



VESTLAND BERHAD

Registration No. 202101037563 (1437863-M)

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 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 SECOND QUARTER ENDED 30 JUNE 2025 ⁽¹⁾**

	Note	Individual Quarter 30 June		Cumulative Quarter 30 June	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue		213,182	147,461	370,582	271,501
Cost of sales		(191,078)	(130,256)	(329,209)	(239,328)
Gross profit		22,104	17,205	41,373	32,173
Other income		267	218	563	484
Finance income		429	413	873	817
Administrative and operating expenses		(2,691)	(2,193)	(6,348)	(4,288)
Finance costs		(5,732)	(3,957)	(11,501)	(7,240)
Profit before tax	<i>B10</i>	14,377	11,686	24,960	21,946
Tax expense	<i>B5</i>	(3,693)	(3,088)	(6,463)	(5,795)
Profit/Total comprehensive income for the financial period		10,684	8,598	18,497	16,151
Profit/Total comprehensive income for the financial period attributable to:					
Owners of the Company		10,684	8,598	18,497	16,151
Earnings per share:					
Basic/Diluted (sen)	<i>B9</i>	1.13	0.91	1.96	1.71

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

	Note	(Unaudited) 30 June 2025 RM'000	(Audited) 31 December 2024 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		33,837	27,242
Right-of-use assets		3,213	3,405
Investment properties		4,370	4,416
Cash and cash equivalents		79,057	61,946
Total non-current assets		120,477	97,009
Current assets			
Trade receivables		396,569	329,348
Other receivables		107,336	99,241
Contract assets		191,733	148,886
Cash and cash equivalents		9,126	39,881
Total current assets		704,764	617,356
TOTAL ASSETS		825,241	714,365
EQUITY AND LIABILITIES			
Equity			
Share capital		100,598	100,598
Merger deficit		(44,709)	(44,709)
Retained earnings		154,587	136,090
Total equity		210,476	191,979
LIABILITIES			
Non-current liabilities			
Borrowings	B7	8,674	9,343
Lease liabilities	B7	2,165	2,272
Deferred tax liabilities		42	42
Total non-current liabilities		10,881	11,657

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*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 ⁽¹⁾ (CONT'D)**

	Note	(Unaudited) 30 June 2025 RM'000	(Audited) 31 December 2024 RM'000
EQUITY AND LIABILITIES (CONT'D)			
LIABILITIES (CONT'D)			
Current liabilities			
Trade payables		189,917	191,773
Other payables		27,686	23,412
Contract liabilities		6,916	12,658
Borrowings	B7	370,795	276,209
Lease liabilities	B7	967	904
Tax payable		7,603	5,773
Total current liabilities		603,884	510,729
Total liabilities		614,765	522,386
TOTAL EQUITY AND LIABILITIES		825,241	714,365
Net assets per ordinary share (sen)		22.29	20.33

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 SECOND QUARTER ENDED 30 JUNE 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	-	-	18,497	18,497
Balance as at 30 June 2025	<u>100,598</u>	<u>(44,709)</u>	<u>154,587</u>	<u>210,476</u>
Balance as at 1 January 2024	100,598	(44,709)	97,575	153,464
Total comprehensive income for the financial period	-	-	16,151	16,151
Balance as at 30 June 2024	<u>100,598</u>	<u>(44,709)</u>	<u>113,726</u>	<u>169,615</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 SECOND QUARTER ENDED 30 JUNE 2025 ⁽¹⁾**

