NESTCON BERHAD

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

Unaudited Interim Financial Report
For the Second Quarter Ended
30 June 2026

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME[1]

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		Unaudited Current Quarter 30.06.2026 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.06.2025 RM'000**	**Unaudited Current Year-to-date 30.06.2026 RM'000**	**Unaudited Preceding Year Corresponding Year-to-date 30.06.2025 RM'000**
Revenue		200,490	172,156	391,498	341,943
Cost of sales		(184,528)	(161,680)	(360,219)	(321,534)
Gross profit		15,962	10,476	31,279	20,409
Other income		1,046	887	1,764	1,596
Administrative expenses		(5,085)	(3,953)	(9,664)	(8,714)
Other operating expenses		(213)	(334)	(216)	(443)
Profit from operations		11,710	7,076	23,163	12,848
Finance costs		(2,784)	(3,679)	(5,428)	(7,428)
Profit before tax	B11	**8,926**	**3,397**	**17,735**	**5,420**
Tax expense	B5	(3,016)	(1,428)	(5,238)	(1,735)
Profit for the financial period, representing total comprehensive income for the financial period		**5,910**	**1,969**	**12,497**	**3,685**
Profit/(Loss) for the financial period, representing total comprehensive income/(loss) attributable to:					
Owners of the Company		6,221	2,349	12,676	5,089
Non-controlling interests		(311)	(380)	(179)	(1,404)
		5,910	**1,969**	**12,497**	**3,685**
Earnings per ordinary share attributable to owners of the Company:					
Basic/Diluted[2] (sen)	B10	0.80	0.33	1.63	0.71

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 2025 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 779,024,000 ordinary shares (30 June 2025: 714,704,000 ordinary shares).

(The remainder of this page is intentionally left blank)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION[1]

	Note	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment		175,712	158,039
Investment properties		5,274	1,671
Goodwill arising from consolidation		1,075	1,075
Other financial asset		926	-
Deferred tax assets		1,465	1,719
		184,452	162,504
Current Assets			
Inventories		12,776	587
Trade receivables		319,366	246,995
Other receivables, deposits and prepayments		41,936	36,945
Contract assets		176,466	228,431
Tax recoverable		3,092	2,553
Fixed deposits with licensed banks		37,246	34,281
Cash and bank balances		92,655	101,044
		683,537	650,836
TOTAL ASSETS		**867,989**	**813,340**
EQUITY AND LIABILITIES			
Equity			
Share capital		144,733	138,403
Merger reserves		(47,544)	(47,544)
Retained earnings		93,735	81,059
		190,924	171,918
Non-controlling interests		2,764	2,284
Total Equity		**193,688**	**174,202**
Non-Current Liabilities			
Bank borrowings	B7	55,474	36,240
Lease liabilities		39,995	33,977
Deferred tax liabilities		1,553	1,910
		97,022	72,127
Current Liabilities			
Trade payables		349,268	351,296
Other payables and accruals		14,948	23,996
Contract liabilities		56,139	25,092
Bank borrowings	B7	135,512	149,179
Lease liabilities		16,477	16,084
Tax liabilities		4,935	1,364
		577,279	567,011
Total Liabilities		**674,301**	**639,138**
TOTAL EQUITY AND LIABILITIES		**867,989**	**813,340**
NET ASSETS PER SHARE (RM)[2]		**0.25**	**0.23**

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 2025 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 June 2026 of 779,024,000 shares (31 December 2025: 756,204,000 shares).

(The remainder of this page is intentionally left blank)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY(1)

	Attributable to Owners of the Company					
	Non-distributable		Distributable			
	Share capital RM'000	Merger reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Balance as at 1 January 2025 (Audited)	126,482	(47,544)	69,570	148,508	1,838	150,346
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	-	-	5,089	5,089	(1,404)	3,685
Balance as at 30 June 2025 (Unaudited)	**126,482**	**(47,544)**	**74,659**	**153,597**	**536**	**154,133**

(The remainder of this page is intentionally left blank)

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

	Attributable to Owners of the Company					
	Non-distributable		Distributable			
	Share capital RM'000	Merger reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
Balance as at 1 January 2026 (Audited)	138,403	(47,544)	81,059	171,918	2,284	174,202
Contributions by and distribution to Owners of the Company						
- Issuance of shares	6,390	-	-	6,390	-	6,390
- Share issue expenses	(60)	-	-	(60)	-	(60)
	6,330	-	-	6,330	-	6,330
Issuance of shares in subsidiary companies to non-controlling interests	-	-	-	-	659	659
Profit/(Loss) for the financial period, representing total comprehensive income/(loss) for the financial period	-	-	12,676	12,676	(179)	12,497
Balance as at 30 June 2026 (Unaudited)	**144,733**	**(47,544)**	**93,735**	**190,924**	**2,764**	**193,688**

