



NESTCON BERHAD

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

**Unaudited Interim Financial Report
For the First Quarter Ended
31 March 2022**

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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 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM'000	Unaudited Current Year-to-date 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2021 RM'000
Revenue		94,263	95,616	94,263	95,616
Cost of sales		(86,552)	(87,132)	(86,552)	(87,132)
Gross profit		7,711	8,484	7,711	8,484
Other income		523	548	523	548
Administrative expenses		(3,912)	(2,758)	(3,912)	(2,758)
Other operating expenses		(14)	(17)	(14)	(17)
Profit from operations		4,308	6,257	4,308	6,257
Finance costs		(1,481)	(1,336)	(1,481)	(1,336)
Profit before tax	B12	2,827	4,921	2,827	4,921
Income tax expense	B5	(1,058)	(1,232)	(1,058)	(1,232)
Net profit/Total comprehensive income for the financial period		1,769	3,689	1,769	3,689
Net profit/Total comprehensive income for the financial period attributable to:					
Owners of the Company		1,769	3,689	1,769	3,689
		1,769	3,689	1,769	3,689
Earnings Per Share attributable to Owners of the Company					
Basic EPS ⁽²⁾ (sen)	B11	0.27	0.76	0.27	0.76
Diluted EPS ⁽³⁾ (sen)	B11	0.27	0.57	0.27	0.57

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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 Group's audited financial statements for financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic earnings per share ("**EPS**") is calculated based on the Company's share capital of 643,822,000 ordinary shares (31 March 2021: 482,866,600 ordinary shares).
- (3) Diluted EPS is calculated based on the Company's share capital of 643,822,000 ordinary shares.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION⁽¹⁾

	Note	Unaudited As at 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		66,563	59,959
Investment properties		2,540	2,554
Other investments		2,002	1,990
Deferred tax assets		568	568
Trade receivables		34,444	33,534
		106,117	98,605
Current Assets			
Trade receivables		63,880	80,305
Other receivables, deposits and prepayments		12,887	11,768
Contract assets		105,982	87,574
Other investments		6,031	15,064
Fixed deposit with financial institution		25,260	20,835
Cash and cash equivalents		96,141	89,382
		310,181	304,928
TOTAL ASSETS		416,298	403,533
EQUITY AND LIABILITIES			
Equity			
Share capital		101,029	101,029
Merger reserve		(47,544)	(47,544)
Retained earnings		75,825	74,056
Total equity		129,310	127,541
Non-Current Liabilities			
Trade payables		14,142	14,197
Bank borrowings	B8	2,299	2,549
Lease liabilities		15,942	8,739
Deferred tax liabilities		1,886	2,068
		34,269	27,553
Current Liabilities			
Trade payables		150,985	156,965
Other payables and accruals		4,580	5,360
Contract liabilities		18,986	13,772
Bank borrowings	B8	66,425	62,391
Lease liabilities		10,431	9,180
Income tax payable		1,312	771
		252,719	248,439
Total Liabilities		286,988	275,992
TOTAL EQUITY AND LIABILITIES		416,298	403,533
NET ASSETS PER SHARE (RM)⁽²⁾		0.20	0.20

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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 Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's number of ordinary shares as at 31 March 2022 of 643,822,000 shares (31 December 2021: 643,822,000 shares).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY⁽¹⁾

	Attributable to Owners of the Company			Total Equity RM'000
	Non-distributable		Distributable	
	Share capital RM'000	Merger reserves RM'000	Retained earnings RM'000	
Balance as at 1 January 2021 (Audited)	10,400	-	61,845	72,245
<i>Contributions by and distribution to owners of the Company</i>				
- Issuance of shares pursuant to acquisition of subsidiaries	57,944	-	-	57,944
- Adjustment on acquisition of subsidiaries	(10,400)	(47,544)	-	(57,944)
- Issuance of shares	45,068	-	-	45,068
- Listing expenses	(1,983)	-	-	(1,983)
	90,629	(47,544)	-	43,085
Total comprehensive income for the financial year	-	-	12,211	12,211
Balance as at 31 December 2021/1 January 2022 (Audited)	101,029	(47,544)	74,056	127,541
Total comprehensive income for the financial period	-	-	1,769	1,769
Balance as at 31 March 2022 (Unaudited)	101,029	(47,544)	75,825	129,310

