



NESTCON BERHAD

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

**Unaudited Interim Financial Report
For the First Quarter Ended
31 March 2023**

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 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2022 RM'000	Unaudited Current Year-to-date 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2022 RM'000
Revenue		146,682	94,263	146,682	94,263
Cost of sales		(139,504)	(86,552)	(139,504)	(86,552)
Gross profit		7,178	7,711	7,178	7,711
Other income		436	523	436	523
Administrative expenses		(3,866)	(3,912)	(3,866)	(3,912)
Other operating expenses		(4)	(14)	(4)	(14)
Profit from operations		3,744	4,308	3,744	4,308
Finance costs		(2,790)	(1,481)	(2,790)	(1,481)
Profit before tax	B12	954	2,827	954	2,827
Tax expense	B5	(341)	(1,058)	(341)	(1,058)
Profit after tax/Total comprehensive income for the financial period		613	1,769	613	1,769
Profit after tax/Total comprehensive income for the financial period attributable to:					
Owners of the Company		518	1,769	518	1,769
Non-controlling interest		95	-	95	-
		613	1,769	613	1,769
Earnings Per Share attributable to Owners of the Company					
Basic/Diluted ⁽²⁾ (sen)	B11	0.08	0.27	0.08	0.27

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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 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic and diluted earnings per share are calculated based on the Company's share capital of 682,072,000 ordinary shares (31 March 2022: 643,822,000 ordinary shares).

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION⁽¹⁾

	Unaudited As at 31.03.2023 RM'000	Audited As at 31.12.2022 RM'000
Note		
ASSETS		
Non-Current Assets		
Property, plant and equipment	83,503	81,778
Investment properties	2,486	2,499
Goodwill	1,075	1,075
Other investments	2,051	2,039
Deferred tax assets	2,522	2,522
	91,637	89,913
Current Assets		
Trade receivables	172,663	173,813
Other receivables, deposits and prepayments	16,445	20,200
Contract assets	166,329	126,459
Inventories	4,187	1,004
Tax recoverable	2,581	2,709
Other investments	2,100	2,081
Fixed deposit with financial institution	33,477	31,898
Cash and bank balances	75,742	74,253
	473,524	432,417
TOTAL ASSETS	565,161	522,330
EQUITY AND LIABILITIES		
Equity		
Share capital	115,592	110,953
Merger reserve	(47,544)	(47,544)
Retained earnings	58,736	58,218
	126,784	121,627
Non-controlling interests	491	396
Total Equity	127,275	122,023
Non-Current Liabilities		
Bank borrowings	19,151	21,099
Lease liabilities	20,844	17,054
Deferred tax liabilities	196	738
	40,191	38,891
Current Liabilities		
Trade payables	201,575	204,891
Other payables and accruals	9,587	7,509
Contract liabilities	29,108	6,239
Bank borrowings	148,065	128,566
Lease liabilities	9,360	14,211
	397,695	361,416
Total Liabilities	437,886	400,307
TOTAL EQUITY AND LIABILITIES	565,161	522,330
NET ASSETS PER SHARE (RM)⁽²⁾	0.19	0.18

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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 2022 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 2023 of 682,072,000 shares (31 December 2022: 669,072,000 shares).

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

	Attributable to Owners of the Company			Total RM'000	Non- controlling interest RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share capital RM'000	Merger reserves RM'000	Retained earnings RM'000			
Balance as at 1 January 2022 (Audited)	101,029	(47,544)	74,056	127,541	-	127,541
Total comprehensive income for the financial period	-	-	1,769	1,769	-	1,769
Balance as at 31 March 2022 (Unaudited)	101,029	(47,544)	75,825	129,310	-	129,310
Balance as at 1 January 2023 (Audited)	110,953	(47,544)	58,218	121,627	396	122,023
Contributions by and distribution to owners of the Company						
- Issuance of shares	4,680	-	-	4,680	-	4,680
- Share issuance expenses	(41)	-	-	(41)	-	(41)
	4,639	-	-	4,639	-	4,639
Total comprehensive income for the financial period	-	-	518	518	95	613
Balance as at 31 March 2023 (Unaudited)	115,592	(47,544)	58,736	126,784	491	127,275

