

EVERSENDAI

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

UNAUDITED CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 2012
FIRST QUARTER ENDED
31 MARCH 2012

DATED 23 MAY 2012

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

SUMMARY OF KEY FINANCIAL INFORMATION
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

| | Individual Period ended | | Cumulative Period ended | |
|--|---|---|--|---|
| | 31 March 2012 RM'000 (Unaudited) | 31 March 2011 RM'000 (Unaudited) | 31 March 2012 RM'000 (Unaudited) | 31 March 2011 RM'000 (Unaudited) |
| 1 Revenue | 248,961 | 207,850 | 248,961 | 207,850 |
| 2 Profit before tax | 31,253 | 26,328 | 31,253 | 26,328 |
| 3 Profit for the period | 29,762 | 25,477 | 29,762 | 25,477 |
| 4 Profit attributable to ordinary equity holders of the parent | 27,249 | 22,559 | 27,249 | 22,559 |
| 5 Basic earnings per share (sen) | 3.52 | 2.91 | 3.52 | 2.91 |
| 6 Proposed/Declared dividend per share (sen) | - | - | - | - |
| | As at 31 March 2012 (Unaudited) RM'000 | | As at 31 December 2011 (Audited) RM'000 | |
| 7 Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.95 | - | 0.93 | - |

CURRENCY: - MALAYSIAN RINGGIT (RM)

Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.

Example for the subunit as follows:

| Country | Base Unit | Subunit |
|----------|-----------|---------|
| Malaysia | Ringgit | Sen |

EVERSENDAI CORPORATION BERHAD (614060-A)
(Incorporated in Malaysia)
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

| | Individual Period ended | | Cumulative Period ended | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 |
| Revenue | 248,961 | 207,850 | 248,961 | 207,850 |
| Cost of Sales | (204,072) | (166,237) | (204,072) | (166,237) |
| Gross profit | 44,889 | 41,613 | 44,889 | 41,613 |
| Interest income | 1,858 | 174 | 1,858 | 174 |
| Other income | 6,653 | 2,882 | 6,653 | 2,882 |
| Operating and administrative expenses | (17,727) | (12,960) | (17,727) | (12,960) |
| Finance costs | (4,420) | (5,381) | (4,420) | (5,381) |
| Profit before taxation | 31,253 | 26,328 | 31,253 | 26,328 |
| Income tax expense | (1,491) | (851) | (1,491) | (851) |
| Profit for the period | 29,762 | 25,477 | 29,762 | 25,477 |
| Other comprehensive income | | | | |
| Fair value adjustment of investment securities | 821 | - | 821 | - |
| Foreign currency translation | (13,184) | (4,133) | (13,184) | (4,133) |
| Total comprehensive income | 17,399 | 21,344 | 17,399 | 21,344 |
| Profit attributable to : | | | | |
| Equity holders of the Company | 27,249 | 22,559 | 27,249 | 22,559 |
| Non-controlling interests | 2,513 | 2,918 | 2,513 | 2,918 |
| | 29,762 | 25,477 | 29,762 | 25,477 |
| Total comprehensive income attributable to : | | | | |
| Equity holders of the Company | 15,424 | 18,612 | 15,424 | 18,612 |
| Non-controlling interests | 1,975 | 2,732 | 1,975 | 2,732 |
| | 17,399 | 21,344 | 17,399 | 21,344 |
| Basic/diluted earnings per share attributable to equity holders of the company (sen)* | 3.52 | 2.91 | 3.52 | 2.91 |

* Basic earnings per share attributable to ordinary equity holders of the Company is based on number of ordinary shares in issue post listing of 774,000,000.

These unaudited condensed consolidated statements of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

| | As at 31 March 2012 (Unaudited) RM'000 | As at 31 December 2011 (Restated) RM'000 | As at 1 January 2011 (Restated) RM'000 |
|---|--|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 204,848 | 211,757 | 184,051 |
| Goodwill | 9,920 | 9,920 | 9,920 |
| Deferred tax assets | 237 | 246 | 133 |
| Total non-current assets | 215,005 | 221,923 | 194,104 |
| Current assets | | | |
| Inventories | 145,546 | 158,590 | 251,685 |
| Amount due from customers on construction contracts | 322,705 | 290,944 | 93,146 |
| Trade contract receivables | 355,963 | 360,234 | 280,882 |
| Other receivables and deposits | 31,779 | 36,385 | 24,973 |
| Investment securities | 153,227 | 151,483 | - |
| Deposits and bank balances | 211,747 | 198,650 | 194,308 |
| Total current assets | 1,220,967 | 1,196,286 | 844,994 |
| Total Assets | 1,435,972 | 1,418,209 | 1,039,098 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 387,000 | 387,000 | 28,000 |
| Foreign currency translation reserve | (31,724) | (18,540) | (29,249) |
| Capital reserves | 307 | 307 | 307 |
| Share premium | 191,515 | 191,515 | - |
| Fair value adjustment reserve | 475 | (346) | - |
| Retained earnings | 187,031 | 159,782 | 316,312 |
| | 734,604 | 719,718 | 315,370 |
| Non-controlling interests | 9,981 | 8,006 | 2,568 |
| Total Equity | 744,585 | 727,724 | 317,938 |