Note:

- (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 Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	Unaudited Current Year-to-date 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2021 RM'000
Cash Flows From Operating Activities		
Profit before tax	2,827	4,921
Adjustments for:		
Depreciation of property, plant and equipment	3,401	3,057
Depreciation of investment properties	14	17
Gain on disposal of property, plant and equipment	(267)	(115)
Interest expenses	1,481	1,336
Interest income	(217)	(177)
Operating profit before changes in working capital	7,239	9,039
Decrease in trade and other receivables	14,396	9,829
Decrease in trade and other payables	(6,815)	(10,955)
Increase in contract assets	(18,407)	(3,695)
Increase in contract liabilities	5,214	3,018
Cash generated from operations	1,627	7,236
Interest received	104	56
Income tax paid	(699)	(897)
Net cash generated from operating activities	1,032	6,395
Cash Flows From Investing Activities		
Addition of other investments	(12)	(11)
Interest received	13	16
Proceeds from disposal of property, plant and equipment	750	432
Purchase of property, plant and equipment	(10,488)	(1,314)
Net cash used in investing activities	(9,737)	(877)
Cash Flows From Financing Activities		
Interest paid	(1,481)	(1,336)
Interest received	100	105
Placement of pledged deposits with financial institution	(4,425)	(1,826)
Movement in restricted cash at bank	(1,524)	(1,122)
Repayment of term loans	(352)	(148)
Net drawdown/(repayment) of lease liabilities	8,453	(664)
Net movement of bank borrowings	5,228	(872)
Net cash generated from/(used in) financing activities	5,999	(5,863)

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

	Unaudited Current Year-to-date 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2021 RM'000
Net decrease in cash and cash equivalents	(2,706)	(345)
Cash and cash equivalents at beginning of the financial period	64,143	12,484
Cash and cash equivalents at end of the financial period	<u>61,437</u>	<u>12,139</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	96,141	76,289
Other investment	6,031	-
Fixed deposits with financial institution	25,260	24,954
	<u>127,432</u>	<u>101,243</u>
Less: Bank overdrafts	(26,654)	(45,967)
Less: Pledged deposits with financial institution	(25,260)	(24,954)
Less: Restricted cash at bank	(14,081)	(18,183)
	<u>61,437</u>	<u>12,139</u>

Note:

- (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 Group's audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

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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 “**the Company**”) and its subsidiaries (“**the 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.

The interim financial report should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory 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 Group’s audited financial statements for the financial year ended 31 December 2021, except for the adoption of the following new MFRSs and/or IC interpretations (including The Consequential Amendments) which became effective for the financial year beginning on or after 1 January 2022:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 1 <i>Subsidiary as a First-Time Adopter</i>	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 9 <i>Fees in the ‘10 percent’ Test for Derecognition of Financial Liabilities</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment-Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts-Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Initial Application of MFRS 17 and MFRS 9 <i>Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be announced

The adoption of the abovementioned accounting standards, amendments and interpretations, where applicable, do not have any material impact to the unaudited condensed consolidated financial statements of the Group 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 2021.

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.

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

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

The Group has revalued one of its investment properties during the current financial quarter under review. The revaluation was performed by an independent registered valuer, VPC Alliance (PJ) Sdn Bhd using comparison method. The said valuation exercise is to ascertain the market value of the investment property for financing purpose. No adjustment was made as the difference between the net book value and revalued amount is minimal.

A11. Material Subsequent Events

Save as disclosed below, 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.

