



NESTCON BERHAD

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

**Unaudited Interim Financial Report
For the Fourth Quarter Ended
31 December 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 31.12.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽²⁾ 31.12.2020 RM'000	Unaudited Current Year-to-date 31.12.2021 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2020 RM'000
Revenue		107,283	N/A	358,261	344,479
Cost of sales		(98,038)	N/A	(329,739)	(311,196)
Gross profit		9,245	N/A	28,522	33,283
Other income		245	N/A	1,519	1,327
Administrative expenses		(2,698)	N/A	(11,555)	(10,316)
Other operating expenses		(13)	N/A	(69)	(536)
Profit from operations		6,779	N/A	18,417	23,758
Finance costs		(1,543)	N/A	(5,614)	(4,547)
Profit before tax	B12	5,236	N/A	12,803	19,211
Tax income/(expense)	B5	1,312	N/A	(592)	(4,910)
Net profit/Total comprehensive income for the financial period		6,548	N/A	12,211	14,301
Net profit/Total comprehensive income for the financial period attributable to:					
Owners of the Company		6,548	N/A	12,211	14,301
		6,548	N/A	12,211	14,301
Earnings Per Share attributable to Owners of the Company					
Basic EPS ⁽³⁾ (sen)	B11	1.02	N/A	1.90	2.96
Diluted EPS ⁽⁴⁾ (sen)	B11	1.02	N/A	1.90	2.22

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 fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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.
- (3) Basic earnings per share ("**EPS**") of the Company for the current financial quarter and financial year-to-date ended 31 December 2021 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. For the preceding financial year-to-date ended 31 December 2020, the basic EPS is calculated based on the Company's share capital of 482,866,600 ordinary shares after the issuance of shares to the acquisition of Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd.
- (4) Diluted EPS of the Company for the current financial quarter and financial year-to-date ended 31 December 2021 is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the reporting period/year. For the preceding financial year-to-date ended 31 December 2020, the diluted EPS 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⁽¹⁾

	Note	Unaudited As at 31.12.2021 RM'000	Audited As at 31.12.2020 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		59,959	63,032
Investment properties		2,554	3,260
Other investments		1,989	1,941
Deferred tax assets		568	568
Trade receivables		33,534	38,168
		98,604	106,969
Current Assets			
Trade receivables		80,305	90,493
Other receivables, deposits and prepayments		11,768	11,544
Contract assets		87,574	46,124
Other investments		-	74
Fixed deposit with financial institution		20,835	28,128
Cash and cash equivalents		104,446	59,198
		304,928	235,561
TOTAL ASSETS		403,532	342,530
EQUITY AND LIABILITIES			
Equity			
Share capital		101,029	-(2)
Invested equity		-	10,400
Merger reserve		(47,544)	-
Retained earnings		74,056	61,845
Total equity		127,541	72,245
Non-Current Liabilities			
Trade payables		14,197	17,266
Bank borrowings	B8	2,549	3,460
Lease liabilities		8,739	12,586
Deferred tax liabilities		2,068	2,833
		27,553	36,145
Current Liabilities			
Trade payables		156,965	137,130
Other payables and accruals		5,360	6,372
Contract liabilities		13,771	24,917
Bank borrowings	B8	62,391	47,734
Lease liabilities		9,180	13,088
Income tax payable		771	4,899
		248,438	234,140
Total Liabilities		275,991	270,285
TOTAL EQUITY AND LIABILITIES		403,532	342,530
NET ASSETS PER SHARE (RM)⁽³⁾		0.20	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 31 December 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⁾

	Attributable to Owners of the Company				
	Non-distributable			Distributable	
	Share capital RM'000	Invested equity RM'000	Merger reserve RM'000	Retained earnings RM'000	Total Equity RM'000
Balance as at 1 January 2020 (Audited)	-	10,400	-	47,544	57,944
Issuance of shares	-(2)	-	-	-	-(2)
Total comprehensive income for the financial year	-	-	-	14,301	14,301
Balance as at 31 December 2020/1 January 2021 (Audited)	-(2)	10,400	-	61,845	72,245
Total comprehensive income for the financial year	-	-	-	12,211	12,211
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)
	101,029	(10,400)	(47,544)	-	43,085
Balance as at 31 December 2021 (Unaudited)	101,029	-	(47,544)	74,056	127,541