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 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS(1)

	Unaudited Current Year-to-date 30.06.2026 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.06.2025 RM'000
Cash Flows From Operating Activities		
Profit before tax	17,735	5,420
Adjustments for:		
Accretion of interest on other financial assets	-	(9)
Depreciation of property, plant and equipment	10,991	9,585
Depreciation of investment properties	30	20
Dividend income from other financial assets	-	(9)
Fair value gain from other financial assets	-	(124)
Gain on disposal of property, plant and equipment	(216)	(144)
Loss on unrealised foreign exchange	94	-
Interest expenses	5,428	7,428
Interest income	(971)	(885)
Property, plant and equipment written off	-	1
Provision for foreseeable losses	87	-
Operating profit before changes in working capital	33,178	21,283
Increase in inventories	(12,189)	(7,509)
Increase in trade and other receivables	(77,362)	(16,637)
Decrease in trade and other payables	(7,989)	(8,810)
Decrease in contract assets	51,965	5,506
Increase in contract liabilities	31,047	8,518
Cash generated from operations	18,650	2,351
Interest received	717	385
Tax paid	(2,831)	(1,225)
Tax refunded	522	164
Net cash from operating activities	17,058	1,675
Cash Flows Used In Investing Activities		
Dividend income from other financial assets	-	9
Fair value gain from other financial assets	-	124
Addition of other financial asset	(926)	-
Proceeds from maturity of other financial asset	-	1,108
Proceeds from disposal of property, plant and equipment	1,370	540
Purchase of investment properties	(933)	-
Purchase of property, plant and equipment	(2,087)	(3,048)
Net cash used in investing activities	(2,576)	(1,267)

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

	Unaudited Current Year-to-date 30.06.2026 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.06.2025 RM'000
Cash Flows Used In Financing Activities		
Interest paid	(5,428)	(7,428)
Interest received	254	500
Proceeds from issuance of shares, net of share issue expenses	6,330	-
Subscription of shares by non-controlling interests	659	102
(Placement)/Uplift of pledged fixed deposits with licensed banks	(2,965)	18,058
Movement in restricted cash at licensed banks	6,043	1,275
Repayment of lease liabilities	(7,805)	(6,671)
Net repayment of bank borrowings	(18,223)	(17,117)
Net cash used in financing activities	(21,135)	(11,281)
Net decrease in cash and cash equivalents	(6,653)	(10,873)
Cash and cash equivalents at beginning of the financial period	33,938	21,601
Cash and cash equivalents at end of the financial period	**27,285**	**10,728**
Cash and cash equivalents comprise of:		
Investment in short-term funds	-	5,546
Fixed deposits with licensed banks	37,246	40,776
Cash and bank balances	92,655	83,744
Bank overdrafts	(35,921)	(47,226)
	93,980	82,840
Less: Non-cash and cash equivalents		
Pledged fixed deposits with licensed banks	(37,246)	(40,776)
Restricted cash at licensed banks	(29,449)	(31,336)
	27,285	**10,728**

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 2025 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 2025 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 2025, except for the adoption of the following new MFRSs and amendments to MFRSs which became effective for the financial year beginning on or after 1 January 2027:

MFRSs and Amendments to MFRSs	**Effective Date**
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to MFRS 9 and MFRS 7 *Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to MFRSs *Annual Improvements to MFRS Accounting Standards-Volume 11*	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to MFRS 121 *Translation to a Hyperinflationary Presentation Currency*	1 January 2027
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	To be announced

The adoption of the abovementioned accounting standards and amendments, 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 2025.

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 was 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 Quarter 30.06.2026	**Building and Infrastructure RM'000**	**Renewable Energy RM'000**	**Total RM'000**
Revenue	198,826	1,664	200,490
Results			
Depreciation of property, plant and equipment			(5,655)
Depreciation of investment properties			(20)
Finance costs			(2,784)
Interest income			528
Unallocated income			518
Unallocated expenses			(184,151)
Profit before tax			**8,926**
Tax expense			(3,016)
Profit after tax			**5,910**

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

A9. Segment Information (Continued)

Unaudited Current Year-to-date 30.06.2026	Building and Infrastructure RM'000	Renewable Energy RM'000	Total RM'000
Revenue	385,641	5,857	391,498
Results			
Depreciation of property, plant and equipment			(10,991)
Depreciation of investment properties			(30)
Finance costs			(5,428)
Interest income			971
Unallocated income			793
Unallocated expenses			(359,078)
Profit before tax			**17,735**
Tax expense			(5,238)
Profit after tax			**12,497**