These unaudited condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D.)
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

| | As at 31 March 2012 (Unaudited) RM'000 | As at 31 December 2011 (Restated) RM'000 | As at 1 January 2011 (Restated) RM'000 |
|---|---|---|---|
| Non-current liabilities | | | |
| Hire purchase payables | 3,213 | 2,902 | 3,560 |
| Bank borrowings | 9,569 | 10,170 | 10,253 |
| Other payables | - | - | 782 |
| Employees' service benefits | 17,005 | 15,786 | 12,622 |
| Deferred tax liabilities | 2,128 | 1,352 | 1,986 |
| Total Non-current liabilities | 31,915 | 30,210 | 29,203 |
| Current liabilities | | | |
| Trade payables | 91,965 | 84,044 | 44,680 |
| Other payables | 188,252 | 166,553 | 137,897 |
| Amount due to directors | 10,712 | 11,472 | 14,690 |
| Hire purchase payables | 1,292 | 2,188 | 3,167 |
| Bank borrowings | 255,748 | 291,224 | 377,592 |
| Amount due to customers on construction contracts | 102,491 | 96,181 | 109,479 |
| Provision for taxation | 9,012 | 8,613 | 4,452 |
| Total Current liabilities | 659,472 | 660,275 | 691,957 |
| Total liabilities | 691,387 | 690,485 | 721,160 |
| Total equity and liabilities | 1,435,972 | 1,418,209 | 1,039,098 |
| Net asset per share attributable to ordinary equity holders of the Company (RM)* | 0.95 | 0.93 | 0.41 |

* Net asset per share attributable to ordinary equity holders of the Company is based on number of ordinary shares in issue post listing of 774,000,000.

These unaudited condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

| | 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 | Capital reserve RM'000 | Foreign currency translation reserve RM'000 | Share premium RM'000 | Other reserve RM'000 | Fair value adjustment reserve RM'000 | Retained earnings RM'000 | | | |
| Balance as at 1 January 2011 | 28,000 | 307 | (29,249) | - | - | - | 316,312 | 315,370 | 2,568 | 317,938 |
| Bonus issue ** | 275,985 | - | - | - | (275,985) | - | - | - | - | - |
| New share issue | 83,015 | - | - | 191,515 | - | - | - | 274,530 | - | 274,530 |
| Dividend ^^ | - | - | - | - | - | - | - | - | (7,023) | (7,023) |
| Total comprehensive income for the year | - | - | 10,709 | - | - | (346) | 119,455 | 129,818 | 12,461 | 142,279 |
| Balance as at 31 December 2011 | 387,000 | 307 | (18,540) | 191,515 | (275,985) | (346) | 435,767 | 719,718 | 8,006 | 727,724 |

These unaudited condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

| | ← Attributable to equity holders of the Company → | | | | | | | | | |
|---|---|------------------------------|---|----------------------------|----------------------------|---|--------------------------------|-----------------|--|---------------------------|
| | ← Non-distributable → | | | | → Distributable | | | | | |
| | Share capital RM'000 | Capital reserve RM'000 | Foreign currency translation reserve RM'000 | Share premium RM'000 | Other reserve RM'000 | Fair value adjustment reserve RM'000 | Retained earnings RM'000 | Total RM'000 | Non- controlling interests RM'000 | Total equity RM'000 |
| Balance as at 1 January 2012 | 387,000 | 307 | (18,540) | 191,515 | (275,985) | (346) | 435,767 | 719,718 | 8,006 | 727,724 |
| MFRS day-1 adjustment** | - | - | - | - | 275,985 | - | (275,985) | - | - | - |
| Fair value adjustment reserve | - | - | - | - | - | 821 | - | 821 | - | 821 |
| Total comprehensive income for the period | - | - | (13,184) | - | - | - | 27,249 | 14,065 | 1,975 | 16,040 |
| Balance as at 31 March 2012 | 387,000 | 307 | (31,724) | 191,515 | - | 475 | 187,031 | 734,604 | 9,981 | 744,585 |

** - The Bonus Issue was effected by way of capitalising RM275,985,000 from the Company's revaluation reserves of RM333,500,000 based on the Company's latest audited financial statements as at 31 December 2010. The negative reserve is reversed to retained earnings upon the adoption of new MFRS Framework.

