



# **NESTCON BERHAD**

**[Registration No. 202001008684 (1365004-W)]  
(Incorporated in Malaysia)**

**Interim Financial Report  
For the First Quarter Ended  
31 March 2021**

**NESTCON BERHAD**

Registration No. 202001008684 (1365004-W)

• Unaudited Interim Financial Report For The First (1<sup>st</sup>) Quarter Ended 31 March 2021

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>**

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Year Quarter 31.03.2021 RM'000	Unaudited Preceding Year Corresponding Quarter <sup>(2)</sup> 31.03.2020 RM'000	Unaudited Current Year-to-date 31.03.2021 RM'000	Unaudited Preceding Year Year-to-date <sup>(2)</sup> 31.03.2020 RM'000
<b>Revenue</b>		<b>95,616</b>	N/A	<b>95,616</b>	N/A
Cost of sales		(87,132)	N/A	(87,132)	N/A
Gross profit		8,484	N/A	8,484	N/A
Other income		548	N/A	548	N/A
Administrative expenses		(2,758)	N/A	(2,758)	N/A
Other operating expenses		(17)	N/A	(17)	N/A
Profit from operations		6,257	N/A	6,257	N/A
Finance costs		(1,336)	N/A	(1,336)	N/A
<b>Profit before tax</b>	B12	<b>4,921</b>	N/A	<b>4,921</b>	N/A
Income tax expense	B5	(1,232)	N/A	(1,232)	N/A
<b>Net profit/Total comprehensive income for the financial period</b>		<b>3,689</b>	N/A	<b>3,689</b>	N/A
<b>Net profit/Total comprehensive income for the financial period attributable to:</b>					
Owners of the Company		3,689	N/A	3,689	N/A
		<b>3,689</b>	N/A	<b>3,689</b>	N/A
<b>Earnings Per Share attributable to Owners of the Company</b>					
Basic EPS (sen) <sup>(3)</sup>	B11	0.76	N/A	0.76	N/A
Diluted EPS (sen) <sup>(4)</sup>	B11	0.57	N/A	0.57	N/A

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup> (Continued)****Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 8 June 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.
- (3) Basic earnings per share ("**EPS**") is calculated based on the Company's share capital of 482,866,600 ordinary shares after issuance of shares to the acquisition of Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd.
- (4) Diluted earnings per share is calculated based on the Company's share capital of 643,822,000 ordinary shares that shall be listed on the ACE Market of Bursa Securities on 29 June 2021.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION<sup>(1)</sup>**

	Note	Unaudited As at 31.03.2021 RM'000	Audited As at 31.12.2020 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		60,971	63,032
Investment properties		3,243	3,260
Other investments		1,953	1,941
Deferred tax assets		568	568
Trade receivables		41,496	38,168
		108,231	106,969
<b>Current Assets</b>			
Trade receivables		79,587	90,493
Other receivables, deposits and prepayments		9,293	11,544
Contract assets		49,819	46,124
Other investments		73	74
Fixed deposit with financial institution		24,954	28,128
Cash and bank balances		76,289	59,198
		240,015	235,561
<b>TOTAL ASSETS</b>		<b>348,246</b>	<b>342,530</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		-(2)	-(2)
Invested equity		10,400	10,400
Retained earnings		65,534	61,845
<b>Total equity</b>		<b>75,934</b>	<b>72,245</b>
<b>Non-Current Liabilities</b>			
Trade payables		17,334	17,266
Bank borrowings	B8	3,276	3,460
Lease liabilities		12,691	12,586
Deferred tax liabilities		2,833	2,833
		36,134	36,145
<b>Current Liabilities</b>			
Trade payables		126,589	137,130
Other payables and accruals		5,889	6,372
Contract liabilities		27,935	24,917
Bank borrowings	B8	58,212	47,734
Lease liabilities		12,319	13,088
Income tax payable		5,234	4,899
		236,178	234,140
<b>Total Liabilities</b>		<b>272,312</b>	<b>270,285</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>348,246</b>	<b>342,530</b>
<b>NET ASSETS PER SHARE (RM)<sup>(3)</sup></b>		<b>0.16</b>	<b>0.15</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION<sup>(1)</sup>  
(Continued)****Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 8 June 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Represents less than RM1,000.
- (3) Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at 31 March 2021 of 482,866,600 shares (31 December 2020: 482,866,600 shares). The number of ordinary shares used in calculating the net asset per share as at 31 December 2020 has been restated to reflect the increased number of shares arising from the issued of 482,865,833 new ordinary shares pursuant to the acquisition of the entire equity interest of Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd in conjunction with the Initial Public Offering ("**IPO**"), which was completed on 18 March 2021.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY<sup>(1)(2)</sup>**

