

EVERSENDAI

EVERSENDAI CORPORATION BERHAD

(Company No. 614060-A)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015

FIRST QUARTER ENDED 31 MARCH 2015

(Figures are not audited unless otherwise specified)
(In Ringgit Malaysia)

Dated 28 May 2015

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

Date: 28 May 2015

**INTERIM FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015
FOR THE FIRST QUARTER ENDED 31 MARCH 2015**

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Financial Year ending 31 December 2015

Summary of Key Financial Information for the First Quarter ended 31 March 2015

	First Quarter 3 months ended		Cumulative Quarter 3 months ended	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
1 Revenue	402,777	230,721	402,777	230,721
2 Profit before tax	21,180	11,308	21,180	11,308
3 Profit for the periods	20,233	10,349	20,233	10,349
4 Profit attributable to equity holders of the Company	19,396	10,991	19,396	10,991
5 Basic earnings per share (sen)	2.51	1.42	2.51	1.42
6 Proposed/declared dividend per share (sen)	-	-	-	-
			As at 31.3.2015 (RM) (Unaudited)	As at 31.12.2014 (RM) (Audited)
7 Net assets per share attributable to the equity holders of the Company			1.26	1.18

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Condensed Consolidated Statement of Comprehensive Income for the First Quarter ended 31 March 2015

	Note	First Quarter 3-month ended		Cumulative Quarter 3-month ended	
		31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Revenue		402,777	230,721	402,777	230,721
Cost of sales		(340,213)	(197,720)	(340,213)	(197,720)
Gross profit		62,564	33,001	62,564	33,001
Interest income		296	458	296	458
Dividend income		890	1,020	890	1,020
Other income		8,261	6,402	8,261	6,402
Operating and administrative expense		(36,957)	(24,869)	(36,957)	(24,869)
Operating profit		35,054	16,012	35,054	16,012
Finance costs		(7,498)	(5,057)	(7,498)	(5,057)
Share of associates' results		-	(326)	-	(326)
Net (loss)/ gain on financial assets at fair value through profit or loss		(6,376)	679	(6,376)	679
Profit before tax	8	21,180	11,308	21,180	11,308
Income tax expense	9	(947)	(959)	(947)	(959)
Profit for the period		20,233	10,349	20,233	10,349
Other comprehensive income/(expense) not to be reclassified to profit or loss in subsequent periods:					
- Fair value adjustment of investment securities		(17)	11	(17)	11
- Foreign currency translation		42,626	(4,231)	42,626	(4,231)
Other comprehensive income/(expense) for the period not to be reclassified to profit or loss in subsequent periods		42,609	(4,220)	42,609	(4,220)
Total comprehensive income for the period		62,842	6,129	62,842	6,129

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	Note	First Quarter 3-month ended		Cumulative Quarter 3-month ended	
		31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Profit/(loss) for the period attributable to:					
- Equity holders of the Company		19,396	10,991	19,396	10,991
- Non-controlling interests		837	(642)	837	(642)
		<u>20,233</u>	<u>10,349</u>	<u>20,233</u>	<u>10,349</u>
Total comprehensive income/(expense) attributable to:					
- Equity holders of the Company		60,970	6,810	60,970	6,810
- Non-controlling interests		1,872	(681)	1,872	(681)
		<u>62,842</u>	<u>6,129</u>	<u>62,842</u>	<u>6,129</u>
Earnings per share attributable to equity holders of the Company					
- Basic (sen)	10	2.51	1.42	2.51	1.42

These condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014, and the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statement of Financial Position as at 31 March 2015

	Note	31.3.2015 RM'000 (Unaudited)	31.12.2014 RM'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	11	486,792	449,421
Goodwill	12	12,088	12,088
Deferred tax assets		550	508
Derivatives financial assets	15	15,838	15,838
Investment securities	15	81,470	87,847
Other receivables		42,431	-
Total non-current assets		639,169	565,702
Current assets			
Inventories	13	188,960	148,543
Amount due from customers on construction contracts		438,218	394,831
Trade contract receivables		532,143	466,142
Other receivables and deposits		100,383	77,655
Tax recoverable		196	136
Investment securities	15	83,196	94,630
Deposit and bank balances	14	197,177	242,702
Total current assets		1,540,273	1,424,639
Total assets		2,179,442	1,990,341
Equity and liabilities			
Current liabilities			
Trade payables		193,677	151,230
Other payables		230,808	193,242
Amount due to customers on construction contracts		132,566	124,899
Amount due to directors		1,660	1,508
Hire purchase payables	17	2,029	3,098
Borrowings	17	293,198	248,077
Provision for taxation		27,079	25,436
Total current liabilities		881,017	747,490