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. The Consolidated Statements of Changes in Equity for the financial year ended 31 December 2020 are based on the Accountants' Report set out in the Prospectus.
- (2) Represents less than RM1,000.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	Unaudited Current Year-to-date 31.12.2021 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2020 RM'000
Cash Flows From Operating Activities		
Profit before tax	12,803	19,211
Adjustments for:		
Depreciation of property, plant and equipment	12,402	11,356
Depreciation of investment properties	59	52
Gain on disposal of property, plant and equipment	(122)	(168)
Gain on disposal of investment property	(33)	-
Gain on remeasurement of lease liabilities	(1)	(29)
Interest expense	5,614	4,547
Interest income	(843)	(714)
Property, plant and equipment written off	11	484
Operating profit before changes in working capital	29,890	34,739
Decrease/(Increase) in trade and other receivables	14,597	(11,613)
Increase/(Decrease) in trade and other payables	15,754	(6,512)
(Increase)/Decrease in contract assets	(41,450)	15,406
Decrease in contract liabilities	(11,146)	(5,513)
Cash generated from operations	7,645	26,867
Interest received	318	83
Income tax paid	(6,788)	(5,415)
Income tax refunded	1,303	68
Net cash generated from operating activities	2,478	21,603
Cash Flows From Investing Activities		
Addition of other investments	-	(2,021)
Proceeds from disposal of other investments	25	3,028
Interest received	54	120
Proceeds from disposal of property, plant and equipment	528	499
Proceeds from disposal of investment property	680	-
Purchase of investment property	-	(652)
Purchase of property, plant and equipment	(9,770)	(4,638)
Net cash used in investing activities	(8,483)	(3,664)

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

	Unaudited Current Year-to-date 31.12.2021 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2020 RM'000
Cash Flows From Financing Activities		
Interest paid	(5,614)	(4,547)
Interest received	471	511
Issuance of shares	-	-(2)
Proceeds from issuance of ordinary shares	45,068	-
Payment of share issuance expenses	(1,983)	-
Placement of pledged deposits with financial institution	(7,486)	(8,174)
Redemption of pledged deposits with financial institution	9,778	-
Movement in restricted cash at bank	4,505	(5,859)
Repayment received from related parties, net	-	11,880
Repayment to Director	-	(8)
Drawdown of term loans	-	3,864
Repayment of term loans	(894)	(150)
Repayment of lease liabilities	(7,729)	(14,019)
Net movement of bank borrowings	21,548	(2,221)
Net cash from/(used in) financing activities	57,664	(18,723)
Net increase/(decrease) in cash and cash equivalents	51,659	(784)
Cash and cash equivalents at beginning of the financial year	12,484	13,268
Cash and cash equivalents at end of the financial year	64,143	12,484
Cash and cash equivalents comprise of:		
Cash and bank balances	89,382	59,198
Other investment	15,064	-
Fixed deposit with financial institution	20,835	28,128
	125,281	87,326
Less: Bank overdraft	(27,746)	(34,653)
Less: Pledged deposits with financial institution	(20,835)	(23,128)
Less: Restricted cash at bank	(12,557)	(17,061)
	64,143	12,484

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

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) Represents less than RM1,000.

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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 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 fourth interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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.

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

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

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

On 17 November 2021, Nestcon Sustainable Solutions Sdn Bhd (“**NSS**”), a wholly-owned subsidiary of the Company, had incorporated two (2) wholly owned subsidiaries, N1 Solar Sdn Bhd (“**N1 Solar**”) and N2 Solar Sdn Bhd (“**N2 Solar**”) with a paid-up capital of RM1.00 million respectively, representing RM1 per ordinary share. Both N1 Solar and N2 Solar are an investment holding company, and principally engaged in the provision of engineering, procurement, construction and commissioning (“**EPCC**”) services for solar photovoltaics (“**PV**”) systems and investment in solar PV plant.

