

EVERSENDAI

EVERSENDAI CORPORATION BERHAD
Company No. 200301011640 (614060-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025

FIRST QUARTER ENDED 31 MARCH 2025
(Figures are not audited unless otherwise specified)
(In Ringgit Malaysia)

Dated 30 May 2025

EVERSENDAI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Date: 30 May 2025

**INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025
FOR THE FIRST QUARTER ENDED 31 MARCH 2025**

Table of contents	Page
Summary of Key Financial Information	1
Condensed Consolidated Statement of Comprehensive Income	2 – 3
Condensed Consolidated Statement of Financial Position	4 – 5
Condensed Consolidated Statement of Changes in Equity	6 – 7
Condensed Consolidated Statement of Cash Flows	8 – 9
Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting	10 – 20
Explanatory Notes Pursuant to Chapter 9, Appendix 9B, Part A of the Main Market Listing Requirements of Bursa Malaysia	21 - 22

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Summary of Key Financial Information for the First Quarter ended 31 March 2025

	First Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2025 RM'000	31.03.2024 RM'000	31.03.2025 RM'000	31.03.2024 RM'000
1 Revenue	406,279	399,715	406,279	399,715
2 Profit /(loss) before tax	11,713	7,473	11,713	7,473
3 Profit /(Loss) for the period	7,006	4,482	7,006	4,482
4 Profit /(Loss) attributable to equity holders of the Company	2,454	355	2,454	355
5 Basic (loss)/earnings per share (sen)	0.31	0.05	0.31	0.05
6 Diluted (loss)/earnings per share (sen)	0.29	0.05	0.29	0.05
7 Proposed/declared dividend per share (sen)	-	-	-	-
			As at 31.03.2025 (RM)	As at 31.12.2024 (RM) (Audited)
8 Net assets per share attributable to the equity holders of the Company			0.44	0.44

EVERSENDAI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Condensed Consolidated Statement of Comprehensive Income for the First Quarter ended 31 March 2025

	Note	First Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		RM'000	RM'000	RM'000	RM'000
Revenue	6	406,279	399,715	406,279	399,715
Cost of sales		(357,183)	(322,735)	(357,183)	(322,735)
Gross profit / (loss)		49,096	76,980	49,096	76,980
Interest income		1,757	480	1,757	480
Other income		20,247	9,231	20,247	9,231
Operating and administrative expenses		(45,629)	(56,064)	(45,629)	(56,064)
Operating Profit / (loss)		25,471	30,627	25,471	30,627
Finance costs		(13,758)	(23,154)	(13,758)	(23,154)
Profit / (loss) before tax	8	11,713	7,473	11,713	7,473
Income tax (expense)/credit	9	(4,707)	(2,991)	(4,707)	(2,991)
Profit for the period from continuing operations		7,006	4,482	7,006	4,482
Discontinued operations					
Loss for the period from discontinued operations, net of tax	10	-	-	-	-
Profit / (loss) for the period		7,006	4,482	7,006	4,482
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit or loss					
- Foreign currency translation		(3,873)	15,735	(3,873)	15,735
- Cash flow hedges		-	-	-	-
Total comprehensive (expense)/income for the period		3,133	20,217	3,133	20,217

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

**Condensed Consolidated Statement of Comprehensive Income for the First Quarter ended 31 March 2025
(Cont'd)**

	Note	First Quarter 3 months ended		Cumulative Quarter 3 months ended	
		31.03.2025	31.03.2024	31.03.2025	31.03.2024
		RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period attributable to:					
- Equity holders of the Company		2,454	355	2,454	355
- Non-controlling interests		4,552	4,127	4,552	4,127
		7,006	4,482	7,006	4,482
Total comprehensive (expense)/income attributable to:					
- Equity holders of the Company		(1,410)	16,091	(1,410)	16,091
- Non-controlling interests		4,543	4,126	4,543	4,126
		3,133	20,217	3,133	20,217
Profit / (loss) per share attributable to equity holders of the Company					
- Basic (sen)	10	0.31	0.05	0.31	0.05
- Diluted (sen)	10	0.29	0.05	0.29	0.05

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024, and the accompanying explanatory notes attached to these interim financial statements.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Condensed Consolidated Statement of Financial Position as at 31 March 2025