On 1 April 2022, the Company’s wholly-owned subsidiary, Nestcon Sustainable Solutions Sdn Bhd (“**Nestcon SS**”) entered into a Share Sale Agreement (“**SSA**”) with Main Way Venture Sdn Bhd (“**Main Way Venture**”) for the acquisition of 300,100 ordinary shares in Central Solar Sdn Bhd (“**Central Solar**”) representing 100% of the equity interest for a total purchase consideration of RM3,000,000.

The purchase consideration shall be satisfied via (i) shares consideration of RM1,127,049 by the issuance and allotment of 2,209,900 ordinary shares which represents 49% of the total issued and enlarged share capital of Nestcon SS; and (ii) cash consideration of RM1,872,951.

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (Continued)**A12. Changes in The Composition of The Group**

There were no material changes in the composition of the Group during 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 31.03.2022 RM’000	Audited As at 31.12.2021 RM’000
Performance guarantee for construction contracts customer	16,553	16,553
Bank guarantee given by licensed banks as security for performance bond	<u>38,421</u>	<u>35,744</u>

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 31.03.2022 RM’000	Audited As at 31.12.2021 RM’000
Property, plant and equipment Authorised and contracted for	<u>18,521</u>	<u>17,579</u>

A15. Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.03.2022 RM’000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM’000	Unaudited Current Year-to-date 31.03.2022 RM’000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2021 RM’000
Lease payment charged by a Director	20	20	20	20
Purchase of materials from a related party	<u>-</u>	<u>324</u>	<u>-</u>	<u>324</u>

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 RM94.26 million for the current financial quarter ended 31 March 2022 (“**1Q2022**”) as compared to RM95.62 million in the preceding year corresponding quarter ended 31 March 2021 (“**1Q2021**”), the revenue generated in 1Q2022 is consistent with 1Q2021. The 1Q2022 revenue is primarily contributed from our building division of RM55.43 million and civil engineering and infrastructure division of RM38.83 million, respectively.

The Group registered profit before tax (“**PBT**”) of RM2.83 million in 1Q2022 as compared to RM4.92 million in 1Q2021. The lower PBT is mainly attributable to (i) lower gross margin from some of the existing contracts; and (ii) increased in administrative expenses such as legal fees and stamp duties incurred for new banking facilities.

B2. Comparison with Immediate Preceding Quarter’s Results

	INDIVIDUAL QUARTER		VARIANCE	
	Unaudited Current Quarter 31.03.2022	Unaudited Preceding Quarter 31.12.2021		
	RM’000	RM’000	RM’000	%
Revenue	94,263	107,283	(13,020)	(12.14)
Profit before tax (“ PBT ”)	2,827	5,236	(2,409)	(46.01)

The Group recorded revenue of RM94.26 million in 1Q2022 as compared to RM107.28 million in the immediate preceding quarter ended 31 December 2021 (“**4Q2021**”), a decrease of RM13.02 million in 1Q2022. The decreased in revenue is mainly due to certain contracts are just about completion stage, thus, lower level of construction activities being carried out.

The Group registered a PBT of RM2.83 million in 1Q2022, a decrease of RM2.41 million from RM5.24 million in 4Q2021. The decreased in PBT is mainly attributable to lower gross margin from some of the existing contracts together with the higher administrative expenses such as legal fees and stamp duties incurred for new banking facilities.

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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 Russia-Ukraine conflict has triggered turmoil about the recovery of the global economy despite that many countries, including Malaysia is transitioning into endemicity stage of the Covid-19 virus. Following the reopening of the economy and international borders in April 2022, many of the industries are projected to gather further momentum in line with higher level of economic activities. However, the performance of majority of the industries may be impacted by the geopolitical tension and higher interest rates to combat rising inflation. In view of the business resumption with uncertain market conditions, the supply chain environment remains disruptive and challenging, the Group continues to work closely with both its customers and suppliers to improve visibility for better capacity planning.

Having successfully secured three (3) new contracts with a total value of approximately RM278.90 million in 1Q2022, the Group remains strong for its unbilled order book of approximately RM1,504.00 million, providing Nestcon earnings visibility for the next three (3) to four (4) financial years. The Group continues participating in more tenders to further enhance its order book.

