (as defined in **Section 3.1** of this Appendix I below) and all other relevant documents (if any) from RHB Islamic Bank Berhad [Registration No. 200501003283 (680329-V)] (hereinafter called "**the Vendor's Financier**"). The Vendor further authorises the Vendor's solicitors to forward the Discharge Documents to the Purchaser's solicitors thereafter to present the memorandum of transfer of the Subject Lands in favour of the Purchaser (hereinafter called "**the MOT**") and other relevant documents together with the original issue document of title(s) for registration at the appropriate land office/ registry.
- 2.3 In the event of the Purchaser is obtaining the Loan from the a licensed bank or financial institution (hereinafter called "**the Purchaser's Financier**") to assist the Purchaser in the payment of the Balance Purchase Price, the parties expressly authorise the Vendor's solicitors to forward the original issue document of title(s), the Discharge Documents (as defined in **Section 3.2** of this Appendix I below) and the Purchaser's solicitors to forward the MOT and all other relevant documents (if any) to the Purchaser's Financier's Solicitors for registration of the MOT in favour of the Purchaser and the charge in favour of the Purchaser's Financier's subject to the following:-
- (a) the Vendor's solicitors' receipt of a letter of undertaking issued by the Purchaser's Financier addressed to the Vendor or the Vendor's solicitors undertaking to release the Loan to the Vendor's solicitors as stakeholders towards the settlement of the Balance Purchase Price (hereinafter called "**the Financier's Undertaking**");
- and
- (b) the Purchaser shall have remitted the difference between the Loan and the Balance Purchase Price (hereinafter called "**the Differential Sum**"), if any, to the Vendor's solicitors as stakeholders.
- 2.4 In the event of the Purchaser obtaining the Loan from the Purchaser's Financier to assist the Purchaser in the payment of the Balance Purchase Price, the Vendor shall within fourteen (14) days from the date of receipt of the written request by the Purchaser's Financier's Solicitors, execute and deliver to the Purchaser's Financier's Solicitors, a written undertaking addressed directly to the Purchaser's Financier to refund to the Purchaser's Financier the Loan released by the Purchaser's Financier free of interest in the event the MOT cannot be registered for any reason whatsoever.

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## APPENDIX I – SALIENT TERMS OF THE SPA

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2.5 In the event of any delay (as hereinafter defined) caused by an act, default or omission on the part of the Vendor (if any) or that which may be attributable to the Vendor, the time for completion shall be then deemed extended accordingly in favour of the Purchaser to incorporate or compensate for the period of delay so caused by or attributable to the Vendor and no interest as stated in **Section 2.1** of this Appendix I shall be chargeable. For the purpose of this **Section 2.5**, 'delay' shall mean a period in excess of fourteen (14) days from the date of request by the Purchaser for any documents or information or confirmation or undertaking or otherwise necessary for the completion of the sale and purchase contemplated in the SPA. For the avoidance of doubt, where the context so permits 'Purchaser' shall include the Purchaser, the Purchaser's Financier and their respective solicitors and 'Vendor' shall include the Vendor, the Vendor's Financier and their respective solicitors.

### **3. REMOVAL OF ENCUMBRANCE(S)**

3.1 The Vendor shall cause to be forwarded to the Purchaser's solicitors or the Purchaser's Financier's Solicitors the redemption statement cum undertaking from the Vendor's Financier addressed to the Purchaser or the Purchaser's Financier (as the case may be) within fourteen (14) days upon request of the same by the Purchaser's solicitors or the Purchaser's Financier's Solicitors failing which the Completion Period or the Extended Completion Period as the case may be shall be automatically extended interest free by a period equivalent to the time delayed, in favour of the Purchaser.

3.2 The Vendor's solicitors are authorised by the parties to utilise the whole or such part of the Balance Purchase Price as is necessary to redeem the Subject Lands from the Vendor's Financier (hereinafter called "**the Redemption Sum**") upon receipt of the undertaking of the Vendor's Financier to execute and deliver a valid Discharge of Charge, the original issue document of title(s) to the Subject Lands, the registered duplicate charge and all other relevant documents in respect of the Subject Lands (hereinafter called "**the Discharge Documents**") to the Purchaser and to refund the Redemption Sum in the event the Discharge of Charge cannot be registered for any reason whatsoever. The Vendor shall cause the Vendor's Financier to release to the Purchaser's solicitors or the Purchaser's Financier's Solicitors the Discharge Documents within fourteen (14) days from the date of receipt by the Vendor's Financier of the Redemption Sum, failing which the Completion Period or the Extended Completion Period, as the case may be, shall be automatically extended interest free by a period equivalent to the time delayed, in favour of the Purchaser.