		31.03.2025	31.12.2024
		RM'000	RM'000
	Note		(Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	11	618,393	619,071
Goodwill	12	9,920	9,920
Deferred tax assets		16,754	16,842
Total Non-current Assets		645,067	645,833
Current Assets			
Inventories	13	356,036	284,605
Contract assets		689,822	523,508
Trade receivables		567,600	515,961
Other receivables, refundable deposits and prepaid expenses		208,520	161,824
Amount owing by holding company		8,555	8,555
Tax recoverable		6,312	15,090
Cash and bank balances	14	139,338	152,682
Total Current Assets		1,976,183	1,662,225
Total Assets		2,621,250	2,308,058
EQUITY AND LIABILITIES			
Current Liabilities			
Trade payables		603,924	445,089
Other payables and accrued expenses		700,960	537,059
Contract liabilities		72,011	67,685
Amount owing to directors		58,146	58,916
Amount owing to holding company		6,345	6,356
Hire-purchase payables	16	35	35
Borrowings	16	139,929	564,366
Lease liabilities	16	16,033	14,824
Tax liabilities		16,024	15,600
Total Current Liabilities		1,613,407	1,709,930

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Condensed Consolidated Statement of Financial Position as at 31 March 2025 (Cont'd)

		31.03.2025	31.12.2024
		RM'000	RM'000
	Note		(Audited)
EQUITY AND LIABILITIES (Cont'd)			
Non-current Liabilities			
Hire purchase payables	16	455	174
Borrowings	16	433,013	12,267
Lease liabilities	16	146,134	161,058
Employees' service benefits		104,002	103,523
Total Non-current Liabilities		683,604	277,022
Total Liabilities		2,297,011	1,986,952
Net Assets		324,239	321,106
Capital and Reserves			
Issued capital	15	585,310	585,310
Treasury shares	15	(91)	(91)
Capital reserve		187	187
Foreign currency translation reserve		193,678	197,543
Retained earnings		(433,745)	(436,199)
Equity attributable to equity holders of the Company		345,339	346,750
Non-controlling interests		(21,100)	(25,644)
Total Equity		324,239	321,106
Total Equity and Liabilities		2,621,250	2,308,058

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024, and the accompanying explanatory notes attached to these interim financial statements.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Condensed Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2025

<div> <div>←</div> <div>Attributable to equity holders of the Company</div> <div>→</div> </div>									
<div> <div>←</div> <div>Non-distributable</div> <div>→</div> </div>				Foreign currency translation reserve	Cash flow hedge reserve	Distributable Retained earnings/ (Accumulated losses)	Total	Non- controlling interests	Total equity
Note	Issued capital RM'000	Treasury share RM'000	Capital reserve RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01.01.2024	585,308	(91)	187	220,199	-	(449,593)	356,010	(25,807)	330,203
Loss for the period						355	355	4,127	4,482
Dividend paid	-	-	-	-		-	-	(2,958)	(2,958)
Other comprehensive income				15,736	-	-	15,736	(1)	15,735
Total comprehensive income/(loss)	-	-	-	15,736	-	355	16,091	1,168	17,259
At 31.03.2024	585,308	(91)	187	235,935	-	(449,238)	372,101	(24,639)	347,462

EVERSENDAI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Condensed Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2025 (Cont'd)

<div>Attributable to equity holders of the Company</div>									
Non-distributable						Distributable			
	Issued capital	Treasury share	Capital reserve	Foreign currency translation reserve	Cash flow hedge reserve	Retained earnings/ (Accumulated losses)	Total	Non-controlling interests	Total equity
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 01.01.2025	585,310	(91)	187	197,543	-	(436,199)	346,750	(25,644)	321,106
Profit for the period	-	-	-	-	-	2,454	2,454	4,552	7,006
Dividend paid	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(3,865)	-	-	(3,865)	(8)	(3,873)
Total comprehensive income	-	-	-	(3,865)	-	2,454	(1,411)	4,544	3,133
At 31.03.2025	585,310	(91)	187	193,678	-	(433,745)	345,339	(21,100)	324,239

These condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024, and the accompanying explanatory notes attached to these interim financial statements.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Condensed Consolidated Statement of Cash Flows for the First Quarter ended 31 March 2025

