

EVERSENDI

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

INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025

SECOND QUARTER ENDED 30 JUNE 2025
(Figures are not audited unless otherwise specified)
(In Ringgit Malaysia)

Dated 28 August 2025

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

Date: 28 August 2025

**INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2025
FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

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(Incorporated in Malaysia)

Financial Year Ending 31 December 2025

Summary of Key Financial Information for the Second Quarter ended 30 June 2025

	Second Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2025 RM'000	30.06.2024 RM'000	30.06.2025 RM'000	30.06.2024 RM'000
1 Revenue	550,588	275,509	956,867	675,224
2 Profit /(loss) before tax	17,488	4,803	29,201	12,276
3 Profit /(Loss) for the period	11,515	428	18,521	4,910
4 Profit /(Loss) attributable to equity holders of the Company	12,158	371	14,612	726
5 Basic (loss)/earnings per share (sen)	1.56	0.05	1.87	0.09
6 Diluted (loss)/earnings per share (sen)	1.47	0.04	1.77	0.08
7 Proposed/declared dividend per share (sen)	-	-	-	-
			As at 30.06.2025 (RM)	As at 31.12.2024 (RM) (Audited)
8 Net assets per share attributable to the equity holders of the Company			0.42	0.44

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Condensed Consolidated Statement of Comprehensive Income for the Second Quarter ended 30 June 2025

	Note	Second Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
		RM'000	RM'000	RM'000	RM'000
Revenue	6	550,588	275,509	956,867	675,224
Cost of sales		(498,712)	(219,336)	(855,895)	(542,071)
Gross profit / (loss)		51,876	56,173	100,972	133,153
Interest income		(693)	272	1,064	752
Other income		967	22,195	21,214	31,426
Operating and administrative expenses		(25,892)	(56,301)	(71,521)	(112,365)
Operating Profit / (loss)		26,258	22,339	51,729	52,966
Finance costs		(8,770)	(17,536)	(22,528)	(40,690)
Profit / (loss) before tax	8	17,488	4,803	29,201	12,276
Income tax (expense)/credit	9	(5,973)	(4,375)	(10,680)	(7,366)
Profit for the period from continuing operations		11,515	428	18,521	4,910
Discontinued operations					
Loss for the period from discontinued operations, net of tax	10	-	-	-	-
Profit / (loss) for the period		11,515	428	18,521	4,910
Other comprehensive (expense)/income:					
Items that may be reclassified subsequently to profit or loss					
- Foreign currency translation		(26,765)	(1,788)	(30,638)	13,947
- Cash flow hedges		-	-	-	-
Total comprehensive (expense)/income for the period		(15,250)	(1,360)	(12,117)	18,857

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**Condensed Consolidated Statement of Comprehensive Income for the Second Quarter ended 30 June 2025
(Cont'd)**

	Note	Second Quarter 3 months ended		Cumulative Quarter 6 months ended	
		30.06.2025	30.06.2024	30.06.2025	30.06.2024
		RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period attributable to:					
- Equity holders of the Company		12,158	371	14,612	726
- Non-controlling interests		(643)	57	3,909	4,184
		<u>11,515</u>	<u>428</u>	<u>18,521</u>	<u>4,910</u>
Total comprehensive (expense)/income attributable to:					
- Equity holders of the Company		(14,478)	(1,403)	(15,888)	14,687
- Non-controlling interests		(772)	43	3,771	4,170
		<u>(15,250)</u>	<u>(1,360)</u>	<u>(12,117)</u>	<u>18,857</u>
Profit / (loss) per share attributable to equity holders of the Company					
- Basic (sen)	10	<u>1.56</u>	<u>0.05</u>	<u>1.87</u>	<u>0.09</u>
- Diluted (sen)	10	<u>1.47</u>	<u>0.04</u>	<u>1.77</u>	<u>0.08</u>

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.

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Condensed Consolidated Statement of Financial Position as at 30 June 2025

		30.06.2025	31.12.2024
		RM'000	RM'000
	Note		(Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	11	592,652	619,071
Goodwill	12	9,920	9,920
Deferred tax assets		15,895	16,842
Total Non-current Assets		618,467	645,833
Current Assets			
Inventories	13	420,428	284,605
Contract assets		860,540	523,508
Trade receivables		503,601	515,961
Other receivables, refundable deposits and prepaid expenses		228,197	161,824
Amount owing by holding company		8,242	8,555
Tax recoverable		4,759	15,090
Cash and bank balances	14	138,551	152,682
Total Current Assets		2,164,318	1,662,225
Total Assets		2,782,785	2,308,058
EQUITY AND LIABILITIES			
Current Liabilities			
Trade payables		748,163	445,089
Other payables and accrued expenses		747,670	537,059
Contract liabilities		118,169	67,685
Amount owing to directors		53,072	58,916
Amount owing to holding company		6,284	6,356
Hire-purchase payables	16	102	35
Borrowings	16	133,390	564,366
Lease liabilities	16	15,067	14,824
Tax liabilities		16,817	15,600
Total Current Liabilities		1,838,734	1,709,930