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 2022 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 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2022 RM'000
Cash Flows From Operating Activities		
Profit before tax	954	2,827
Adjustments for:		
Depreciation of property, plant and equipment	3,979	3,401
Depreciation of investment properties	13	14
Gain on disposal of property, plant and equipment	(60)	(267)
Loss on remeasurement of lease liabilities	54	-
Interest expenses	2,790	1,481
Interest income	(320)	(217)
Operating profit before changes in working capital	7,410	7,239
Increase in inventories	(3,183)	-
Decrease in trade and other receivables	4,905	14,396
Decrease in trade and other payables	(1,238)	(6,815)
Increase in contract assets	(39,870)	(18,407)
Increase in contract liabilities	22,869	5,214
Cash (used in)/generated from operations	(9,107)	1,627
Interest received	134	104
Income tax paid	(755)	(699)
Net cash (used in)/generated from operating activities	(9,728)	1,032
Cash Flows From Investing Activities		
Addition of other investments	(12)	(12)
Interest received	12	13
Proceeds from disposal of property, plant and equipment	75	750
Purchase of property, plant and equipment	(5,773)	(10,488)
Net cash used in investing activities	(5,698)	(9,737)

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

	Unaudited Current Year-to-date 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2022 RM'000
Cash Flows From Financing Activities		
Interest paid	(2,790)	(1,481)
Interest received	174	100
Proceeds from issuance of shares, net of share issuance expenses	4,639	-
Placement of pledged deposits with financial institution	(1,580)	(4,425)
Movement in restricted cash at bank	(1,139)	(1,524)
Net drawdown/(repayment) of term loans	3,395	(352)
Net (repayment)/drawdown of lease liabilities	(1,061)	8,453
Net drawdown of short-term borrowings	8,979	5,228
Net cash generated from financing activities	10,617	5,999
Net decrease in cash and cash equivalents	(4,809)	(2,706)
Cash and cash equivalents at beginning of the financial period	27,042	64,143
Cash and cash equivalents at end of the financial period	22,233	61,437
Cash and cash equivalents comprise of:		
Cash and bank balances	75,742	96,141
Other investment	2,100	6,031
Fixed deposits with financial institution	33,477	25,260
	111,319	127,432
Less: Bank overdrafts	(32,582)	(26,654)
Less: Pledged deposits with financial institution	(33,477)	(25,260)
Less: Restricted cash at bank	(23,027)	(14,081)
	22,233	61,437

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 2022 and the accompanying explanatory notes attached to this interim financial report.

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 Malaysia Securities Berhad (“**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 2022 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 2022, 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 2023:

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
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 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
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 2022.

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

Save as disclosed in Note B6, 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

The Group’s operating and reportable segments comprised of:

- (a) the provision of construction services for building and infrastructure; and
- (b) renewable energy activities and maintenance works.

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

**Unaudited Current Year
Quarter/Year-to-date
31.03.2023**

	Building and Infrastructure RM’000	Renewable Energy RM’000	Total RM’000
Revenue	144,198	2,484	146,682
Results			
Depreciation of property, plant and equipment			(3,978)
Depreciation of investment properties			(14)
Interest expenses			(2,790)
Interest income			320
Gain on disposal of property, plant and equipment			60
Other income			56
Unallocated expenses			(139,382)
Profit before tax			954
Tax expense			(341)
Profit after tax			613

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

Unaudited Preceding Year Corresponding Quarter/Year-to-date 31.03.2022	Building and Infrastructure RM’000	Renewable Energy RM’000	Total RM’000
Revenue	94,263	-	94,263
Results			
Depreciation of property, plant and equipment			(3,401)
Depreciation of investment properties			(14)
Interest expenses			(1,481)
Interest income			217
Gain on disposal of property, plant and equipment			267
Other income			39
Unallocated expenses			(87,063)
Profit before tax			2,827
Tax expense			(1,058)
Profit after tax			1,769

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 quarter under review that have not been reflected in this interim financial report.

