



# **NESTCON BERHAD**

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

**Unaudited Interim Financial Report  
For the Fourth Quarter Ended  
31 December 2025**

**NESTCON BERHAD**

Registration No. 202001008684 (1365004-W)

• Unaudited Interim Financial Report For The Fourth (4<sup>th</sup>) Quarter Ended 31 December 2025

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

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Quarter 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2024 RM'000	Unaudited Current Year-to-date 31.12.2025 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000
Revenue		208,413	207,268	723,753	838,132
Cost of sales		(191,627)	(197,852)	(677,152)	(799,291)
Gross profit		16,786	9,416	46,601	38,841
Other income		645	1,262	3,010	3,325
Administrative expenses		(5,230)	(4,454)	(18,161)	(16,778)
Other operating expenses		(86)	(239)	(792)	(445)
Profit from operations		12,115	5,985	30,658	24,943
Finance costs		(2,774)	(3,896)	(13,782)	(15,163)
<b>Profit before tax</b>	B12	<b>9,341</b>	<b>2,089</b>	<b>16,876</b>	<b>9,780</b>
Tax expense	B5	(2,740)	(930)	(5,043)	(3,313)
<b>Profit for the financial period/year, representing total comprehensive income for the financial period/year</b>		<b>6,601</b>	<b>1,159</b>	<b>11,833</b>	<b>6,467</b>
<b>Profit/(Loss) for the financial period/year, representing total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		5,134	3,100	11,489	7,859
Non-controlling interests		1,467	(1,941)	344	(1,392)
		<b>6,601</b>	<b>1,159</b>	<b>11,833</b>	<b>6,467</b>
<b>Earnings per ordinary share attributable to owners of the Company:</b>					
Basic/Diluted <sup>(2)</sup> (sen)	B11	0.68	0.43	1.52	1.10

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**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 (31 December 2024: 714,704,000 ordinary shares).

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

	Note	Unaudited As at 31.12.2025 RM'000	Audited As at 31.12.2024 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment		158,039	96,447
Investment properties		1,671	1,710
Goodwill arising from consolidation		1,075	1,075
Deferred tax assets		1,719	2,818
		162,504	102,050
<b>Current Assets</b>			
Inventories		587	3,470
Trade receivables		243,315	250,596
Other receivables, deposits and prepayments		36,945	34,670
Contract assets		228,431	229,668
Tax recoverable		2,553	3,237
Other financial assets		-	10,548
Fixed deposits with licensed banks		34,281	58,834
Cash and bank balances		101,044	82,743
		647,156	673,766
<b>TOTAL ASSETS</b>		<b>809,660</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		81,059	69,570
		171,918	148,508
Non-controlling interests		2,284	1,838
<b>Total Equity</b>		<b>174,202</b>	<b>150,346</b>
<b>Non-Current Liabilities</b>			
Bank borrowings	B8	36,248	15,980
Lease liabilities		33,781	26,779
Deferred tax liabilities		1,910	1,739
		71,939	44,498
<b>Current Liabilities</b>			
Trade payables		351,296	346,988
Other payables and accruals		20,316	17,114
Contract liabilities		25,092	14,639
Bank borrowings	B8	149,171	187,351
Lease liabilities		16,281	14,464
Tax liabilities		1,363	416
		563,519	580,972
<b>Total Liabilities</b>		<b>635,458</b>	<b>625,470</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>809,660</b>	<b>775,816</b>
<b>NET ASSETS PER SHARE (RM)<sup>(2)</sup></b>		<b>0.23</b>	<b>0.21</b>

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**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 31 December 2025 of 756,204,000 shares (31 December 2024: 714,704,000 shares).

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

	<b>Attributable to Owners of the Company</b>			<b>Total</b>	<b>Non-controlling interests</b>	<b>Total Equity</b>
	<b>Non-distributable</b>	<b>Distributable</b>				
	<b>Share capital</b>	<b>Merger reserves</b>	<b>Retained earnings</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>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
Issuance of shares in subsidiary companies to non-controlling interests	-	-	-	-	(2)	(2)
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	-	-	7,859	7,859	(1,392)	6,467
<b>Balance as at 31 December 2024 (Audited)</b>	<b>126,482</b>	<b>(47,544)</b>	<b>69,570</b>	<b>148,508</b>	<b>1,838</b>	<b>150,346</b>

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

	Attributable to Owners of the Company			Total RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Non-distributable	Distributable				
	Share capital RM'000	Merger reserves RM'000	Retained earnings RM'000			
<b>Balance as at 1 January 2025 (Audited)</b>	126,482	(47,544)	69,570	148,508	1,838	150,346
<b>Contributions by and distribution to Owners of the Company</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 for the financial year, representing total comprehensive income for the financial year	-	-	11,489	11,489	344	11,833
<b>Balance as at 31 December 2025 (Unaudited)</b>	<b>138,403</b>	<b>(47,544)</b>	<b>81,059</b>	<b>171,918</b>	<b>2,284</b>	<b>174,202</b>

**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 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) Represents less than RM1,000.