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Condensed Consolidated Statement of Financial Position as at 31 March 2015 (Cont'd)

		31.3.2015	31.12.2014
		RM'000	RM'000
	Note	(Unaudited)	(Audited)
Equity and liabilities (cont'd)			
Non-current liabilities			
Hire purchase payables	17	6,175	6,275
Borrowings	17	276,629	288,795
Employees' service benefits		38,780	34,806
Deferred tax liabilities		2,977	2,999
Total non-current liabilities		324,561	332,875
Total liabilities		1,205,578	1,080,365
Net assets		973,864	909,976
Equity attributable to equity holders of the Company			
Share capital	16	387,000	387,000
Share premium		191,515	191,515
Treasury shares		(91)	(91)
Capital reserve		307	307
Foreign currency translation reserve		78,578	35,952
Fair value adjustment reserve		(445)	(428)
Retained earnings	29	314,771	295,375
		971,635	909,630
Non-controlling interests		2,229	346
Total equity		973,864	909,976
Total equity and liabilities		2,179,442	1,990,341

These condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014, and the accompanying explanatory notes attached to these interim financial statements.

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Condensed Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2015

	← Attributable to equity holders of the Company →							Distributable	Non-controlling interests	Total equity
	Non-distributable									
	Share capital	Share premium	Treasury share	Capital reserve	Foreign currency translation reserve	Fair value adjustment reserve	Retained earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2014	387,000	191,515	(2)	307	1,418	(454)	265,710	845,494	1,374	846,868
Purchase of treasury shares	-	-	(89)	-	-	-	-	(89)	-	(89)
Profit for the period	-	-	-	-	-	-	10,991	10,991	(642)	10,349
Other comprehensive income/(expense)	-	-	-	-	(4,230)	11	-	(4,219)	(39)	(4,258)
Total comprehensive income/(expense)	-	-	-	-	(4,230)	11	10,991	6,772	(681)	6,091
At 31.3.2014	387,000	191,515	(91)	307	(2,812)	(443)	276,701	852,177	693	852,870

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Condensed Consolidated Statement of Changes in Equity for the First Quarter ended 31 March 2015 (Cont'd)

	← Attributable to equity holders of the Company →							Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Non-distributable				Distributable					
	Share capital RM'000	Share premium RM'000	Treasury share RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Retained earnings RM'000			
At 1.1.2015	387,000	191,515	(91)	307	35,952	(428)	295,375	909,630	346	909,976
Profit for the period	-	-	-	-	-	-	19,396	19,396	837	20,233
Other comprehensive income/(expense)	-	-	-	-	42,626	(17)	-	42,609	1,046	43,655
Total comprehensive income/(expense)	-	-	-	-	42,626	(17)	19,396	62,005	1,883	63,888
At 31.3.2015	387,000	191,515	(91)	307	78,578	(445)	314,771	971,635	2,229	973,864

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 2014, and the accompanying explanatory notes attached to these interim financial statements.

EVERSENDI CORPORATION BERHAD (614060-A)

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Financial Year ending 31 December 2015**Condensed Consolidated Statement of Cash Flows for the First Quarter ended 31 March 2015**

	Cumulative Quarter 3 months ended	
	31.3.2015	31.3.2014
	RM'000	RM'000
Operating activities		
Profit before taxation	21,180	11,308
Adjustments for:		
Depreciation of property, plant and equipment	7,041	7,796
Provision for employees' service benefits	2,839	1,797
Gain on disposal of property, plant and equipment	(29)	(65)
Net loss/(gain) on financial assets at fair value through profit or loss	6,376	(679)
Share of associates' results	-	326
Write back of impairment losses on receivables	-	(5,028)
Interest income	(296)	(458)
Dividend income from investment securities	(890)	(1,020)
Unrealised foreign exchange gain	(4,855)	(42)
Interest expense	7,498	5,057
	<u>38,864</u>	<u>18,992</u>
Operating profit before working capital changes		
Working capital changes:		
Net changes in current assets	(209,219)	(71,279)
Net changes in current liabilities	87,683	119,921
	<u>(82,672)</u>	<u>67,634</u>
Cash (used in)/generated from operations		
Employees' service benefits paid	(1,012)	(778)
Taxes paid	(884)	(1,191)
Interest expense paid	(7,498)	(5,057)
	<u>(92,066)</u>	<u>60,608</u>
Net cash flows (used in)/generated from operating activities		
Investing activities		
Purchase of property, plant and equipment	(27,444)	(11,243)
Proceeds from disposal of property, plant and equipment	30	361
Net changes in investment securities	11,434	(39,569)
Decrease/(increase) in deposits pledged with financial institutions	1,765	(2,826)
Interest received	296	458
Dividend received	-	1,020
	<u>(13,919)</u>	<u>(51,799)</u>
Net cash flows used in investing activities		