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Condensed Consolidated Statement of Financial Position as at 30 June 2025 (Cont'd)

		30.06.2025	31.12.2024
		RM'000	RM'000
	Note		(Audited)
EQUITY AND LIABILITIES (Cont'd)			
Non-current Liabilities			
Hire purchase payables	16	279	174
Borrowings	16	397,592	12,267
Lease liabilities	16	136,842	161,058
Employees' service benefits		100,347	103,523
Total Non-current Liabilities		635,060	277,022
Total Liabilities		2,473,794	1,986,952
Net Assets		308,991	321,106
Capital and Reserves			
Issued capital	15	585,311	585,310
Treasury shares	15	(91)	(91)
Capital reserve		187	187
Foreign currency translation reserve		167,042	197,543
Retained earnings		(421,586)	(436,199)
Equity attributable to equity holders of the Company		330,863	346,750
Non-controlling interests		(21,872)	(25,644)
Total Equity		308,991	321,106
Total Equity and Liabilities		2,782,785	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.

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Condensed Consolidated Statement of Changes in Equity for the Second Quarter ended 30 June 2025

		Attributable to equity holders of the Company							
		Non-distributable			Distributable				
		Issued capital	Treasury share	Capital reserve	Foreign currency translation 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
At 01.01.2024		585,308	(91)	187	220,199	(449,593)	356,010	(25,807)	330,203
Profit for the period						726	726	4,184	4,910
Dividend		-	-	-	-	-	-	(2,958)	(2,958)
Other comprehensive income					13,961	-	13,961	(14)	13,948
Total comprehensive income/(loss)		-	-	-	13,961	726	14,688	1,212	15,900
Conversion of warrants		2	-	-	-	-	2	-	2
At 30.06.2024		585,310	(91)	187	234,160	(448,867)	370,700	(24,595)	346,105

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Condensed Consolidated Statement of Changes in Equity for the Second Quarter ended 30 June 2025 (Cont'd)

Attributable to equity holders of the Company								
Non-distributable					Distributable		Non-controlling interests	Total equity
	Issued capital	Treasury share	Capital reserve	Foreign currency translation reserve	Retained earnings/ (Accumulated losses)	Total		
Note	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	-	-	-	-	14,612	14,612	3,909	18,521
Dividend	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(30,501)	-	(30,501)	(137)	(30,638)
Total comprehensive income	-	-	-	(30,501)	14,612	(15,888)	3,772	(12,116)
Conversion of warrants	1					1		1
At 30.06.2025	585,311	(91)	187	167,042	(421,587)	330,863	(21,872)	308,991

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.

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Condensed Consolidated Statement of Cash Flows for the Second Quarter ended 30 June 2025

		Cumulative Quarter 6 months ended	
	Note	30.06.2025 RM'000	30.06.2024 RM'000
Operating activities			
Profit /(Loss) before taxation		29,201	12,276
Adjustments for:			
Depreciation of property, plant and equipment		30,113	27,507
Provision for employees' service benefits		5,918	11,099
Gain on disposal of property, plant and equipment		(424)	(270)
Interest income		(1,064)	(752)
Impairment loss/(Reversal) on receivables and assets		3,304	6,150
Unrealised foreign exchange loss		(1,022)	10,507
Finance costs		22,528	40,690
Operating profit before working capital changes		88,554	107,207
Working capital changes:			
Net changes in current assets		(554,180)	206,918
Net changes in current liabilities		549,813	10,505
Cash generated from operations		84,187	324,631
Employees' service benefits paid		(3,266)	(9,283)
Taxes (paid)/refunded		-	-
Net cash flows generated used in operating activities		80,921	315,348
Investing activities			
Purchase of property, plant and equipment		(3,694)	(23,687)
Proceeds from disposal of property, plant and equipment		424	270
Increase/(decrease) in deposits with financial institutions		16,871	56,452
Interest received		1,064	752
Net cash flows used in investing activities		14,665	33,787

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Condensed Consolidated Statement of Cash Flows for the Second Quarter ended 30 June 2025 (Cont'd)

		Cumulative Quarter 6 months ended	
	Note	30.06.2025 RM'000	30.06.2024 RM'000
Financing activities			
Drawdown/(repayment) of bank borrowings		(45,651)	(274,261)
Increase/(decrease) of amount owing to holding company		-	41
Addition to /(repayment) of lease liabilities		(23,973)	(4,367)
Increase /(decrease) in amount owing to directors		(5,844)	2,781
Finance costs paid		(22,528)	(40,690)
Net cash flows used in financing activities		(97,996)	(316,496)
Net decrease in cash and cash equivalents		(2,410)	32,639
Effect of changes in foreign exchange rate		(29,554)	13,658
Cash and cash equivalents at beginning of period		65,008	34,391
Cash and cash equivalents at end of period		33,044	80,688
Cash and cash equivalents at end of period comprised of:			
Cash and bank balances		138,551	174,958
Less: Bank overdrafts		(23,057)	(34,797)
Less: Deposits pledged with financial institutions		(82,450)	(59,473)
		33,044	80,688

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.