With the collaboration with AmBank (M) Berhad, we are excited to pursuit our expansion plan into the renewable energy sector. Through the collaboration, it will unlock a new robust revenue stream that rides on the rising demand for solar energy across Malaysia.

In addition, the acquisition of Central Solar announced on 1 April 2022 is part of the Group's strategy to venture into renewable energy business and reduce the heavily reliance on the current building construction and infrastructure business model. It shall support the Group's endeavour in actively resourcing and building a sustainable earnings portfolio that will provide economic, environmental and social benefits.

The Group believes that the growth prospects for the solar photovoltaic industry in Malaysia is optimistic as the Malaysian Government is committed to support the growth of solar photovoltaic industry by setting notable target to have 31% of total power capacity to come from renewables by 2025. Malaysian Government has implemented various supportive policies and incentives for the growth of solar energy, which is aimed to stimulate the growth of Malaysia's domestic green economy.

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 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM'000	Unaudited Current Year-to-date 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2021 RM'000
In respect of current period:				
Income tax ⁽¹⁾	1,239	1,232	1,239	1,232
Deferred tax	(181)	-	(181)	-
Income tax expense	1,058	1,232	1,058	1,232
Effective tax rate ⁽²⁾ (%)	37.42	25.04	37.42	25.04
Statutory tax rate (%)	24.00	24.00	24.00	24.00

Notes:

- (1) Income tax is recognised based on management's estimate.
- (2) The effective tax rate of the Group for the current financial quarter and financial year-to-date were higher than the statutory tax rate mainly due to certain non-deductible expenses for tax purposes.

B6. Status of Corporate Proposals

Saved as disclosed below, there were no corporate proposals announced but not completed as at the date of this interim financial report.

On 1 April 2022, the Company announced that its wholly owned subsidiary, Nestcon SS entered into a SSA with Main Way Venture for the acquisition of 300,100 ordinary shares in Central Solar, representing 100% of the equity interest for a total purchase consideration of RM3,000,000. The proposed shares acquisition is expected to be completed by second quarter of 2022.

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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 March 2022, 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	(38,068)	7,000	

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 31.03.2022 RM'000	Audited As at 31.12.2021 RM'000
Current		
Term loans	751	612
Bank overdraft	26,654	27,746
Factoring payable	8,653	18,833
Invoice financing	5,761	7,977
Revolving credit	24,606	7,223
	66,425	62,391
Non-current		
Term loans	2,299	2,549

The bank borrowings are secured and denominated in Ringgit Malaysia.

B9. Material Litigation

There were no material litigations involving the Group as at 31 March 2022.

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PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (Continued)**B10. Dividend**

No dividend has been declared or recommended 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 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM'000	Unaudited Current Year-to-date 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2021 RM'000
Profit attributable to the Owners of the Company	1,769	3,689	1,769	3,689
Number of ordinary Shares (in thousand)	643,822	482,867	643,822	482,867
Basic EPS ⁽¹⁾ (sen)	0.27	0.76	0.27	0.76
Diluted EPS ⁽²⁾ (sen)	0.27	0.57	0.27	0.57

Notes:

- (1) Basic EPS is calculated based on the Company's share capital of 643,822,000 ordinary shares (31 March 2021: 482,866,600 ordinary shares).
- (2) Diluted EPS is calculated based on the Company's share capital of 643,822,000 ordinary shares.

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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 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2021 RM'000	Unaudited Current Year-to-date 31.03.2022 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2021 RM'000
Depreciation of property, plant and equipment	3,401	3,057	3,401	3,057
Depreciation of investment properties	14	17	14	17
Rental of machineries	3,935	5,685	3,935	5,685
Rental of premises	66	47	66	47
Interest expense	1,481	1,336	1,481	1,336
Gain on disposal of property, plant and equipment	(267)	(115)	(267)	(115)
Interest income	(217)	(177)	(217)	(177)

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 30 May 2022.

**BY ORDER OF THE BOARD
NESTCON BERHAD
30 MAY 2022**