

Registration No. 200301011640 (614060-A)

EVERSENDI CORPORATION BERHAD
[Registration No. 200301011640 (614060-A)]
(Incorporated in Malaysia)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2025**
(In Ringgit Malaysia)

Registration No. 200301011640 (614060-A)

EVERSENDAL CORPORATION BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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EVERSENDI CORPORATION BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **EVERSENDI CORPORATION BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The information on the name, principal place of business, principal activities and proportion of ownership interest held by the Company in each subsidiary is as disclosed in Note 15 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit before tax	132,008	18,436
Income tax expense	<u>(18,644)</u>	<u>(108)</u>
Profit for the financial year	<u>113,364</u>	<u>18,328</u>
Profit for the financial year attributable to:		
Owners of the Company	105,161	18,328
Non-controlling interests	<u>8,203</u>	<u>-</u>
	<u>113,364</u>	<u>18,328</u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 442,550 new ordinary shares at an exercise price of RM0.45 per ordinary share for total consideration of RM199,148 from the exercise of warrants.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

The Company has not issued any new debentures during the financial year.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act, 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2025, the Company held treasury shares out of its issued and paid up ordinary shares. Such treasury shares are held at a carrying amount of RM91,254.

WARRANTS

The Company issued 390,499,496 free warrants which were listed and quoted on Bursa Malaysia Securities Berhad on 23 October 2020 pursuant to the bonus issue on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company. The warrants are constituted by a Deed Poll dated 30 September 2020 executed by the Company.

As at 31 December 2025, the summary of the movements of warrants is as follows:

Issue date	Expiry date	Number of warrants			As at 31.12.2025
		As at 1.1.2025	Exercised	Lapsed	
19.10.2020	17.10.2025	390,494,496	(442,550)	(390,051,946)	-

The new ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to participate in any rights, dividends, allotments and/or any other forms of distributions where the entitlement date precedes the relevant date of allotment and issuance of new ordinary shares arising from the exercise of warrants.

The salient features of warrants and further information are disclosed in Note 25 to the financial statements.

Up to the expiry date of exercise of the warrants on 17 October 2025, the 390,051,946 warrants not exercised were delisted from the Official List of Bursa Malaysia Securities Berhad on 21 October 2025.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dato' Nathan A/L Elumalay*
Narla Srinivasa Rao*
Narishnath A/L Nathan*
Nazariah Binti Ibrahim
Dato' Azlan Bin Abu Rais @ A Rais Al Noah
Dato' Gan Nyap Liou @ Gan Nyap Liow

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Puan Sri Puspawathy A/P Subramaniam
Datuk David Rashid Bin Ghazalli
Prabin Roy
Pandirajan Subramanian
K Saravanan
T Muthukrishnan
Gopala Krishnan (Resigned on 1 July 2025)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares		
	As at 1.1.2025	Bought	Sold
Interest in the Company			
Direct interest			
Narla Srinivasa Rao	500,000	-	-
			500,000
Indirect interest			
Tan Sri Dato' Nathan A/L Elumalay *	544,763,360	3,650,000	-
			548,413,360
Interest in the holding company, Vahana Holdings Sdn. Bhd.			
Direct interests			
Tan Sri Dato' Nathan A/L Elumalay	298,230	-	-
			298,230
Narishnath A/L Nathan	1,170	-	-
			1,170

In addition to the above, the following directors have an interest in the shares of the Company, by virtue of the warrants of the Company:

	Number of warrants		
	As at 1.1.2025	Exercised	Expired
Warrants in the Company			
Direct interest			
Narla Srinivasa Rao	250,000	-	(250,000)
			-
Indirect interest			
Tan Sri Dato' Nathan A/L Elumalay *	277,681,680	-	(277,681,680)
			-

* Shares/warrants held through company in which the director has substantial financial interests.

By virtue of the above directors' interest in the shares of the Company and its holding company, they are deemed to have beneficial interest in the shares of all the subsidiaries to the extent the Company and the holding company have an interest.

Other directors in office at the end of the financial year did not hold shares, nor had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 are as follows:

	Group RM'000	Company RM'000
Executive directors:		
Salaries, bonus and other emoluments	24,701	930
Defined contribution plans	72	29
Benefit-in-kind	874	-
	<u>25,647</u>	<u>959</u>
Non-executive directors:		
Fees	288	288
Other emoluments	30	30
	<u>318</u>	<u>318</u>
	<u>25,965</u>	<u>1,277</u>

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

HOLDING COMPANY

The directors of the Company regard Vahana Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the holding company.

