

RADIANT GLOBALTECH BERHAD (“RADIANT GLOBALTECH” OR “THE COMPANY”)

PROPOSED ACQUISITION OF A FREEHOLD THREE-STOREY SHOP OFFICE BY RADIANT GLOBALTECH FOR A TOTAL PURCHASE CONSIDERATION OF RM3,850,000.00 ONLY

1. INTRODUCTION

The Board of Directors of RADIANT GLOBALTECH (“**Board**”) wishes to announce that RADIANT GLOBALTECH has entered into a conditional Sale and Purchase Agreement (“**SPA**”) with NCT ASSETS SDN BHD (Registration No. 199601000191 (372536-H)) (“**NCTA**” or the “**Vendor**”) for the proposed acquisition of a freehold three-storey shop office bearing the following postal address (“**Property**”) for a total purchase consideration of Ringgit Malaysia Three Million Eight Hundred and Fifty Thousand (RM3,850,000.00) only (“**Proposed Acquisition**”):-

- a) No. G-9-1, Lorong Bayan Indah 1, 11900 Bayan Lepas, Pulau Pinang
- b) No. G-9-2, Lorong Bayan Indah 1, 11900 Bayan Lepas, Pulau Pinang
- c) No. G-9-3, Lorong Bayan Indah 1, 11900 Bayan Lepas, Pulau Pinang

2. DETAILS OF THE PROPOSED ACQUISITION

NCTA agreed to sell and RADIANT GLOBALTECH agreed to purchase the Property together with the fittings free from all charges, encumbrances, liens, caveats or restraints on an “as is where is basis” but subject to tenancy agreements and all conditions, whether express or implied, in the issue document of title pertaining to the Property upon the terms and subject to the conditions of the SPA.

2.1 Information on the Vendor

NCTA is a company incorporated in Malaysia on 3rd January 1996 as a private limited company under the Companies Act, 1965 and is deemed registered under the Companies Act 2016, with its registered address at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor. NCTA is principally an investment holding company.

NCTA is a wholly-owned subsidiary of NCT Alliance Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

The directors and shareholders of the NCTA are as follows:

- | <u>No.</u> | <u>Directors</u> |
|------------|-------------------------|
| 1. | Dato’ Sri Yap Ngan Choy |
| 2. | Dato’ Yap Fook Choy |
| 3. | Yap Chun Theng |
| 4. | Sae-Yap Atthakovit |

<u>Shareholder</u>	<u>No. of shares held</u>	<u>Percentage (%)</u>
NCT Alliance Berhad	500,000	100
Total	500,000	100

2.2 Details of the Property

The Property is a three-storey intermediate stratified terraced shop office.

(a) Ground floor office measuring approximately 106 square meters

Strata Title : No. Geran 98029/M7/1/146, Bangunan No. M7, Tingkat No. 1, Petak No. 146, Lot 15743, in Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang.

Postal address : No. G-9-1, Lorong Bayan Indah 1, 11900 Bayan Lepas, Pulau Pinang.

(hereinafter referred to as “**Property G-9-1**”);

(b) First floor office measuring approximately 130 square meters

Strata Title : No. Geran 98029/M7/2/157, Bangunan No. M7, Tingkat No. 2, Petak No. 157, Lot 15743, in Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang.

Postal address : No. G-9-2, Lorong Bayan Indah 1, 11900 Bayan Lepas, Pulau Pinang.

(hereinafter referred to as “**Property G-9-2**”); and

(c) Second floor office measuring approximately 130 square meters

Strata Title : No. Geran 98029/M7/3/168, Bangunan No. M7, Tingkat No. 3, Petak No. 168, Lot 15743, in Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang.

Postal address : No. G-9-3, Lorong Bayan Indah 1, 11900 Bayan Lepas, Pulau Pinang.

(hereinafter referred to as “**Property G-9-3**”)

Additional information on the Property:

<u>Item</u>	<u>Details or Description</u>
Tenure of the Property	Freehold property
Category of Use	Commercial
Express Condition	“Tanah yang diberimilik ini hendaklah digunakan bagi tujuan kedai/pejabat sahaja”
Restriction in interest	“Tanah yang diberimilik ini tidak boleh dipindah milik, cagar, pajak, pajakan kecil atau dengan apa-apa urusan sekalipun tanpa kebenaran bertulis daripada Pihak Berkuasa Negeri”

2.3 Basis and justification in arriving at the Purchase Consideration

The purchase consideration of RM3,850,000.00 (“**Purchase Price**”) was arrived at a “willing buyer-willing seller basis” and after taking into consideration the market value of the properties located in the vicinity of the Property assessed by the independent valuer, VCP Alliance (Pg) Sdn Bhd on 20 July 2022.

2.4 Source of funds

The purchase consideration shall be settled entirely by cash using the Company’s internally generated funds.

2.5 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by the Company pursuant to the Proposed Acquisition.

