



# **NESTCON BERHAD**

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

**Unaudited Interim Financial Report  
For the Third Quarter Ended  
30 September 2025**

**NESTCON BERHAD**

Registration No. 202001008684 (1365004-W)

- Unaudited Interim Financial Report For The Third (3<sup>rd</sup>) Quarter Ended 30 September 2025
- Page 2

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Quarter 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000	Unaudited Current Year-to-date 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000
Revenue		173,397	205,330	515,340	630,864
Cost of sales		(163,991)	(196,188)	(485,525)	(601,439)
Gross profit		9,406	9,142	29,815	29,425
Other income		769	710	2,365	2,063
Administrative expenses		(4,217)	(3,981)	(12,931)	(12,324)
Other operating expenses		(263)	(168)	(706)	(206)
Profit from operations		5,695	5,703	18,543	18,958
Finance costs		(3,580)	(3,894)	(11,008)	(11,267)
<b>Profit before tax</b>	B12	<b>2,115</b>	<b>1,809</b>	<b>7,535</b>	<b>7,691</b>
Tax expense	B5	(568)	(669)	(2,303)	(2,383)
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>		<b>1,547</b>	<b>1,140</b>	<b>5,232</b>	<b>5,308</b>
<b>Profit/(Loss) for the financial period, representing total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		1,266	1,280	6,355	4,759
Non-controlling interests		281	(140)	(1,123)	549
		<b>1,547</b>	<b>1,140</b>	<b>5,232</b>	<b>5,308</b>
<b>Earnings per ordinary share attributable to owners of the Company:</b>					
Basic/Diluted <sup>(2)</sup> (sen)	B11	0.17	0.18	0.84	0.67

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

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for financial year ended 31 December 2024 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 756,204,000 ordinary shares (30 September 2024: 714,704,000 ordinary shares).

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

	<b>Note</b>	<b>Unaudited As at 30.09.2025 RM'000</b>	<b>Audited As at 31.12.2024 RM'000</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		114,170	96,447
Investment properties		1,680	1,710
Goodwill arising from consolidation		1,075	1,075
Deferred tax assets		5,492	2,818
		122,417	102,050
<b>Current Assets</b>			
Inventories		12,006	3,470
Trade receivables		277,472	250,596
Other receivables, deposits and prepayments		32,311	34,670
Contract assets		230,590	229,668
Tax recoverable		1,533	3,237
Other financial assets		-	10,548
Fixed deposits with licensed banks		32,999	58,834
Cash and bank balances		92,603	82,743
		679,514	673,766
<b>TOTAL ASSETS</b>		<b>801,931</b>	<b>775,816</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		138,403	126,482
Merger reserves		(47,544)	(47,544)
Retained earnings		75,925	69,570
		166,784	148,508
Non-controlling interests		817	1,838
<b>Total Equity</b>		<b>167,601</b>	<b>150,346</b>
<b>Non-Current Liabilities</b>			
Bank borrowings	B8	9,989	15,980
Lease liabilities		33,238	26,779
Deferred tax liabilities		1,491	1,739
		44,718	44,498
<b>Current Liabilities</b>			
Trade payables		349,810	346,988
Other payables and accruals		13,728	17,114
Contract liabilities		40,732	14,639
Bank borrowings	B8	164,769	187,351
Lease liabilities		16,188	14,464
Tax liabilities		4,385	416
		589,612	580,972
<b>Total Liabilities</b>		<b>634,330</b>	<b>625,470</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>801,931</b>	<b>775,816</b>
<b>NET ASSETS PER SHARE (RM)<sup>(2)</sup></b>		<b>0.22</b>	<b>0.21</b>

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

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 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 30 September 2025 of 756,204,000 shares (31 December 2024: 714,704,000 shares).