SUBSEQUENT EVENTS

The details of subsequent events are disclosed in Note 40 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial year ended 31 December 2025 are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration:		
Statutory audit	939	285
Non-audit services	<u>5</u>	<u>5</u>
	<u>944</u>	<u>290</u>

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AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

NARISHNATH A/L NATHAN

NARLA SRINIVASA RAO

24 April 2026

Registration No. 200301011640 (614060-A)

EVERSEND AI CORPORATION BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **EVERSEND AI CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the directors,

NARISHNATH A/L NATHAN

NARLA SRINIVASA RAO

24 April 2026

Registration No. 200301011640 (614060-A)

EVERSENDAL CORPORATION BERHAD
(Incorporated in Malaysia)

**DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE
FINANCIAL MANAGEMENT OF THE COMPANY**

I, **NARISHNATH A/L NATHAN**, the director primarily responsible for the financial management of **EVERSENDAL CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

NARISHNATH A/L NATHAN

Subscribed and solemnly declared by the
abovenamed **NARISHNATH A/L
NATHAN** at **DUBAI** in **UNITED ARAB
EMIRATES** on 24 April 2026.

Before me,



 **MORISON LC PLT** (LLP0032572-LCA)
Chartered Accountants (AF 002469)
Level 11 - 01, Uptown No.3,
Jalan SS 21/39, Damansara Utama,
47400 Bandar Petaling Jaya, Selangor,
Malaysia.
 +603 7491 4419
 morisonlc.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EVERSENDAI CORPORATION BERHAD

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **EVERSENDAI CORPORATION BERHAD**, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 21 to 116.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

(Forward)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Key audit matters	How the matter was addressed in the audit
Assessment of going concern Refer to Notes 2, 4, 28 and 40 to the financial statements for the Group's disclosure on basis of preparation of the financial statements, key sources of estimation uncertainty, borrowings and events subsequent to financial year end. The Group's assessment of its ability to continue as a going concern was a key area of focus in our audit due to the level of judgement involved in preparing cash flow projections and assessing the Group's ability to meet its financial obligations as they fall due. During the financial year, the Group and the Company entered into a Debt Settlement Agreement dated 23 April 2025 with the Lenders, which sets out a revised repayment schedule over the period from 2025 to 2030. The cash flow projections supporting the going concern assessment have been prepared with reference to these financial obligations and are supported by expected collections from ongoing and completed projects, including a terminated project, as well as proceeds from planned disposals of assets. As disclosed in Note 40 to the financial statements, certain subsequent year end developments, including recent geopolitical developments in the Middle East and the termination of a major contract, were considered in the preparation of the cash flow projections. These developments may affect the timing of the projected cash inflows underpinning the projections.	Our audit procedures, amongst others, included the following: (i) Evaluated the process and controls over the preparation of the Group's cash flow projections, including assessed whether the projections were prepared on a consistent basis with historical performance and approved budgets plan. (ii) Assessed the reasonableness of key assumptions used in the projections, in particular: - the timing of expected collections from ongoing and completed projects, including a terminated project, through review of contractual terms, correspondence and subsequent receipts (where available); and - the expected proceeds and timing of planned asset disposals, including considering the status of disposal plans and available supporting evidence. (iii) Reviewed the terms of the Debt Settlement Agreement and assessed whether the cash flows projections support the Group's ability to meet its financial obligations.

(Forward)

Key audit matters	How the matter was addressed in the audit
The assessment requires judgement in evaluating the assumptions applied, particularly in relation to the timing of cash inflows and the alignment of projected cash flows with the Group's financial obligations. Accordingly, we identified the assessment of going concern as a key audit matter.	(iv) Interviewed relevant personnel to obtain an understanding of subsequent year end developments, including recent geopolitical developments and the termination of a major contract, and evaluating how these have been reflected in management's cash flow projections. (v) Challenged management's assessment by performed sensitivity analyses on key assumptions, particularly in relation to delays in cash inflows, to assess the impact on the Group's liquidity position and ability to meet its financial obligations as they fall due. (vi) Performed retrospective review, where relevant, to assess the reliability of management's forecasting process. (vii) Assessed the adequacy of the related disclosures in the financial statements.

(Forward)

Key audit matters	How the matter was addressed in the audit
Revenue recognition from construction contracts Refer to Notes 3, 4 and 5 to the financial statements for the Group's accounting policies on revenue recognition from construction contracts, key sources of estimation uncertainty and related disclosure. The Group's revenue is generated from construction contracts, which amounted to RM2,135million. We determined this to be a key audit matter given its magnitude relative to the Group's revenue as well as the significant judgements and estimates involved in the following areas: • progress of completion of the performance obligations. • budgeting process in estimating the budgeted contract costs.	Our audit procedures, amongst others, included the following: (i) Obtained an understanding of the relevant processes and internal controls in respect of revenue recognition for construction contracts and performed procedures to evaluate the design and implementation of such controls. (ii) Evaluated the terms and conditions of material contracts to ensure that revenue is recognised appropriately in line with the Group's accounting policy and in compliance with the requirements of MFRS 15 <i>Revenue from Contracts with Customers</i>. (iii) Performed test of details on selected actual contract costs incurred during the financial year to the relevant supporting evidences such as contractors' interim certificates and suppliers' invoices. (iv) Performed search for unrecorded liabilities, and evaluated the reasonableness of accruals made in respect of work performed by sub-contractors of which invoice or progress claim has yet to be received as at financial year end, by evaluating the basis of estimation of the amount accrued.