	Note	Cumulative Quarter 3 months ended	
		31.03.2025 RM'000	31.03.2024 RM'000
Operating activities			
Profit/(Loss) before taxation		11,713	7,473
Adjustments for:			
Depreciation of property, plant and equipment		14,785	13,933
Provision for employees' service benefits		2,841	7,838
Gain on disposal of property, plant and equipment		(144)	(123)
Interest income		(1,757)	(480)
Impairment loss/(Reversal) on receivables and assets		3,328	4,206
Unrealised foreign exchange loss		(4,871)	10,143
Finance costs		13,758	23,154
Operating profit before working capital changes		39,653	66,144
Working capital changes:			
Net changes in current assets		(330,630)	(9,981)
Net changes in current liabilities		318,014	12,179
Cash generated from operations		27,037	68,342
Employees' service benefits paid		(1,638)	(7,928)
Net cash flows generated used in operating activities		25,399	60,414
Investing activities			
Purchase of property, plant and equipment		(14,107)	(17,973)
Proceeds from disposal of property, plant and equipment		144	123
Increase/(decrease) in deposits with financial institutions		3,825	6,182
Interest received		1,757	480
Net cash flows used in investing activities		(8,381)	(11,188)

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Condensed Consolidated Statement of Cash Flows for the First Quarter ended 31 March 2025 (Cont'd)

		Cumulative Quarter 3 months ended	
	Note	31.03.2025 RM'000	31.03.2024 RM'000
Financing activities			
Drawdown/(repayment) of bank borrowings		(3,691)	(13,355)
Increase/(decrease) of amount owing to holding company		-	(2,977)
Addition to /(repayment) of lease liabilities		(13,715)	2,257
Increase /(decrease) in amount owing to directors		(770)	(6,519)
Finance costs paid		(13,758)	(23,154)
Net cash flows used in financing activities		(31,934)	(43,748)
Net decrease in cash and cash equivalents		(14,916)	5,478
Effect of changes in foreign exchange rate		(3,777)	15,409
Cash and cash equivalents at beginning of period		65,008	34,391
Cash and cash equivalents at end of period		46,315	55,278
Cash and cash equivalents at end of period comprised of:			
Cash and bank balances		139,338	132,116
Less: Bank overdrafts		(23,619)	(16,001)
Less: Deposits pledged with financial institutions		(69,404)	(60,837)
		46,315	55,278

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024, and the accompanying explanatory notes to these interim financial statements.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting

1. Corporate Information

Eversendai Corporation Berhad (“ECB” or “the Company”) is a public limited liability company incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

As per the latest audited financial statements for financial year ended 31 December 2024, ECB has met the criteria of the business activities benchmark and financial ratio benchmark set by Shariah Advisory Council (SAC) of the Securities Commission (SC).

These unaudited condensed consolidated financial statements and the accompanying explanatory notes were approved by the Board of Directors of the Company on 30 May 2025.

2. Basis of Preparation

These unaudited condensed consolidated financial statements for the financial period ended 31 March 2025 have been prepared in accordance with MFRS 134, Interim Financial Reporting and Paragraph 9.22 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated financial statements also comply with International Accounting Standard (IAS) 34 issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024. The accompanying explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of ECB and its subsidiaries (“the Group”) since the year ended 31 December 2024

3. Material Accounting Policies

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2024 except for those standards, amendments and interpretations which are effective from the annual period beginning of 1 January 2025:

- Amendments to MFRS 121 Lack of Exchangeability

The adoption of these amendments to MFRS has no material impact to these interim financial statements.

EVERSEND AI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

As at the date of authorisation of these unaudited condensed consolidated interim financial statements, the following MFRSs and Amendments to MFRSs which were in issue but yet to be effective have not been early adopted by the Group:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards- Volume 11 ¹
MFRS 18	Presentation and Disclosure in Financial Statements ²
MFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Deferred to a date to be determined and announced by MASB.

4. Changes in Estimates

There were no changes in estimates adopted in the preparation of financial statements that have had a material effect in the current and comparative quarter.