Unaudited Preceding Year Corresponding Quarter 30.06.2025	Building and Infrastructure RM'000	Renewable Energy RM'000	Total RM'000
Revenue	166,726	5,430	172,156
Results			
Depreciation of property, plant and equipment			(4,696)
Depreciation of investment properties			(10)
Finance costs			(3,679)
Interest income			451
Unallocated income			436
Unallocated expenses			(161,261)
Profit before tax			**3,397**
Tax expense			(1,428)
Profit after tax			**1,969**

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 Year-to-date 30.06.2025	Building and Infrastructure RM'000	Renewable Energy RM'000	Total RM'000
Revenue	331,832	10,111	341,943
Results			
Depreciation of property, plant and equipment			(9,585)
Depreciation of investment properties			(20)
Finance costs			(7,428)
Interest income			885
Unallocated income			711
Unallocated expenses			(321,086)
Profit before tax			**5,420**
Tax expense			(1,735)
Profit after tax			**3,685**

A10. Valuation of Property, Plant and Equipment and Investment Properties

There were 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 as at the date of this interim financial report.

On 13 August 2026, Nestcon Property Sdn Bhd, a wholly-owned subsidiary of the Company, incorporated a wholy-owned subsidiary, Nestcon Southern Crest Sdn Bhd ("**NSCSB**") with an issued share capital of RM100 comprising 100 ordinary shares of RM1 each. NSCSB is principally engaged in property development and property management.

A13. Contingent Liabilities

Save as disclosed below, there were no other contingent liabilities as at 30 June 2026.

	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Corporate guarantee for construction contract customers	67,116	79,830
Bank guarantee given by licensed banks as security for performance bond	52,919	50,956

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

A14. Capital Commitments

Save as disclosed below, there were no other material capital commitments incurred or known to be incurred as at the end of the financial period.

	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Joint Development Agreement		
Contracted but not provided for	-	10,000
Sales and Purchase Agreement		
Contracted but not provided for	91,500	-
Property, plant and equipment		
Approved and contracted for	11,392	24,855

A15. Related Party Transactions

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Unaudited Current Quarter 30.06.2026 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2025 RM'000	Unaudited Current Year-to-date 30.06.2026 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.06.2025 RM'000
Lease payment charged by Directors	29	29	58	58

(The remainder of this page is intentionally left blank)

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 June 2026 ("**2Q2026**"), the Group recorded revenue of RM200.49 million, compared to RM172.16 million in the preceding year's corresponding quarter ended 30 June 2025 ("**2Q2025**"). Revenue for 2Q2026 was mainly contributed by the building division at RM109.75 million, followed by the civil engineering and infrastructure division at RM89.07 million, and the renewable energy division at RM1.67 million.

The Group's profit before tax ("**PBT**") improved to RM8.93 million, compared with RM3.40 million in 2Q2025. 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 financial year 2025.

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

For the current financial year-to-date ended 30 June 2026 ("**YTD 2Q2026**"), the Group recorded a higher revenue of RM391.50 million, representing an increase of RM49.56 million or 14.49% compared to RM341.94 million reported in the preceding corresponding year-to-date ("**YTD 2Q2025**"). The increase in revenue was mainly attributable to the higher level of construction activities undertaken by the Group.

The Group's PBT increased to RM17.74 million in YTD 2Q2026 from RM5.42 million in YTD 2Q2025. The lower PBT recorded in YTD 2Q2025 was mainly attributable to prolonged contracts carried forward from the pandemic period, which were affected by extended project timelines and cost pressures. These contracts were substantially completed in 2025.

Following the completion of these contracts, the Group's current project portfolio is generally operating under more normalised market conditions, contributing to a better overall margin profile compared with the preceding corresponding financial period. Consequently, the higher PBT recorded in the current financial period was mainly attributable to improved gross profit contribution from ongoing projects.

(The remainder of this page is intentionally left blank)

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

B2. Comparison with Immediate Preceding Quarter's Results

	INDIVIDUAL QUARTER		VARIANCE	
	Unaudited Current Quarter 30.06.2026	Unaudited Preceding Quarter 31.03.2026		
	RM'000	RM'000	RM'000	%
Revenue	200,490	191,008	9,482	4.96
PBT	8,926	8,809	117	1.33

The Group recorded revenue of RM200.49 million in 2Q2026, representing an increase of RM9.48 million or 4.96% compared to RM191.01 million in the immediate preceding quarter ended 31 March 2026 ("**1Q2026**"). The increase was mainly attributable to the higher level of construction activities during the current quarter, as construction progress in 1Q2026 was moderated by fewer working days due to the festive season.

The Group's PBT remained relatively stable at RM8.93 million in 2Q2026 compared with RM8.81 million in 1Q2026. Despite the increase in revenue, the corresponding improvement in PBT was moderated mainly by higher diesel costs amid heightened geopolitical tensions during the current financial quarter.