(Forward)

Key audit matters	How the matter was addressed in the audit
	(v) Assessed the reasonableness of the estimated total contract costs by examining the supporting evidence, interviewing the project team and performed retrospective review to establish the reliability and reasonableness of the estimated total contract costs. (vi) Performed site visits for selected individually significant on-going construction contracts to observe physical progress and examined the completion progress reports to arrive at an overall assessment as to whether progress of completion of the performance obligations determine on a cost-to-cost basis was reasonable.
Valuation of trade receivables and contract assets Refer to Notes 3, 4, 18 and 19 to the financial statements for the Group's accounting policies on impairment of financial assets, key sources of estimation uncertainty and related disclosure. As of 31 December 2025, the Group recorded trade receivables and contract assets of RM657million and RM688million, which represents 24% and 25% of the Group's total assets, respectively. We determined this to be a key audit matter given its magnitude relative to the Group's total assets as well as the significant judgements and estimates involved in the following areas: - measuring the loss allowance based on past history and current market conditions. - estimates on the amount and timing of future cash flows expected to be received.	Our audit procedures, amongst others, included the following: (i) Assessed and discussed with management on the reasonableness of the key bases and assumptions used in estimation of loss allowance with reference to the trade receivables and contract assets balance as at reporting date, timing of billing and collection and previous collection experience. (ii) Evaluated the significant credit exposure which were significantly overdue or deemed to be in default through analysis of ageing reports prepared by the management. (iii) Assessed the billing of contract assets and collection subsequent to the end of the financial year.

(Forward)

Key audit matters	How the matter was addressed in the audit
Impairment of property, plant and equipment Refer to Notes 3, 4 and 13 to the financial statements for the Group's accounting policies on impairment of non-financial assets, key sources of estimation uncertainty and related disclosure. As at 31 December 2025, the Group's property, plant and equipment amounted to RM560million, which represent 20% of the Group's total assets. The Group is required to assess, whether impairment indicators exist and if they exist, an impairment review is required. The recoverable amount of the property, plant and equipment involved significant judgements and estimates used in the cash flow projections, such as: • bases of assumptions including revenue growth and project margin. • discount rate applied.	Our audit procedures, amongst others, included the following: (i) Obtained an understanding of the relevant control over the process of identifying the impairment indicator and estimating the recoverable amounts of property, plant and equipment. (ii) Assessed and discussed with management on the reasonableness of the key bases and assumptions used in estimation of recoverable amount. (iii) Performed retrospective review to establish the reliability and reasonableness of the cash flow projections. (iv) Assessed the mathematical accuracy of the impairment assessment. (v) Performed the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

(Forward)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

(Forward)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(Forward)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

(Forward)

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Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants**

**LEE HUI ZIEN
03564/03/2027 J
Chartered Accountant**

Petaling Jaya
24 April 2026

EVERSENDAL CORPORATION BERHAD
(Incorporated in Malaysia)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	5	2,135,042	1,247,984	8,679	19,723
Cost of sales		<u>(1,882,135)</u>	<u>(998,084)</u>	<u>-</u>	<u>(1,116)</u>
Gross profit		252,907	249,900	8,679	18,607
Other operating income	6	63,332	52,256	33,390	27,301
Operating and administrative expenses		(142,967)	(225,896)	(1,572)	(28,385)
Net impairment losses on financial assets and contract assets		<u>4,284</u>	<u>(4,234)</u>	<u>-</u>	<u>-</u>
Profit from operations		177,556	72,026	40,497	17,523
Finance costs	7	<u>(45,548)</u>	<u>(44,672)</u>	<u>(22,061)</u>	<u>(18,651)</u>
Profit/(Loss) before tax	8	132,008	27,354	18,436	(1,128)
Income tax expense	11	<u>(18,644)</u>	<u>(10,754)</u>	<u>(108)</u>	<u>(27)</u>
Profit/(Loss) for the financial year		<u>113,364</u>	<u>16,600</u>	<u>18,328</u>	<u>(1,155)</u>
Other comprehensive loss, net of income tax					
Foreign currency translation		(60,493)	(22,740)	-	-
Other comprehensive loss for the financial year		<u>(60,493)</u>	<u>(22,740)</u>	<u>-</u>	<u>-</u>
Total comprehensive income/(loss) for the financial year		<u>52,871</u>	<u>(6,140)</u>	<u>18,328</u>	<u>(1,155)</u>