	<b>Attributable to Owners of the Company</b>			
	<b>Non-distributable</b>		<b>Distributable</b>	
	<b>Share capital</b>	<b>Invested equity</b>	<b>Retained earnings</b>	<b>Total Equity</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Balance as at 31 December 2020 (Audited)</b>	(3)-	10,400	61,845	72,245
Total comprehensive income for the financial period (Unaudited)	-	-	3,689	3,689
<b>Balance as at 31 March 2021 (Unaudited)</b>	<b>(3)-</b>	<b>10,400</b>	<b>65,534</b>	<b>75,934</b>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 8 June 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.
- (3) Represents less than RM1,000.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS<sup>(1)(2)</sup>**

	<b>Unaudited Current Year-to-date 31.03.2021 RM'000</b>	<b>Unaudited Preceding Year Year-to-date 31.03.2020 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	4,921	N/A
Adjustments for:		
Depreciation of property, plant and equipment	3,057	N/A
Depreciation of investment properties	17	N/A
Gain on disposal of property, plant and equipment	(115)	N/A
Interest expense	1,336	N/A
Interest income	(177)	N/A
<b>Operating profit before changes in working capital</b>	<b>9,039</b>	<b>N/A</b>
Decrease in trade and other receivables	9,829	N/A
Decrease in trade and other payables	(10,955)	N/A
Increase in contract assets	(3,695)	N/A
Increase in contract liabilities	3,018	N/A
<b>Cash generated from operations</b>	<b>7,236</b>	<b>N/A</b>
Interest received	56	N/A
Income tax paid	(897)	N/A
<b>Net cash from operating activities</b>	<b>6,395</b>	<b>N/A</b>
<b>Cash Flows From Investing Activities</b>		
Addition of other investment	(11)	N/A
Interest received	16	N/A
Proceeds from disposal of property, plant and equipment	432	N/A
Purchase of property, plant and equipment	(1,314)	N/A
<b>Net cash used in investing activities</b>	<b>(877)</b>	<b>N/A</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(1,336)	N/A
Interest received	105	N/A
Placement of pledged deposits with financial institution	(1,826)	N/A
Movement in restricted cash at bank	(1,122)	N/A
Repayment of bank borrowings	(148)	N/A
Repayment of lease liabilities	(664)	N/A
Net movement of factoring payable	(872)	N/A
<b>Net cash used in financing activities</b>	<b>(5,863)</b>	<b>N/A</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS<sup>(1)(2)</sup> (Continued)**

	<b>Unaudited Current Year-to-date 31.03.2021 RM'000</b>	<b>Unaudited Preceding Year Year-to-date 31.03.2020 RM'000</b>
<b>Net decrease in cash and cash equivalents</b>	(345)	N/A
<b>Cash and cash equivalents at beginning of the financial period</b>	12,484	N/A
<b>Cash and cash equivalents at end of the financial period</b>	<b>12,139</b>	<b>N/A</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash and bank balances	76,289	N/A
Fixed deposits with financial institution	24,954	N/A
	101,243	N/A
Less: Bank overdraft	(45,967)	N/A
Less: Pledged deposits with financial institution	(24,954)	N/A
Less: Restricted cash at bank	(18,183)	N/A
	<b>12,139</b>	<b>N/A</b>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 8 June 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding period.

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**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A1. Basis of Preparation**

The interim financial report of Nestcon Berhad (“**Nestcon**” or “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) No. 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 and Appendix 9B of the Listing requirements of Bursa Malaysia Securities Berhad.

This is the first interim financial report on the Company’s unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus dated 8 June 2021 and the accompanying notes attached to this interim financial report.

**A2. Significant Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Accountants’ Report as disclosed in the Prospectus dated 8 June 2021.

**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 2020.

**A4. Seasonal or Cyclical Factors**

The Group’s performance has not been materially affected by any seasonal or cyclical factors during the current financial quarter under review.

**A5. Items or Incidence of an Unusual Nature**

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

**A6. Material Changes in Accounting Estimates**

There were no material changes in accounting estimates during the current financial quarter under review.

**A7. Debt and Equity Securities**

On 18 March 2021, the Company issued a total of 482,865,833 new ordinary shares pursuant to the acquisition of the entire equity interest of Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd in conjunction with the Initial Public Offering (“**IPO**”).

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

**A8. Dividends Paid**

There were no dividends paid during the current financial quarter under review.