3.3 In the event that the Purchaser takes the Loan from the Purchaser's Financier to finance the purchase of the Subject Lands, the Loan sum or part thereof equivalent to the Redemption Sum shall be paid directly to the Vendor's Financier to redeem the Subject Lands from the Vendor's Financier and the Discharge Documents shall be delivered to the Purchaser's solicitors or the Purchaser's Financier's Solicitors as the case may be within fourteen (14) days from the date of receipt by the Vendor's Financier of the Redemption Sum, failing which the Completion Period or the Extended Completion Period as the case may be shall be automatically extended interest free by a period equivalent to the time delayed, in favour of the Purchaser.

3.4 (a) In the event the Balance Purchase Price is insufficient to pay for the Redemption Sum, the Vendor undertakes and covenants to forthwith and in any event not later than fourteen (14) days from the date of request of the same by the Purchaser's solicitors or the Purchaser's Financier's Solicitors, as the case may be, pay to the Vendor's solicitors the difference between the Redemption Sum and the Balance Purchase Price (hereinafter called "**the Shortfall**") to enable the Vendor's solicitors to immediately forward the Shortfall together with the Loan to the Vendor's Financier to redeem the Subject Lands failing which the Completion Period or the Extended Completion Period as the case may be shall be extended interest free in favour of the Purchaser for such number of days delayed.

(b) In the event that the Vendor shall fail to pay the Shortfall within thirty (30) days from the Vendor's solicitors' receipt of written request from the Purchaser's solicitors or the Purchaser's Financier's Solicitors, as the case may be and unless the Purchaser agrees to extend the time for payment of the Shortfall, the provisions under **Section 7** of this Appendix I shall apply.

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## APPENDIX I – SALIENT TERMS OF THE SPA

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- 3.5 In the event that there shall be any caveat, restraint and/or encumbrance of any nature whatsoever on the Subject Lands (save and except such caveat restraint and/or encumbrance lodged by the Purchaser and/or the Purchaser's Financier), the Vendor shall forthwith at the Vendor's sole cost and expense cause all caveat restraint and/or encumbrance against the Subject Lands to be removed and withdrawn. The number of days utilised by the Vendor for the removal and withdrawal of all such caveat restraint and/or encumbrance shall not be taken into consideration in the computation of the Completion Period or the Extended Completion Period as the case may be and in the event that such caveat restraint and/or encumbrance cannot be removed or withdrawn within a period of three (3) months from the date of the SPA or such other period as may be agreed by the Purchaser in writing, the Purchaser shall be entitled to exercise his right under **Section 7** of this Appendix I.

### 4. DELIVERY OF VACANT POSSESSION

Vacant possession of the Subject Lands together with the various buildings and/or structures on the Subject Land(s) shall be delivered by the Vendor to the Purchaser in the same state nature character conditions as at the date of the SPA (fair wear and tear, excepted) and free from any encumbrances, encroachment, inhabitants, workers, squatters, occupiers, lessees and/or sub-lessees as the case may be and cleared of any debris, rubbish or any place of worship and/or religious structures (hereinafter called "**the Vacant Possession Condition**") within Five (5) days upon receipt of the Balance Purchase Price, LPI (if any) and the Purchaser's portion of outgoings (if any) by the Vendor's solicitors, failing which interest thereon the Purchase Price shall be payable by the Vendor to the Purchaser at the rate of 8% per annum calculated on a daily basis from due date of delivery of vacant possession to the date of the Subject Lands is delivered to the Purchaser in the Vacant Possession Condition (hereinafter called "**the Late Delivery Interest**").

### 5. RELEASE OF DEPOSIT AND BALANCE PURCHASE PRICE

- 5.1 The parties expressly and irrevocably authorise the Vendor's solicitors to release the Deposit to the Vendor upon the Unconditional Date.
- 5.2 The parties expressly and irrevocably authorise the Vendor's solicitors to utilise the Balance Purchase Price as follows:-
- (a) firstly, to pay and settle the Redemption Sum and any sums due for the removal of any caveat, restraint and/or encumbrance of any nature whatsoever in respect of and pertaining to the Subject Lands, if applicable;
  - (b) secondly to settle the quit rent, rates, assessments, maintenance charges, taxes, sewerages and all other outgoings (if any) due and payable by the Vendor in respect of the Subject Lands if any; and
  - (c) thereafter to release the Balance Purchase Price and the LPI (if any) to the Vendor provided that the Purchaser's solicitors or the Purchaser's Financier's Solicitors (whichever applicable) submit the MOT for presentation at relevant land registry within three (3) working days after receiving registrable MOT and supporting documents requisite for registration thereto:-
    - (i) upon the expiry of ten (10) working days after presentation of the MOT for the Subject Lands; or
    - (ii) upon the expiry of three (3) working days of the successful registration of the MOT at the relevant land office/registry;

whichever is the earliest and provided always that vacant possession of the Subject Lands has been delivered to the Purchaser in accordance with **Section 4** of this Appendix I.