(Forward)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		105,161	13,395	18,328	(1,155)
Non-controlling interests		<u>8,203</u>	<u>3,205</u>	<u>-</u>	<u>-</u>
		<u>113,364</u>	<u>16,600</u>	<u>18,328</u>	<u>(1,155)</u>
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		45,125	(9,262)	18,328	(1,155)
Non-controlling interests		<u>7,746</u>	<u>3,122</u>	<u>-</u>	<u>-</u>
		<u>52,871</u>	<u>(6,140)</u>	<u>18,328</u>	<u>(1,155)</u>
Earnings per ordinary share attributable to owners of the Company (sen):					
Basic	12	<u>13.46</u>	<u>1.71</u>		
Diluted	12	<u>13.46</u>	<u>1.70</u>		

The accompanying notes form an integral part of these financial statements.

EVERSENDAL CORPORATION BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		Group		Company	
	Note	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	13	559,869	619,071	11,599	11,624
Goodwill	14	9,920	9,920	-	-
Investment in subsidiaries	15	-	-	771,701	767,915
Amount owing by a subsidiary	21	-	-	162,306	214,092
Deferred tax assets	16	10,990	16,842	-	-
Total Non-Current Assets		580,779	645,833	945,606	993,631
Current Assets					
Inventories	17	345,808	284,605	-	-
Contract assets	18	687,771	523,508	-	-
Trade receivables	19	657,298	515,961	-	-
Other receivables, refundable deposits and prepaid expenses	20	176,152	161,824	23,962	22,729
Amount owing by subsidiaries	21	-	-	78,162	92,568
Amount owing by holding company	21	9,672	8,555	8,319	8,245
Tax recoverable		19,026	15,090	-	-
Cash and bank balances	22	269,154	152,682	3,893	227
Total Current Assets		2,164,881	1,662,225	114,336	123,769
Total Assets		2,745,660	2,308,058	1,059,942	1,117,400

(Forward)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	23	585,509	585,310	585,509	585,310
Treasury shares	24(a)	(91)	(91)	(91)	(91)
Capital reserve	24(b)	280	187	3,921	-
Foreign currency translation reserve	24(c)	137,507	197,543	-	-
Accumulated losses		(331,038)	(436,199)	(191,747)	(210,075)
		392,167	346,750	397,592	375,144
Non-controlling interests	14	(17,898)	(25,644)	-	-
Total Equity		374,269	321,106	397,592	375,144
Non-Current Liabilities					
Lease liabilities	26	138,904	161,058	-	-
Hire purchase payables	27	174	174	-	-
Borrowings	28	432,133	12,267	420,482	-
Deferred tax liabilities	16	1,584	-	-	-
Employees' service benefits	29	99,462	103,523	-	-
Total Non-Current Liabilities		672,257	277,022	420,482	-
(Forward)					

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current Liabilities					
Trade payables	30	697,465	445,089	-	-
Other payables and accrued expenses	31	226,446	158,452	1,468	3,627
Contract liabilities	18	617,825	392,490	-	-
Amount owing to directors	32	48,515	58,916	1,776	1,776
Amount owing to subsidiaries	21	-	-	204,471	206,477
Amount owing to holding company	21	6,223	6,356	-	-
Lease liabilities	26	17,501	14,824	-	-
Hire purchase payables	27	97	35	-	-
Borrowings	28	70,195	618,168	34,115	530,161
Tax liabilities		14,867	15,600	38	215
Total Current Liabilities		<u>1,699,134</u>	<u>1,709,930</u>	<u>241,868</u>	<u>742,256</u>
Total Liabilities		<u>2,371,391</u>	<u>1,986,952</u>	<u>662,350</u>	<u>742,256</u>
TOTAL EQUITY AND LIABILITIES		<u>2,745,660</u>	<u>2,308,058</u>	<u>1,059,942</u>	<u>1,117,400</u>

The accompanying notes form an integral part of these financial statements.