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Explanatory Notes to the Interim Financial Report for the Second Quarter ended 30 June 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 28 August 2025.

2. Basis of Preparation

These unaudited condensed consolidated financial statements for the financial period ended 30 June 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 ~~standards~~, amendments ~~to MFRS~~ and ~~interpretations~~ has no material impact to these interim financial statements.

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Explanatory Notes to the Interim Financial Report for the Second Quarter ended 30 June 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 MFRS 9 and MFRS 7
Amendments to MFRSs

MFRS 18

MFRS 19

Amendments to MFRS 10 and MFRS 128

Amendments to the Classification and Measurement of
Financial Instruments¹

Contracts Referencing Nature-dependent Electricity¹
Annual Improvements to MFRS Accounting Standards-
Volume 11¹

Presentation and Disclosure in Financial Statements²

Subsidiaries without Public Accountability: Disclosures²

Sale or Contribution of Assets between an Investor and
its Associate or Joint Venture³

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

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² Effective for annual periods beginning on or after 1 January 2027.
³ Deferred to a date to be determined and announced by MASB.

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~~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)~~

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.

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Explanatory Notes to the Interim Financial Report for the Second Quarter ended 30 June 2025

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

6. Segment Information

	Middle East	India	Southeast Asia	Others	Total Operations	A & E *	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
6 months ended 30.06.2025							
Revenue							
- External	737,432	150,899	68,536	-	956,867	-	956,867
- Internal	291,163	2,116	10,866	282	304,427	(304,427)	-
Total revenue	1,028,595	153,015	79,402	282	1,261,295	(304,427)	956,867
Profit/(Loss) before tax	40,855	(23,767)	10,004	2,110	29,201	-	29,201
6 months ended 30.06.2024							
Revenue							
- External	517,546	85,587	72,092	-	675,224	-	675,224
- Internal	243,876	2,211	9,509	21,164	276,760	(276,760)	-
Total revenue	761,422	87,798	81,601	21,164	951,984	(276,760)	675,224
Profit/(Loss) before tax	56,849	(4,192)	10,764	(51,145)	12,276	-	12,276

* Consolidation adjustment & elimination

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Explanatory Notes to the Interim Financial Report for the Second Quarter ended 30 June 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 RM433.64 million or 78.8%, followed by India region with RM75.0 million or 13.6% and Southeast Asia with RM41.9 million or 7.6% of the total Group revenue.

During the current period, Middle East segment reported a Profit before tax of RM12.7 million compared to the Profit before tax during Q2 2024 of RM22.5 million. The Southeast Asia segment reported a Profit before tax of RM4.7 million compared to Profit before tax of RM3.7 million during Q2 2024. The India segment recorded Profit before tax of RM1.2 million compared to Loss before tax of RM1.7 during Q2 2024. Others segment reported Loss before tax of RM1.1 million against Loss before tax of RM19.7 million during Q2 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):

	Second Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Interest income	(693)	272	1,064	752
Sales of scrap	3,840	5,591	15,386	7,139
Finance costs	(8,770)	(17,536)	(22,528)	(40,690)
Depreciation of property, plant and equipment	(15,328)	(13,574)	(30,113)	(27,507)
Gain on disposal of property, plant and equipment	280	147	424	270
Realised foreign exchange (loss)/gain	159	290	(314)	2,687
Unrealised foreign exchange (loss)/gain	(3,849)	(364)	1,022	(10,507)
Reversal/(provision) for employees' service benefits expenses	(3,077)	(3,262)	(5,918)	(11,099)
Reversal/(provision) for impairment loss on receivables, contract assets and others	24	(1,944)	(3,304)	(6,150)

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

9. Income Tax Expense/(Credit)

	Second Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	(13)	16	(1,378)	16
Foreign income tax	5,986	4,359	12,058	7,350
Adjustment in respect of prior years	-	-	-	-
	<u>5,973</u>	<u>4,375</u>	<u>10,680</u>	<u>7,366</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>5,973</u>	<u>4,375</u>	<u>10,680</u>	<u>7,366</u>

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 30 June 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.

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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.