	6-month ended 30 June 2025 RM'000	6-month ended 30 June 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	24,960	21,946
Adjustments for:-		
Amortisation of investment properties	46	46
Depreciation of property, plant and equipment	1,024	927
Depreciation of right-of-use assets	607	338
Finance costs	11,501	7,240
Finance income	(873)	(817)
Gain on disposal of property, plant and equipment	(8)	-
Property, plant and equipment written off	12	-
Operating profit before working capital changes	37,269	29,680
Changes in working capital:-		
Receivables	(75,318)	(112,352)
Payables	(4,814)	47,908
Contract assets	(42,847)	(21,951)
Contract liabilities	(5,742)	(16,975)
Cash used in operations	(91,452)	(73,690)
Tax paid	(4,633)	(4,091)
Net cash used in operating activities	(96,085)	(77,781)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	873	817
Purchase of property, plant and equipment	(402)	(348)
Proceeds from disposal of property, plant and equipment	15	-
Purchase of right-of-use assets	-	(40)
Net cash from investing activities	486	429

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*(Incorporated in Malaysia)***UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2025 ⁽¹⁾ (CONT'D)**

	6-month ended 30 June 2025 RM'000	6-month ended 30 June 2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(11,501)	(7,240)
Placement of fixed deposits pledged	(1,391)	(4,995)
Movement of bank balance pledged	(15,719)	(3,745)
Repayment of term loans	(945)	(838)
Repayment of lease liabilities	(462)	(287)
(Repayment) / Drawdown of invoice financing	(4,900)	5,850
Drawdown of revolving credit	98,285	50,046
Repayment of trust receipt	(1,478)	-
Drawdown of promissory note	2,765	-
Drawdown of overdraft against progress claim	190	-
Net cash from financing activities	64,844	38,791
Net changes in cash and cash equivalents	(30,755)	(38,561)
Cash and cash equivalents at beginning of financial period	39,881	41,343
Cash and cash equivalents at end of financial period	9,126	2,782
CASH AND CASH EQUIVALENTS		
Cash and bank balances	47,777	38,015
Fixed deposits with licensed banks	40,406	29,265
	88,183	67,280
Less: Bank overdrafts	-	(206)
Less: Bank balance pledged with a licensed bank	(40,912)	(36,050)
Less: Fixed deposits pledged with licensed banks	(38,145)	(28,242)
	9,126	2,782

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	
	30 June		30 June	
	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	-	23	-	38
Rental expenses	2,498	808	2,759	3,045

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

	Individual Quarter				Cumulative Quarter			
	30 June				30 June			
	2025		2024		2025		2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Building construction								
Build segment	28,939	13.6	53,753	36.5	57,334	15.5	99,848	36.8
Design and build segment	161,872	75.9	88,935	60.3	281,914	76.1	162,859	60.0
	190,811	89.5	142,688	96.8	339,248	91.6	262,707	96.8
Civil engineering works	22,371	10.5	4,773	3.2	31,334	8.4	8,794	3.2
Total revenue	213,182	100.0	147,461	100.0	370,582	100.0	271,501	100.0

The Group recorded a total revenue of RM213.2 million and RM370.6 million for the individual quarter and cumulative quarter ended 30 June 2025 respectively, which was RM65.7 million (44.5%) and RM99.1 million (36.5%) higher than revenue of RM147.5 million and RM271.5 million for the individual quarter and cumulative quarter of the preceding year respectively.

The increase in revenue for the individual quarter and cumulative quarter ended 30 June 2025 as compared to the individual quarter and cumulative quarter of the preceding year was mainly due to higher revenue generated from design and build segment, which mainly attributed to Pinnacle Subang Jaya SOHO Project, Pinnacle Ara Damansara Project, Raja Uda Project, Shah Alam KGSAAS Project, and Permatang Pauh Project.

The Group recorded profit before tax of RM14.4 million and RM25.0 million for the individual quarter and cumulative quarter ended 30 June 2025 respectively, which was increased by RM2.7 million (23.1%) and RM3.1 million (14.2%) as compared to profit before tax of RM11.7 million and RM21.9 million recorded for the individual quarter and cumulative quarter of the preceding year respectively.

The higher profit before tax recorded for individual quarter and cumulative quarter ended 30 June 2025 as compared to the corresponding period of preceding year was mainly due to higher revenue and gross profit achieved during current individual and cumulative quarter. This was partially offset by higher finance costs during current individual and cumulative quarter, which mainly consists of interest expenses for borrowings utilised for working capital purposes.