^^ - This relates to Dividend declared by Eversendai Engineering Qatar, WLL

These unaudited condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012

| | 3 Months Ended | |
|---|----------------------------|----------------------------|
| | 31 March 2012 RM'000 | 31 March 2011 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 31,253 | 26,328 |
| Adjustments for: | | |
| Depreciation | 5,701 | 5,314 |
| Employees' service benefits | 2,566 | 1,022 |
| Allowance for impairment of receivables | 360 | - |
| Write back of allowance | (4,957) | - |
| Fair value adjustment of investment securities | 821 | - |
| Interest income | (935) | (174) |
| Dividend income from investment securities | (923) | - |
| Interest expense | 4,420 | 5,381 |
| Operating profit before working capital changes | 38,306 | 37,871 |
| Working capital changes:- | | |
| Net changes in current assets | (3,439) | (96,597) |
| Net changes in current liabilities | 35,929 | 204,867 |
| Cash generated from operations | 70,796 | 146,141 |
| Employees' service benefits paid | (816) | (575) |
| Taxes paid | (163) | (110) |
| Interest expense paid | (4,420) | (5,381) |
| Net cash generated from operating activities | 65,397 | 140,075 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (3,672) | (12,975) |
| Net changes in investment securities | (1,744) | - |
| Fixed deposits pledged | 1,374 | 9,550 |
| Interest received | 1,858 | 174 |
| Net cash used in investing activities | (2,184) | (3,251) |

These unaudited condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D.)
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011

| | 3 Months Ended | |
|--|-------------------------------------|-------------------------------------|
| | 31 March 2012 RM'000 | 31 March 2011 RM'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of bank borrowings | (53,706) | (125,482) |
| (Repayment)/Drawdown of hire purchase payables | (584) | 287 |
| Amount due to directors | (760) | (32) |
| Net cash used in financing activities | (55,050) | (125,227) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 8,163 | 11,597 |
| Effect of foreign exchange rate changes | (11,321) | (2,231) |
| Cash and cash equivalents at 31 December 2011/2010 | 139,406 | 141,852 |
| CASH AND CASH EQUIVALENTS AT 31 MARCH 2012/2011 | 136,248 | 151,218 |
| CASH AND CASH EQUIVALENTS AT 31 MARCH 2012/2011 COMPRISES : | | |
| Cash and bank balance | 211,747 | 195,354 |
| less : Bank Overdraft | (24,775) | (1,724) |
| less : Deposit pledged to banks | (50,724) | (42,412) |
| | 136,248 | 151,218 |

These unaudited condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

**EVERSENDAI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012**

**EXPLANATORY NOTES TO THE QUARTERLY REPORT FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2012**

EXPLANATORY NOTES PURSUANT TO MFRS 134

1. CORPORATE INFORMATION

Eversendai Corporation Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 23 May 2012.

2. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")

These unaudited condensed consolidated interim financial statements, for the period ended 31 March 2012, have been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These unaudited condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 December 2011 which were prepared under FRS are available upon request from the Company registered office at Lot 19956, Jalan Industri 3/6, Rawang Integrated Industrial Park, 48000 Selangor.

These unaudited condensed consolidated interim financial statements are the Group's first MFRS unaudited condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards "MFRS 1") has been applied.

The explanatory notes attached to these unaudited condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1 January 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 3 below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

**EVERSENDAI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012**

3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these unaudited condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

Investments in subsidiaries

Under FRS, the Company's investments in subsidiaries are stated at fair value with the changes in fair value taken to other comprehensive income. The revaluation reserve arising from this revaluation of subsidiaries were previously utilised for a bonus issue in the financial year ended 31 December 2011. Upon adoption of MFRS, the Company has elected to use the fair value as of the transition date as the deemed cost for these investments in subsidiaries. Accordingly, at the date of transition to MFRS, the cumulative balance in other reserve of the Group is now taken to retained earnings in the opening consolidated statement of changes in equity as at 1 January 2011.

Estimates

The estimates at 1 January 2011 and at 31 December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1 January 2011, the date of transition to MFRS and as of 31 December 2011.

The reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

EVERSENDAI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1 (CONT'D.)

RECONCILIATIONS OF EQUITY

| Note | FRS as at 1 January 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 1 January 2011 (RM'000) | FRS as at 31 March 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 31 March 2011 (RM'000) | FRS as at 31 December 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 31 December 2011 (RM'000) |
|---|--|-------------------------|---|--|-------------------------|--|--|-------------------------|---|
| Assets | | | | | | | | | |
| Non-current assets | | | | | | | | | |
| Property, plant and equipment | 184,051 | - | 184,051 | 189,389 | - | 189,389 | 211,757 | - | 211,757 |
| Goodwill | 9,920 | - | 9,920 | 9,920 | - | 9,920 | 9,920 | - | 9,920 |
| Deferred tax assets | 133 | - | 133 | 206 | - | 206 | 246 | - | 246 |
| | <u>194,104</u> | <u>-</u> | <u>194,104</u> | <u>199,515</u> | <u>-</u> | <u>199,515</u> | <u>221,923</u> | <u>-</u> | <u>221,923</u> |
| Current assets | | | | | | | | | |
| Inventories | 251,685 | - | 251,685 | 241,676 | - | 241,676 | 158,590 | - | 158,590 |
| Amounts due from customers on construction contracts | 93,146 | - | 93,146 | 122,601 | - | 122,601 | 290,944 | - | 290,944 |
| Trade contract receivables | 280,882 | - | 280,882 | 360,233 | - | 360,233 | 360,234 | - | 360,234 |
| Other receivables and deposits | 24,973 | - | 24,973 | 22,773 | - | 22,773 | 36,385 | - | 36,385 |
| Investments securities | - | - | - | - | - | - | 151,483 | - | 151,483 |
| Deposits and bank balances | 194,308 | - | 194,308 | 195,354 | - | 195,354 | 198,650 | - | 198,650 |
| | <u>844,994</u> | <u>-</u> | <u>844,994</u> | <u>942,637</u> | <u>-</u> | <u>942,637</u> | <u>1,196,286</u> | <u>-</u> | <u>1,196,286</u> |
| Total assets | <u>1,039,098</u> | <u>-</u> | <u>1,039,098</u> | <u>1,142,152</u> | <u>-</u> | <u>1,142,152</u> | <u>1,418,209</u> | <u>-</u> | <u>1,418,209</u> |

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1 (CONT'D.)