Registration No. 200301011640 (614060-A)

EVERSENDI CORPORATION BERHAD

(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Attributable to owners of the Company					Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
Group								
As at 1 January 2024	585,308	(91)	187	220,200	(449,594)	356,010	(25,808)	330,202
Profit for the financial year	-	-	-	-	13,395	13,395	3,205	16,600
Other comprehensive loss	-	-	-	(22,657)	-	(22,657)	(83)	(22,740)
Total comprehensive (loss)/income for the financial year	-	-	-	(22,657)	13,395	(9,262)	3,122	(6,140)
Exercise of warrants	2	-	-	-	-	2	-	2
Dividend	-	-	-	-	-	-	(2,958)	(2,958)
As at 31 December 2024	585,310	(91)	187	197,543	(436,199)	346,750	(25,644)	321,106

(Forward)

Registration No. 200301011640 (614060-A)

	Attributable to owners of the Company					Sub-total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Accumulated losses RM'000			
Group								
As at 1 January 2025	585,310	(91)	187	197,543	(436,199)	346,750	(25,644)	321,106
Profit for the financial year	-	-	-	-	105,161	105,161	8,203	113,364
Other comprehensive loss	-	-	-	(60,036)	-	(60,036)	(457)	(60,493)
Total comprehensive (loss)/income for the financial year	-	-	-	(60,036)	105,161	45,125	7,746	52,871
Exercise of warrants	199	-	-	-	-	199	-	199
Increase in capital reserve	-	-	93	-	-	93	-	93
As at 31 December 2025	<u>585,509</u>	<u>(91)</u>	<u>280</u>	<u>137,507</u>	<u>(331,038)</u>	<u>392,167</u>	<u>(17,898)</u>	<u>374,269</u>

(Forward)

Registration No. 200301011640 (614060-A)

	Attributable to owners of the Company				
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company					
As at 1 January 2024	585,308	(91)	-	(208,920)	376,297
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	(1,155)	(1,155)
Exercise of warrants	2	-	-	-	2
As at 31 December 2024/1 January 2025	585,310	(91)	-	(210,075)	375,144
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	18,328	18,328
Exercise of warrants	199	-	-	-	199
Increase in capital contribution reserve	-	-	3,921	-	3,921
As at 31 December 2025	585,509	(91)	3,921	(191,747)	397,592

The accompanying notes form an integral part of these financial statements.

EVERSENDAL CORPORATION BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit/(Loss) before tax	132,008	27,354	18,436	(1,128)
Adjustments for:				
Bad debts written off	1,397	8,903	-	-
Depreciation of property, plant and equipment	63,917	60,303	25	26
Finance costs	45,548	44,672	22,061	18,651
Gain on disposal of assets held for sales	-	(1,710)	-	-
Gain on disposal of property, plant and equipment	(753)	(1,573)	-	-
Impairment losses on:				
Trade receivables	3,595	4,782	-	-
Contract assets	-	10,941	-	-
Other receivables	-	4,363	-	-
Investment in subsidiaries	-	-	112	-
Interest income from:				
Amount owing by a subsidiary	-	-	(8,115)	(10,869)
Banks	(1,480)	(2,560)	(25)	(141)
Inventories written off	140	1,039	-	-
Inventories written down	-	7,522	-	-
Loss on derecognition of a subsidiary	1,125	-	414	-
Provision for employees' service benefits, net	17,088	28,109	-	-
Reversal of impairment losses on:				
Trade receivables	(7,879)	(14,084)	-	-
Contract assets	-	(1,768)	-	-
Investment in subsidiaries	-	-	(391)	-
Unrealised gain on foreign exchange	(33,632)	(27,587)	(31,848)	(27,160)
Unrealised loss on foreign exchange	10,481	4,478	-	-
Operating profit/(loss) before working capital changes	231,555	153,184	669	(20,621)
(Forward)				

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) before working capital changes	231,555	153,184	669	(20,621)
Inventories	(61,343)	(108,453)	-	-
Receivables	(314,162)	166,504	(2,582)	(9,512)
Payables	545,705	63,353	(2,056)	(7,905)
Cash generated from/(used in) operations	401,755	274,588	(3,969)	(38,038)
Employees' service benefits paid	(11,150)	(12,141)	-	-
Interest received	-	-	25	141
Tax paid	(17,422)	(18,084)	(285)	(29)
Net cash from/(used in) operating activities	373,183	244,363	(4,229)	(37,926)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES				
Interest received	1,480	2,560	-	-
Real property gain tax paid	-	(1,890)	-	-
Net changes in deposits with financial institutions	(24,657)	(10,980)	-	-
Proceeds from disposal of property, plant and equipment	2,325	3,480	-	-
Proceeds from disposal of assets held for sales	-	63,000	-	-
Purchase of property, plant and equipment	(44,763)	(41,512)	-	(2)
Decrease in amount owing by subsidiaries	-	-	48,804	20,188
(Increase)/Decrease in amount owing by holding company	(1,117)	2,379	(74)	1,500
Acquisition of a subsidiary	-	-	-	(190)
Net cash (used in)/from investing activities	(66,732)	17,037	48,730	21,496

