



VESTLAND BERHAD

Registration No. 202101037563 (1437863-M)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2025**

VESTLAND BERHAD

Registration No. 202101037563 (1437863-M)

*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2025 ⁽¹⁾**

	Note	Individual Quarter 31 March		Cumulative Quarter 31 March	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue		157,400	124,040	157,400	124,040
Cost of sales		(138,131)	(109,072)	(138,131)	(109,072)
Gross profit		19,269	14,968	19,269	14,968
Other income		296	266	296	266
Finance income		444	404	444	404
Administrative and operating expenses		(3,657)	(2,095)	(3,657)	(2,095)
Finance costs		(5,769)	(3,283)	(5,769)	(3,283)
Profit before tax	<i>B10</i>	10,583	10,260	10,583	10,260
Tax expense	<i>B5</i>	(2,770)	(2,707)	(2,770)	(2,707)
Profit/Total comprehensive income for the financial period		7,813	7,553	7,813	7,553
Profit/Total comprehensive income for the financial period attributable to:					
Owners of the Company		7,813	7,553	7,813	7,553
Earnings per share:					
Basic/Diluted (sen)	<i>B9</i>	0.83	0.80	0.83	0.80

Note:

- (1) The Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements of Vestland Berhad ("Vestland" or "the Company") for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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Registration No. 202101037563 (1437863-M)

*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2025 ⁽¹⁾**

	Note	(Unaudited) 31 March 2025 RM'000	(Audited) 31 December 2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		34,225	27,242
Right-of-use assets		3,513	3,405
Investment properties		4,393	4,416
Cash and cash equivalents		75,924	61,946
Total non-current assets		118,055	97,009
Current assets			
Trade receivables		329,426	329,348
Other receivables		98,878	99,241
Contract assets		183,641	148,886
Cash and cash equivalents		21,325	39,881
Total current assets		633,270	617,356
TOTAL ASSETS		751,325	714,365
EQUITY AND LIABILITIES			
Equity			
Share capital		100,598	100,598
Merger deficit		(44,709)	(44,709)
Retained earnings		143,903	136,090
Total equity		199,792	191,979
LIABILITIES			
Non-current liabilities			
Borrowings	B7	8,934	9,343
Lease liabilities	B7	2,411	2,272
Deferred tax liabilities		42	42
Total non-current liabilities		11,387	11,657

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*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2025 ⁽¹⁾ (CONT'D)**

		(Unaudited) 31 March 2025 RM'000	(Audited) 31 December 2024 RM'000
	Note		
EQUITY AND LIABILITIES (CONT'D)			
LIABILITIES (CONT'D)			
Current liabilities			
Trade payables		147,866	191,773
Other payables		29,882	23,412
Contract liabilities		12,814	12,658
Borrowings	<i>B7</i>	342,785	276,209
Lease liabilities	<i>B7</i>	954	904
Tax payable		5,845	5,773
		<hr/>	<hr/>
Total current liabilities		540,146	510,729
		<hr/>	<hr/>
Total liabilities		551,533	522,386
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		751,325	714,365
		<hr/>	<hr/>
Net assets per ordinary share (sen)		21.16	20.33
		<hr/>	<hr/>

Notes:

- (1) The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2025 ⁽¹⁾**

	Non-distributable		Distributable	
	Share capital	Merger deficit	Retained earnings	Total equity
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2025	100,598	(44,709)	136,090	191,979
Total comprehensive income for the financial period	-	-	7,813	7,813
Balance as at 31 March 2025	<u>100,598</u>	<u>(44,709)</u>	<u>143,903</u>	<u>199,792</u>
Balance as at 1 January 2024	100,598	(44,709)	97,575	153,464
Total comprehensive income for the financial period	-	-	7,553	7,553
Balance as at 31 March 2024	<u>100,598</u>	<u>(44,709)</u>	<u>105,128</u>	<u>161,017</u>

Note:

- (1) The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2025 ⁽¹⁾**

	3-month ended 31 March 2025 RM'000	3-month ended 31 March 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	10,583	10,260
Adjustments for:-		
Amortisation of investment properties	23	23
Depreciation of property, plant and equipment	509	459
Depreciation of right-of-use assets	307	166
Finance costs	5,769	3,283
Finance income	(444)	(404)
Gain on disposal of property, plant and equipment	(8)	-
Operating profit before working capital changes	16,739	13,787
Changes in working capital:-		
Receivables	285	(63,995)
Payables	(44,669)	10,618
Contract assets	(34,755)	(6,243)
Contract liabilities	157	(11,370)
Cash used in operations	(62,243)	(57,203)
Tax paid	(2,699)	(2,321)
Net cash used in operating activities	(64,942)	(59,524)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	444	404
Purchase of property, plant and equipment	(263)	(133)
Proceeds from disposal of property, plant and equipment	15	-
Purchase of right-of-use assets	-	(40)
Net cash from investing activities	196	231

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*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2025 ⁽¹⁾ (CONT'D)**

	3-month ended 31 March 2025 RM'000	3-month ended 31 March 2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(5,769)	(3,283)
Placement of fixed deposits pledged	(717)	(3,115)
Movement of bank balance pledged	(13,261)	(1,867)
Repayment of term loans	(470)	(410)
Repayment of lease liabilities	(228)	(130)
Drawdown / (Repayment) of invoice financing	3,007	(713)
Drawdown of revolving credit	58,165	52,888
Drawdown of trust receipt	257	-
Drawdown of promissory note	3,405	-
Drawdown of overdraft against progress claim	1,801	-
Net cash from financing activities	46,190	43,370
Net changes in cash and cash equivalents	(18,556)	(15,923)
Cash and cash equivalents at beginning of financial period	39,881	41,343
Cash and cash equivalents at end of financial period	21,325	25,420
CASH AND CASH EQUIVALENTS		
Cash and bank balances	58,147	61,987
Fixed deposits with licensed banks	39,102	26,386
	97,249	88,373
Less: Bank overdrafts	-	(2,418)
Less: Bank balance pledged with a licensed bank	(38,454)	(34,172)
Less: Fixed deposits pledged with licensed banks	(37,470)	(26,363)
	21,325	25,420

Note:

- (1) The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

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*(Incorporated in Malaysia)***A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING****A1 Basis of Preparation**

The interim financial report of Vestland and its subsidiary (“the Group”) is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The significant accounting policies and methods of computation applied in this interim financial report are consistent with those adopted in preparation of the audited financial statements of the Group for the financial year ended 31 December 2024 except for the following new MFRSs, interpretation and amendments to MFRSs that have been adopted by the Group for the financial year beginning on or after 1 January 2025:

Title	Effective Date
Amendments to MFRS 121* <i>The effects of changes in foreign exchange rates:</i> <i>Lack of exchangeability</i>	1 January 2025

* Not applicable to the Group’s operation.

The adoption of the above did not have any significant effects on this interim financial report upon their initial application.

A3 Auditors’ Report on Preceding Annual Financial Statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2024.

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONT'D)

A4 Seasonal or Cyclical Factors

The business operations of the Group were not affected by any seasonal or cyclical factors during the current quarter and financial period under review.

A5 Material Unusual Items

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period under review.

A6 Material Change in Estimates

There were no changes in estimates that have a material effect on the results for the current quarter and financial period under review.

A7 Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter and financial period under review.

A8 Dividend

There was no dividend paid during the current quarter and financial period under review.

A9 Segmental Information

The Group is principally involved in the building construction works.

Information on operating segment has not been reported as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely building construction works. Information about geographical areas has also not been reported as the Group's principal market is only in Malaysia.

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*(Incorporated in Malaysia)***A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONT'D)****A10 Material Events Subsequent to the End of the Quarter**

There were no material events subsequent to the end of the current quarter and financial period under review.

A11 Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter and financial period under review.

A12 Contingent Liabilities and Contingent Assets

There were no material contingent liabilities and contingent assets as at the end of current quarter and financial period under review.

A13 Material Capital Commitment

The Group does not have any material capital commitment as at the end of current quarter and financial period under review.

A14 Significant Related Party Transactions

The significant related party transactions of the Group are as shown below.