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**NESTCON BERHAD**

Registration No. 202001008684 (1365004-W)

- Unaudited Interim Financial Report For The Third (3<sup>rd</sup>) Quarter Ended 30 September 2025
- Page 6

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

	<b>Attributable to Owners of the Company</b>				<b>Non-controlling interests RM'000</b>	<b>Total Equity RM'000</b>
	<b>Non-distributable</b>	<b>Distributable</b>				
	<b>Share capital RM'000</b>	<b>Merger reserves RM'000</b>	<b>Retained earnings RM'000</b>	<b>Total RM'000</b>		
<b>Balance as at 1 January 2024 (Audited)</b>	115,592	(47,544)	61,711	129,759	3,230	132,989
<b><i>Contributions by and distribution to Owners of the Company</i></b>						
- Issuance of shares	10,996	-	-	10,996	-	10,996
- Share issue expenses	(106)	-	-	(106)	-	(106)
	10,890	-	-	10,890	-	10,890
Profit for the financial period, representing total comprehensive income for the financial period	-	-	4,759	4,759	549	5,308
<b>Balance as at 30 September 2024 (Unaudited)</b>	<b>126,482</b>	<b>(47,544)</b>	<b>66,470</b>	<b>145,408</b>	<b>3,779</b>	<b>149,187</b>

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**NESTCON BERHAD**

Registration No. 202001008684 (1365004-W)

- Unaudited Interim Financial Report For The Third (3<sup>rd</sup>) Quarter Ended 30 September 2025
- Page 7

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

	Attributable to Owners of the Company				Non-controlling interests RM'000	Total Equity RM'000
	Non-distributable		Distributable			
	Share capital RM'000	Merger reserves RM'000	Retained earnings RM'000	Total RM'000		
<b>Balance as at 1 January 2025 (Audited)</b>	126,482	(47,544)	69,570	148,508	1,838	150,346
<b><i>Contributions by and distribution to Owners of the Company</i></b>						
- Issuance of shares	12,035	-	-	12,035	-	12,035
- Share issue expenses	(114)	-	-	(114)	-	(114)
	11,921	-	-	11,921	-	11,921
Issuance of shares in subsidiary companies to non-controlling interests	-	-	-	-	102	102
Profit/(Loss) for the financial period, representing total comprehensive income/(loss) for the financial period	-	-	6,355	6,355	(1,123)	5,232
<b>Balance as at 30 September 2025 (Unaudited)</b>	138,403	(47,544)	75,925	166,784	817	167,601

**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 2024 and the accompanying explanatory notes attached to this interim financial report.

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

	<b>Unaudited Current Year-to-date 30.09.2025 RM'000</b>	<b>Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	7,535	7,691
Adjustments for:		
Accretion of interest on other financial assets	(10)	(37)
Depreciation of property, plant and equipment	15,429	13,109
Depreciation of investment properties	30	30
Dividend income from other financial assets	(9)	(38)
Fair value gain from other financial assets	(125)	(149)
Gain on disposal of property, plant and equipment	(266)	(6)
Gain on derecognition of lease upon termination	(1)	(2)
Interest expenses	11,008	11,267
Interest income	(1,311)	(1,395)
Property, plant and equipment written off	10	-
<b>Operating profit before changes in working capital</b>	32,290	30,470
Increase in inventories	(8,536)	(1,008)
Increase in trade and other receivables	(24,517)	(17,384)
(Decrease)/Increase in trade and other payables	(12,241)	7,706
Increase in contract assets	(922)	(12,514)
Increase/(Decrease) in contract liabilities	26,093	(3,635)
<b>Cash generated from operations</b>	12,167	3,635
Interest received	608	627
Tax paid	(3,148)	(2,018)
Tax refunded	3,598	-
<b>Net cash from operating activities</b>	13,225	2,244
<b>Cash Flows From Investing Activities</b>		
Dividend income from other financial assets	9	38
Addition of other financial assets	125	149
Proceeds from maturity of other financial asset	2,146	-
Proceeds from disposal of property, plant and equipment	806	231
Purchase of property, plant and equipment	(3,623)	(1,740)
<b>Net cash used in investing activities</b>	(537)	(1,322)