RECONCILIATIONS OF EQUITY (CONT'D.)

| | Note | FRS as at 1 January 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 1 January 2011 (RM'000) | FRS as at 31 March 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 31 March 2011 (RM'000) | FRS as at 31 December 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 31 December 2011 (RM'000) |
|---|------|--|-------------------------|---|--|-------------------------|--|--|-------------------------|---|
| Equity and liabilities | | | | | | | | | | |
| Equity attributable to equity holders of the company | | | | | | | | | | |
| Share capital | | 28,000 | - | 28,000 | 28,000 | - | 28,000 | 387,000 | - | 387,000 |
| Foreign currency translation reserve | | (29,249) | - | (29,249) | (33,382) | - | (33,382) | (18,540) | - | (18,540) |
| Capital reserves | | 307 | - | 307 | 307 | - | 307 | 307 | - | 307 |
| Share premium | | - | - | - | - | - | - | 191,515 | - | 191,515 |
| Fair value adjustment reserve | | - | - | - | - | - | - | (346) | - | (346) |
| Revaluation reserve | | - | - | - | - | - | - | (275,985) | 275,985 | - |
| Retained earnings | | 316,312 | - | 316,312 | 338,871 | - | 338,871 | 435,767 | (275,985) | 159,782 |
| | | 315,370 | - | 315,370 | 333,796 | - | 333,796 | 719,718 | - | 719,718 |
| Non-controlling interests | | 2,568 | - | 2,568 | 5,300 | - | 5,300 | 8,006 | - | 8,006 |
| Total equity | | 317,938 | - | 317,938 | 339,096 | - | 339,096 | 727,724 | - | 727,724 |
| Non-current liabilities | | | | | | | | | | |
| Hire purchase payables | | 3,560 | - | 3,560 | 4,193 | - | 4,193 | 2,902 | - | 2,902 |
| Bank borrowings | | 10,253 | - | 10,253 | 14,159 | - | 14,159 | 10,170 | - | 10,170 |
| Other payables | | 782 | - | 782 | - | - | - | - | - | - |

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

3. SIGNIFICANT ACCOUNTING POLICIES AND APPLICATION OF MFRS 1 (CONT'D.)

RECONCILIATIONS OF EQUITY (CONT'D.)

| | Note | FRS as at 1 January 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 1 January 2011 (RM'000) | FRS as at 31 March 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 31 March 2011 (RM'000) | FRS as at 31 December 2011 (RM'000) | Adjustments (RM'000) | MFRS as at 31 December 2011 (RM'000) |
|---|------|--|-------------------------|---|--|-------------------------|--|--|-------------------------|---|
| Equity and liabilities(cont'd) | | | | | | | | | | |
| Employees' service benefits | | 12,622 | - | 12,622 | 12,865 | - | 12,865 | 15,786 | - | 15,786 |
| Deferred tax liabilities | | 1,986 | - | 1,986 | 1,985 | - | 1,985 | 1,352 | - | 1,352 |
| Total non-current liabilities | | 29,203 | - | 29,203 | 33,202 | - | 33,202 | 30,210 | - | 30,210 |
| Current liabilities | | | | | | | | | | |
| Trade payables | | 44,680 | - | 44,680 | 99,784 | - | 99,784 | 84,044 | - | 84,044 |
| Other payables | | 137,897 | - | 137,897 | 203,576 | - | 203,576 | 166,553 | - | 166,553 |
| Amount due to directors | | 14,690 | - | 14,690 | 14,658 | - | 14,658 | 11,472 | - | 11,472 |
| Hire purchase payables | | 3,167 | - | 3,167 | 2,821 | - | 2,821 | 2,188 | - | 2,188 |
| Bank borrowings | | 377,592 | - | 377,592 | 249,434 | - | 249,434 | 291,224 | - | 291,224 |
| Amount due to customers on construction contracts | | 109,479 | - | 109,479 | 194,345 | - | 194,345 | 96,181 | - | 96,181 |
| Provision for taxation | | 4,452 | - | 4,452 | 5,236 | - | 5,236 | 8,613 | - | 8,613 |
| Total current liabilities | | 691,957 | - | 691,957 | 769,854 | - | 769,854 | 660,275 | - | 660,275 |
| Total liabilities | | 721,160 | - | 721,160 | 803,056 | - | 803,056 | 690,485 | - | 690,485 |
| Total equities and liabilities | | 1,039,098 | - | 1,039,098 | 1,142,152 | - | 1,142,152 | 1,418,209 | - | 1,418,209 |