	Individual Quarter		Cumulative Quarter	
	31 March		31 March	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Transaction with companies in which a person connected to a Director has interest:				
Machineries services and repair expenses	-	15	-	15
Rental expenses	261	2,237	261	2,237

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS****B1 Review of Performance**

	Individual Quarter				Cumulative Quarter			
	31 March				31 March			
	2025		2024		2025		2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Building construction								
Build segment	28,395	18.0	46,095	37.2	28,395	18.0	46,095	37.2
Design and build segment	120,042	76.3	73,924	59.6	120,042	76.3	73,924	59.6
	148,437	94.3	120,019	96.8	148,437	94.3	120,019	96.8
Civil engineering works	8,963	5.7	4,021	3.2	8,963	5.7	4,021	3.2
Total revenue	157,400	100.0	124,040	100.0	157,400	100.0	124,040	100.0

The Group recorded a total revenue of RM157.4 million for the current quarter and financial period ended 31 March 2025 which was RM33.4 million (27.0%) higher than revenue of RM124.0 million for the corresponding quarter and financial period of the preceding year.

The increase in revenue for the current quarter and financial period ended 31 March 2025 as compared to the corresponding period of the preceding year was mainly due to higher revenue generated from design and build segment, which mainly attributed to Beluran Police Camp Project, Permatang Pauh Project, Pinnacle Ara Damansara Project, and Raja Uda Project.

The Group recorded profit before tax of RM10.6 million for the current quarter and financial period ended 31 March 2025, which increased by RM0.3 million (2.9%) as compared to profit before tax of RM10.3 million recorded for the corresponding quarter and financial period of the preceding year.

The higher profit before tax was mainly due to higher revenue and gross profit achieved during current quarter and financial period ended 31 March 2025. This was partially offset by higher finance costs, which mainly consists of interest expenses for borrowings utilised for working capital purposes, and higher administrative and operating expenses, mainly due to bank processing fees, stamp duty and associated expenses for additional banking facilities secured.

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B2 Comparison with Immediate Preceding Quarter**

	Individual Quarter		Difference	
	Current	Preceding		
	31 March 2025	31 December 2024	RM'000	%
	RM'000	RM'000		
Revenue	157,400	193,134	(35,734)	(18.5)
Profit before tax	10,583	15,438	(4,855)	(31.4)

The Group achieved revenue of RM157.4 million for current quarter ended 31 March 2025, which was RM35.7 million or 18.5% lower than the Group's revenue of RM193.1 million for immediate preceding quarter. The lower revenue was mainly due to the decrease in revenue from build segment, which mainly due to a lower completion of work done of on-going projects, and also the completion of the D'vine Residences Project in January 2025.

The Group's profit before tax decreased by RM4.9 million or 31.4% to RM10.6 million for the current quarter ended 31 March 2025 as compared to RM15.4 million for the immediate preceding quarter. The lower profit before tax was mainly due to lower gross profit of RM19.3 million for current quarter (immediate preceding quarter: RM25.2 million). The decrease in profit before tax was mitigated by lower administrative and operating expenses of RM3.7 million for current quarter (immediate preceding quarter: RM5.7 million).

B3 Prospects of the Group

Following the overall economy growth of 5.1% in 2024, the Malaysian economy grew by 4.4% in the first quarter of 2025. The economy growth was primarily supported by sustained household consumption amid positive labour market conditions and policy support, steady expansion in investment activities, and continued growth in exports. The construction sector continued to expand with growth of 14.2% in the first quarter of 2025 (20.7% in the fourth quarter of 2024) mainly driven by higher construction activities in non-residential and special trade activities. *(Source: BNM Quarterly Bulletin 1Q 2025)*

The Group will continue to strengthen and leverage from its core competency in building construction as well as its expansion into design and build projects to support its business growth. With its design and build capabilities, the Group will continue to focus its efforts to explore opportunities in design and build projects for both residential and non-residential building sectors. The Group's earnings visibility in the coming years is sustainable with the total outstanding orderbook of approximately RM1.8 billion as of March 2025.

The Malaysian economy's growth is expected to be sustained in 2025, mainly driven by resilient domestic expenditure and robust expansion in investment activities. The Group remains vigilant in seizing opportunities to expand its business growth under the current economic environment. The Group believes that its prospects in the construction industry are favourable in view of the current outlook of the construction industry and its competitive strengths.