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

	<b>Unaudited Current Year-to-date 31.12.2025 RM'000</b>	<b>Audited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	16,876	9,780
Adjustments for:		
Accretion of interest on other financial assets	(10)	(49)
Depreciation of property, plant and equipment	20,846	17,899
Depreciation of investment properties	39	39
Dividend income from other financial assets	(9)	(46)
Fair value gain from other financial assets	(125)	(212)
Gain on disposal of property, plant and equipment	(267)	(38)
Gain on derecognition of lease upon termination	(1)	(1)
Inventories written off	-	1
Interest expenses	13,782	15,163
Interest income	(1,739)	(1,904)
Property, plant and equipment written off	14	147
Provision for defect liabilities	5,836	4,823
Provision for foreseeable losses	117	217
<b>Operating profit before changes in working capital</b>	<b>55,359</b>	<b>45,819</b>
Decrease/(Increase) in inventories	2,883	(2,198)
Decrease/(Increase) in trade and other receivables	5,006	(14,398)
(Decrease)/Increase in trade and other payables	(38,033)	28,631
Decrease/(Increase) in contract assets	1,237	(15,148)
Increase in contract liabilities	10,453	6,353
<b>Cash generated from operations</b>	<b>36,905</b>	<b>49,059</b>
Interest received	860	724
Tax paid	(5,740)	(2,825)
Tax refunded	3,598	1,184
<b>Net cash from operating activities</b>	<b>35,623</b>	<b>48,142</b>
<b>Cash Flows From Investing Activities</b>		
Dividend income from other financial assets	9	46
Addition of other financial assets	125	212
Proceeds from maturity of other financial asset	2,146	-
Proceeds from disposal of property, plant and equipment	807	291
Purchase of property, plant and equipment	(7,298)	(3,281)
<b>Net cash used in investing activities</b>	<b>(4,211)</b>	<b>(2,732)</b>

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

	<b>Unaudited Current Year-to-date 31.12.2025 RM'000</b>	<b>Audited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000</b>
<b>Cash Flows From Financing Activities</b>		
Interest paid	(13,782)	(15,163)
Interest received	879	1,180
Proceeds from issuance of shares, net of share issue expenses	11,921	10,890
Subscription of shares by non-controlling interests	102	- <sup>(2)</sup>
Uplift/(Placement) of pledged fixed deposits with licensed banks	24,553	(12,291)
Movement in restricted cash at licensed banks	(2,881)	(5,483)
Repayment of lease liabilities	(15,204)	(9,310)
Net (repayment)/drawdown of bank borrowings	(24,663)	6,863
<b>Net cash used in financing activities</b>	<b>(19,075)</b>	<b>(23,314)</b>
<b>Net increase in cash and cash equivalents</b>	<b>12,337</b>	<b>22,096</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>21,601</b>	<b>(495)</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>33,938</b>	<b>21,601</b>
<b>Cash and cash equivalents comprise of:</b>		
Investment in short-term funds	-	8,412
Fixed deposits with licensed banks	34,281	58,834
Cash and bank balances	101,044	82,743
Bank overdrafts	(31,614)	(36,943)
	<u>103,711</u>	<u>113,046</u>
Less: Non-cash and cash equivalents		
Pledged fixed deposits with licensed banks	(34,281)	(58,834)
Restricted cash at licensed banks	(35,492)	(32,611)
	<u><b>33,938</b></u>	<u><b>21,601</b></u>

**Notes:**

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the 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) Represents less than RM1,000.

**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 31.12.2025</b>	<b>Building and Infrastructure RM’000</b>	<b>Renewable Energy RM’000</b>	<b>Total RM’000</b>
<b>Revenue</b>	207,348	1,065	208,413
<b>Results</b>			
Depreciation of property, plant and equipment			(5,417)
Depreciation of investment properties			(9)
Finance costs			(2,774)
Interest income			428
Unallocated income			217
Unallocated expenses			(191,517)
<b>Profit before tax</b>			<b>9,341</b>
Tax expense			(2,740)
<b>Profit after tax</b>			<b>6,601</b>

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**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 31.12.2025</b>	<b>Building and Infrastructure RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>	710,926	12,827	723,753
<b>Results</b>			
Depreciation of property, plant and equipment			(20,846)
Depreciation of investment properties			(39)
Finance costs			(13,782)
Interest income			1,739
Unallocated income			1,271
Unallocated expenses			(675,220)
<b>Profit before tax</b>			<b>16,876</b>
Tax expense			(5,043)
<b>Profit after tax</b>			<b>11,833</b>
<b>Unaudited Preceding Year Corresponding Quarter 31.12.2024</b>	<b>Building and Infrastructure RM'000</b>	<b>Renewable Energy RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>	203,634	3,634	207,268
<b>Results</b>			
Depreciation of property, plant and equipment			(4,790)
Depreciation of investment properties			(9)
Finance costs			(3,896)
Interest income			509
Unallocated income			753
Unallocated expenses			(197,746)
<b>Profit before tax</b>			<b>2,089</b>
Tax expense			(930)
<b>Profit after tax</b>			<b>1,159</b>