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)****A9. Segment Information**

Information about operating segments has not been reported separately as the Group’s revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely building and infrastructure construction works.

The Group operates predominantly in Malaysia and hence, no geographical segment presented.

**A10. Valuation of Property, Plant and Equipment and Investment Properties**

There was no valuation of property, plant and equipment and investment properties during the current financial quarter under review.

**A11. Material Subsequent Events**

In conjunction with the Company’s listing on the ACE Market of Bursa Securities, on 8 June 2021, the Company issued its Prospectus for its IPO entailing the following:

- (a) Public issue of 160,955,400 new shares (“**Issue Shares**”) in the following manner:
  - (i) 32,192,000 new shares available for application by the Malaysian Public;
  - (ii) 32,192,000 new shares available for application by our eligible Directors, employees and persons who have contributed to the success of the Company;
  - (iii) 80,475,400 new shares by way of private placement to Bumiputera investors approved by Ministry of International Trade and Industry; and
  - (iv) 16,096,000 new shares by way of private placement to selected investors.
- (b) offer for sale of 32,192,000 existing shares by way of private placement to selected investors.

at an IPO price of RM0.28 per share.

Upon completion of the IPO, the Company is expected to be admitted to the Official List of Bursa Securities and the Company’s entire enlarged issued share capital of 643,822,000 shares shall be listed and quoted on the ACE Market of Bursa Securities on 29 June 2021.

Save as disclosed above, there were no other material events subsequent to the end of the current financial period under review that have not been reflected in this interim financial report.

**A12. Changes in The Composition of The Group**

On 18 March 2021, the Company had completed the acquisition of the entire equity interest in Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd, respectively at a purchase consideration of RM57,944,000, which was fully satisfied by the issuance of 482,865,833 new shares at an issue price of RM0.12 per share.

Save as disclosed above, there were no other material changes in the composition of the Group for the current financial quarter under review.

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONTINUED)**

**A13. Contingent Liabilities**

Save as disclosed below, there were no other contingent liabilities as at the date of this interim financial report.

	<b>Unaudited As at 31.03.2021 RM’000</b>	<b>Audited As at 31.12.2020 RM’000</b>
Performance guarantee for construction projects	42,446	42,446
Corporate guarantees given to licensed bank to secure credit facilities granted to a related party	<u>40,500</u>	<u>40,500</u>

As at 31 March 2021, the maximum exposure to credit risk amounting to RM14.08 million (31 December 2020: RM14.08 million) representing the outstanding banking facilities of a Company which a Director have interests as at end of the current financial quarter under review.

**A14. Capital Commitments**

There were no material capital commitments incurred or known to be incurred for the current financial quarter under review.

**A15. Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited Current Year Quarter 31.03.2021 RM’000</b>	<b>Unaudited Preceding Year Corresponding Quarter<sup>(1)</sup> 31.03.2020 RM’000</b>	<b>Unaudited Current Year-to-date 31.03.2021 RM’000</b>	<b>Unaudited Preceding Year Year-to-date<sup>(1)</sup> 31.03.2020 RM’000</b>
Lease payment charged by a Director	20	N/A	20	N/A
Purchase of materials from a related party	<u>324</u>	<u>N/A</u>	<u>324</u>	<u>N/A</u>

**Notes:**

- (1) This is the first interim financial report on the Company’s unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of Performance**

The Group recorded revenue of RM95.62 million, gross profit of RM8.48 million and profit before tax of RM4.92 million for the first quarter ended 31 March 2021.

The Group's revenue for the current financial quarter and financial year-to-date is mainly contributed from our building division of RM58.98 million and civil engineering and infrastructure division of RM36.64 million, respectively.

This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

**B2. Comparison with Immediate Preceding Quarter's Results**

This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding quarter.

**B3. Prospects and Outlook for the Current Financial Year**

As disclosed in the Prospectus of the Company dated 8 June 2021, the Group will implement the following future plans:

- (a) To establish our own on-site IBS facility that will expedite project delivery time and reduce reliance on foreign workers while simultaneously improve the quality of work;
- (b) To improve our profile by tendering for more construction contracts, hence, expanding our construction portfolio in the following segments:
  - (i) high-rise building;
  - (ii) purpose-built and industrial building;
  - (iii) larger civil engineering and infrastructure projects such as highways, transportation infrastructure and various renewable energy projects.