(Forward)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES				
Proceeds received from exercise of warrants	199	2	199	2
Interest paid	(63,017)	(27,036)	(26,851)	(11,208)
Repayments of lease liabilities	(16,444)	(15,080)	-	-
Repayments of hire purchase payables	(351)	(72)	-	-
(Decrease)/Increase in amount owing to directors	(10,401)	30,189	-	128
Repayment of term loans and bill payables, net	(58,454)	(188,856)	(5,897)	(60,164)
Dividend paid to non-controlling interests	-	(2,958)	-	-
Increase in amount owing to subsidiaries	-	-	13,853	80,855
Decrease/(Increase) in amount owing to holding company	<u>(133)</u>	<u>1,843</u>	<u>-</u>	<u>-</u>
Net cash (used in)/from financing activities	<u>(148,601)</u>	<u>(201,968)</u>	<u>(18,696)</u>	<u>9,613</u>
Net increase/(decrease) in cash and cash equivalents	157,850	59,432	25,805	(6,817)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	65,008	34,447	(21,868)	(15,051)
Effect of exchange rate changes on cash and cash equivalents	<u>(43,940)</u>	<u>(28,871)</u>	<u>(44)</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	<u>178,918</u>	<u>65,008</u>	<u>3,893</u>	<u>(21,868)</u>

(Forward)

The details of cash and cash equivalents are as follow:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	269,154	152,682	3,893	227
Bank overdrafts (Note 28)	<u>-</u>	<u>(22,095)</u>	<u>-</u>	<u>(22,095)</u>
	269,154	130,587	3,893	(21,868)
Less: Deposits with financial institutions (Note 22)	<u>(90,236)</u>	<u>(65,579)</u>	<u>-</u>	<u>-</u>
	<u>178,918</u>	<u>65,008</u>	<u>3,893</u>	<u>(21,868)</u>

* During the current financial year, the Group acquired property, plant and equipment through the following arrangements:

	Group	
	2025	2024
	RM'000	RM'000
Financed by:		
Cash payments	44,763	41,512
Lease liabilities	12,868	15,330
Hire purchase	<u>423</u>	<u>246</u>
	<u>58,054</u>	<u>57,088</u>

The accompanying notes form an integral part of these financial statements.

EVERSENDAL CORPORATION BERHAD
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

1. GENERAL INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and provision of management services to subsidiaries.

The information on the name, principal place of business, principal activities and effective equity interest held by the Company in each subsidiary is as disclosed in Note 15.

The registered office and principal place of business of the Company is located at Lot 19956, Jalan Industri 3/6, Rawang Integrated Industrial Park, 48000 Rawang, Selangor Darul Ehsan, Malaysia.

The holding company is Vahana Holdings Sdn. Bhd., a private limited liability company incorporated and domiciled in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 24 April 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of amendments to MFRSs

During the financial year, the Group and the Company have adopted the following applicable amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

The adoption of this amendments to MFRS did not have any significant impact on the financial statements of the Group and of the Company.

New MFRSs and amendments to MFRSs in issue but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 ¹
MFRS 18	Presentation and Disclosure in Financial Statements ²
MFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

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

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

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

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 *Presentation and Disclosure in Financial Statements* sets out overall requirements for the presentation and disclosure in the financial statements, and will replace MFRS 101 *Presentation of Financial Statements* upon its adoption. The International Accounting Standard Board (“IASB”) did not reconsider all aspects of MFRS 101 when developing MFRS 18, but instead focused on the statement of profit or loss. The IASB retained some paragraphs from MFRS 101 in MFRS 18 and moved some paragraphs from MFRS 101 to MFRS 108 *Basis of Preparation of Financial Statements* and MFRS 7 *Financial Instruments: Disclosures*.

MFRS 18 aims to improve financial reporting by:

- requiring an entity to classify income and expenses including in the statement of profit or loss into five categories, namely operating, investing, financing, income taxes and discontinued operations;
- requiring an entity to present two new defined subtotals in the statement of profit or loss, including “operating profit or loss” and “profit or loss before financing and income taxes”;
- requiring an entity to disclose management-defined performance measure; and
- adding new principles for aggregation and disaggregation of items.

An entity is required to apply MFRS 18 for annual periods beginning on or after 1 January 2027, with earlier application permitted. MFRS 18 requires retrospective application with specific transition provisions.

The adoption of these new MFRS may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effects from the adoption of these new MFRSs until the Group and the Company undertake a detailed review.

Going concern assumption

The financial statements of the Group have been prepared on a going concern basis. In making this assessment, management has considered the Group’s financial position, liquidity profile, projected cash flows for a period of at least twelve months from the date of these financial statements, and relevant subsequent year end developments.