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

<b>Audited Preceding Year Corresponding Year-to- date 31.12.2024</b>	<b>Building and Infrastructure RM’000</b>	<b>Renewable Energy RM’000</b>	<b>Total RM’000</b>
<b>Revenue</b>	820,867	17,265	838,132
<b>Results</b>			
Depreciation of property, plant and equipment			(17,899)
Depreciation of investment properties			(39)
Finance costs			(15,163)
Interest income			1,904
Unallocated income			1,421
Unallocated expenses			(798,576)
<b>Profit before tax</b>			<b>9,780</b>
Tax expense			(3,313)
<b>Profit after tax</b>			<b>6,467</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**

There were no material changes in the composition of the Group as at the date of this interim financial report.

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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.

	<b>Unaudited As at 31.12.2025 RM'000</b>	<b>Audited As at 31.12.2024 RM'000</b>
Performance guarantee for construction contract customers	79,830	78,009
Bank guarantee given by licensed banks as security for performance bond	<u>50,956</u>	<u>33,541</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.

	<b>Unaudited As at 31.12.2025 RM'000</b>	<b>Audited As at 31.12.2024 RM'000</b>
<b>Joint Development Agreement</b>		
Contracted but not provided for	<u>10,000</u>	<u>-</u>
<b>Property, plant and equipment</b>		
Authorised and contracted for	<u>15,440</u>	<u>3,815</u>

**A15. Related Party Transactions**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Unaudited Current Quarter 31.12.2025 RM'000</b>	<b>Unaudited Preceding Year Corresponding Quarter 31.12.2024 RM'000</b>	<b>Unaudited Current Year-to-date 31.12.2025 RM'000</b>	<b>Audited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000</b>
Lease payment charged by Directors	<u>29</u>	<u>29</u>	<u>116</u>	<u>116</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****(a) Comparison with Preceding Year's Corresponding Quarter Results**

For the current financial quarter ended 31 December 2025 ("4Q2025"), the Group recorded revenue of RM208.41 million, compared to RM207.27 million in the preceding year's corresponding quarter ended 31 December 2024 ("4Q2024"). Revenue for 4Q2025 was mainly contributed by the building division at RM118.59 million, followed by the civil engineering and infrastructure division at RM88.76 million, and the renewable energy division at RM1.06 million.

The Group's profit before tax ("PBT") improved to RM9.34 million, compared with RM2.09 million in 4Q2024. This was mainly attributable to a significantly higher level of construction activities from the civil engineering and infrastructure division, following the completion of lower margin contracts in the building division. In addition, selective contract renegotiations contributed to margin improvements during the financial quarter.

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

For the current financial year-to-date ended 31 December 2025 ("YTD 4Q2025"), the Group registered revenue of RM723.75 million, a decrease of RM114.38 million or 13.65% compared to RM838.13 million in the corresponding period last year ("YTD 4Q2024"). The lower revenue was mainly attributable to the completion of several contracts, which resulted in reduced construction activities during the financial year.

The Group's PBT increased to RM16.88 million from RM9.78 million in YTD 4Q2024. The improvement was mainly driven by a higher contribution from the civil engineering and infrastructure division, following the completion of lower margin contracts in the building division. In addition, selective contract renegotiations contributed to improved margins for the financial year.

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

	INDIVIDUAL QUARTER		VARIANCE	
	Unaudited Current Quarter 31.12.2025	Unaudited Preceding Quarter 30.09.2025		
	RM'000	RM'000	RM'000	%
Revenue	208,413	173,397	35,016	20.19
PBT	9,341	2,115	7,226	341.65

The Group recorded revenue of RM208.41 million in 4Q2025, representing an increase of RM35.02 million or 20.19% compared to RM173.40 million in the immediate preceding quarter ended 30 September 2025 ("3Q2025"). The increase was mainly attributable to a higher level of construction activities undertaken by the Group during the quarter.

The Group registered a PBT of RM9.34 million in 4Q2025 as compared to RM2.11 million in 3Q2025, increase of RM7.23 million in 4Q2025.

**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 continued demand from public infrastructure projects and private sector developments, with government initiatives in the industrial, transportation and energy sectors providing a supportive project pipeline.