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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		
	30 June 2025	31 March 2025	RM'000	%
	RM'000	RM'000		
Revenue	213,182	157,400	55,782	35.4
Profit before tax	14,377	10,583	3,794	35.8

The Group achieved revenue of RM213.2 million for current quarter ended 30 June 2025, which was RM55.8 million or 35.4% higher than the Group's revenue of RM157.4 million for immediate preceding quarter. The higher revenue was mainly due to the increase in revenue from design and build segment and civil engineering works, which mainly attributed to higher completion of work done of on-going projects.

The Group's profit before tax increased by RM3.8 million or 35.8% to RM14.4 million for the current quarter ended 30 June 2025 as compared to RM10.6 million for the immediate preceding quarter. The higher profit before tax was mainly due to higher gross profit of RM22.1 million (immediate preceding quarter: RM19.3 million) and lower administrative and operating expenses of RM2.7 million (immediate preceding quarter: RM3.7 million) for current quarter.

B3 Prospects of the Group

Following the economy growth of 4.4% in the first quarter of 2025, the Malaysian economy grew by 4.4% in the second quarter of 2025. The economy growth was primarily sustained by higher household spending supported by positive labour market conditions, stronger private and public investment activities, and continued demand for electrical and electronics exports and robust tourism activity. The construction sector continued to expand with growth of 12.1% in the second quarter of 2025 (14.2% in the first quarter of 2025) mainly driven by higher construction activities in non-residential, residential and special trade activities. *(Source: BNM Quarterly Bulletin 2Q 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 RM1.7 billion as of June 2025.

The Malaysian economy's growth for 2025 is expected to be driven by resilient domestic demand and sustained 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

	Individual Quarter		Cumulative Quarter	
	30 June		30 June	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Tax expense:				
- current financial period	3,693	3,088	6,463	5,795
- over provision in prior financial year	-	-	-	-
	<u>3,693</u>	<u>3,088</u>	<u>6,463</u>	<u>5,795</u>
Deferred tax:				
- current financial period	-	-	-	-
- over provision in prior financial year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total tax expense	<u>3,693</u>	<u>3,088</u>	<u>6,463</u>	<u>5,795</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 30 June 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) Sale and Purchase Agreements 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). The acquisition is currently pending completion.

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:-

	30 June 2025	31 December 2024
	RM'000	RM'000
Non-current		
Term loans	8,674	9,343
Lease liabilities	2,075	1,919
	<u>10,749</u>	<u>11,262</u>
Current		
Term loans	1,640	1,915
Revolving credit	298,287	200,002
Invoice financing	27,291	32,191
Promissory note	29,285	26,520
Trust receipt	8,255	9,734
Overdraft against progress claim	6,037	5,847
Lease liabilities	448	399
	<u>371,243</u>	<u>276,608</u>
Total	<u>381,992</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 30 June 2025 are as follows:-

	Individual Quarter		Cumulative Quarter	
	30 June		30 June	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of Company	10,684	8,598	18,497	16,151
Weighted average number of ordinary shares ('000)	944,309	944,309	944,309	944,309
Basic/Diluted ⁽¹⁾ EPS (sen)	<u>1.13</u>	<u>0.91</u>	<u>1.96</u>	<u>1.71</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	
	30 June		30 June	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Amortisation of investment properties	23	23	46	46
Depreciation of:				
- property, plant and equipment	515	468	1,024	927
- right-of-use assets	300	172	607	338
Property, plant and equipment written off	12	-	12	-
Interest expense	5,732	3,957	11,501	7,240
Interest income	(429)	(413)	(873)	(817)
Gain on disposal of:				
- property, plant and equipment	-	-	(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 30 June 2025 was authorised for issuance by the Board of Directors on 27 August 2025.