**B4. Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

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**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Continued)****B5. Income Tax Expense**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.03.2021 RM'000	Unaudited Preceding Year Corresponding Quarter <sup>(1)</sup> 31.03.2020 RM'000	Unaudited Current Year-to-date 31.03.2021 RM'000	Unaudited Preceding Year Year-to-date <sup>(1)</sup> 31.03.2020 RM'000
<b>In respect of current period:</b>				
Income tax expense	1,232	N/A	1,232	N/A
Effective tax rate (%)	25.04	N/A	25.04	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

**Notes:**

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding period.

**B6. Status of Corporate Proposals**

Save for the IPO as disclosed in Note A12, there were no other corporate proposals announced but not implemented as at the date of this interim financial report.

**B7. Utilisation of Proceeds from IPO**

The gross proceeds of approximately RM45.07 million from IPO is intended to be utilised in the following manner:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Estimated Timeframe for the Utilisation Upon Listing RM'000
Establish IBS facility for our building division	6,000	-	Within 24 months
Acquire machineries and equipment for our business expansion in the civil engineering and infrastructure division	6,615	-	Within 24 months
Upgrade software and systems	1,000	-	Within 12 months
Repayment of bank borrowings	16,500	-	Within 3 months
Working capital	10,953	-	Within 12 months
Estimated listing expenses	4,000	-	Within 1 month
Total	45,068	-	

The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus dated 8 June 2021. As at the date of this interim financial report, the IPO is pending for completion and hence there is no utilisation of IPO proceeds.

**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Continued)**

**B8. Bank Borrowings**

	<b>Unaudited As at 31.03.2021 RM'000</b>	<b>Audited As at 31.12.2020 RM'000</b>
<b>Current</b>		
Term loans	633	597
Bank overdraft	45,967	34,653
Factoring payable	10,475	12,484
Invoice financing	1,137	-
	<u>58,212</u>	<u>47,734</u>
<b>Non-current</b>		
Term loans	<u>3,276</u>	<u>3,460</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

**B9. Material Litigation**

There were no material litigation involving the Group as at 31 March 2021.

**B10. Dividend**

No dividend has been declared or recommend by the Board of Directors for the current financial quarter under review.

**B11. Earnings Per Share**

The basic and diluted earnings per share for the current financial quarter and financial year-to-date are computed as follows:

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited Current Year Quarter 31.03.2021 RM'000</b>	<b>Unaudited Preceding Year Corresponding Quarter<sup>(1)</sup> 31.03.2020 RM'000</b>	<b>Unaudited Current Year-to-date 31.03.2021 RM'000</b>	<b>Unaudited Preceding Year Year-to-date<sup>(1)</sup> 31.03.2020 RM'000</b>
Profit attributable to the Owners of the Company	3,689	N/A	3,689	N/A
Number of ordinary shares	482,867	N/A	482,867	N/A
Basic EPS (sen) <sup>(2)</sup>	0.76	N/A	0.76	N/A
Diluted EPS (sen) <sup>(3)</sup>	<u>0.57</u>	<u>N/A</u>	<u>0.57</u>	<u>N/A</u>

**Notes:**

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding period.

**PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Continued)****B11. Earnings Per Share (Continued)**

- (2) Basic earnings per share is calculated based on the Company's share capital of 482,866,600 ordinary shares after issuance of shares to the acquisition of Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd.
- (3) Diluted earnings per share is calculated based on the Company's share capital of 643,822,000 ordinary shares that shall be listed on the ACE Market of Bursa Securities.

**B12. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income**

Profit before tax is arrived after charging/(crediting):

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.03.2021 RM'000	Unaudited Preceding Year Corresponding Quarter <sup>(1)</sup> 31.03.2020 RM'000	Unaudited Current Year-to-date 31.03.2021 RM'000	Unaudited Preceding Year Year-to-date <sup>(1)</sup> 31.03.2020 RM'000
Depreciation of property, plant and equipment	3,057	N/A	3,057	N/A
Depreciation of investment properties	17	N/A	17	N/A
Rental of machineries	5,685	N/A	5,685	N/A
Rental of premises	47	N/A	47	N/A
Interest expense	1,336	N/A	1,336	N/A
Gain on disposal of property, plant and equipment	(115)	N/A	(115)	N/A
Interest income	(177)	N/A	(177)	N/A

**Notes:**

- (1) This is the first interim financial report on the Company's unaudited condensed consolidated financial results for the first (1<sup>st</sup>) quarter ended 31 March 2021 announced in compliance with the Listing requirements and as such, there are no comparative figures for the preceding year's corresponding period.

**B13. Authorisation for Issue**

The interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 10 May 2021.