EVERSENDI CORPORATION BERHAD (614060-A)
 NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

4. SEGMENT INFORMATION

| | Middle East | | India | | Malaysia | | Others | | Total | | Adjustments & Eliminations | | Group | |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 |
| Revenue | | | | | | | | | | | | | | |
| External | 180,477 | 192,921 | 39,306 | 6,717 | 29,178 | 8,212 | - | - | 248,961 | 207,850 | - | - | 248,961 | 207,850 |
| Internal | 63,150 | 48,780 | 2,701 | 2,264 | - | 2,507 | - | - | 65,851 | 53,551 | (65,851) | (53,551) | - | - |
| | <u>243,627</u> | <u>241,701</u> | <u>42,007</u> | <u>8,981</u> | <u>29,178</u> | <u>10,719</u> | <u>-</u> | <u>-</u> | <u>314,812</u> | <u>261,401</u> | <u>(65,851)</u> | <u>(53,551)</u> | <u>248,961</u> | <u>207,850</u> |
| Gross profit | 37,529 | 39,501 | 3,213 | 393 | 3,819 | 1,719 | - | - | 44,561 | 41,613 | 328 | - | 44,889 | 41,613 |
| Interest income | | | | | | | | | | | | | 1,858 | 174 |
| Other income | | | | | | | | | | | (328) | | 6,653 | 2,882 |
| Other expenses | | | | | | | | | | | | | (17,727) | (12,960) |
| Finance costs | | | | | | | | | | | | | (4,420) | (5,381) |
| Profit before tax | | | | | | | | | | | | | 31,253 | 26,328 |
| Taxation | | | | | | | | | | | | | (1,491) | (851) |
| Profit for the financial period | | | | | | | | | | | | | <u>29,762</u> | <u>25,477</u> |

EVERSENDAI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

4. SEGMENT INFORMATION (CONT'D.)

Gross profit for the Group in current quarter has increased by 7.9% as compared to quarter ending 31 March 2011. The higher gross profit was contributed by the following segments:

India

India segment recorded a sharp increase of gross profit by 717.6%. The growth in this market was mainly contributed by the EMCO Power Plant project in Warora and Worli Mixed-Use Development project in Mumbai.

Malaysia

Gross profit in Malaysia segment has increased by 122.2% as compared to the previous corresponding quarter. This is mainly contributed by the KLIA2, Sabah Oil & Gas Terminal, Manjung Power Plant and Tanjung Bin Power Plant projects.

With the current order book spread, India and Malaysia will continue to contribute higher revenue and gross profit to the Group in the coming future as compared to corresponding period last year. The growth of the Group will continue to be mainly driven by the Middle East segment.

5. CHANGES IN ESTIMATES

There were no changes in estimates that have had a material effect in the current and previous interim results.

6. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in composition of the Group in the current and previous interim results.

7. SEASONALITY OF OPERATIONS

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

EVERSENDAI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

8. PROFIT BEFORE TAX

Included in the profit before tax are the following:

| | Individual Period ended | | Cumulative Period ended | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | 31 March 2012 RM'000 | 31 March 2011 RM'000 | 31 March 2012 RM'000 | 31 March 2011 RM'000 |
| Interest income | (935) | (174) | (935) | (174) |
| Dividend income from investment securities | (923) | - | (923) | - |
| Sale of scraps | (2,585) | (1,042) | (2,585) | (1,042) |
| Other income | (4,706) | (253) | (4,706) | (253) |
| Interest expense | 4,420 | 5,381 | 4,420 | 5,381 |
| Depreciation of property, plant and equipment | 5,701 | 5,314 | 5,701 | 5,314 |
| Allowance for impairment of receivables and bad debts written off | 1 | - | 1 | - |
| (Gain)/loss on disposal of quoted and unquoted investments | - | - | - | - |
| Write-back of over provision in trade payables | (114) | - | (114) | - |
| Impairment of goodwill | - | - | - | - |
| Impairment of property, plant and equipment | - | - | - | - |
| Inventories written off | - | - | - | - |
| Employee benefits expenses | 2,566 | 1,022 | 2,566 | 1,022 |
| Gain on disposal of property, plant and equipment | (14) | (65) | (14) | (65) |
| Net foreign exchange loss/ (gain) | 767 | (1,773) | 767 | (1,773) |

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

9. INCOME TAX EXPENSE

| | Individual Period ended | | Cumulative Period ended | |
|----------------------|-------------------------|---------------|-------------------------|---------------|
| | 31 March 2012 | 31 March 2011 | 31 March 2012 | 31 March 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax: | | | | |
| Malaysian Income tax | 130 | 181 | 130 | 181 |
| Foreign Tax | 1,361 | 670 | 1,361 | 670 |
| | <u>1,491</u> | <u>851</u> | <u>1,491</u> | <u>851</u> |

| | Individual Period ended | | Cumulative Period ended | |
|--|-------------------------|---------------|-------------------------|---------------|
| | 31 March 2012 | 31 March 2011 | 31 March 2012 | 31 March 2011 |
| | Effective tax rate | <u>4.77%</u> | <u>3.23%</u> | <u>4.77%</u> |

The Group's effective tax rate for the current financial period ended 31 March 2011 is lower than Malaysian statutory tax rate as the subsidiaries in the UAE are not subject to any taxation and the subsidiary in Qatar has a flat rate of 10% applicable on the Group's portion of 70% of its taxable profits.