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Condensed Consolidated Statement of Cash Flows for the First Quarter ended 31 March 2015 (Cont'd)

	Cumulative Quarter 3 months ended	
	31.3.2015	31.3.2014
	RM'000	RM'000
Financing activities		
Purchase of treasury shares	-	(89)
Drawdown/(repayment) of bank borrowings	30,101	(19,840)
Dividends paid	-	(32)
(Repayment)/drawdown of hire purchase payables	(1,169)	1,170
Amount due to directors	152	(19)
	<u>29,084</u>	<u>(18,810)</u>
Net cash generated from/(used in) financing activities		
	(76,901)	(10,001)
Effect of changes in foreign exchange rate	30,287	(4,860)
Cash and cash equivalents at beginning of period	206,364	141,841
	<u>159,750</u>	<u>126,980</u>
Cash and cash equivalents at end of period		
Cash and cash equivalents at end of period comprised of:		
Cash and bank balances	197,177	167,504
Less: Bank overdrafts	(2,854)	(10)
Less: Deposits with financial institutions	(34,573)	(40,514)
	<u>159,750</u>	<u>126,980</u>

These condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014, and the accompanying explanatory notes to these interim financial statements.

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Financial Year Ending 31 December 2015**Explanatory Notes to the Interim Financial Report for the First Quarter ended 31 March 2015****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”).

These unaudited condensed consolidated interim financial statements and the accompanying explanatory notes were approved by the Board of Directors of the Company on 28 May 2015.

2. Basis of Preparation

These unaudited condensed consolidated interim financial statements for the financial year ended 31 March 2015 have been prepared in accordance with MFRS 134, Interim Financial Reporting and Chapter 9 of the Main Market Listing Requirements of Bursa Malaysia. These unaudited condensed consolidated interim financial statements also comply with International Accounting Standard (IAS) 34 issued by the International Accounting Standards Board (“IASB”).

These unaudited condensed consolidated interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014. The accompanying explanatory notes provide explanations to events and transactions that are significant to the understanding of the changes in the financial position and performance of ECB and its subsidiaries (“the Group”) since the year ended 31 December 2014.

3. Significant Accounting Policies

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual statements for the financial year ended 31 December 2014 except for the adoption of the following with effect from 1 January 2015:

<u>Description</u>	<u>Effective date</u>
- Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
- Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
- Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

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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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6. Segment Information

	Structural Steel & Plant Construction				Oil & Gas	Total	A & E *	Group
	Middle-East	India	Malaysia	Others				
	RM'000	RM'000	RM'000	RM'000				
3 months ended 31.3.2015								
Revenue								
- External	187,727	67,143	88,837	49	59,021	402,777	-	402,777
- Internal	73,100	2,331	-	-	-	75,431	(75,431)	-
Total revenue	260,827	69,474	88,837	49	59,021	478,208	(75,431)	402,777
Profit before tax	10,837	9,152	6,809	(7,788)	7,170	26,180	(5,000)	21,180
3 months ended 31.3.2014								
Revenue								
- External	137,804	17,053	67,953	-	7,911	230,721	-	230,721
- Internal	34,827	2,465	-	14,714	-	52,006	(52,006)	-
Total revenue	172,631	19,518	67,953	14,714	7,911	282,727	(52,006)	230,721
Profit before tax	11,336	(1,382)	8,664	9,941	(2,211)	26,348	(15,040)	11,308

* Consolidation adjustment & eliminations

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6. Segment Information (Cont'd)

The steel fabrication and erection for building and infrastructure construction businesses in the Middle-East region continued to contribute a lion share of the Group's revenue (46.6%) and pre-tax profit of RM10.8 million in the current financial period-to-date.

