

VESTLAND BERHAD [202101037563 (1437863-M)] (“VESTLAND” OR “COMPANY”)

PROPOSED ACQUISITION OF PROPERTIES BY VESTLAND RESOURCES SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY

1. INTRODUCTION

Pursuant to Rule 10.06 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”), the Board of Directors of Vestland (the “**Board**”) wishes to announce that Vestland Resources Sdn. Bhd. (“**VRSB**”), a wholly-owned subsidiary of the Company, had entered into the following:

- a. Ten (10) Sale and Purchase Agreements (“**SPA(s)**”) all dated 16 July 2024 with Sg. Besi Construction Sdn. Bhd. [Registration No. 199701001852 (417348-W)] (“**SBC**”) for the acquisition of ten (10) units of office suite located at the Subplace Boulevard, Pusat Komersil Vestland, Seksyen U1, Shah Alam, Selangor, Malaysia (“**Office Properties**”) from SBC for a total cash consideration of Ringgit Malaysia Six Million Nine Hundred Eighty Five Thousand (RM6,985,000.00) (“**Office Purchase Consideration**”) (“**Office SPAs**”) (“**Proposed Office Acquisition**”).
- b. Six (6) SPAs all dated 16 July 2024 with Armani KPF2 Development Sdn. Bhd. [Registration No. 202001033443 (1389764-P)] (“**AKPF2**”) for the acquisition of six (6) units of semi-detached industrial warehouse/factory at the Armani Business Park situated in the locality of Kg. Malawa, Kota Kinabalu, Sabah, Malaysia (“**Warehouse Properties**”) from AKPF2 for a total cash consideration of Ringgit Malaysia Eighteen Million (RM18,000,000.00) (“**Warehouse Purchase Consideration**”) (“**Warehouse SPAs**”) (“**Proposed Warehouse Acquisition**”).

(collectively, the Proposed Office Acquisition and Proposed Warehouse Acquisition are referred as “**Proposed Acquisitions**”)

2. DETAILS OF THE PROPOSED ACQUISITIONS

2.1. Proposed Office Acquisition

The Proposed Office Acquisition entails the acquisition of 10 units of the Office Properties for an aggregate cash consideration of RM6,985,000.00, which is to be satisfied in the manner set out in Section 2.1.3 of this announcement and in accordance with the terms and conditions of the Office SPAs.

The salient terms of the Office SPAs are set out in Section 2.1.7 of this announcement.

2.1.1. Information on the Office Properties

The Office Properties consist of ten (10) units of office suite in Subplace Boulevard, Pusat Komersil Vestland situated on a piece of freehold land held under Geran 335450, Lot 74612 in Bandar Glenmarie, Daerah Petaling, Selangor, Malaysia.

The details of the Office Properties are as follows:

No.	Office Properties	Terms of tenure	Building age	Encumbrances
1.	N-08-12, type E, measuring approximately 684 square feet in area within storey no. level 8 together with accessory parcel distinguished as accessory parcel no. 51 within storey no. level 7 with postal address known as 08-12, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-08-12 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
2.	N-09-12, type E, measuring approximately 684 square feet in area within storey no. level 9 together with accessory parcel distinguished as accessory parcel no. 52 within storey no. level 7 with postal address known as Unit 09-12, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-09-12 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
3.	N-21-5, type B, measuring approximately 1,006 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 90 & 91 within storey no. level 3B with postal address known as Unit 21-5, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-5 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
4.	N-21-6, type D, measuring approximately 823 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 92 & 93 within storey no. level 3B with postal address known as Unit 21-6, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-6 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
5.	N-21-7, type A, measuring approximately 1,173 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 61 & 62 within storey no. level 3B with postal address known as Unit 21-7, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-7 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd

No.	Office Properties	Terms of tenure	Building age	Encumbrances
6.	N-21-8, type D, measuring approximately 823 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 63 & 64 within storey no. level 3B with postal address known as Unit 21-8, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-8 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
7.	N-21-9, type D, measuring approximately 823 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 65 & 66 within storey no. level 3B with postal address known as Unit 21-9, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-9 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
8.	N-21-10, type D, measuring approximately 823 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 67 & 115 within storey no. level 3B with postal address known as Unit 21-10, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-10 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
9.	N-21-11, type D, measuring approximately 823 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 111 & 112 within storey no. level 3B with postal address known as Unit 21-11, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-11 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
10.	N-21-12, type E, measuring approximately 684 square feet in area within storey no. level 21 together with accessory parcel distinguished as accessory parcel no. 113 & 114 within storey no. level 3B with postal address known as Unit 21-12, Subplace Boulevard, Pusat Komersil Vestland, No.6, Jln Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor. (" Unit N-21-12 ")	Freehold	Approximately 2 years	Charged to Al Rajhi Banking & Investment Corporation (Malaysia) Bhd

2.1.2. Basis of arriving at and justification for the Office Purchase Consideration

The Office Purchase Consideration was arrived at on a “willing buyer-willing seller” basis after taking into consideration the following:

- (i) Vestland has conducted research on the market value of the Office Properties in comparison to the market value of similar properties surrounding the Office Properties and concluded that the market value of the Office Properties is in the range of approximately RM6.99 million.
- (ii) The rationale and benefits of the Proposed Office Acquisition as set out in Section 4 of this announcement.

2.1.3. Mode of satisfaction for the Office Purchase Consideration

The Office Purchase Consideration for the respective units of the Office Properties to be paid to SBC will be satisfied entirely in cash in the following manner:

Unit	Manner of payment		Total Office Purchase Consideration
	Deposit (10%)(¹)	Balance Office Purchase Consideration (90%)(²)	
Unit N-08-12	56,600.00	509,400.00	566,000.00
Unit N-09-12	56,700.00	510,300.00	567,000.00
Unit N-21-5	83,700.00	753,300.00	837,000.00
Unit N-21-6	69,000.00	621,000.00	690,000.00
Unit N-21-7	97,200.00	874,800.00	972,000.00
Unit N-21-8	69,300.00	623,700.00	693,000.00
Unit N-21-9	69,300.00	623,700.00	693,000.00
Unit N-21-10	69,300.00	623,700.00	693,000.00
Unit N-21-11	69,300.00	623,700.00	693,000.00
Unit N-21-12	58,100.00	522,900.00	581,000.00
Total	698,500.00	6,286,500.00	6,985,000.00

Notes:

- (1) Payable upon execution of the respective Office SPAs as part payment of the respective Office Purchase Consideration.
- (2) The balance of the respective Office Purchase Consideration shall be paid by VRSB to SBC on or before the expiry of 90 days from the date of the respective Office SPAs (“Office SPAs Completion Date”).

2.1.4. Information on SBC

SBC is a company incorporated in Malaysia with its registered address at 81 (2nd Floor), Jalan Market, 30000 Ipoh, Perak and business address at No. 27, Jalan Juruanalisis U1/35, Seksyen U1, 40150 Shah Alam, Selangor.

As at 17 June 2024, being the latest practicable date prior to the date of this announcement (“LPD”), the principal activities of SBC are building construction and property developer.

As at the LPD, SBC has an issued share capital of RM8,000,000.00 comprising 8,000,000 ordinary shares.

The directors of SBC as at the LPD are as follows:

- a. Dato' Sri Azlan Bin Azmi
- b. Dato' Sri Wong Sze Chien

The shareholders of SBC and their respective shareholdings as at the LPD are as follow:

Name of shareholder(s)	No. of shares held	Direct (%)
Dato' Sri Azlan Bin Azmi	4,000,000	50.0
Dato' Sri Wong Sze Chien	4,000,000	50.0
Total	8,000,000	100.0

2.1.5. Liabilities to be assumed

There are no liabilities including contingent liabilities and guarantees to be assumed by the Company and its subsidiary (“**Group**” or “**Vestland Group**”) arising from the Proposed Office Acquisition.

2.1.6. Additional financial commitment

Save for the Office Purchase Consideration and the requisite stamp duty payable in relation to the Proposed Office Acquisition, Vestland Group is not expected to incur any other additional financial commitment in relation to the Proposed Office Acquisition.