10. EARNINGS PER SHARE

Basic/Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax, attributable to owners of the Company by the number of ordinary shares in issue post listing which of 774,000,000.

| | Current quarter/ 3 months ended | | Cumulative quarter/ 3 month ended | |
|---|---------------------------------|---------------|-----------------------------------|---------------|
| | 31 March 2012 | 31 March 2011 | 31 March 2012 | 31 March 2011 |
| Profit net of tax attributable to owners of the of the Company (RM'000) | 27,249 | 22,559 | 27,249 | 22,559 |
| Number of ordinary shares in issue post listing ('000) | 774,000 | 774,000 | 774,000 | 774,000 |
| Basic earnings per share (sen per share) | <u>3.52</u> | <u>2.91</u> | <u>3.52</u> | <u>2.91</u> |

Diluted earnings per share are equivalent to basic earnings per share as the Company does not have any potentially dilutive shares.

**EVERSENDI CORPORATION BERHAD (614060-A)
 NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012**

11. PROPERTY, PLANT AND EQUIPMENT

Assets with a carrying amount of RM39,000 were disposed by the Group during three months ended 31 March 2012 (31 March 2011: RM Nil), resulting in a gain on disposal of RM14,000 (31 March 2011: RM65,000), recognised and included in other income in the statement of comprehensive income.

12. INTANGIBLE ASSETS

| | Goodwill RM'000 |
|--|----------------------------|
| Cost: | |
| At 1 January 2011/31 December 2011/ 1 January 2012 | 9,920 |
| Accumulated amortisation and impairment: | |
| At 1 January 2011/31 December 2011/ 1 January 2012 | - |
| At 31 March 2012 | - |
| Net Carrying amount: | |
| At 1 January 2011 | 9,920 |
| At 31 December 2011 | 9,920 |
| At 31 March 2012 | 9,920 |

Goodwill

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:

- (i) **Budgeted gross margin**
 The basis used to determine the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increase for expected efficiency improvements and after considering current economic conditions.
- (ii) **Discount rate**
 The discount rates used are pre-tax and reflect cost of borrowings of the subsidiaries.
- (iii) **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 margin, growth rate, discount rate and its book value, among other factors when reviewing indicators of impairment. As at 31 March 2012, 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 (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

13. INVENTORIES

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

The inventories are pledged against certain bank borrowings.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprised the following amounts:

| | 31 March 2012 RM'000 | 31 December 2011 RM'000 | 1 January 2011 RM'000 |
|--------------------------------------|-------------------------------------|--|--------------------------------------|
| Deposits with financial institutions | 127,449 | 143,138 | 65,413 |
| Cash and bank balances | 84,298 | 55,512 | 128,895 |
| Total cash and bank balances | <u>211,747</u> | <u>198,650</u> | <u>194,308</u> |

For the purpose of cash flow statements, cash and cash equivalents comprise the following as at the reporting date:

| | 31 March 2012 RM'000 | 31 December 2011 RM'000 | 1 January 2011 RM'000 |
|----------------------------------|-------------------------------------|--|--------------------------------------|
| Cash and bank balances | 211,747 | 198,650 | 194,308 |
| Less: Bank overdrafts | (24,775) | (7,146) | (494) |
| | <u>186,972</u> | <u>191,504</u> | <u>193,814</u> |
| Less: Deposits pledged to banks | (50,724) | (52,098) | (51,962) |
| Cash and cash equivalents | <u>136,248</u> | <u>139,406</u> | <u>141,852</u> |

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

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 prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Inputs that are based on observable market data, either directly or indirectly
- Level 3 - Inputs that are not based on observable market data

As at the reporting date, the Group held the following financial assets that are measured at fair Value:

| | Total RM'000 | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 |
|--|-------------------------|---------------------------|---------------------------|---------------------------|
| 31 March 2012 | | | | |
| Financial assets measured at fair value: | | | | |
| Investment securities | <u>153,227</u> | <u>153,227</u> | <u>-</u> | <u>-</u> |
| 31 December 2011 | | | | |
| Financial assets measured at fair value: | | | | |
| Investment securities | <u>151,483</u> | <u>151,483</u> | <u>-</u> | <u>-</u> |
| 1 January 2011 | | | | |
| Financial assets measured at fair value: | | | | |
| Investment securities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

No transfers between any levels of the fair value hierarchy took place during the current interim period and the comparative period. There were also no changes in the purpose of any financial asset that subsequently resulted in a different classification of that asset.

The Group does not hold credit enhancements or collateral to mitigate credit risk. The carrying amount of financial assets therefore represents the potential credit risk.

16. SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities during the current financial period.

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

17. GROUP BORROWINGS AND DEBT SECURITIES

| | 31 March 2012 RM'000 | 31 December 2011 RM'000 | 1 January 2011 RM'000 |
|--------------------|----------------------------|-------------------------------|-----------------------------|
| Current | | | |
| Hire purchase | 1,292 | 2,188 | 3,167 |
| Bank borrowings | 255,748 | 291,224 | 377,592 |
| | <u>257,040</u> | <u>293,412</u> | <u>380,759</u> |
| Non-current | | | |
| Hire purchase | 3,213 | 2,902 | 3,560 |
| Bank borrowings | 9,569 | 10,170 | 10,253 |
| | <u>12,782</u> | <u>13,072</u> | <u>13,813</u> |

Included in the borrowings as at 31 March 2012 are borrowing denominated in foreign currency:

| | Foreign Currency '000 | Malaysian Currency RM'000 |
|------------------------------------|-----------------------------|---------------------------------|
| United Arab Emirates Dirhams (AED) | 112,357 | 93,631 |
| Qatari Riyal (QR) | 144,323 | 121,259 |
| Indian Rupees (INR) | 350,202 | 20,586 |
| | | <u>235,476</u> |

18. DIVIDENDS

No interim ordinary dividend has been declared for the financial period ended 31 March 2012 (31 March 2011: Nil)

At the forthcoming Annual General Meeting, a final tax exempt (single-tier) dividend in respect of the financial year ending 31 December 2011, of 1 sen per share on 774,000,000 ordinary shares of RM0.50 each, amounting to a dividend payable of RM7,740,000 will be proposed for shareholders' approval. The financial statements for the current financial period do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as appropriation of retained earnings in the financial period ending 30 June 2012.

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

19. COMMITMENT AND CONTINGENCIES

Capital expenditure commitments

Capital expenditure commitments contracted but not provided for in the interim financial statements as at the end of the financial period are as follows:-

| | 31 March 2012 RM'000 | 31 December 2011 RM'000 | 1 January 2011 RM'000 |
|----------------------------------|-------------------------------------|--|--------------------------------------|
| Factory building | 2,628 | 2,961 | 10,208 |
| Computer systems | 850 | 693 | - |
| Others | - | 62 | - |
| | <u>3,478</u> | <u>3,716</u> | <u>10,208</u> |
| Approved but not contracted for: | | | |
| Factory building | <u>23,196</u> | <u>35,630</u> | <u>-</u> |

Operating lease commitments

Operating lease commitments not provided for in the interim financial statements as at the end of the financial period are as follows:-

| | 31 March 2012 RM'000 | 31 December 2011 RM'000 | 1 January 2011 RM'000 |
|--|-------------------------------------|--|--------------------------------------|
| Future minimum lease payments: | | | |
| - not later than 1 year | 3,797 | 6,340 | 3,369 |
| - later than 1 year and not later than 5 years | 5,870 | 6,281 | 7,373 |
| - later than 5 years | 302 | 419 | 2,025 |
| | <u>9,969</u> | <u>13,040</u> | <u>12,767</u> |

Corporate guarantees

The Company has provided corporate guarantees for banking facilities to the following subsidiaries as at 31 March 2012:-

| | 1 January 2011 RM'000 |
|---|----------------------------------|
| Eversendai Engineering LLC | 1,048,112 |
| Eversendai Engineering FZE | 370,309 |
| EVS Construction LLC | 8,032 |
| Eversendai Engineering Qatar WLL | 331,988 |
| Eversendai Construction Private Limited | 103,034 |
| Shineversendai Engineering (M) Sdn Bhd | 98,426 |
| | <u>1,959,901</u> |

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

20. RELATED PARTY TRANSACTIONS

The following table provides information on the transactions which have been entered into with related parties during the three-month period ended 31 March 2012 and 31 March 2011 as well as the balances with the related parties as at 31 March 2012 and 31 December 2011:

| | 2012 | 2011 |
|---|------------------|------------------|
| | RM'000 | RM'000 |
| Transactions with certain directors and key management personnel of the Group: | | |
| Personal guarantee provided by a director | <u>1,452,366</u> | <u>1,441,065</u> |
| Personal guarantee provided by a director and a key management of the Company | <u>5,878</u> | <u>5,818</u> |
| Rental of office from the in-laws of our General Manager for the Infrastructure Division of Eversendai Construction Private Limited | <u>4</u> | <u>7</u> |
| Rental of staff accommodations from our Executive Chairman and Group Managing Director | <u>27</u> | <u>101</u> |
| Transactions with a foreign partner of the Group: | | |
| Lease of labour quarters | <u>302</u> | <u>634</u> |

21. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

EVERSENDAI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

EXPLANATORY NOTES PURSUANT TO BURSA MALAYSIA LISTING REQUIREMENTS: CHAPTER 9,
APPENDIX 9B, PART A

22. REVIEW OF PERFORMANCE

For the quarter ended 31 March 2012, the Group reported a revenue and profit after tax of RM248.96 million and RM29.76 million respectively. Revenue and profit after tax of the Group for the three months ended 31 March 2011 was RM207.85 million and RM25.48 million respectively.