The operations in Malaysia, which is mainly steel fabrication and erection for construction of coal-fired power plant had contributed 22.1% of the Group's revenue. Its revenue rose from RM68.0 million to RM88.8 million mainly due to Tanjung Bin 4 coal-fired power plant contract and PKT Logistics Warehouse project.

The revenue from operations in India has also increased to RM67.1 million with a contribution of 16.7% of the Group revenue with a pre-tax profit of RM9.2 million, mainly contributed by higher value of contract in execution.

The oil and gas business has expanded and contributed to 14.7% of the Group's revenue, as compared to Q1 2014 of 3.4%. Its profit has also increased from a loss of RM2.2 million to a profit of RM7.2 million in the current quarter.

7. Seasonality of Operations

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

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8. Profit/(loss) Before Tax

Included in the profit before tax are the following income/(expense):

	First Quarter 3-month ended		Cumulative Quarter 3-month ended	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Interest income	296	458	296	458
Dividend income from investment securities	890	1,020	890	1,020
Sales of scrap	2,971	1,541	2,971	1,541
Interest expense	(7,498)	(5,057)	(7,498)	(5,057)
Depreciation of property, plant and equipment	(7,041)	(7,796)	(7,041)	(7,796)
Write back of impairment losses on receivables	-	5,028	-	5,028
Gain on disposal of property, plant and equipment	29	65	29	65
Unrealised foreign exchange gain/(loss)	4,855	(42)	4,855	(42)
Net (loss)/gain on financial assets at fair value through profit or loss	(6,376)	679	(6,376)	679
Employee benefits expense	2,839	1,797	2,839	1,797

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9. Income Tax Expense

	First Quarter 3-month ended		Cumulative Quarter 3-month ended	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Current income tax:				
Malaysian income tax	694	968	694	968
Foreign income tax	264	(9)	264	(9)
(Over)/under provision in previous years	-	-	-	-
	<u>958</u>	<u>959</u>	<u>958</u>	<u>959</u>
Deferred tax:				
Relating to origination and reversal of temporary differences	(11)	-	(11)	-
Under/(over) provision in previous years	-	-	-	-
	<u>(11)</u>	<u>-</u>	<u>(11)</u>	<u>-</u>
Total income tax expense	<u>947</u>	<u>959</u>	<u>947</u>	<u>959</u>
Profit before taxation	21,180	11,308	21,180	11,308
Effective tax rate	4%	8%	4%	8%

Domestic current income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) on the estimated taxable profit for the period. Taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Group's effective tax rate for the current quarter ended 31 March 2015 of 4% was lower than the 25% statutory tax rate in Malaysia is due mainly to significant portion of the Group's pre-tax profit were generated in the Middle East region where business profits in many of the jurisdictions are not subject to income tax.

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10. Earnings per Share**Basic/diluted**

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-month ended		Cumulative Quarter 3-month ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
Profit for the period (RM'000)	19,396	10,991	19,396	10,991
Number of ordinary shares in issue ('000)	773,899	773,899	773,899	773,899
Basic earnings per share (sen)	2.51	1.42	2.51	1.42

11. Property, plant and equipment

During the current quarter period under review, the Group disposed-off assets with carrying value of RM1,000 (2014: RM296,000), resulting in a gain of RM29,000 (2014: RM65,000), recognized and included in other income in the statement of comprehensive income.

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. Intangible Assets

Goodwill is tested for impairment annually (31 December) and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill is based on the followings:

- 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 Group.

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12. Intangible Assets (Cont'd)

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 cash-generating units.

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 2015, 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.

13. Inventories

In 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:

	31.3.2015	31.12.2014
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash and bank balances	162,584	156,726
Deposits with financial institutions	34,593	85,976
Total cash and bank balances	197,177	242,702
Less:		
Bank overdrafts	(2,854)	-
Deposits pledged with financial institutions	(34,573)	(36,338)
Total cash and cash equivalents	159,750	206,364

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15. Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

As at the end of the current quarters under review, the Group held the following financial assets that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Total RM'000
At 31.3.15			
Non-current asset			
Derivative financial asset	15,838	-	15,838
Investment securities	81,470	-	81,470
Current asset			
Investment securities	83,196	-	83,196
Total	180,504	-	180,504
At 31.12.14			
Non-current asset			
Derivative financial asset	15,838	-	15,838
Investment securities	87,847	-	87,847
Current asset			
Investment securities	94,630	-	94,630
Total	198,315	-	198,315

Investment securities are investments in unit trust fund and quoted shares. Derivative financial asset is an investment in the quoted warrants. The fair value of this class of financial asset is measured based on the quoted market price, with the fair value gains or losses through profit or loss.