2.1.7. Salient terms of the Office SPAs

- (i) The Office Properties will be acquired in its present state and condition on an “as is where is” basis free from any agricultural or industrial conditions expressed or implied and any restriction against the building thereon and all encumbrances other than those imposed by the provisions of the Office SPAs/already subsisting as at the date of the Office SPAs (if any) and any conditions expressed or implied affecting title of the Office Properties.
- (ii) The vendor of Office SPAs undertakes that the Office Properties shall be free from encumbrances immediately prior to the VRSB taking vacant possession of the Office Properties.
- (iii) In the event the Balance Office Purchase Consideration is not paid on or before the Office SPAs Completion Date, SBC shall grant an extension of a further one (1) month to pay the Balance Office Purchase Consideration in which event the VRSB shall in consideration thereof pay to SBC interest at the rate of ten percent (10%) per annum on the whole or part of the Balance Office Purchase Consideration remaining unpaid from the day after the Office SPAs Completion Date up to date of full payment of the Balance Office Purchase Consideration to be calculated on daily basis.
- (iv) Upon the date of issuance of the strata title to the Office Properties, SBC shall within twenty-one (21) days execute a valid and registrable memorandum of transfer of the Office Properties to VRSB and SBC shall forward the same together with the strata title to VRSB.

2.2. Proposed Warehouse Acquisition

The Proposed Warehouse Acquisition entails the acquisition of 6 units of the Warehouse Properties for an aggregate cash consideration of RM18,000,000.00 (cash consideration of RM3,000,000.00 each), which is to be satisfied in the manner set out in Section 2.2.3 of this announcement and in accordance with the terms and conditions of the Warehouse SPAs.

The salient terms of the Warehouse SPAs are set out in Section 2.2.7 of this announcement.

2.2.1. Information on the Warehouse Properties

The Warehouse Properties consist of six (6) units of semi-detached industrial warehouse/factory to be constructed at the Armani Business Park situated in the locality of Kg. Malawa, Kota Kinabalu, Sabah, Malaysia. The completion date of the construction of the Warehouse Properties is expected to be December 2024.

The location of the Armani Business Park is indicated below:



The Warehouse Properties are located about 1.6 kilometres by road due east of Sepangar Bay, approximately 17 kilometres by road due north east of Kota Kinabalu city centre and approximately 28 kilometres away from the Kota Kinabalu International Airport.

The details of the Warehouse Properties are as below:

No.	Warehouse Properties
1.	Lot No. : 17 Built up area : 5,251 sq. ft. more or less Land area : 8,138 sq. ft. more or less Tenure : 99 years (from 1 January 2000 to 31 December 2098) Encumbrances : Charged to AmBank (M) Berhad

No.	Warehouse Properties
2.	Lot No. : 18 Built up area : 5,251 sq. ft. more or less Land area : 8,138 sq. ft. more or less Tenure : 99 years (from 1 January 2000 to 31 December 2098) Encumbrances : Charged to AmBank (M) Berhad
3.	Lot No. : 19 Built up area : 5,251 sq. ft. more or less Land area : 8,138 sq. ft. more or less Tenure : 99 years (from 1 January 2000 to 31 December 2098) Encumbrances : Charged to AmBank (M) Berhad
4.	Lot No. : 20 Built up area : 5,251 sq. ft. more or less Land area : 8,138 sq. ft. more or less Tenure : 99 years (from 1 January 2000 to 31 December 2098) Encumbrances : Charged to AmBank (M) Berhad
5.	Lot No. : 21 Built up area : 5,251 sq. ft. more or less Land area : 8,138 sq. ft. more or less Tenure : 99 years (from 1 January 2000 to 31 December 2098) Encumbrances : Charged to AmBank (M) Berhad
6.	Lot No. : 22 Built up area : 5,251 sq. ft. more or less Land area : 8,138 sq. ft. more or less Tenure : 99 years (from 1 January 2000 to 31 December 2098) Encumbrances : Charged to AmBank (M) Berhad

2.2.2. Basis of arriving at and justification for the Warehouse Purchase Consideration

The Warehouse Purchase Consideration was arrived at on a “willing buyer-willing seller” basis after taking into consideration the following:

- (i) Based on the research conducted by Vestland’s management and information extracted from the Valuation and Property Services Department, the Warehouse Purchase Consideration of RM3.00 million per unit is comparable to the 2-storey semi-detached industrial buildings located within larger vicinity of Armani Business Park.
- (ii) The rationale and benefits of the Proposed Warehouse Acquisition as set out in Section 4 of this announcement.