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

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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.

	Unaudited As at 31.12.2021 RM’000	Audited As at 31.12.2020 RM’000
Performance guarantee for construction contracts	52,487	42,446
Corporate guarantee given to licensed bank to secure credit facilities granted to a related party ⁽¹⁾	-	40,500

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

Note:

(1) This corporate guarantee was discharged on 26 October 2021.

A14. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred as at the date of this interim financial report.

	Unaudited As at 31.12.2021 RM’000	Audited As at 31.12.2020 RM’000
Property, plant and equipment Authorised and contracted for	17,579	-

A15. Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.12.2021 RM’000	Unaudited Preceding Year Corresponding Quarter⁽¹⁾ 31.12.2020 RM’000	Unaudited Current Year-to-date 31.12.2021 RM’000	Audited Preceding Year Corresponding Year-to-date 31.12.2020 RM’000
Lease payment charged by a Director	19	N/A	78	78
Purchase of materials from a related party	-	N/A	722	2,180

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

A15. Related Party Transactions (Continued)

Note:

- (1) This is the fourth interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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.

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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 RM107.28 million, gross profit of RM9.25 million and profit before tax of RM5.24 million for the current financial quarter ended 31 December 2021 (“**4Q2021**”). The 4Q2021 revenue is primarily contributed from our building division of RM60.31 million and civil engineering and infrastructure division of RM46.97 million, respectively.

For the current financial year-to-date ended 31 December 2021 (“**YTD 4Q2021**”), the Group reported revenue of RM358.26 million, gross profit of RM28.52 million and profit before tax of RM12.80 million. The Group’s revenue is mainly attributable from our building division of RM220.37 million and civil engineering and infrastructure division of RM137.89 million, respectively.

The Group had incurred one-off listing expenses of approximately RM2.09 million in YTD 4Q2021.

This is the fourth interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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.

B2. Comparison with Immediate Preceding Quarter’s Results

	INDIVIDUAL QUARTER		VARIANCE	
	Unaudited Current Quarter 31.12.2021 RM’000	Unaudited Preceding Quarter 30.09.2021 RM’000	RM’000	%
Revenue	107,283	70,588	36,695	51.98
Profit before tax (“ PBT ”)	5,236	567	4,669	823.46

With the full resumption of our building construction, civil engineering and infrastructure activities in the 4Q2021, the Group recorded revenue of RM107.28 million as compared to RM70.59 million in the preceding quarter ended 30 September 2021 (“**3Q2021**”), an increase of RM36.69 million in 4Q2021. The increase in revenue was mainly due to higher level of construction activities and commencement of new contracts which were awarded in 3Q2021.

The Group registered a PBT of RM5.24 million in 4Q2021, an increase of RM4.67 million from RM0.57 million in 3Q2021. The increase in PBT was mainly attributable to higher revenue generated as a result of higher level of construction activities during the current financial quarter under review.

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**

The Malaysian construction industry has not been spared from the adverse impacts of the unprecedented COVID-19 pandemic. However, the re-opening of the economy has supported a gradual recovery in the fourth quarter of 2021 and is expected to accelerate further going into 2022, supported by a gradual normalisation of economic activities and adoption of sustainable long-term policies in dealing with COVID-19 by the government. The outlook for the Construction Division hinges on economic recovery arising from the revival of upcoming government infrastructure projects and the more stabilised property sectors that are expected to help revitalise the economy due to the improved economic conditions following the easing of pandemic-related movements.

The year ahead promises new growth paths for our Renewable Energy Division and its growth is given emphasis for environmental, social, and governance (ESG) compliance. The revenue from Renewable Energy Division is expected to come on stream from 2022 onwards.