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## **APPENDIX I – SALIENT TERMS OF THE SPA**

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However, in the event the MOT is rejected for registration or not accepted for registration by the land office/registry for any reasons other than the Purchaser Solicitors and/ or Purchaser's fault, default and/or neglect, the Vendor's solicitors shall withhold the release of the Balance Purchase Price and the LPI (if any) (provided the said monies have not been released to the Vendor pursuant to Sub-section (i) above) pending re-presentation in which event the monies are only to be released upon expiry of five (5) working days of the successful registration of the MOT at the relevant land office/registry shall be released pursuant to sub-section (c) after the re-presentation.

### **6. PURCHASER'S DEFAULT**

In the event that the Purchaser fails to pay the Balance Purchase Price on or before the Extended Completion Period or any extension to be mutually agreed upon by the parties in writing and/or shall breach any of the provisions the SPA, it is agreed that the Vendor shall have the right to terminate the SPA and to forfeit the Deposit by way of agreed liquidated damages absolutely and any sum in excess thereof paid by the Purchaser towards the Purchase Price shall be refunded to the Purchaser after such forfeiture free of interest within fourteen (14) days from date of termination and thereafter the SPA shall be null and void and neither party shall have any claims against the other save and except for any antecedent breach of the SPA. The Purchaser shall forthwith withdraw the private caveat (if any).

### **7. VENDOR'S DEFAULT**

If the Vendor shall fail, neglect or refuse to complete the sale of the Subject Lands in accordance with the terms and conditions in the SPA or shall be in breach of any of the provisions in the SPA, the Purchaser shall be entitled to either the relief of specific performance of the SPA OR alternatively at their sole discretion to terminate the SPA whereupon the Vendor shall refund to the Purchaser, within fourteen (14) days from the date of such termination all monies paid, free of interest, towards the Purchase Price together with a sum equivalent to the Deposit as agreed liquidated damages failing which interest on such refund shall be payable by the Vendor to the Purchaser. Thereafter, the SPA shall be null and void and neither party shall have any claims against the other save and except for any antecedent breach of the SPA. The Purchaser shall forthwith withdraw the private caveat (if any).

### **8. TERMINATION**

In the event of termination of the SPA, the Purchaser shall at the Purchaser's own cost and expense within fourteen (14) days from date of termination subject to the Purchaser simultaneously receiving the monies due to be refunded and/or paid by the Vendor:-

- (a) re-deliver vacant possession of the Subject Lands to the Vendor (if it has already been delivered to the Purchaser) in its original state and condition (fair wear and tear, excepted);
- (b) all documents, if already delivered pursuant to the SPA, shall be returned to the Vendor;
- (c) remove all private caveat on the Subject Lands lodged by the Purchaser and/or the Purchaser's Financier; and
- (d) return the MOT and the original issue document of title(s) (if delivered to the Purchaser or the Purchaser's solicitors or the Purchaser's Financier) to the Vendor. In the event that the MOT has been duly stamped then, the Purchaser shall only re-deliver the MOT to the Vendor after the Purchaser no longer requires the same for the purpose of claiming any refund on the stamp duty (if any) paid thereon and the MOT is not retained by the relevant authorities.

**9. NON-REGISTRATION OF TRANSFER**

In the event that the MOT shall be rejected by the appropriate land office / registry for registration in favour of the Purchaser for any reasons whatsoever not attributable to any act, omission, fault, neglect and/or blameworthy conduct on the part of the parties to the SPA and which cannot be rectified, all monies paid to or in favour of the Vendor by the Purchaser and/or the Purchaser's Financier towards the Purchase Price shall be refunded, free of interest, to the Purchaser and/or the Purchaser's Financier within fourteen (14) days from the date of receipt of the notice of non-registration failing which interest on such refund shall be payable by the Vendor to the Purchaser. Thereafter, the SPA shall be null and void and neither party shall have any claims against the other save and except for any antecedent breach of the SPA. The Purchaser shall forthwith withdraw the private caveat (if any).