2.2.3. Mode of satisfaction for the Warehouse Purchase Consideration

Upon execution of the Warehouse SPAs, VRSB shall pay 10% of the Warehouse Purchase Consideration to AKPF2 as part payment of the Warehouse Purchase Consideration. The remaining Warehouse Purchase Consideration will be paid within 14 days of the date of the completion of the construction progress milestones as stipulated in the respective Warehouse SPAs.

2.2.4. Information on AKPF2

AKPF2 is a company incorporated in Malaysia with its registered address at 81 (2nd Floor), Jalan Market, 30000 Ipoh, Perak.

The principal activities of AKPF2 are property development for commercial and residential buildings as well as buildings construction contractor.

As at the LPD, AKPF2 has an issued share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares.

As at the LPD, the directors of AKPF2 are as follows:

- a. Dato' Sri Azlan Bin Azmi
- b. Dato' Sri Wong Sze Chien
- c. Dato' Sri Ong Chee Kean
- d. Abdul Malek Bin Jalil
- e. Mohd Syaiful Bin Hassan

The shareholders of AKPF2 and their respective shareholdings are as follow:

Name of shareholder(s)	No. of shares held	Direct (%)
Dato' Sri Azlan Bin Azmi	201,000	20.1
Dato' Sri Wong Sze Chien	399,000	39.9
Dato' Sri Ong Chee Kean	100,000	10.0
Koperasi Permodalan Felda Malaysia 2 Berhad	300,000	30.0
Total	1,000,000	100.0

2.2.5. Liabilities to be assumed

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

2.2.6. Additional financial commitment

Save for the Warehouse Purchase Consideration and the requisite stamp duty payable in relation to the Proposed Warehouse Acquisition, Vestland Group is not expected to incur any other additional financial commitment in relation to the Proposed Warehouse Acquisition.

2.2.7. Salient terms of the Warehouse SPAs

- (i) The Warehouse Properties will be acquired free from any agricultural condition expressed or implied and any restriction against the construction of the Warehouse Properties.
- (ii) The Warehouse Properties will be acquired free from encumbrances.
- (iii) The practical completion of the Warehouse Properties shall not be later than 36 months from the date of the signing of the Warehouse SPAs. If AKPF2 fails to complete the Warehouse Properties within the aforesaid 36 months, there shall be an automatic extension of time for a period of 12 months.
- (iv) AKPF2 shall pay VRSB for any delay beyond 36 + 12 months for the practical completion of the Warehouse Properties, calculated from day to day at the rate of 6% per annum of the Purchase Consideration commencing immediately after the date the certificate of practical completion ought to have been procured.
- (v) AKPF2 shall not charge extra amount to VRSB resultant on the increase of cost of materials.

3. SOURCE OF FUNDING

The Proposed Office Acquisition will be funded via internally generated funds while the Proposed Warehouse Acquisition will be funded via a mix of internally generated funds and bank borrowings, of which the breakdown has yet to be determined at this juncture.

4. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITIONS

Proposed Office Acquisition

Since the Company's initial public offering and listing in February 2022 ("**Listing**"), the Group has further expanded its business operations as well as its employees to cater for its business growth. In this respect, the Group's outstanding order book has increased from approximately RM940 million (or 14 on-going projects) during the Listing to approximately RM2.0 billion (or 25 on-going projects) as of 31 March 2024, which has also seen the Group's local workforce increasing 34% over the same period up till LPD.

Accordingly, to cater for the increased construction activities of the Group, out of the 10 units of the Office Properties, Vestland is currently renting a total of 8 units office suites (Unit N-21-5, Unit N-21-6, Unit N-21-7, Unit N-21-8, Unit N-21-9, Unit N-21-10, Unit N-21-11, Unit N-21-12) at the Subplace Boulevard, Pusat Komersil Vestland from SBC with an aggregate monthly rental of RM20,934.00. Upon completion of the Proposed Office Acquisition, the Group would no longer incur the aforesaid rental commitments and would have better planning and control over the usage of the Office Properties to cater for its fast-paced business growth.