Looking ahead, the long-term prospects of the construction industry remain promising underpinned by the implementation of various government measures and economic stimulus packages with the announced 12th Malaysian Plan (2021 – 2025).

Our Group will remain implementing the following future plans as disclosed in the Prospectus of the Company dated 8 June 2021:

- (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; and
 - (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. Tax Income/(Expense)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.12.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾ 31.12.2020 RM'000	Unaudited Current Year-to-date 31.12.2021 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2020 RM'000
In respect of current period:				
Tax income/(expense) ⁽²⁾	1,041	N/A	(1,357)	(6,557)
Deferred tax	271	N/A	765	1,647
Effective tax rate ⁽³⁾ (%)	(25.06)	N/A	4.62	25.56
Statutory tax rate (%)	24.00	N/A	24.00	24.00

Notes:

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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.
- (2) Income tax expense is recognised based on management's estimate.
- (3) The effective tax rate of the Group for the current financial quarter and financial year-to-date was lower than the statutory tax rate primarily contributed by the reversal of over provision of income tax in prior year together with the reversal of deferred tax liability.

B6. Status of Corporate Proposals

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

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

B7. Utilisation of Proceeds from IPO

As at 31 December 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	(3,380)	3,235	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	(5,700)	5,253	Within 12 months
Estimated listing expenses	4,000	(4,000)	-	Within 1 month
Total	45,068	(29,580)	15,488	

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.

B8. Bank Borrowings

	Unaudited As at 31.12.2021 RM'000	Audited As at 31.12.2020 RM'000
Current		
Term loans	612	597
Bank overdraft	27,746	34,653
Factoring payable	18,833	12,484
Invoice financing	7,977	-
Revolving credit	7,223	-
	<u>62,391</u>	<u>47,734</u>
Non-current		
Term loans	<u>2,549</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 31 December 2021.

B10. Dividend

No dividend has been declared or recommended by the Board of Directors for 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)**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 31.12.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾ 31.12.2020 RM'000	Unaudited Current Year-to-date 31.12.2021 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2020 RM'000
Profit attributable to the Owners of the Company	6,548	N/A	12,211	14,301
Number of ordinary Shares (in thousand)	643,822	N/A	643,822	643,822
Basic EPS ⁽²⁾ (sen)	1.02	N/A	1.90	2.96
Diluted EPS ⁽³⁾ (sen)	1.02	N/A	1.90	2.22

Notes:

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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.
- (2) Basic EPS of the Company for the current financial quarter and financial year-to-date ended 31 December 2021 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. For the preceding financial year-to-date ended 31 December 2020, the basic EPS is calculated based on the Company's share capital of 482,866,600 ordinary shares after the issuance of shares to the acquisition of Nestcon Builders Sdn Bhd and Nestcon Infra Sdn Bhd.
- (3) Diluted EPS of the Company for the current financial quarter and financial year-to-date ended 31 December 2021 is equivalent to the basic EPS as the Company does not have any convertible options as at the end of the reporting period/year. For the preceding financial year-to-date ended 31 December 2020, the diluted EPS 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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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**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.12.2021 RM'000	Unaudited Preceding Year Corresponding Quarter ⁽¹⁾ 31.12.2020 RM'000	Unaudited Current Year-to-date 31.12.2021 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2020 RM'000
Depreciation of property, plant and equipment	3,196	N/A	12,402	11,356
Depreciation of investment properties	13	N/A	59	52
Property, plant and equipment written off	-	N/A	11	484
Rental of machineries	3,032	N/A	16,291	13,534
Rental of premises	67	N/A	214	177
Interest expense	1,543	N/A	5,614	4,547
Gain on disposal of property, plant and equipment	-	N/A	(122)	(168)
Gain on disposal of investment property	-	N/A	(33)	-
Gain on remeasurement of lease liabilities	-	N/A	(1)	(29)
Interest income	(219)	N/A	(843)	(714)

Note:

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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.

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 28 February 2022.

**BY ORDER OF THE BOARD
NESTCON BERHAD
28 FEBRUARY 2022**