Barring any unforeseen circumstances, the Board of Directors is cautiously optimistic about the prospects of the Group in 2025.

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B4 Profit Forecast**

The Group did not issue any profit forecast or profit guarantee in any announcement or public document during current quarter and financial period under review.

B5 Tax Expense

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>31 March</u>		<u>31 March</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Tax expense:				
- current financial period	2,770	2,707	2,770	2,707
- (over) / under provision in prior financial year	-	-	-	-
	<u>2,770</u>	<u>2,707</u>	<u>2,770</u>	<u>2,707</u>
Deferred tax:				
- current financial period	-	-	-	-
- over provision in prior financial year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total tax expense	<u>2,770</u>	<u>2,707</u>	<u>2,770</u>	<u>2,707</u>
Effective tax rate (%)	26	26	26	26
Statutory tax rate (%)	24	24	24	24

The effective tax rate of the Group for the financial period ended 31 March 2025 was higher than the statutory tax rate as certain expenses were not tax deductible, which include mainly depreciation, and bank processing fees, stamp duty and associated expenses for additional banking facilities secured.

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B6 Status of Corporate Proposals**

On 16 July 2024, the Company announced that its wholly-owned subsidiary, Vestland Resources Sdn. Bhd., had entered into six (6) SPAs all dated 16 July 2024 with Armani KPF2 Development Sdn. Bhd. for the acquisition of six (6) units of semidetached industrial warehouse/factory at the Armani Business Park situated in the locality of Kg. Malawa, Kota Kinabalu, Sabah, Malaysia for a total cash consideration of Ringgit Malaysia Eighteen Million (RM18,000,000.00).

Save as disclosed above, there are no corporate proposals announced by the Company but not completed as at the date of this interim financial report.

B7 Borrowings

The details of the Group's borrowings are as follows:-

	31 March 2025	31 December 2024
	RM'000	RM'000
Non-current		
Term loans	8,934	9,343
Lease liabilities	2,189	1,919
	<u>11,123</u>	<u>11,262</u>
Current		
Term loans	1,855	1,915
Revolving credits	258,167	200,002
Invoice financing	35,198	32,191
Promissory note	29,925	26,520
Trust receipt	9,991	9,734
Overdraft against progress claim	7,649	5,847
Lease liabilities	443	399
	<u>343,228</u>	<u>276,608</u>
Total	<u>354,351</u>	<u>287,870</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B8 Material Litigation**

As at the date of this interim financial report, there was no material litigation or arbitration, and the Directors are not aware of any pending proceedings or any fact likely to give rise to any proceedings, which may materially and adversely affect the financial position or performance of the Group.

B9 Earnings per Share ("EPS")

The basic and diluted EPS of the Group for the current quarter and financial period ended 31 March 2025 are as follows:-

	Individual Quarter		Cumulative Quarter	
	31 March		31 March	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of Company	7,813	7,553	7,813	7,553
Weighted average number of ordinary shares ('000)	944,309	944,309	944,309	944,309
Basic/Diluted ⁽¹⁾ EPS (sen)	<u>0.83</u>	<u>0.80</u>	<u>0.83</u>	<u>0.80</u>

Note:

- (1) Diluted EPS is equivalent to the basic EPS as the Group does not have any potential dilutive ordinary share in issue during and at the end of the financial period under review.

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*(Incorporated in Malaysia)***B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS (CONT'D)****B10 Notes to the Statements of Profit or Loss and Other Comprehensive Income**

The Group's profit before tax has been arrived at after charging / (crediting):

	Individual Quarter		Cumulative Quarter	
	31 March		31 March	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amortisation of investment properties	23	23	23	23
Depreciation of:				
- property, plant and equipment	509	459	509	459
- right-of-use assets	307	166	307	166
Interest expense	5,769	3,283	5,769	3,283
Interest income	(444)	(404)	(444)	(404)
Gain on disposal of:				
- property, plant and equipment	(8)	-	(8)	-

Save as disclosed above, the other required disclosure items pursuant to Note 16 of Appendix 9B of the Listing Requirements are not applicable.

B11 Authorisation for Issue

The interim financial report for the financial period ended 31 March 2025 was authorised for issuance by the Board of Directors on 26 May 2025.