A12. Changes in The Composition of The Group

There were no 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 31.03.2023 RM’000	Audited As at 31.12.2022 RM’000
Performance guarantee for construction contracts customer	56,628	46,628
Bank guarantee given by licensed banks as security for performance bond	<u>33,156</u>	<u>30,893</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 31.03.2023 RM’000	Audited As at 31.12.2022 RM’000
Property, plant and equipment Authorised and contracted for	<u>12,397</u>	<u>4,106</u>

A15. Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.03.2023 RM’000	Unaudited Preceding Year Corresponding Quarter 31.03.2022 RM’000	Unaudited Current Year-to-date 31.03.2023 RM’000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2022 RM’000
Lease payment charged by a Director	<u>29</u>	<u>20</u>	<u>29</u>	<u>20</u>

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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

For the current financial quarter ended 31 March 2023 (“**1Q2023**”), the Group recorded higher revenue of RM146.68 million as compared to RM94.26 million in the preceding year’s corresponding quarter ended 31 March 2022 (“**1Q2022**”). The 1Q2023 revenue was primarily contributed from our building division of RM100.51 million, civil engineering and infrastructure division of RM43.69 million and renewable energy division of RM2.48 million, respectively.

The Group registered a profit before tax (“**PBT**”) of RM0.95 million in 1Q2023 as compared to RM2.83 million in 1Q2022. The decreased in PBT was mainly attributable to the revised budgeted costs for some of the existing contracts follow-on with the rising of construction costs including the cost of building materials as well as the new minimum wage implementation. The decreased is further contributed by the increased of finance costs by RM1.31 million due to the utilisation of new banking facilities for new contracts secured and commenced in 2022.

B2. Comparison with Immediate Preceding Quarter’s Results

	INDIVIDUAL QUARTER		VARIANCE	
	Unaudited Current Quarter 31.03.2023 RM’000	Unaudited Preceding Quarter 31.12.2022 RM’000	RM’000	%
Revenue	146,682	144,588	2,094	1.45
Profit/(Loss) before tax	954	(23,479)	24,433	N/A

The Group recorded a slight increase in revenue by RM2.09 million or 1.45% from RM144.59 million in the immediate preceding quarter ended 31 December 2022 (“**4Q2022**”) to RM146.68 million in 1Q2023, is consistent with the level of construction activities carried out by the Group.

The Group registered a PBT of RM0.95 million in 1Q2023, an increase of RM24.43 million from loss before tax (“**LBT**”) of RM23.48 million in 4Q2022. The LBT occurred in 4Q2022 was mainly due to the revised budgeted costs for some of the existing contracts resulting from the rising of building material costs together with the new minimum wage implementation.

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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 pace of global and domestic economic recovery was tempered by the prolonged geopolitical tensions, supply chain disruptions, high inflation, rising interest rate and shortage of skilled workers. Thus, the outlook of the construction sector is expected to remain challenging in 2023.

Nevertheless, the Group will remain vigilant to ride through these waves of unpredictable developments by undertaking prudent approaches and proactive steps to manage the risks and mitigate the adverse impacts in order to improve the Group's financial performance.

On a positive note, the Group has started 2023 by securing five (5) new contracts worth a total of RM583.39 million in the first half of 2023. As at the date of this interim report, the unbilled order book of the Group stood at RM2.16 billion, which was expected to contribute positively to the financial performance of the Group in the next three (3) years up to 31 December 2026. The Group continues to participate in more tenders to further enhance and replenish its order book.

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. Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Year Quarter 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2022 RM'000	Unaudited Current Year-to-date 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2022 RM'000
In respect of current period:				
Income tax ⁽¹⁾	883	1,239	883	1,239
Deferred tax	(542)	(181)	(542)	(181)
Tax expense	<u>341</u>	<u>1,058</u>	<u>341</u>	<u>1,058</u>
Effective tax rate ⁽²⁾ (%)	35.74	37.42	35.74	37.42
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.