72.5% of the Group's revenue was from its Middle East operations in UAE, Saudi Arabia and Qatar. The current major projects of the Group in the Middle East include the King Abdullah Petroleum Studies & Research Center (KAPSARC) and CMA Towers in Saudi Arabia, Qatar Faculty of Islamic Studies and Erhama bin Jaber Al Jalahma (Nakilat) Shipyard Phase 4A in Qatar and Gate District Tower – Penthouse Bridge in Abu Dhabi. The Group's India and Malaysia operations contributed 15.8% and 11.7% respectively to the Group Revenue.

The current profit for the financial period was arrived at after expensing RM17.73 million of operating and administration expenses and RM4.42 million of finance cost. Total expenditure for the financial period was mainly from staff related expenses and lease rental of RM8.90 million and RM2.20 million respectively.

23. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION

The profit before taxation margin for the first quarter ended 31 March 2012 is 1.3% higher than the immediate preceding quarter due to higher other income from sales of scrap and reduction in finance cost.

24. COMMENTARY ON PROSPECTS

The Group has secured few major contracts in the first quarter of 2012 and is optimistic on its prospects based on the order book in excess of RM1.91 billion in hand. With the diverse and strong order book, the Group is strategically positioned to perform well in FY 2012 and going forward.

The wide geographical spread, number of projects, repeat clients and large client base of the current order book minimizes the risk profile of the Group substantially, as it is not dependent solely on any specific sector and or client.

As a result of the above, the Group is confident of maintaining sustainable profitability and continued excellent performance in FY 2012 and going forward.

25. COMMENTARY ON PROGRESS TO ACHIEVE REVENUE OR PROFIT ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS

This is not applicable to the Group as the Group had not issued any profit estimate, forecast, projection or internal targets.

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

26. STATEMENT BY DIRECTORS ON ACHIEVABILITY OF REVENUE OR PROFIT ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS

This is not applicable to the Group as the Group had not issued any statement by directors on achievability of revenue or profit estimate, forecast, projection or internal targets.

27. STATUS OF CORPORATE PROPOSALS

Listing

The entire enlarged issued and paid-up share capital of RM387,000,000 comprising 774,000,000 ordinary shares of the Company of RM0.50 each was listed on the Main Market of Bursa Securities on 1 July 2011.

Status of utilisation proceeds raised from Initial Public Offering

| Purpose | Proposed utilisation RM'mil | Actual utilisation RM'mil | Intended timeframe for utilisation within | Deviation RM'mil | Explanations |
|---------------------|------------------------------------|----------------------------------|--|-------------------------|---|
| Capital expenditure | 126.00 | 50.78 | 24 months | - | - |
| Business expansion | 80.00 | - | 24 months | - | - |
| Working capital | 58.39 | 15.99 | 12 months | - | - |
| Listing expenses | 8.80 | 6.49 | 1 month | 2.31 | Excess to be used for working capital purpose |
| | 273.19 | 73.26 | | | |

28. CHANGES IN MATERIAL LITIGATION

The Group does not have any material litigation as at the date of this report.

29. DIVIDEND PAYABLE

Please refer to Note 18 for details.

30. DISCLOSURE OF NATURE OF OUTSTANDING DERIVATIVES

There were no outstanding derivatives as at the end of the reporting period.

31. RATIONALE FOR ENTERING INTO DERIVATIVES

The Group did not enter into any derivatives during the period ended 31 March 2012 or the previous financial year ended 31 December 2011

EVERSENDI CORPORATION BERHAD (614060-A)
NOTES TO UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2012

32. RISKS AND POLICIES OF DERIVATIVES

The Group did not enter into any derivatives during the period ended 31 March 2012 or the previous financial year ended 31 December 2011

33. DISCLOSURE OF GAINS/LOSSES ARISING FROM FAIR VALUE CHANGES OF FINANCIAL LIABILITIES

The Group did not have any financial liabilities measured at fair value through profit or loss as at 31 March 2012 and 31 December 2011.

34. BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained profits of the Group as at 31 March 2012 and 31 December 2011 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, 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.

| | Current quarter ended 31 March 2012 RM'000 | Previous financial year ended 31 December 2011 RM'000 |
|--|---|--|
| Total retained profits of the Company and its subsidiaries | | |
| - Realised | 545,711 | 496,068 |
| - Unrealised | 5,050 | 3,077 |
| Less: Consolidation adjustments | (363,730) | (63,378) |
| Total group retained profits as per financial statements | 187,031 | 435,767 |

35. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2011 was not qualified.

AUTHORISATION FOR ISSUE

The interim financial statements were authorised for issue in accordance with the resolution passed at the Board of Directors' Meeting held on 23 May 2012.

BY ORDER OF THE BOARD

DATO' NATHAN A/L ELUMALAY
EXECUTIVE CHAIRMAN / GROUP MANAGING DIRECTOR
EVERSENDI CORPORATION BERHAD
23 MAY 2012