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

	<b>Unaudited Current Year-to-date 30.09.2025 RM'000</b>	<b>Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(11,008)	(11,267)
Interest received	703	768
Proceeds from issuance of shares, net of share issue expenses	11,921	10,890
Subscription of shares by non-controlling interests	102	-
Uplift/(Placement) of pledged fixed deposits with licensed banks	25,835	(13,315)
Movement in restricted cash at licensed banks	723	(1,893)
Repayment of lease liabilities	(10,220)	(6,614)
Net (repayment)/drawdown of bank borrowings	(26,998)	804
<b>Net cash used in financing activities</b>	(8,942)	(20,627)
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,746	(19,705)
<b>Cash and cash equivalents at beginning of the financial period</b>	21,601	(495)
<b>Cash and cash equivalents at end of the financial period</b>	<b>25,347</b>	<b>(20,200)</b>
<b>Cash and cash equivalents comprise of:</b>		
Investment in short-term funds	-	8,341
Fixed deposits with licensed banks	32,999	59,858
Cash and bank balances	92,603	59,537
Bank overdrafts	(35,368)	(59,058)
	90,234	68,678
Less: Non-cash and cash equivalents		
Pledged fixed deposits with licensed banks	(32,999)	(59,858)
Restricted cash at licensed banks	(31,888)	(29,020)
	<b>25,347</b>	<b>(20,200)</b>

**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 2024 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 2024 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 2024, 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 2025:

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
Amendments to MFRS 9 and MFRS 7 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
Amendments to MFRSs <i>Annual Improvements to MFRS Accounting Standards-Volume 11</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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 2024.

### **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.

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

**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**

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.

<b>Unaudited Current Quarter 30.09.2025</b>	<b>Building and Infrastructure RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>	171,746	1,651	173,397
<b>Results</b>			
Depreciation of property, plant and equipment			(5,844)
Depreciation of investment properties			(10)
Interest expenses			(3,580)
Interest income			426
Gain on disposal of property, plant and equipment			122
Gain on derecognition of lease upon termination			1
Other income			220
Property, plant and equipment written off			(9)
Unallocated expenses			(162,608)
<b>Profit before tax</b>			<b>2,115</b>
Tax expense			(568)
<b>Profit after tax</b>			<b>1,547</b>

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

<b>Unaudited Current Year-to-date 30.09.2025</b>	<b>Building and Infrastructure RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>	503,578	11,762	515,340
<b>Results</b>			
Depreciation of property, plant and equipment			(15,429)
Depreciation of investment properties			(30)
Interest expenses			(11,008)
Interest income			1,311
Gain on disposal of property, plant and equipment			266
Gain on derecognition of lease upon termination			1
Other income			787
Property, plant and equipment written off			(10)
Unallocated expenses			(483,693)
<b>Profit before tax</b>			<b>7,535</b>
Tax expense			(2,303)
<b>Profit after tax</b>			<b>5,232</b>
<b>Unaudited Preceding Year Corresponding Quarter 30.09.2024</b>	<b>Building and Infrastructure RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>	201,335	3,995	205,330
<b>Results</b>			
Depreciation of property, plant and equipment			(4,412)
Depreciation of investment properties			(10)
Interest expenses			(3,894)
Interest income			456
Other income			254
Unallocated expenses			(195,915)
<b>Profit before tax</b>			<b>1,809</b>
Tax expense			(669)
<b>Profit after tax</b>			<b>1,140</b>

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

<b>Unaudited Preceding Year Corresponding Year-to- date 30.09.2024</b>	<b>Building and Infrastructure RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>	617,233	13,631	630,864
<b>Results</b>			
Depreciation of property, plant and equipment			(13,109)
Depreciation of investment properties			(30)
Interest expenses			(11,267)
Interest income			1,395
Gain on disposal of property, plant and equipment			6
Gain on derecognition of lease upon termination			2
Other income			660
Unallocated expenses			(600,830)
<b>Profit before tax</b>			<b>7,691</b>
Tax expense			(2,383)
<b>Profit after tax</b>			<b>5,308</b>

**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**

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

On 30 September 2025, the Company incorporated a wholly owned subsidiary, Nestcon Alliance Sdn Bhd ("**NASB**") with a paid-up capital of RM1,000, representing RM1 per ordinary share. NASB is principally engaged in the trading, import, export, and distribution of construction and industrial materials, machinery and equipment, and provide logistics and warehousing services.