2.6 Additional financial commitment

Save for the purchase consideration for the Proposed Acquisition, there are no additional financial commitments required by the Company.

2.7 Salient Terms of the SPA

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

- (a) NCTA is desirous of selling and RADIANT GLOBALTECH is desirous of purchasing the Property “en bloc” together with the fittings therein subject to the existing tenancies and subject to the restrictions in interest and conditions now or presently expressed or implied in the strata titles.
- (b) RADIANT GLOBALTECH shall pay the Purchase Price as follows: -

Upon signing the SPA:

- (i) Ringgit Malaysia One Hundred Fifteen Thousand and Five Hundred (RM115,500.00) only, being three per centum (3%) of the Purchase Price to RADIANT GLOBALTECH’s solicitor as stakeholders for the purpose of real property gain tax, which is payable to State Authority within thirty (30) days after RADIANT GLOBALTECH’s solicitor’s receipt of the State Authority approval to the sale and transfer;
- (ii) Ringgit Malaysia Two Hundred Sixty-Nine Thousand and Five Hundred (RM269,500.00) only, being seven per centum (7%) of the Purchase Price to NCTA; and

(The sums stated in (b) (i) and (ii) shall be collectively referred to as “**the Deposit**”)

Within three (3) months from the Unconditional Date (as defined herein):

- (iii) Ringgit Malaysia Three Million Four Hundred and Sixty-Five Thousand (RM3,465,000.00) only (“**Balance Purchase Price**”), being the balance ninety per centum (90%) of the Purchase Price shall be paid by RADIANT GLOBALTECH to NCTA’s solicitor within three (3) months from the Unconditional Date, failing which an extension period of thirty (30) days shall be granted to RADIANT GLOBALTECH subject to RADIANT GLOBALTECH paying interest on the unpaid portion of the Balance Purchase Price at the rate of eight per centum (8%) per annum calculated on daily basis until the date the Balance Purchase Price is received by NCTA’s solicitor in full.
- (c) SPA shall be conditional upon NCTA obtaining the State Authority’s approval for the sale and transfer of the Property by the Vendor in favour of the RADIANT GLOBALTECH (“**Consent**”) within a period of six (6) months from the date of the SPA (“**Approval Period**”).
- (d) If the Consent is not obtained at the end of the Approval Period, NCTA shall be entitled to an automatic extension of a further period of three (3) months (“**Extended Approval Period**”).

- (e) If the Consent is subject to or conditional upon any requirement, terms and conditions to be complied with by NCTA ("**Vendor's Conditions**"), NCTA shall comply with the Vendor's Conditions and the Consent shall be deemed obtained upon RADIANT GLOBALTECH's solicitor's receipt of the original/certified true copy of the Consent and the proof of compliance with the Vendor's Conditions.
- (f) If the Consent is subject to or conditional upon any requirement, terms and conditions to be performed and complied by RADIANT GLOBALTECH ("**Purchaser's Conditions**"), RADIANT GLOBALTECH shall be entitled to accept the Purchaser's Conditions or to appeal. If the appeal is not allowed upon expiry of the Extended Approval Period or the conditions set out in the appeal is not acceptable to RADIANT GLOBALTECH, RADIANT GLOBALTECH shall be entitled to terminate the SPA by written notice to NCTA. If the Purchaser's Conditions are acceptable to RADIANT GLOBALTECH, RADIANT GLOBALTECH shall comply with the Purchaser's Conditions and the Consent shall be deemed obtained upon RADIANT GLOBALTECH's compliance of the Purchaser's Conditions.
- (g) If the Consent is rejected or is not obtained by NCTA within the Extended Approval Period or if the Purchaser's Conditions is not acceptable to RADIANT GLOBALTECH or RADIANT GLOBALTECH's appeal is not approved within the Extended Approval Period, RADIANT GLOBALTECH shall be entitled to terminate the SPA by written notice to NCTA and NCTA shall refund the Deposit free from interest to RADIANT GLOBALTECH within fourteen (14) days from the date of NCTA's receipt of the written notice of termination.
- (h) The SPA shall become unconditional upon the following date ("**Unconditional Date**"):-
- (i) If the Consent does not impose the Purchaser's Condition, the date the certified true copies of the Consent and the documentary proof of compliance of the Vendor's Condition imposed in the Consent, if any, are received by RADIANT GLOBALTECH; or
- (ii) If the Consent impose the Purchaser's Conditions and the said conditions are acceptable to RADIANT GLOBALTECH, the date the certified true copies of the Consent are received by RADIANT GLOBALTECH or the date the Consent is deemed obtained, whichever is later.
- (i) The Property is currently subject to the following tenancy agreements:-
- (i) Property G-9-1 is rented to Perfect Hair Collection ("**Property G-9-1 Tenant**")
The expiry date of tenancy is 14 August 2022.
- (ii) Property G-9-2 and Property G-9-3 are rented to Grand-Flo Spritvest Sdn Bhd ("**GF Spritvest**") ("**Property G-9-2 Tenant and Property G-9-3 Tenant**")
The expiry date of tenancy is 31 October 2023.
- (j) Legal possession of the Property shall be delivered by NCTA to RADIANT GLOBALTECH subject to Property G-9-1's tenancy agreement and Property G-9-2 and Property G-9-3's tenancy agreements respectively upon receipt by NCTA's solicitor of the full payment of the Balance Purchase Price and late payment interest (if any) ("**Delivery Date**"). NCTA shall:-