During the financial year, the Group and the Company entered into a Debt Settlement Agreement dated 23 April 2025 with the Lenders, which sets out a revised repayment schedule over the period from 2025 to 20230. The Group’s cash flow projections have been prepared with reference to these contractual obligations and indicate that the Group will be able to meet its financial obligations as they fall due. These projections are supported by expected collections from ongoing and completed projects, including amounts due from a terminated project, as well as proceeds from planned disposals of assets.

As disclosed in Note 40 on subsequent events, implication from geopolitical developments in the Middle East and the termination of a major contract have been considered in the preparation of the cash flow projections. While the amounts due from the terminated project are expected to be recoverable, the timing of such receipts may vary from initial expectations and has been appropriately reflected in the projections. Management does not expect to rely on additional borrowings as part of its current funding plan.

Management has also considered the potential variations in the timing of key cash inflows, assessed the availability of mitigating actions under different scenarios and is satisfied that the Group will maintain sufficient liquidity to meet its financial obligations as they fall due for at least twelve months from the date of these financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis unless otherwise indicated in the material accounting policy information below.

Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency, and has been rounded to the nearest RM’000, unless otherwise stated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

Non-controlling interests

At the acquisition date, components of non-controlling interests of the Company are measured at the non-controlling interest’s proportionate share of the acquiree’s identifiable assets.

Separate financial statements

In the Company’s separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company’s investment in the subsidiaries.

Goodwill arising from consolidation

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses.

Foreign currency transactions and operations

Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

Construction contracts

The Group involves in the engineering, fabrication, design and erection of mechanical construction and installation of steel under specific/individual contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term from 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognise a contract liability for the difference.

The defect liability period of the Group is within 24 months subsequent to the project's completion as part of the Group's defect liability obligations provided in the contracts with customers.

The Group capitalises incremental costs of obtaining a contract when recovery is expected. These costs are amortised in line with revenue recognition and assessed for impairment if the expected economic benefits fall below the carrying amount.

Collaboration with other entities

The Group, through its subsidiary entered into an agreement with a third party in relation to a construction project. Management exercised significant judgement in assessing whether this arrangement constitutes a joint arrangement under MFRS 11 *Joint Arrangements*.

The Group retains the practical ability to direct the relevant activities of the project, including key decisions relating to project execution, technical specifications, and cost estimation. These activities are primarily carried out through subcontracting arrangements with the Group's subsidiaries and are critical to the success and financial outcome of the project. Based on this assessment, management concluded that the arrangement does not involve joint control. Accordingly, the arrangement does not meet the definition of a joint arrangement under MFRS 11 and is not accounted for as such.

The Group therefore recognises the contract revenue and costs in accordance with MFRS 15 *Revenue from Contracts with Customers*, while the share of profit attributable to the third party is recognised as a cost-sharing arrangement within contract costs.

Management fee income

Management fee income is recognised upon performance of management services by reference to the contracts entered into.

Employee benefits

Short term employee benefits

Short term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

Defined contribution plans

(i) Malaysia and Singapore

As required by law, companies in Malaysia and Singapore make such contributions to the Employees Provident Fund ("EPF") and Central Provident Fund ("CPF"), respectively.

(ii) India

Retirement benefits in the form of provident fund are defined contribution scheme and the contribution are charged to profit or loss when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Defined benefit plans

(i) Middle East

The Group's foreign subsidiaries in the Middle East provide end of service benefits to its employees determined in accordance with the United Arab Emirates ("UAE"), Qatar and Saudi Arabia labour law. The entitlement to these benefits is based upon the employees' salary and length of service subject to the completion of a minimum service period of employment. The expected costs of these benefits are accrued over the period of employment.

(ii) India

Gratuity liability is defined benefit obligation and is provided for on the basis of estimated projected unit credit method made at the end of each reporting period.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment (other than freehold land and capital work-in-progress) are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is stated at cost less any impairment losses.

Capital work-in-progress consists of expenditure incurred on construction of property, plant and equipment which take a substantial period of time to be ready for their intended use. This expenditure is stated at cost less accumulated impairment losses, if any. Upon completion of construction, the cost will be reclassified to the respective property, plant and equipment and depreciated according to the depreciation policy of the Group.

Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on the straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal annual depreciation rates are as follows:

Buildings	2% - 5%
Fabrication factories	5%
Plant and machinery	10% - 25%
Motor vehicles	20% - 33%
Computer systems	13% - 33%
Furniture, fittings and office equipment	10% - 25%

Leases

The Group presents right-of-use assets in Note 13 and lease liabilities as separate lines in Note 26.

Lessee accounting

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are initially measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. Depreciation is computed on the straight-line basis over the lease period.

Lessor accounting

The Company recognises lease payments received from rental under operating leases as income on a straight-line basis over the lease term as part of revenue.