	Second Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
(Loss)/Profit for the period attributable to equity holders of the Company (RM'000)	12,158	371	14,612	726
Number of ordinary shares in issue ('000)	<u>781,006</u>	<u>781,004</u>	<u>781,006</u>	<u>781,004</u>
Basic earnings/(loss) per share (sen)	<u>1.56</u>	<u>0.05</u>	<u>1.87</u>	<u>0.09</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.

	Second Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.06.2025	30.06.2024	30.06.2025	30.06.2024
(Loss)/Profit for the period attributable to equity holders of the Company (RM'000)	12,158	371	14,612	726
Weighted average number of ordinary shares in issue ('000)	781,005	781,002	781,005	781,002
Effect of conversion of warrants ('000)	<u>44,811</u>	<u>110,519</u>	<u>44,811</u>	<u>110,519</u>
Number of ordinary shares in issue ('000)	<u>825,816</u>	<u>891,521</u>	<u>825,816</u>	<u>891,521</u>
Diluted earnings/(loss) per share (sen)	<u>1.47</u>	<u>0.04</u>	<u>1.77</u>	<u>0.08</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.

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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")	20242025	2025	20232024	20232024
Eversendai Engineering LLC Dubai	1%	109 %	1%	109 %
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 30 June 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.

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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:

	30.06.2025	31.12.2024
	RM'000	RM'000
		(Audited)
Cash and bank balances	55,544	86,546
Deposits with financial institutions	83,007	66,136
Total cash and bank balances	138,551	152,682
Less:		
Bank overdrafts	(23,057)	(22,095)
Deposits pledged with financial institutions	(82,450)	(65,579)
Total cash and cash equivalents	33,044	65,008

15. Issued Capital and Treasury Shares

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

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

16. Group Borrowings and Debt Securities

	30.06.2025	31.12.2024
	RM'000	RM'000
		(Audited)
Current:		
Hire purchase payables	102	35
Bank overdrafts	23,057	22,095
Bills payable	80,874	86,788
Term loans	29,459	455,483
Total Current Borrowings	133,492	564,401
Non-current:		
Hire purchase payables	279	174
Term loans	397,592	12,267
Total Non-current Borrowings	397,871	12,441
Total Group Borrowings and Debt Securities	531,363	576,842

Included in the Group's borrowings as of 30 June 2025 are bank borrowings denominated in foreign currencies as follows:

	Value in foreign	Equivalents in
	currency	value of Malaysian
	30.06.2025	30.06.2025
	'000	RM'000
United Arab Emirates Dirham	24,120	27,682
Indian Rupees	1,045,142	51,421
Singapore Dollar	1,405	4,650
United States Dollar	98,436	414,990

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Explanatory Notes to the Interim Financial Report for the Second Quarter ended 30 June 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:

	30.06.2025	31.12.2024
	RM'000	RM'000
		(Audited)
<u>Utilised and Unutilised Portion:</u>		
Eversendai Engineering LLC Dubai	123,781	338,183
Eversendai Offshore RMC FZE	24,372	18,501
Eversendai Construction Private Limited	297,218	324,514
Eversendai Engineering Qatar WLL	83,270	88,063
Eversendai Engineering Sdn Bhd	21,270	240,001
Eversendai Engineering Pte Ltd	127,443	139,562
Eversendai Engineering Saudi LLC	-	19,547
	677,353	1,168,372

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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 6 months ended	
	30.06.2025 RM'000	30.06.2024 RM'000
Transactions with certain directors and key management personnel of the Group:		
Rental of staff accommodation and office building from a director	1,570	881
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	31,087	-

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 RM956.9 million for the current period showed an increase by RM281.6 million or 41.7% as compared to RM675.2 million during last year corresponding period. However, the Group recorded Gross Profit of RM101.0 million during the current quarter as against Gross Profit of RM133.2 million during last year corresponding period, showing a decline of RM32.2 million. There were additional claims made which upon realisation should improve the Gross Profit in subsequent quarters.

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Explanatory Notes to the Interim Financial Report for the Second Quarter ended 30 June 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 RM17.5 million in the current quarter against Profit before tax of RM4.8 million in the preceding year's corresponding quarter. The increase is mainly due to 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 RM550.6 million and RM17.5 million respectively in the current quarter as compared to revenue of RM406.3 million and Profit before tax of RM11.7 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. 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 RM5.7 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.

In Kingdom of Saudi Arabia, Trojena Ski Village project from Neom and Qiddiya Speed Park project, in India, DLF Taramani project and all projects in Southeast Asia are progressing well. The fabrication tonnage requirements from the ongoing projects are enabling all the fabrication facilities 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 August 2025, being a date not earlier than seven days from the date of issuance of this interim financial report.

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Explanatory Notes to the Interim Financial Report for the Second Quarter ended 30 June 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 30 June 2025.

By order of the Board of Directors

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

28 August 2025