In view of the growth of the Group's business and increase in number of employees above, via the Proposed Office Acquisition, the Group will be acquiring 2 additional unit of office suites (i.e. Unit N-08-12 and Unit N-09-12) to cater for more working stations, additional storage place and/or meeting rooms in the headquarter of the Group.

Proposed Warehouse Acquisition

The Beluran Police Camp Project which commenced in February 2021 marked the Group's first foray into construction project located in Sabah, East Malaysia. As at the LPD, the Group has completed approximately 68% and recognised a total of RM220.5 million from the Beluran Police Camp Project. Since then, the Group has further expanded its business footprint in Sabah as the Group has secured more construction projects located in Sabah. As at the LPD, the Group has 3 on-going construction projects with an aggregate outstanding order book value of approximately RM173.2 million in Sabah.

The Group believes that the property market and construction sector in Sabah will remain robust in the foreseeable future and there's potential for further growth, premised on the Government of Malaysia's initiatives to further develop Sabah which includes a total of RM6.5 billion being assigned under the development allocation for 2023. Furthermore, efforts are underway to accelerate the construction of public infrastructure projects in Sabah including the Sabah Pan-Borneo Highway. Moreover, public amenities in Sabah particularly in rural area have also been improved with the expansion of road and street lighting; improving water and electricity supply as well as increasing of healthcare facilities and schools. (Source: Economic Outlook 2024, Ministry of Finance Malaysia)

In view of the above and in line with the Group's strategy to diversify the geographical location of its construction project (currently concentrated in Peninsular Malaysia, particularly Klang Valley), the Group intends to continue to pursue more projects in Sabah and is currently evaluating/negotiating for additional contracts in Sabah.

In this regard, the Proposed Warehouse Acquisition is expected to fit into the Group's expansion strategy and long term focus in Sabah, after taking into consideration the factors set out below:

- (i) The Warehouse Properties are strategically located 3 kilometres away from the Sepanggar Kota Kinabalu Port, a premier regional trade hub for the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), 6 kilometres away from Pan Borneo Highway, 23 kilometres away from Kota Kinabalu city centre and 28 kilometres Kota Kinabalu International Airport.
- (ii) The Warehouse Properties are also located in the Kota Kinabalu Industrial Park (KKIP) Master Plan area. The KKIP Master Plan is a industrial development plan initiated and supported by the state government of Sabah which encompasses land use of industrial, residential, commercial, government institutions, education and community facilities. Some of the notable amenities located within the vicinity of the Warehouse Properties are Universiti Teknologi Mara Sabah, Politeknik Kota Kinabalu, Smart Hospital UMS, Cement Industries Sabah, Sabah International Convention Centre and Kingfisher Plaza.
- (iii) It would be more flexible, cost effective and efficient for the Group to own warehouses in Sabah to store materials/machineries (which are mostly sourced from Peninsular Malaysia) to be used for its construction projects in Sabah. Further, the Group will be able plan its procurement of raw materials through bulk purchase as they can be stored in the Warehouse Properties and be deployed to construction sites as and when required. The Group will also set up its branch office within the Warehouse Properties which will help to facilitate administration matters.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITIONS

a) Earnings

The Proposed Acquisitions are not expected to have any immediate material impact on Vestland Group's earnings per share for the financial year ending 31 December 2024.

b) Net assets and gearing

Based on the latest audited financial statements of Vestland Group for the financial year ended 31 December 2023, the Proposed Acquisitions are not expected to have an immediate effect on the net assets of the Group as the Proposed Acquisitions. The impact of Proposed Acquisitions on the Group's gearing will depend on the quantum of borrowings to be procured by the Group to part finance the purchase consideration in relation to the Proposed Acquisitions, of which the amount has yet to be determined as at the LPD.

c) Share capital and substantial shareholders' shareholdings

The Proposed Acquisitions are not expected to have any impact on the total issued share capital and substantial shareholders' shareholdings of the Company as the Proposed Acquisitions do not involve any issuance of new ordinary shares in Vestland.

6. PROSPECTS OF THE PROPOSED ACQUISITIONS

The Proposed Office Acquisition will provide rental savings for the Group of approximately RM0.25 million per annum. Further, the additional units to be acquired within the head quarter will allow the Group to expand its workforce and facilitate its future business growth.

