



NESTCON BERHAD

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

**Unaudited Interim Financial Report
For the Second Quarter Ended
30 June 2021**

NESTCON BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Year Quarter 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽²⁾ 30.06.2020 RM'000	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽²⁾ 30.06.2020 RM'000
Revenue		84,774	N/A	180,390	N/A
Cost of sales		(77,670)	N/A	(164,802)	N/A
Gross profit		7,104	N/A	15,588	N/A
Other income		425	N/A	973	N/A
Administrative expenses ⁽³⁾		(4,007)	N/A	(6,765)	N/A
Other operating expenses		(15)	N/A	(32)	N/A
Profit from operations		3,507	N/A	9,764	N/A
Finance costs		(1,428)	N/A	(2,764)	N/A
Profit before tax	B12	2,079	N/A	7,000	N/A
Income tax expense	B5	(1,072)	N/A	(2,304)	N/A
Net profit/Total comprehensive income for the financial period		1,007	N/A	4,696	N/A
Net profit/Total comprehensive income for the financial period attributable to:					
Owners of the Company		1,007	N/A	4,696	N/A
		1,007	N/A	4,696	N/A
Earnings Per Share attributable to Owners of the Company					
Basic ⁽⁴⁾ /Diluted ⁽⁵⁾ EPS (sen)	B11	0.16	N/A	0.73	N/A

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME⁽¹⁾ (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 second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the ACE Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.
- (3) Administrative expenses included one-off listing expenses of RM2.09 million. For illustration purpose only, the Company's normalised financial performance after adjusting for the one-off listing expenses is as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽²⁾ 30.06.2020 RM'000	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽²⁾ 30.06.2020 RM'000
Profit before tax	2,079	N/A	7,000	N/A
Add: Listing expenses	1,953	N/A	2,093	N/A
Adjusted profit before tax	4,032	N/A	9,093	N/A

- (4) Basic earnings per share ("**EPS**") is calculated based on the Company's share capital of 643,822,000 ordinary shares after the Company listed on the ACE Market of Bursa Securities on 29 June 2021.
- (5) Diluted earnings per share of the Company for the individual quarter and cumulative quarter ended 30 June 2021 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION⁽¹⁾

	Note	Unaudited As at 30.06.2021 RM'000	Audited As at 31.12.2020 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		58,368	63,032
Investment properties		2,581	3,260
Other investments		1,965	1,941
Deferred tax assets		568	568
Trade receivables		41,457	38,168
		104,939	106,969
Current Assets			
Trade receivables		66,706	90,493
Other receivables, deposits and prepayments		11,171	11,544
Contract assets		69,149	46,124
Other investments		74	74
Fixed deposit with financial institution		26,918	28,128
Cash and bank balances		105,239	59,198
		279,257	235,561
TOTAL ASSETS		384,196	342,530
EQUITY AND LIABILITIES			
Equity			
Share capital		101,029	-(2)
Invested equity		-	10,400
Merger reserve		(47,544)	-
Retained earnings		66,541	61,845
Total equity		120,026	72,245
Non-Current Liabilities			
Trade payables		16,982	17,266
Bank borrowings	B8	2,851	3,460
Lease liabilities		10,021	12,586
Deferred tax liabilities		2,833	2,833
		32,687	36,145
Current Liabilities			
Trade payables		132,739	137,130
Other payables and accruals		6,810	6,372
Contract liabilities		20,125	24,917
Bank borrowings	B8	55,390	47,734
Lease liabilities		10,941	13,088
Income tax payable		5,478	4,899
		231,483	234,140
Total Liabilities		264,170	270,285
TOTAL EQUITY AND LIABILITIES		384,196	342,530
NET ASSETS PER SHARE (RM)⁽³⁾		0.19	0.11

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION⁽¹⁾
(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 30 June 2021 of 643,822,000 shares (31 December 2020: 643,822,000 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 enlarged number of shares after the Company listed on 29 June 2021.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Attributable to Owners of the Company				Total Equity RM'000
	Non-distributable		Distributable		
	Share capital RM'000	Invested equity RM'000	Merger reserve RM'000	Retained earnings RM'000	
Balance as at 31 December 2020/1 January 2021 (Audited)	-(3)	10,400	-	61,845	72,245
Total comprehensive income for the financial period	-	-	-	4,696	4,696
Contributions by and distributions to Owners of the Company					
- Issuance of shares pursuant to acquisition of subsidiary companies	57,944	(10,400)	(47,544)	-	-
- Issuance of shares	45,068	-	-	-	45,068
- Share issuance expenses	(1,983)	-	-	-	(1,983)
Balance as at 30 June 2021 (Unaudited)	101,029	-	(47,544)	66,541	120,026

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 second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.
- (3) Represents less than RM1,000.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾⁽²⁾