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

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 13 July 2022, the Company had proposed to undertake a private placement of up to 64,382,000 new ordinary shares of Nestcon, representing up to 10% of the total number of issued shares in Nestcon, to independent third-party investors to be identified and at an issue price to be determined later ("**Placement Shares**"). The Company had obtained approval from Bursa Securities via its letter dated 3 August 2022. An extension of time was sought from Bursa Securities for an additional six months up to 2 August 2023 to complete the implementation of the private placement, Bursa Securities had on 7 February 2023 approved the said extension of time.

On 20 March 2023, the Board of the Company fixed the issue price for the third tranche of Placement Shares at RM0.36 per Placement Share ("**Issue Price**"). The Issue Price represents a discount of approximately RM0.0374 or 9.4% from the 5-days volume weighted average market price of Nestcon Shares from 13 March 2023 to 17 March 2023, being the market day immediately preceding to the price-fixing date of approximately RM0.3974 per Nestcon Share.

On 31 March 2023, 13,000,000 Placement Shares were listed and quoted on the ACE Market of Bursa Securities.

B7. Utilisation of Proceeds

(a) Initial Public Offering ("IPO")

As at 31 March 2023, 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	(39,068)	6,000	

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.

PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B7. Utilisation of Proceeds (Continued)****(b) Private Placement**

As at 31 March 2023, the status of the utilisation of proceeds arising from the three tranches of private placement are as follows:

Details of Utilisation	Proceeds Raised RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000	Intended Timeframe for the Utilisation
Building, civil engineering, and infrastructure segments:				
• Rental of machineries and equipment	4,639	-	4,639	Within 12 months
• Purchase of reinforcement steel	4,639	(4,639)	-	
• Payment to subcontractors	5,285	(5,285)	-	
Purchase of solar panels for renewable energy segment	-	-	-	Within 12 months
Estimated expenses for the Proposed Private Placement	126	(126)	-	Within 1 month
Total	14,689	(10,050)	4,639	

The utilisation of proceeds disclosed above should be read in conjunction with the announcement of the Proposed Private Placement dated 13 July 2022.

B8. Bank Borrowings

	Unaudited As at 31.03.2023 RM'000	Audited As at 31.12.2022 RM'000
Current		
Term loans	11,039	5,696
Bank overdraft	32,582	27,404
Factoring payable	22,703	22,284
Invoice financing	55,304	54,255
Revolving credit	26,437	18,927
	<u>148,065</u>	<u>128,566</u>
Non-current		
Term loans	<u>19,151</u>	<u>21,099</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

PART B – EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B9. Material Litigation**

There were no material litigations involving the Group as at 31 March 2023.

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 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2022 RM'000	Unaudited Current Year-to-date 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2022 RM'000
Profit attributable to the Owners of the Company	518	1,769	518	1,769
Number of ordinary shares (in thousand)	682,072	643,822	682,072	643,822
Basic ⁽¹⁾ /Diluted ⁽²⁾ EPS (sen)	0.08	0.27	0.08	0.27

Notes:

- (1) Basic EPS is calculated based on the Company's share capital of 682,072,000 ordinary shares (31 March 2022: 643,822,000 ordinary shares).
- (2) Diluted EPS of the Company for the current financial quarter and financial year-to-date ended 31 March 2023 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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NESTCON BERHAD

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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 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2022 RM'000	Unaudited Current Year-to-date 31.03.2023 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.03.2022 RM'000
Depreciation of property, plant and equipment	3,979	3,401	3,979	3,401
Depreciation of investment properties	13	14	13	14
Rental of machineries	11,314	3,935	11,314	3,935
Rental of premises	33	66	33	66
Interest expenses	2,790	1,481	2,790	1,481
Loss on remeasurement of lease liabilities	54	-	54	-
Gain on disposal of property, plant and equipment	(60)	(267)	(60)	(267)
Interest income	(320)	(217)	(320)	(217)

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 29 May 2023.

**BY ORDER OF THE BOARD
NESTCON BERHAD
29 MAY 2023**