B3. Prospects and Outlook

Malaysia's economy continued to demonstrate resilience amid ongoing global uncertainties arising from trade tensions, geopolitical conflicts and disruptions to global supply chains. Based on the latest economic data, Malaysia's economy continued to record positive growth in the second quarter of 2026, while the construction sector remained supported by sustained activities across various subsectors.

The Group remains cautiously optimistic about the outlook for the construction industry, underpinned by the continued implementation of major infrastructure and development projects, as well as ongoing public and private sector investments. In the residential construction segment, Government-led affordable housing programmes and home ownership initiatives under the Thirteenth Malaysia Plan, together with new private sector developments, are expected to continue providing opportunities for the Group to broaden its participation in this segment.

In addition, the Company had, on 30 June 2026, obtained shareholders' approval for the diversification of the Group's existing principal activities to include property development. The diversification represents a strategic expansion of the Group's business activities and provides an additional avenue for the Group to leverage its existing experience and capabilities in the construction industry. Moving forward, the property development segment is expected to broaden the Group's revenue base and contribute positively to the Group's future financial performance as the relevant development projects progress.

Nevertheless, the Group remains mindful of prevailing challenges, including fluctuations in construction material and transportation costs, global supply chain uncertainties and the impact of the expanded service tax regime on project costs and cash flow. The Group will continue to exercise prudent cost management, strengthen cash-flow management and incorporate appropriate tax pass-through and price escalation provisions in new contracts, where applicable, to mitigate potential pressure on project margins, while remaining focused on the effective execution of its ongoing projects and pursuing suitable business opportunities.

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

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 30.06.2026 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2025 RM'000	Unaudited Current Year-to-date 30.06.2026 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.06.2025 RM'000
In respect of current period:				
Tax expense[(1)]	3,166	1,832	5,341	2,784
Deferred tax	(150)	(404)	(103)	(1,049)
Tax expense	3,016	1,428	5,238	1,735
Effective tax rate[(2)] (%)	33.79	42.04	29.53	32.01
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 was higher than the statutory tax rate primarily due to non-deductible expenses for tax purposes.

B6. Status of Corporate Proposals

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

B7. Bank Borrowings

	Unaudited As at 30.06.2026 RM'000	Audited As at 31.12.2025 RM'000
Current		
Term loans	8,924	9,109
Bank overdrafts	35,921	31,614
Factoring payable	8,905	2,261
Invoice financing	38,156	68,774
Bankers' acceptance	11,803	1,669
Revolving credits	31,803	35,752
	135,512	149,179
Non-current		
Term loans	55,474	36,240

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)

B8. Material Litigation

There were no material litigations involving the Group as at the date of this interim financial report.

B9. Dividend

No dividend has been declared or recommended by the Board of Directors for the current financial quarter under review.

B10. 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 30.06.2026 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.06.2025 RM'000**	**Unaudited Current Year-to-date 30.06.2026 RM'000**	**Unaudited Preceding Year Corresponding Year-to-date 30.06.2025 RM'000**
Profit attributable to the Owners of the Company	6,221	2,349	12,676	5,089
Number of ordinary shares (in thousand)	779,024	714,704	779,024	714,704
Basic[(1)]/Diluted[(2)] EPS (sen)	0.80	0.33	1.63	0.71

Notes:

(1) Basic earnings per share is calculated based on the Company's share capital of 779,024,000 ordinary shares (30 June 2025: 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 June 2026 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.

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

B11. 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 30.06.2026 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.06.2025 RM'000**	**Unaudited Current Year-to-date 30.06.2026 RM'000**	**Unaudited Preceding Year Corresponding Year-to-date 30.06.2025 RM'000**
Depreciation of property, plant and equipment	5,655	4,696	10,991	9,585
Depreciation of investment properties	20	10	30	20
Property, plant and equipment written off	-	1	-	1
Rental of machineries	7,463	9,189	14,385	18,022
Rental of premises	37	30	63	63
Interest expenses	2,784	3,679	5,428	7,428
Provision for foreseeable losses	87	-	87	-
Accretion of interest on other financial assets	-	(3)	-	(9)
Dividend income from other financial assets	-	(4)	-	(9)
Fair value gain from other financial assets	-	(57)	-	(124)
Gain on disposal of property, plant and equipment	(35)	(99)	(216)	(144)
Interest income	(528)	(451)	(971)	(885)
(Gain)/Loss on foreign exchange				
- realised	(137)	(220)	(166)	(231)
- unrealised	20	(4)	94	(4)

B12. 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 August 2026.

BY ORDER OF THE BOARD
NESTCON BERHAD
28 AUGUST 2026