The operating environment remains challenging due to higher construction and transportation costs, as well as the expanded Service Tax (“**ST**”) regime implemented on 1 July 2025, which may impact project costs, cash flow and margins, particularly for fixed-price contracts. The Group has implemented mitigation measures, including incorporating tax pass-through and price escalation clauses in new contracts, strengthening cash-flow management, and leveraging available exemptions and relief measures.

Operationally, the Group recorded improved earnings quality during the financial year. Barring any unforeseen circumstances, the Group remains cautiously optimistic, supported by disciplined tender selection, prudent cost management and operational efficiency.

**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 Quarter 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2024 RM'000	Unaudited Current Year-to-date 31.12.2025 RM'000	Audited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000
<b>In respect of current period/year:</b>				
Tax (income)/expense <sup>(1)</sup>	(1,450)	1,640	3,773	3,657
Deferred tax	4,190	(710)	1,270	(344)
Tax expense	2,740	930	5,043	3,313
Effective tax rate <sup>(2)</sup> (%)	29.33	44.52	29.88	33.87
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 and derecognition of deferred tax asset which was recognised previously.

**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.

The Board of the Company has on 20 January 2026 fixed the issue price of the third and last tranche of Placement Shares at RM0.2800 per Placement Share ("**Issue Price**"). The Issue Price represents a discount of approximately RM0.0219 or 7.3% from the 5-days volume weighted average market price of Nestcon Shares from 13 January 2026 to 19 January 2026, being the market day immediately preceding to the price-fixing date of approximately RM0.3019 per Nestcon Share.

On 28 January 2026, 22,820,000 Placement Shares were listed and quoted on the ACE Market of Bursa Securities. As at the date of this interim financial report, the Private Placement was completed with the listing of 70,820,000 new Nestcon Shares on the ACE Market of Bursa Securities with total proceeds of RM20.93 million.

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.

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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****Private Placement 2024**

As at 31 December 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.

**B8. Bank Borrowings**

	<b>Unaudited As at 31.12.2025 RM'000</b>	<b>Audited As at 31.12.2024 RM'000</b>
<b>Current</b>		
Term loans	9,101	9,330
Bank overdrafts	31,614	36,943
Factoring payable	2,261	49,309
Invoice financing	68,774	59,960
Bankers' acceptance	1,669	1,499
Revolving credits	35,752	30,310
	<b>149,171</b>	<b>187,351</b>
<b>Non-current</b>		
Term loans	<b>36,248</b>	<b>15,980</b>

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**

Save as disclosed below, there were no material litigations involving the Group as at 31 December 2025.

Nestcon Infra Sdn Bhd ("**NISB**" or "**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.

On 12 December 2025, NISB received an update from its legal counsel regarding the rescheduling of the trial dates in accordance with the Court's next available dates. The trial date previously fixed on 12 December 2025 was vacated, and new trial dates have been scheduled for 6, 7, 13 and 14 April 2026, as well as 6, 20 and 21 May 2026.

No provision was made as at 31 December 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.

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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 Quarter 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2024 RM'000	Unaudited Current Year-to-date 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000
Profit attributable to the Owners of the Company	5,134	3,100	11,489	7,859
Number of ordinary shares (in thousand)	756,204	714,704	756,204	714,704
Basic <sup>(1)</sup> /Diluted <sup>(2)</sup> EPS (sen)	0.68	0.43	1.52	1.10

**Notes:**

- (1) Basic earnings per share is calculated based on the Company's share capital of 756,204,000 ordinary shares (31 December 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 31 December 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.

**B12. Notes to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Quarter 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2024 RM'000	Unaudited Current Year-to-date 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000
Depreciation of property, plant and equipment	5,417	4,790	20,846	17,899
Depreciation of investment properties	9	9	39	39
Property, plant and equipment written off	4	147	14	147
Provision for defect liabilities	5,836	4,823	5,836	4,823
Provision for foreseeable loss	117	217	117	217

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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 (Continued)**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Quarter 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2024 RM'000	Unaudited Current Year-to-date 31.12.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 31.12.2024 RM'000
Rental of machineries	8,032	14,757	34,735	47,310
Rental of premises	51	26	144	125
Interest expenses	2,774	3,896	13,782	15,163
Inventories written off	-	1	-	1
Accretion of interest on other financial assets	(10)	(49)	(10)	(49)
Dividend income from other financial assets	(9)	(46)	(9)	(46)
Fair value gain from other financial assets	(125)	(212)	(125)	(212)
Gain on derecognition of lease upon termination	-	-	(1)	(1)
Gain on disposal of property, plant and equipment	(1)	(32)	(267)	(38)
Interest income	(428)	(509)	(1,739)	(1,904)
(Gain)/Loss on foreign exchange				
- realised	(21)	37	(275)	37
- unrealised	(34)	-	(35)	-

**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 27 February 2026.

**BY ORDER OF THE BOARD  
NESTCON BERHAD  
27 FEBRUARY 2026**