As part of the Group's plan to expand its business in East Malaysia, the Group aims to establish a new branch in Sabah with both office and storage space which will facilitate the Group oversee the construction projects in Sabah, through the Proposed Warehouse Acquisition. Further, in view of the strategic location of the Warehouse Properties together with the amenities within its vicinity are as set out in Section 4 of this announcement, the Group anticipates that the Proposed Warehouse Acquisition will contribute positively to its future business expansion in the East Malaysia.

7. RISK FACTORS OF THE PROPOSED ACQUISITIONS

7.1. Non-completion risk

The completion of the Proposed Acquisitions is subject to the fulfilment of the terms and conditions and the performance by the relevant parties of their respective obligations within the stipulated timeframe as set out in the respective SPAs. If any of the terms and conditions of the SPAs are not obtained/fulfilled within the stipulated timeframe set out in the SPAs respectively, the SPAs may be terminated. Consequently, the Proposed Acquisitions will not be completed and the potential benefits arising thereon may not be materialised.

Notwithstanding the above, the Board endeavours to take all reasonable steps within its control to ensure that the terms and conditions and its respective obligations as set out in the SPAs are met within the stipulated timeframe in accordance with the provisions of the SPAs to ensure completion of the Proposed Acquisitions.

7.2. Funding and interest rate risk

Vestland may seek external borrowings to part finance the Office Purchase Consideration and Warehouse Purchase Consideration.

There can be no assurance that the necessary financing will be available in amounts or on terms acceptable to the Group. Further, the Group will incur interest expense on the bank borrowings and any interest charged on bank borrowings is dependent on prevailing interest rates which expose the Group to risk of unfavorable fluctuation in interest rates which in turn, may have a negative impact to the Group's cash flows and profitability.

Nevertheless, the management of Vestland Group will seek to mitigate the aforesaid risk by closely monitoring its debt portfolio, the interest rate environment, gearing level and cash flows of the Group to achieve an overall optimal capital structure.

8. HIGHEST PERCENTAGE RATIO

The highest percentage ratio applicable to the Proposed Office Acquisition and Proposed Warehouse Acquisition pursuant to rule 10.02(g) of Chapter 10 of the Listing Requirements are 4.55% and 11.73% respectively, based on the latest audited financial statements of the Company for the financial year ended 31 December 2023.

As SBC and AKPF2 i.e. the vendors for the Proposed Office Acquisition and Proposed Warehouse Acquisition are deemed as person connected to each other due to the common directorship and shareholdings of Dato' Sri Azlan Bin Azmi Dato' Sri Wong Sze Chien, the aggregated percentage ratio for the Proposed Acquisitions pursuant to rule 10.12 of Chapter 10 of the Listing Requirements is 16.28% based on the latest audited financial statements of the Company for the financial year ended 31 December 2023.

9. APPROVAL REQUIRED

The Proposed Acquisitions are not subject to the approval of the shareholders of the Company.

In the event the Proposed Warehouse Acquisition is completed after 31 December 2024, the transfer of land title from AKPF2 to VRSB is subject to the approval or consent from the state authority or other relevant authorities and the estimated time frame for submission of the relevant application to such authorities would be approximately 3 months from the completion of the Proposed Warehouse Acquisition.

As for the Proposed Office Acquisition, no approval or consent from the state authority or other relevant authorities is required on the transfer of the land title from SBC to VRSB.

10. INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders of the Company or any persons connected to them have any interest, direct or indirect, in the Proposed Acquisitions.

11. DIRECTORS' STATEMENT

The Board after having considered all aspects of the Proposed Acquisitions (including but not limited to the rationale and prospects of the Proposed Acquisitions) is of the opinion that the Proposed Acquisitions are in the best interest of Vestland Group.

12. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances, the Proposed Office Acquisition is expected to be completed by third quarter of 2024.

The Proposed Warehouse Acquisition is expected to be completed by December 2024.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy each of the Office SPAs and Warehouse SPAs are available for inspection during business hours from Monday to Friday (save for public holidays) for a period of three (3) months from the date of this announcement at the registered office of the Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

This announcement is dated 16 July 2024.