On 14 October 2025, Nestcon Infra Sdn Bhd ("**NISB**"), a wholly owned subsidiary of the Company, together with Wawasan Dengkil Sdn Bhd ("**WDSB**") and Pristine Multi-Vision (M) Sdn Bhd ("**PMVSB**") incorporated a joint venture company, WD Solar Kedah Sdn Bhd ("**WDSKSB**"), with an initial paid-up capital of RM100. The joint venture was established to develop a 70-megawatt large scale solar photovoltaic plant under the LSS Petra 5+ programme located at Mukim Ayer Puteh, Daerah Pendang, Kedah. NISB holds a 30% equity interest in WDSKSB, while WDSB and PMVSB holds 51% and 19%, respectively.

**PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134, INTERIM FINANCIAL REPORTING (CONTINUED)****A13. Contingent Liabilities**

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

	<b>Unaudited As at 30.09.2025 RM'000</b>	<b>Audited As at 31.12.2024 RM'000</b>
Performance guarantee for construction contract customers	79,503	78,009
Bank guarantee given by licensed banks as security for performance bond	54,482	33,541

**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.

	<b>Unaudited As at 30.09.2025 RM'000</b>	<b>Audited As at 31.12.2024 RM'000</b>
<b>Joint Development Agreement</b>		
Contracted but not provided for	10,000	-
<b>Property, plant and equipment</b>		
Contracted but not provided for	15,100	-
Authorised and contracted for	15,911	3,815

**A15. Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited Current Quarter 30.09.2025 RM'000</b>	<b>Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000</b>	<b>Unaudited Current Year-to-date 30.09.2025 RM'000</b>	<b>Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000</b>
Lease payment charged by Directors	29	29	87	87

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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****(a) Comparison with Preceding Year's Corresponding Quarter Results**

For the current financial quarter ended 30 September 2025 ("**3Q2025**"), the Group recorded a lower revenue of RM173.40 million as compared to RM205.33 million in the preceding year's corresponding quarter ended 30 September 2024 ("**3Q2024**"). Revenue for 3Q2025 was primarily contributed by our building division of RM87.84 million, civil engineering and infrastructure division of RM83.91 million and renewable energy division of RM1.65 million.

Despite the lower revenue, the Group recorded a higher and more stable profit before tax ("**PBT**") of RM2.12 million in 3Q2025, compared to RM1.81 million in 3Q2024.

**(b) Comparison with Preceding Year's Corresponding Year-to-date Results**

For the current financial year-to-date ended 30 September 2025 ("**YTD 3Q2025**"), the Group registered a lower revenue of RM515.34 million, representing a decrease of RM115.52 million or 18.31% compared to RM630.86 million reported in the same period last year ("**YTD 3Q2024**"). The decline was mainly due to several contracts nearing completion, resulting in a lower volume of construction activities undertaken by the Group.

Despite a substantial decline in revenue, the Group recorded a marginally lower PBT of RM7.54 million in YTD 3Q2025, compared to RM7.69 million in YTD 3Q2024.

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

	<b>INDIVIDUAL QUARTER</b>		<b>VARIANCE</b>	
	<b>Unaudited Current Quarter 30.09.2025 RM'000</b>	<b>Unaudited Preceding Quarter 30.06.2025 RM'000</b>	<b>RM'000</b>	<b>%</b>
Revenue	173,397	172,156	1,241	0.72
PBT	2,115	3,397	(1,282)	(37.74)

The Group recorded consistent revenue generated in 3Q2025 and the immediate preceding quarter ended 30 June 2025 ("**2Q2025**"), amounting to RM173.40 million and RM172.16 million, respectively.