	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.06.2020 RM'000
Cash Flows From Operating Activities		
Profit before tax	7,000	N/A
Adjustments for:		
Depreciation of property, plant and equipment	6,118	N/A
Depreciation of investment properties	32	N/A
Gain on disposal of property, plant and equipment	(122)	N/A
Gain on disposal of investment property	(33)	N/A
Interest expense	2,764	N/A
Interest income	(347)	N/A
Operating profit before changes in working capital	15,412	N/A
Decrease in trade and other receivables	20,871	N/A
Decrease in trade and other payables	(4,237)	N/A
Increase in contract assets	(23,025)	N/A
Decrease in contract liabilities	(4,793)	N/A
Cash generated from operations	4,228	N/A
Interest received	125	N/A
Income tax paid	(1,725)	N/A
Net cash from operating activities	2,628	N/A
Cash Flows From Investing Activities		
Addition of other investment	(24)	N/A
Interest received	29	N/A
Proceeds from disposal of property, plant and equipment	528	N/A
Proceeds from disposal of investment property	680	N/A
Purchase of property, plant and equipment	(1,860)	N/A
Net cash used in investing activities	(647)	N/A
Cash Flows From Financing Activities		
Interest paid	(2,764)	N/A
Interest received	193	N/A
Proceeds from issuance of ordinary shares	45,068	N/A
Payment of share issuance expenses	(1,983)	N/A
Placement of pledged deposits with financial institution	(3,790)	N/A
Movement in restricted cash at bank	2,397	N/A
Repayment of bank borrowings	(613)	N/A
Repayment of lease liabilities	(4,713)	N/A
Net movement of factoring payable	5,449	N/A
Net cash from financing activities	39,244	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾⁽²⁾ (Continued)

	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.06.2020 RM'000
Net increase in cash and cash equivalents	41,225	N/A
Cash and cash equivalents at beginning of the financial period	12,484	N/A
Cash and cash equivalents at end of the financial period	<u>53,709</u>	<u>N/A</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	105,239	N/A
Fixed deposits with financial institution	26,918	N/A
	<u>132,157</u>	<u>N/A</u>
Less: Bank overdraft	(36,866)	N/A
Less: Pledged deposits with financial institution	(26,918)	N/A
Less: Restricted cash at bank	(14,664)	N/A
	<u>53,709</u>	<u>N/A</u>

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 second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.

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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 Securities.

This is the second interim financial report on the Company’s unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year’s corresponding quarter and preceding year’s corresponding year-to-date.

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**”).

On 29 June 2021, the Company issued 160,955,400 new ordinary shares at an IPO price of RM0.28 per ordinary share pursuant to the IPO exercise. The listing and quotation for the Company’s entire enlarged issued and paid-up share capital of approximately RM103.01 million comprising 643,822,000 ordinary shares in the Company on the ACE Market of Bursa Securities was completed on the same day.

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (Continued)**A7. Debt and Equity Securities (Continued)**

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.

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

There were no 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

Save as disclosed in A7, there were no other material changes in the composition of the Group for the current financial quarter under review.

A13. Contingent Liabilities

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

	Unaudited As at 30.06.2021 RM’000	Audited As at 31.12.2020 RM’000
Performance guarantee for construction contracts	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 30 June 2021, the maximum exposure to credit risk amounting to RM15.04 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.

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2020 RM'000	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2020 RM'000
Lease payment charged by a Director	19	N/A	39	N/A
Purchase of materials from a related party	356	N/A	680	N/A

Note:

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.

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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 RM84.77 million, gross profit of RM7.10 million and profit before tax of RM2.08 million for the current financial quarter ended 30 June 2021. The current financial quarter's revenue is primarily contributed from our building division of RM62.42 million and civil engineering and infrastructure division of RM22.35 million, respectively.

For the current financial year-to-date ended 30 June 2021, the Group reported revenue of RM180.39 million, gross profit of RM15.59 million and profit before tax of RM7.00 million. The Group's revenue is mainly attributable from our building division of RM121.40 million and civil engineering and infrastructure division of RM58.99 million, respectively.

The Group had incurred one-off listing expenses of approximately RM2.09 million for the current financial year-to-date ended 30 June 2021.

This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.

B2. Comparison with Immediate Preceding Quarter's Results

	INDIVIDUAL QUARTER		VARIANCE	
	Unaudited Current Quarter 30.06.2021 RM'000	Unaudited Preceding Quarter 31.03.2021 RM'000	RM'000	%
Revenue	84,774	95,616	(10,842)	(11.34)
Profit before tax ("PBT")	2,079	4,921	(2,842)	(57.75)

The Group recorded revenue of RM84.77 million for the current financial quarter ended 30 June 2021 as compared to RM95.62 million in the preceding quarter ended 31 March 2021, a decrease of RM10.84 million in the current financial quarter under review. The decrease in revenue was mainly due to lower level of construction activities following the implementation of Full Movement Control Order ("FMCO") on 1 June 2021 as a result of the Covid-19 pandemic. FMCO has halted majority of our building construction activities and partial of our civil engineering and infrastructure activities for the current financial quarter under review.