5. Changes in Composition of the Group

There is no change in the composition of the Group, including business combination, acquisition and/or disposal of subsidiary and long-term investments, restructuring, and discontinued operations during the current quarter under review.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

6. Segment Information

	Middle East RM'000	India RM'000	Southeast Asia RM'000	Others RM'000	Total Operations RM'000	A & E * RM'000	Group RM'000
3 months ended 31.03.2025							
Revenue							
- External	303,792	75,864	26,622	-	406,279	-	406,279
- Internal	139,768	1,023	4,244	141	145,176	(145,176)	-
Total revenue	443,560	76,887	30,867	141	551,455	(145,176)	406,279
Profit/(Loss) before tax	28,135	(24,978)	5,306	3,250	11,713	-	11,713
3 months ended 31.03.2024							
Revenue							
- External	319,229	37,945	42,429	112	399,715	-	399,715
- Internal	104,839	1,220	4,271	7,183	117,513	(117,513)	-
Total revenue	424,068	39,165	46,700	7,295	517,228	(117,513)	399,715
Profit/(Loss) before tax	34,320	(2,444)	7,085	(31,487)	7,473	-	7,473

* Consolidation adjustment & elimination

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

6. Segment Information (Cont'd)

The Group's Middle East Segment continues to contribute the largest share of the revenue during the current quarter which amounted to RM303.8 million or 74.8%, followed by India region with RM75.9 million or 18.6% and Southeast Asia with RM26.6 million or 6.6% of the total Group revenue.

During the current quarter, Middle East segment reported a Profit before tax of RM28.1 million, a reduction by RM6.2 million compared to the Profit before tax during Q1 2024 of RM34.3 million. The Southeast Asia segment reported a Profit before tax of RM5.3 million compared to Profit before tax of RM7.1 million during Q1 2024. The India segment recorded Loss before tax of RM25.0 million compared to Loss before tax of RM2.4 during Q1 2024. Others segment reported Profit before tax of RM3.3 million against Loss before tax of RM31.5 million during Q1 2024.

7. Seasonality of Operations

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

8. Profit Before Tax

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

	First Quarter		Cumulative Quarter	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Interest income	1,757	480	1,757	480
Sales of scrap	11,546	1,548	11,546	1,548
Finance costs	(13,758)	(23,154)	(13,758)	(23,154)
Depreciation of property, plant and equipment	(14,785)	(13,933)	(14,785)	(13,933)
Gain on disposal of property, plant and equipment	144	123	144	123
Realised foreign exchange (loss)/gain	(473)	2,397	(473)	2,397
Unrealised foreign exchange (loss)/gain	4,871	(10,143)	4,871	(10,143)
Reversal/(provision) for employees' service benefits expenses	(2,841)	(7,838)	(2,841)	(7,838)
Reversal/(provision) for impairment loss on receivables, contract assets and others	(3,328)	(4,206)	(3,328)	(4,206)

EVERSENDAI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

9. Income Tax Expense/(Credit)

	First Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	(1,365)	-	(1,365)	-
Foreign income tax	6,072	2,991	6,072	2,991
Adjustment in respect of prior years	-	-	-	-
	<u>4,707</u>	<u>2,991</u>	<u>4,707</u>	<u>2,991</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	-	-	-	-
Adjustment in respect of prior years	-	-	-	-
Real Property gains tax	-	-	-	-
Total income tax expense/(credit)	<u>4,707</u>	<u>2,991</u>	<u>4,707</u>	<u>2,991</u>
Profit / (loss) before tax	11,713	7,473	11,713	7,473
Effective tax rate	40.2%	40.0%	40.2%	40.0%

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) on the estimated taxable profit for the period. Taxation on other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group's effective tax rate for the three months period ended 31 March 2025 is higher than the 24% statutory tax rate in Malaysia since a significant portion of the Group's pre-tax profit being generated in jurisdictions outside Malaysia.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

10. Earnings per Share

(a) Basic Earnings Per Share

Basic and diluted earnings per share for the current quarter under review are calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares issued (excluding treasury shares) during the financial period.

	First Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
(Loss)/Profit for the period attributable to equity holders of the Company (RM'000)	2,454	355	2,454	355
Number of ordinary shares in issue ('000)	<u>781,004</u>	<u>780,999</u>	<u>781,004</u>	<u>780,999</u>
Basic earnings/(loss) per share (sen)	<u>0.31</u>	<u>0.05</u>	<u>0.31</u>	<u>0.05</u>

(b) Diluted Earnings Per Share

The diluted earnings per share for the current quarter under review are calculated by dividing the net profit for the period attributable to equity holders of the Company by the weighted average number of ordinary shares issued (excluding treasury shares) during the financial period adjusted for the effects of dilutive potential ordinary shares.