The Group registered lower PBT of RM2.12 million in 3Q2025 as compared to RM3.40 million in 2Q2025, a decrease of RM1.28 million or 37.74% in 3Q2025.

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

### **B3. Prospects and Outlook**

The Malaysian construction industry is expected to maintain steady growth, supported by strong demand from both public infrastructure projects and private developments. Key government initiatives in industrial, transport, and energy sectors continue to provide a solid project pipeline for construction firms.

However, rising costs pose challenges. Recent increases in cement and transportation costs have put upward pressure on overall project expenses. Additionally, the expanded Service Tax (ST) regime, effective 1 July 2025, introduces a 6% levy on construction services above RM1.50 million, potentially affecting cash flow and profit margins, particularly for fixed-price contracts.

Despite these pressures, certain mitigating factors exist. Key raw materials remain zero-rated under ST, exemptions for certain business-to-business transactions have been introduced, and non-reviewable contracts signed before 1 July 2025 may enjoy temporary relief. With careful cost and cash-flow management, the Group is committed to navigating these challenges while continuing to benefit from sustained project demand and ongoing infrastructure development. The Group is implementing strategies such as negotiating price escalation clauses in contracts, optimising logistics to reduce transportation costs, and securing bulk purchases of key materials to manage costs effectively.

### **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**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited</b>		<b>Unaudited</b>	
	<b>Unaudited</b>	<b>Preceding Year</b>	<b>Unaudited</b>	<b>Preceding Year</b>
	<b>Current</b>	<b>Corresponding</b>	<b>Current</b>	<b>Corresponding</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>Year-to-date</b>	<b>Year-to-date</b>
	<b>30.09.2025</b>	<b>30.09.2024</b>	<b>30.09.2025</b>	<b>30.09.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>In respect of current period:</b>				
Tax expense <sup>(1)</sup>	2,439	472	5,223	2,017
Deferred tax	(1,871)	197	(2,920)	366
Tax expense	568	669	2,303	2,383
Effective tax rate <sup>(2)</sup> (%)	26.86	36.98	30.56	30.98
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 primarily due to 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.

#### Private Placement

On 12 July 2024, the Company had announced to undertake a second private placement of up to 70,820,000 new ordinary shares ("**Placement Shares**"), representing not more than 10% of the total number of issued shares of the Company, to independent third-party investors to be identified and at an issue price to be determined later ("**Private Placement**"). The Company had obtained approval from Bursa Securities via its letter dated 31 July 2024. A second six-month extension up to 30 January 2026 was approved by Bursa Securities on 29 July 2025 for the Company to complete the Private Placement.

As at the date of this interim financial report, the Company had completed two (2) tranches of private placement involving a total issuance of 48,000,000 new Nestcon Shares which was listed and quoted on the ACE Market of Bursa Securities.

#### Proposed Joint Development and Proposed Diversification ("**Proposals**")

On 3 March 2025, the Company had announced to undertake the Proposals. On 4 June 2025, the Company had announced there will be revision to the details of the Proposed Joint Development, and the Company requires additional time to conduct further due diligence on the Development Lands under the Proposed Joint Development, which is inter-conditional with the Proposed Diversification.

As at the date of this interim financial report, the Company is undertaking further due diligence on the Development Lands arising from the Proposed Joint Development.