The Group registered a PBT of RM2.08 million in the current financial quarter under review, a decrease of RM2.84 million from RM4.92 million in the preceding quarter. Excluding the listing expenses of RM1.95 million, the adjusted PBT would have been RM4.03 million for the current financial quarter, a slight decrease of RM0.89 million from the preceding quarter resulted from lower revenue generated.

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

B3. Prospects and Outlook for the Current Financial Year

Since the Company listed on 29 June 2021 up to today, the Group has successfully secured one building construction contract and three civil engineering and infrastructure contracts with a total contract value of approximately RM320.07 million. These secured contracts are expected to contribute positively to the Group's earnings.

The long-term prospects of the construction industry remain promising underpinned by the implementation of various government measures and economic stimulus packages.

Hence, 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; and
- (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.

B5. Income Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2020 RM'000	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Year-to-date ⁽¹⁾ 30.06.2020 RM'000
In respect of current period:				
Income tax expense ⁽²⁾	1,072	N/A	2,304	N/A
Effective tax rate ⁽³⁾ (%)	51.56	N/A	32.91	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

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

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.
- (2) Income tax expense is recognised based on management's estimate.
- (3) The effective tax rate for the current quarter and current year-to-date ended 30 June 2021 is higher than the statutory tax rate was mainly due to the adjustment of non-deductible expenses such as listing expenses. Excluding the one-off listing expenses, the effective tax rate for the current quarter and current year-to-date are 26.59% and 25.34% respectively.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

B7. Utilisation of Proceeds from IPO

As at 30 June 2021, the status of the utilisation of proceeds arising from IPO amounting to approximately RM45.07 million is stated in the following manner:

Details of Utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000	Estimated Timeframe for the Utilisation Upon Listing
Establish IBS facility for our building division	6,000	-	6,000	Within 24 months
Acquire machineries and equipment for our business expansion in the civil engineering and infrastructure division	6,615	-	6,615	Within 24 months
Upgrade software and systems	1,000	-	1,000	Within 12 months
Repayment of bank borrowings	16,500	-	16,500	Within 3 months
Working capital	10,953	-	10,953	Within 12 months
Estimated listing expenses	4,000	(4,000)	-	Within 1 month
Total	45,068	(4,000)	41,068	

From the date of listing of the Company on the ACE Market of Bursa Securities on 29 June 2021, the utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 8 June 2021.

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Continued)**B8. Bank Borrowings**

	Unaudited As at 30.06.2021 RM'000	Audited As at 31.12.2020 RM'000
Current		
Term loans	592	597
Bank overdraft	36,866	34,653
Factoring payable	2,119	12,484
Invoice financing	8,590	-
Revolving credit	7,223	-
	<u>55,390</u>	<u>47,734</u>
Non-current		
Term loans	<u>2,851</u>	<u>3,460</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

There were no material litigations involving the Group as at 30 June 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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Quarter⁽¹⁾ 30.06.2020 RM'000	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Year-to-date⁽¹⁾ 30.06.2020 RM'000
Profit attributable to the Owners of the Company	1,007	N/A	4,696	N/A
Number of ordinary shares	643,822	N/A	643,822	N/A
Basic ⁽²⁾ /Diluted ⁽³⁾ EPS (sen)	<u>0.16</u>	<u>N/A</u>	<u>0.73</u>	<u>N/A</u>

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)****Notes:**

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.
- (2) Basic earnings per share is calculated based on the Company's share capital of 643,822,000 ordinary shares after the Company listed on the ACE Market of Bursa Securities on 29 June 2021.
- (3) Diluted earnings per share of the Company for the individual quarter and cumulative quarter ended 30 June 2021 is equivalent to the basic earnings per share as the Company does not have any convertible options as at the end of the reporting period.

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 30.06.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾ 30.06.2020 RM'000	Unaudited Current Year-to-date 30.06.2021 RM'000	Unaudited Preceding Year Year-to-date ⁽¹⁾ 30.06.2020 RM'000
Depreciation of property, plant and equipment	3,061	N/A	6,118	N/A
Depreciation of investment properties	15	N/A	32	N/A
Rental of machineries	4,296	N/A	9,981	N/A
Rental of premises	48	N/A	95	N/A
Interest expense	1,428	N/A	2,764	N/A
Gain on disposal of property, plant and equipment	(7)	N/A	(122)	N/A
Gain on disposal of investment property	(33)	N/A	(33)	N/A
Interest income	(170)	N/A	(347)	N/A

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Continued)**B12. Notes to the Condensed Consolidated Statement of Profit and Other Comprehensive Income (Continued)****Note:**

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 2021 announced in compliance with the Listing Requirements of Bursa Securities. As the Company was listed on the ACE Market of Bursa Securities on 29 June 2021, there are no comparative figures for the preceding year's corresponding quarter and preceding year's corresponding year-to-date.

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 25 August 2021.

**BY ORDER OF THE BOARD
NESTCON BERHAD
25 AUGUST 2021**