	First Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.03.2025	31.03.2024	31.03.2025	31.03.2024
(Loss)/Profit for the period attributable to equity holders of the Company (RM'000)	2,454	355	2,454	355
Weighted average number of ordinary shares in issue ('000)	781,002	780,999	781,002	780,999
Effect of conversion of warrants ('000)	<u>70,028</u>	<u>-</u>	<u>70,028</u>	<u>-</u>
Number of ordinary shares in issue ('000)	<u>851,030</u>	<u>780,999</u>	<u>851,030</u>	<u>780,999</u>
Diluted earnings/(loss) per share (sen)	<u>0.29</u>	<u>0.05</u>	<u>0.29</u>	<u>0.05</u>

Note: The incremental shares from assumed conversions are included in calculating the diluted per-share amounts attributable to ordinary equity holders of the parent entity for the quarter/period.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

11. Property, Plant and Equipment

As at the end of the current quarter under review, the Group does not have any material commitment for the acquisition or disposal of property, plant and equipment.

12. Goodwill

Goodwill is tested for impairment annually (31 December) and when circumstances indicate that the carrying value may be impaired.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by directors for the next five years. The key assumptions for the value-in-use calculations are as follows:

	Growth Rate	Discount Rate Applied	Growth Rate	Discount Rate Applied
Cash-generating units ("CGUs")	2025	2025	2024	2024
Eversendai Engineering LLC Dubai	1%	9%	1%	9%
Eversendai Engineering Sdn Bhd	1%	10%	1%	10%

- a) Budgeted gross margin
The basis used to determine the budgeted gross margin is the average gross margin achieved in the year immediately before the budgeted year increase for expected efficiency improvements and after considering current economic conditions.
- b) Discount rate
The discount rates used are pre-tax and reflect the weighted average cost of capital of the respective CGUs.
- c) Growth rate
The growth rates are based on projects tendered and awarded and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

The Group considers the relationship between its budgeted gross margins, discount rate, growth rate and the carrying value of the goodwill, amongst other factors when reviewing indicators of impairment.

As at 31 March 2025, the Group believes that any reasonably possible change in the above key assumptions applied are not likely to materially cause the recoverable amounts to be lower than their carrying amounts.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

13. Inventories

Based on the nature of the Group's businesses, its procurement policies and rate of inventories turnover, the Group is not exposed to the risk of old or obsolete inventories. Accordingly, no allowance has been made for impairment. Any shortfall which may arise on subsequent realization will be recognized in the profit and loss as and when incurred.

Certain inventories of the Group are pledged against bank borrowings.

14. Cash and Cash Equivalents

Cash and cash equivalents comprised the following amounts:

	31.03.2025	31.12.2024
	RM'000	RM'000
		(Audited)
Cash and bank balances	69,377	86,546
Deposits with financial institutions	69,961	66,136
Total cash and bank balances	139,338	152,682
Less:		
Bank overdrafts	(23,619)	(22,095)
Deposits pledged with financial institutions	(69,404)	(65,579)
Total cash and cash equivalents	46,315	65,008

15. Issued Capital and Treasury Shares

There was no share buy-back during the current quarter under review.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

16. Group Borrowings and Debt Securities

	31.03.2025	31.12.2024
	RM'000	RM'000
		(Audited)
Current:		
Hire purchase payables	35	35
Bank overdrafts	23,619	22,095
Bills payable	86,700	86,788
Term loans	29,610	455,483
Total Current Borrowings	139,964	564,401
Non-current:		
Hire purchase payables	455	174
Term loans	433,013	12,267
Total Non-current Borrowings	433,468	12,441
Total Group Borrowings and Debt Securities	573,432	576,842

Included in the Group's borrowings as of 31 March 2025 are bank borrowings denominated in foreign currencies as follows:

	Value in foreign	Equivalents in
	currency	value of Malaysian
	31.03.2025	31.03.2025
	'000	RM'000
United Arab Emirates Dirham	25,308	30,557
Indian Rupees	1,166,934	60,564
Singapore Dollar	1,754	5,795
United States Dollar	100,027	443,580

EVERSENDAI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

17. Dividend Paid

No payment of dividend by the Company during the current quarter under review.

18. Commitments and Contingencies

a) Capital expenditure commitments

As at the end of the current quarter under review, the Group does not have any material capital expenditure commitments.

b) Contingencies

The Group does not have any pending litigation except as disclosed in Note 27 of this interim financial report.