- (i) notify the Property G-9-1 Tenant, the Property G-9-2 Tenant and Property G-9-3 Tenant of RADIANT GLOBALTECH as the new owner and direct the respective tenants to pay the monthly rental effective from the Delivery Date to RADIANT GLOBALTECH;
 - (ii) transfer to RADIANT GLOBALTECH the rental, water and electricity deposits;
 - (iii) pay to RADIANT GLOBALTECH any pro-rated rental in respect of the period after the Delivery Date that has been paid by the Property G-9-1 Tenant, the Property G-9-2 Tenant and Property G-9-3 Tenant to NCTA, if any; and
 - (iv) forward to RADIANT GLOBALTECH certified true copies of the utility receipts for the Property and a copy of the respective tenancy agreement.
- (k) In the event any of the Property G-9-1's tenancy agreement or Property G-9-2 and Property G-9-3's tenancy agreements has expired or terminated prior to the Delivery Date, NCTA shall deliver vacant possession of the floor concerned to RADIANT GLOBALTECH within three (3) working days from the Delivery Date, failing which NCTA shall be liable to pay to RADIANT GLOBALTECH liquidated damages for late delivery which is calculated at the rate of eight per centum (8%) per annum on the Purchase Price for the floor concerned from the Delivery Date to the date vacant possession of the floor concerned is delivered to RADIANT GLOBALTECH.

3. RATIONALE FOR THE PROPOSED ACQUISITION

GF Spritvest, an 80% owned subsidiary of the Company, has been operating and renting the first floor (Property G-9-2) and second floor (Property G-9-3) of the Property from the Vendor since year 2020 as its Penang sales office to service the northern region industrial customers.

The Proposed Acquisition will ensure GF Spritvest's has a secured sales office instead of being subject to renewal of tenancy agreement, and the Property will be used as future location for the RADIANT GLOBALTECH and its subsidiaries' ("**Group**") technical service support office. This will cater for future business expansion and enhance operational efficiencies of GF Spritvest.

The Proposed Acquisition will enable GF Spritvest to have a rental cost saving of RM78,000 per annum.

4. RISK FACTORS

The risk factor in relation to the Proposed Acquisition is the delay or non-completion of the Proposed Acquisition as stated in SPA.

The Proposed Acquisition is conditional upon the approval of the State Authority. There is no assurance that the Proposed Acquisition can be completed within the timeframe stipulated under the SPA. Any delay in the fulfilment of the condition precedent may lead to a delay in the completion or termination of the Proposed Acquisition.

Notwithstanding the above, the Company will work closely with its solicitor to take reasonable steps to ensure that the condition precedent is fulfilled in a timely manner.

5. FINANCIAL EFFECTS

5.1 Issued Share Capital

The Proposed Acquisition will not have any effect on the issued share capital as the Purchase Price of the Proposed Acquisition will be satisfied entirely by cash and it does not involve any issuance of new shares by the Company.

5.2 Net Assets (“NA”) and Gearing

The Proposed Acquisition is not expected to have any material effects on the NA and gearing of the Group for the financial year ending 31 December 2022.

5.3 Earnings and Earnings per Share (“EPS”)

The Proposed Acquisition will not have any material effect on the earnings and EPS of the Group.

5.4 Substantial shareholders’ shareholdings

The Proposed Acquisition will not have any effect on the substantial shareholders’ shareholdings in the Company as it does not involve any issuance of new shares by the Company.

6. APPROVAL(S) REQUIRED

The Proposed Acquisition is not subject to the approval of the shareholders of the Company. However, it is subject to the State Authority’s approval for the disposal of the Property from the Vendor to the Purchaser.

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

None of the Directors, major shareholders, chief executive of RADIANT GLOBALTECH and/or persons connected with them has any interest, whether direct or indirect, in the Proposed Acquisition.

8. DIRECTORS’ STATEMENT

The Board, having considered all relevant aspects of the Proposed Acquisition (including but not limited to the terms and conditions of the SPA, rationale and effect of the Proposed Acquisition), is of the opinion that the Proposed Acquisition is in the best interests of the Company.

9. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Rule 10.02(g) of the ACE Market Listing Requirement of Bursa Securities is 5.298% based on the latest audited financial statements of RADIANT GLOBALTECH for the financial year ended 31 December 2021.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by the 3rd quarter of 2022.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA dated 28 July 2022 and valuation report dated 20 July 2022 will be made available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor, during normal 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 28 July 2022.