

## SOUTHERN SCORE BUILDERS BERHAD (“SOUTHERN SCORE BUILDERS” OR “THE COMPANY”)

### LETTER OF AWARD FROM SERIBU MEGAH SDN BHD (“SMSB”) TO SOUTHERN SCORE SDN BHD (“SSSB”), A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

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#### 1. INTRODUCTION

The Board of Directors of Southern Score Builders (“**Board**”) is pleased to announce that SSSB, a wholly-owned subsidiary of the Company had on 15 January 2025, accepted a letter of award from SMSB to undertake the proposed upgrading works to a Detention Pond, on PT9821, Mukim Petaling, Kuala Lumpur (“**Project**”) for a total contract sum of RM78.0 million (“**LOA**”).

#### 2. INFORMATION ON SSSB

SSSB was incorporated in Malaysia on 20 December 2010 as a private company and having its registered address at C-6-12, Streetmall, One South, Jalan OS, Taman Serdang Perdana, Seksyen 6, 43300 Seri Kembangan, Selangor.

SSSB is a Grade 7 contractor registered with the Construction Industry Development Board and is principally engaged in the business of construction, contractors and subcontractors. As a Grade 7 contractor, SSSB is allowed to tender for construction works that are of unlimited value and to undertake construction activities throughout Malaysia.

#### 3. INFORMATION ON SMSB

SMSB was incorporated in Malaysia on 20 October 2020 as a private company and having its registered address at 62C, Jalan SS21/62, Damansara Utama, 47400, Petaling Jaya, Selangor. SMSB is a wholly-owned subsidiary of Radium Development Berhad (“**Radium**”).

SMSB is principally engaged in a property development businesses.

#### 4. SALIENT TERMS OF THE LOA

The salient terms of the LOA are as follows:

- a. Following the acceptance of the LOA, both parties, i.e. SSSB and SMSB will be entering into a form of contract which shall be the Standard Form of IEM Form of Contracts for Civil Engineering Works (Second Edition, July 2011), with Amendments and Amplification Notes to Agreement and Conditions of Contract to suit common practice and to reflect the content of the LOA and the agreements between the Parties (“**Form of Contract**”).
- b. The commencement date of the Project shall be on 15 January 2025 and the completion date of the Project shall be on 14 January 2026.
- c. The contract period of the Project shall be 12 months or within such extended date as the Form of Contract provides.
- d. The contract sum of RM78.0 million is a fixed priced lump sum contract. There will be no adjustment to the contract rates and prices due to the fluctuations in the prices or costs of materials, labour, plant, equipment, fuel, financing, taxes, duties, currency exchange etc. nor in expenditure arising out of any changes due to legislations or other new laws, amendments or replacements of existing legislations, etc. during the contract period or any extended period due to whatsoever reason. The risks arising from inflation and other market forces due to whatever reasons shall be borne by SSSB.

- e. The Company is required to submit a Banker's Guarantee for an amount of RM3,900,000 being 5% of the Contract Sum within 14 days from the Date of Commencement.

## **5. FINANCIAL EFFECTS**

The acceptance of the LOA by SSSB to undertake the Project will not have any effect on the share capital and shareholding structure of the Company and there will not be any immediate effect on the net assets per share and gearing of the Company. However, the Project is expected to contribute positively to the net assets and earnings per share of the Company and its group of companies ("**Group**") for the financial year ending 30 June 2025 onwards until the completion of the Project.

## **6. RISK FACTORS**

The Company does not foresee any exceptional risk other than the normal operational risks associated with the LOA and/or the Project. Nevertheless, the Company will take the necessary steps to mitigate the risks as and when they occur.

## **7. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

The Project is considered a related party transaction as the siblings of Tan Sri Datuk Seri Gan Yu Chai (i.e. Gan Kah Siong, Gan Kok Peng and Gan Tiong Kian) are major shareholders and directors of Radium as well as directors of several subsidiaries of Radium.

Southern Score Builders had obtained its shareholders' mandate for such recurrent related party transactions entered into or to be entered into by Southern Score Builders Group and Radium and its subsidiaries, associate companies and JV companies at its Annual General Meeting held on 12 December 2024. The LOA is also one of the contemplated transactions as set out in Section 2.4 of the circular to shareholders of the Company dated 30 October 2024.

Save as disclosed above, none of the other Directors and/or major shareholders of the Company or persons connected with them has any interest, direct or indirect, in the LOA and/or the Project.

## **8. STATEMENT BY THE BOARD OF DIRECTORS**

The Board (save for Tan Sri Datuk Seri Gan Yu Chai, being the interested Director), after having considered all aspects of the LOA and the Project, is of the view that the acceptance of the LOA is within the ordinary course of business and is in the best interest of the Company.

This announcement is dated 15 January 2025.