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15. Fair Value Hierarchy (Cont'd)

Structure deposit is an investment placed with a licensed financial institution, and with returns that linked to market indices. The fair value of this class of financial asset is measured based on the market observable inputs, with the fair value gains or losses through profit or loss.

The Group does not have any financial instruments measured at fair value using significant unobservable inputs. There were no transfers between any levels of the fair value hierarchy took place during the current quarter and comparative period. The Group also does not hold any credit enhancement or collateral to mitigate credit risk and therefore, the carrying amount of financial assets represents the potential credit risk.

16. Share Capital, Share Premium and Treasury Shares

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

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17. Group Borrowings and Debt Securities

	31.3.2015 RM'000 (Unaudited)	31.12.2014 RM'000 (Audited)
Current:		
Hire purchase	2,029	3,098
Bank borrowings	293,198	248,077
Total current	295,227	251,175
Non-current:		
Hire purchase	6,175	6,275
Bank borrowings	26,629	38,795
Islamic medium-term notes	250,000	250,000
Total non-current	282,804	295,070
Total group borrowings and debt securities	578,031	546,245

Included in the Group's borrowings as at 31 March 2015 are bank borrowings denominated in foreign currencies as follows:

	Value in foreign currency 31.3.2015 RM'000	Equivalents in value of Malaysian currency 31.3.2015 RM'000
United Arab Emirates Dirham	138,876	140,335
Qatari Riyal	81,941	83,468
Indian Rupees	1,455,641	86,298

18. Dividends Paid

There was no payment of dividends by the Company during the current quarter under review.

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19. Commitments and Contingencies

a) Capital expenditure commitments

	31.3.2015	31.3.2014
	RM'000	RM'000
Contracted but not provided for:		
Land	-	468
Factory building & labour accommodation	17,979	2,487
Computer systems and others	182	1,395
	<u>18,161</u>	<u>4,350</u>
Approved but not contracted for:		
Factory building	30,314	24,423
Plant and machinery	-	18,633
	<u>30,314</u>	<u>43,056</u>

b) Operating lease commitments

	31.3.2015	31.3.2014
	RM'000	RM'000
Within one year	17,849	15,600
After one year but not more than five years	55,860	43,445
More than five years	186,994	183,231
	<u>260,703</u>	<u>242,276</u>

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19. Commitments and Contingencies (Cont'd)

c) 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 quarters under review, the Group has provided corporate guarantees for banking facilities; which will not result in potential financial liability to the Group, as follows:

	31.3.2015	31.3.2014
	RM'000	RM'000
		(restated)
Eversendai Engineering LLC	2,460,452	2,116,403
Eversendai Offshore RMC FZE	398,484	-
Eversendai Engineering Qatar WLL	688,862	659,594
Eversendai Construction Private Limited	200,739	146,058
Shineversendai Engineering (M) Sdn Bhd	260,118	260,118
	4,008,655	3,182,173

20. 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	
	31.3.2015	31.3.2014
	RM'000	RM'000
Transactions with certain directors and key management personnel of the Group:		
Rental of staff accommodation and office building from a director	256	233
Provision of services for engineering and fabrication by a subsidiary to a company where the Company deemed related to one of the director by virtue of his direct interest in the ultimate holding of the Group	53,426	-

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21. Events After the Reporting Period

There were not material events subsequent to the end of the current quarter under review that have not been reflected in this interim financial report.

B. Explanatory Notes Pursuant to Chapter 9, Appendix 9B, Part A of the Main Market Listing Requirements of Bursa Malaysia**22. Review of Group with Comparison to Last Year's Corresponding Periods**

During the first quarter, the Group has secured to the following contracts:

- a) A structural steel fabrication and erection contract for the Nas Arena contract in Dubai, for a total contract value of approximately RM44.5 million;
- b) A structural steel fabrication contract for the construction of Dhirubhai Ambani International Convention and Exhibition Centre (DAICEC) in Mumbai, India for a total contract value of approximately RM184.7 million;
- c) A RM120.0 million contract for the construction of the 12 Waves, in Batu Kawan, Penang, Malaysia;
- d) A structural steel fabrication and erection contract for the Al Wahda Arches and Visitors Centre in Doha, Qatar for a total contract value of approximately RM269.2 million;
- e) 2 structural steel fabrication and erection contracts in Kingdom of Saudi Arabia at approximately RM245.7 million.