### **B7. Utilisation of Proceeds**

#### **Private Placement 2024**

As at 30 September 2025, the status of the utilisation of proceeds arising from the second tranche of Private Placement 2024 is as follows:

<b>Details of Utilisation</b>	<b>Proceeds Raised RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Unutilised Amount RM'000</b>	<b>Intended Timeframe for the Utilisation Upon Placement of Shares</b>
Repayment of bank borrowings	14,403	(14,403)	-	Within 6 months
Working capital	-	-	-	Within 12 months
Estimated expenses for the Proposed Private Placement	135	(135)	-	Within 1 month
<b>Total</b>	<b>14,538</b>	<b>(14,538)</b>	<b>-</b>	

The utilisation of proceeds disclosed above should be read in conjunction with the announcement of the Proposed Private Placement 2024 dated 12 July 2024.

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

**B8. Bank Borrowings**

	<b>Unaudited As at 30.09.2025 RM'000</b>	<b>Audited As at 31.12.2024 RM'000</b>
<b>Current</b>		
Term loans	8,234	9,330
Bank overdrafts	35,368	36,943
Factoring payable	21,161	49,309
Invoice financing	69,644	59,960
Bankers' acceptance	2,610	1,499
Revolving credits	27,752	30,310
	<u>164,769</u>	<u>187,351</u>
<b>Non-current</b>		
Term loans	<u>9,989</u>	<u>15,980</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

**B9. Material Litigation**

Save as disclosed below, there were no material litigations involving the Group as at 30 September 2025.

NISB ("**Defendant**"), a wholly-owned subsidiary of the Company, was served on 2 August 2024 with a copy of the sealed Writ and Statement of Claim both dated 25 July 2024 filed by Ong Nai Loo ("**Plaintiff**"), as one of the defendants, through a firm of lawyers acting on his behalf.

According to the Statement of Claim, the Plaintiff's complaint was that around 1 October 2018, NISB, in the course of completing its project, allegedly trespassed on the Plaintiff's land with machineries to carry out earthworks, thereby depriving the Plaintiff of the use and enjoyment of his land. The Plaintiff seeks against NISB and other defendant for injunction, general damages, exemplary or aggravated damages, indemnity and special damages of RM1,825,288.20.

The Company received the Court's updates on 27 November 2025 to vacate most of the previously fixed trial dates, and now proceed to two (2) days on 4 December 2025 and 12 December 2025.

No provision was made as at 30 September 2025 as NISB has a good defence against the claims.

**B10. Dividend**

No dividend has been declared or recommended by the Board of Directors for 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)**

**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 Quarter 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000	Unaudited Current Year-to-date 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000
Profit attributable to the Owners of the Company	1,266	1,280	6,355	4,759
Number of ordinary shares (in thousand)	756,204	714,704	756,204	714,704
Basic <sup>(1)</sup> /Diluted <sup>(2)</sup> EPS (sen)	<u>0.17</u>	<u>0.18</u>	<u>0.84</u>	<u>0.67</u>

**Notes:**

- (1) Basic earnings per share is calculated based on the Company's share capital of 756,204,000 ordinary shares (30 September 2024: 714,704,000 ordinary shares).
- (2) Diluted earnings per share of the Company for the current financial quarter and financial year-to-date ended 30 September 2025 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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**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 or Loss and Other Comprehensive Income**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited Current Quarter 30.09.2025 RM'000</b>	<b>Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000</b>	<b>Unaudited Current Year-to-date 30.09.2025 RM'000</b>	<b>Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000</b>
Depreciation of property, plant and equipment	5,844	4,412	15,429	13,109
Depreciation of investment properties	10	10	30	30
Property, plant and equipment written off	9	-	10	-
Rental of machineries	8,680	9,215	26,702	32,553
Rental of premises	30	23	93	99
Interest expenses	3,580	3,894	11,008	11,267
Gain on derecognition of lease upon termination	(1)	-	(1)	(2)
Gain on disposal of property, plant and equipment	(122)	-	(266)	(6)
Interest income	(426)	(456)	(1,311)	(1,395)
(Gain)/Loss on foreign exchange				
- realised	(23)	-	(254)	-
- unrealised	3	-	(1)	-

**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 November 2025.

**BY ORDER OF THE BOARD  
NESTCON BERHAD  
28 November 2025**