Corporate guarantees

At the end of the current quarter under review, the Company has provided corporate guarantees for banking facilities to the subsidiaries, which will not result in potential financial liability to the Group, as follows:

	31.03.2025	31.12.2024
	RM'000	RM'000
		(Audited)
<u>Utilised and Unutilised Portion:</u>		
Eversendai Engineering LLC Dubai	158,180	338,183
Eversendai Offshore RMC FZE	26,141	18,501
Eversendai Construction Private Limited	309,684	324,514
Eversendai Engineering Qatar WLL	87,667	88,063
Eversendai Engineering Sdn Bhd	33,487	240,001
Eversendai Engineering Pte Ltd	127,189	139,562
Eversendai Engineering Saudi LLC	-	19,547
	742,348	1,168,372

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

A. Explanatory Notes Pursuant to Malaysian Financial Reporting Standard (MFRS) 134, Interim Financial Reporting (Cont'd)

19. Related Party Transactions

Related parties include key management personnel of the Group and companies in which they are principal owners. The following table provides information on the transactions which have been entered into with related parties during the cumulative quarters under review:

	Cumulative Quarter 3 months ended	
	31.03.2025 RM'000	31.03.2024 RM'000
Transactions with certain directors and key management personnel of the Group:		
Rental of staff accommodation and office building from a director	774	363
Transactions with other related company:		
Provision of services for engineering and fabrication by a subsidiary to a company where the Company deemed related to one of the directors by virtue of his direct interest in the ultimate holding Company of the Group	13,244	-

20. Events After the Reporting Year

There were no material events subsequent to end of the current quarter under review that have not been reflected in this interim financial report.

21. Review of Group with Comparison to Last Year Corresponding Period

The Group's revenue of RM406.3 million for the current quarter showed a marginal increase by RM6.6 million or 1.6% as compared to RM399.7 million during the corresponding quarter last year. The Group recorded Gross Profit of RM49.1 million during the current quarter against Gross Profit of RM77.0 million during corresponding quarter last year, showing a decline by RM27.9 million.

EVERSEND AI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

B. Explanatory Notes Pursuant to Chapter 9, Appendix 9B, Part A of the Main Market Listing Requirements of Bursa Malaysia

22. Material Change in Profit Before Taxation in Current Quarter as Compared to Profit before Taxation in Preceding Year's Corresponding Quarter

The Group recorded Profit before tax of RM11.7 million in the current quarter against Profit before tax of RM7.5 million in the preceding year's corresponding quarter. The increase is mainly due to realisation of variation claims and reduction in the finance costs in the current quarter.

23. Review of Group with Comparison in Current Quarter to immediately Preceding Quarter

The Group reported revenue and profit before tax of RM406.3 million and RM11.7 million respectively in the current quarter as compared to revenue of RM337.6 million and Profit before tax of RM6.2 million in the immediately preceding quarter. The increase in revenue and profit before tax are attributable to the various stages of completion of major projects and realisation of variation claims in the Middle East region. Newly commenced projects would significantly contribute to Group revenue and profits in coming quarters.

24. Prospects of the Group

With the Group's current outstanding order book of RM5.3 billion and continuous reorganisation of resources with a strong focus on optimisation of costs and improving efficiency in its operations, the Group believes that the path of recovery is in motion.

The Trojena Ski Village project from Neom and the Qiddiya Speed Park project in Kingdom of Saudi Arabia are progressing well. The fabrication requirement from the ongoing projects is enabling all the factories to operate at optimal capacity.

The Group is optimistic of its future prospects to achieve improved financial performance progressively.

25. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee committed by the Company or the Group for the current quarter under review.

26. Corporate Proposals

There is no corporate proposal announced but not completed as at 23 May 2025, being a date not earlier than seven days from the date of issuance of this interim financial report.

EVERSENDI CORPORATION BERHAD 200301011640 (614060-A)
(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2025

B. Explanatory Notes Pursuant to Chapter 9, Appendix 9B, Part A of the Main Market Listing Requirements of Bursa Malaysia (Cont'd)

27. Changes in Material Litigation

As at the date of this interim financial report, there is no material litigation or arbitration by/against the Group, which has a material effect on the financial position of the Group and the Board is not aware of any material proceedings pending or of any fact likely to give rise to any proceedings.

28. Dividend Payable

No interim dividend has been proposed during the current financial period ended 31 March 2025.

By order of the Board of Directors

Tan Sri Dato' A K Nathan Elumalay
Executive Chairman and Group Managing Director
Eversendai Corporation Berhad

30 May 2025