The Group recorded total revenue of RM402.8 million in the first quarter, which when compared to last year's RM230.7 million, was higher by 74.6%.

Out of the total revenue of RM402.8 million, 60.0% was contributed by the businesses in the Middle-East region (including the Commonwealth of Independent States), 23.3% by operations in Malaysia and the remaining 16.7% by projects in India.

Profit before tax for the first quarter of RM21.2 million, when compared to last year's RM11.3 million, was a result of higher value of contract-in-execution.

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23. Material Change in Profit Before Taxation in Current Quarter as Compared to Preceding Quarter

The Group's profit before tax of RM21.2 million during the first quarter, which when compared to the 2014 fourth quarter's RM22.8 million, was lower by 7.0%. This was mainly due to additional fair value loss recognised from the changes in value of quoted investment securities.

24. Prospects of the Group

During the current financial quarter ended 31 March 2015, the Group has secured approximately RM864.1 million in new contracts. As at 31 March 2015, the Group's order book stood at approximately RM2.0 billion. Approximately 56% of the order book came from the Group's traditional stronghold in the Middle East region and the Commonwealth of Independent States, while the remaining will be executed by the operations in Qatar (22%), Malaysia (12%) and India (10%).

On top of sustaining inflows of contracts from its' established core businesses in the steel engineering, fabrication and erection for the building construction industry, the Group's extension and expansion of its core strengths into the related segments in the oil and gas industry which started in the middle of year 2013, have been successful with the procurement of contracts for the construction of both onshore and offshore oil & gas processing plant, production supporting facilities and equipment.

Barring unforeseen circumstances, and notwithstanding the gestation period of new businesses in the oil & gas industry, the Board is confident that the Group's prospects remain positive based on the long term underlying fundamentals.

25. Profit Forecast or Profit Guarantee

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

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26. Corporate Proposals

There is no corporate proposal announced but not completed as at 21 May 2015, being a date not earlier than seven days from the date of issuance of this interim financial report.

27. Changes in Material Litigation

During the current quarters under review and up to 21 May 2015, being a date no earlier than seven days from the date of this interim financial report, a supplier known as Linsun Engineering Sdn Bhd had on 14 November 2014, served a Writ of Summons against the company's subsidiary, Shineversendai Engineering (M) Sdn Bhd for certain supply of manpower for scaffolding erection and dismantling works at the Project known as Manjung 4 Power Plant for an alleged claim of RM8,222,465 plus interest which is disputed by the company. The company is of the view that it has a very good defence against the alleged claim. The case management which was earlier fixed on 25 May 2015, was brought forward to 12 May 2015.

The next case management for this matter is fixed on 8 June 2015 and the trial will be from 26 to 29 October 2015.

28. Dividend Payable

The Board of Directors has proposed a final tax exempt (single-tier) dividend of 1.25 sen per share on 773,899,000 ordinary shares (excluded treasury share of 101,000) of RM0.50 each, amounting to total dividend payable of RM9,673,738 for the financial year ended 31 December 2014. Such dividend, if approved by the shareholders will be accounted for in the statement of changes in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

29. Realised and Unrealised Profits or Losses

The breakdown of the retained profits of the Group as at 31 March 2015 and 31 December 2014 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia dated 25 March 2010 and 20 December 2010, and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

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29. Realised and Unrealised Profits or Losses (Cont'd)

	31.3.2015 RM'000 (Unaudited)	31.12.2014 RM'000 (Audited)
Total retained profits of the Group as reported under MFRS		
- Realised	685,292	660,229
- Unrealised	(23,377)	(23,548)
	<u>661,915</u>	<u>636,681</u>
Less: Consolidation adjustments	(347,144)	(341,306)
Total retained profits of the Group as per consolidated financial statements	<u>314,771</u>	<u>295,375</u>

30. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 December 2014 was not qualified.

By order of the Board of Directors

Tan Sri Nathan a/l Elumalay
Executive Chairman and Group Managing Director
Eversendai Corporation Berhad
28 May 2015