Short term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories (including goods in transit) incurred in bringing the inventories to their present location and condition are accounted on a first-in-first-out basis.

Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

Financial assets

For the purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost; and
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill that has indefinite useful life, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units (“CGUs”). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

Impairment of financial assets

Financial assets measured at amortised cost, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weight.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

The Group measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime expected credit losses (“ECL”). The ECL on trade receivables are estimated using the “Probability of Default” approach by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which debtors operate and an assessment of both the current as well as the forecast conditions at the reporting date.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s and the Company’s historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 180 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor; or
- a breach of contract, such as a default of past due event; or
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

4. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts

(a) **Critical judgements in applying the Group's and the Company's accounting policies**

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements, except for:

Assessment of joint control

The Group evaluates the nature of its arrangements with other entities to determine whether they give rise to control, joint control or significant influence in accordance with the requirements of MFRS 10 *Consolidated Financial Statements*, MFRS 11 *Joint Arrangements* and MFRS 128 *Investments in Associates and Joint Ventures*.

In determining whether an arrangement involves joint control under MFRS 11, the Group considers whether key decisions about the relevant activities require the unanimous consent of all parties sharing control. Where the Group has the unilateral ability to direct the relevant activities, such as those relating to project planning, execution strategies and cost management, the arrangement is not assessed to be a joint arrangement, notwithstanding any contractual collaboration or mutual participation in project outcomes.

(b) **Key sources of estimation uncertainty**

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except for:

Assessment of going concern

For the Group's assessment of its ability to continue as a going concern, the management applied significant level of judgement and estimation in preparing the cash flow projections for the assessment of the Group's ability to meet its financial obligations as they fall due by considering the followings:

- Compliance with revised repayment schedule

Management evaluated the Group's and the Company's ability to meet the financial obligations under the Debt Settlement Agreement. This involved assessing the timing and quantum of repayment commitments, any associated covenants, and the alignment of such obligations with projected liquidity resources.

- Timing of cash inflows from ongoing, completed and terminated projects

Management evaluates the expected collections from ongoing and completed projects, including a terminated project. This assessment includes review the contractual terms, correspondence and subsequent receipts.

- Realisation of certain assets

Management assesses the feasibility and timing of disposal of identified assets. This evaluation considers current market conditions, the availability of potential buyers, and the reasonableness of assumptions supporting the planned disposal.

Further details are disclosed in Notes 28 and 40.

Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group and the Company use their judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected.

The carrying amount of the non-financial assets are disclosed in Notes 13, 14 and 15.

Impairment of financial assets and contract assets

The impairment of trade receivables are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group uses a simplified approach to calculate expected credit losses for trade receivables and contract assets. The expected credit loss rates are depending on the number of days that a trade receivable is past due. The Group uses the grouping according to the customer segments that have similar loss patterns. The criteria include geographical region, product type, customer type and rating, collateral or trade credit insurance.

The approach is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the financial assets and contract assets are disclosed in Notes 18, 19 and 20.

Construction revenue

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 18.

5. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers:				
<u>Overtime</u>				
Construction contract revenue	2,135,042	1,247,984	-	-
Management fee income	-	-	-	1,248
	2,135,042	1,247,984	-	1,248
Revenue from other sources:				
Rental income	-	-	564	564
Interest from subsidiaries	-	-	8,115	10,869
Dividend income	-	-	-	7,042
	-	-	8,679	18,475
	<u>2,135,042</u>	<u>1,247,984</u>	<u>8,679</u>	<u>19,723</u>

The following table shows the aggregate amount of the transaction price allocated to performance obligations that is unsatisfied (or partially unsatisfied) at the end of the reporting period and the expectation on the revenue from unsatisfied performance obligations to be recognised in the following financial years.

	Group	
	2025	2024
	RM'000	RM'000
Within one year	2,871,997	2,557,952
More than one year	<u>1,847,269</u>	<u>3,429,981</u>
	<u>4,719,266</u>	<u>5,987,933</u>

6. OTHER OPERATING INCOME

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of property, plant and equipment	753	1,573	-	-
Gain on disposal of assets held for sale	-	1,710	-	-
Gain on foreign exchange:				
Realised	1,681	33	1,517	-
Unrealised	33,632	27,587	31,848	27,160
Interest income	1,480	2,560	25	141
Rental income	2,455	-	-	-
Sales of scrap	20,013	12,642	-	-
Sundry income	3,318	6,151	-	-
	<u>63,332</u>	<u>52,256</u>	<u>33,390</u>	<u>27,301</u>

7. FINANCE COSTS

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
Borrowings	41,838	40,805	22,061	18,651
Lease liabilities	3,680	3,854	-	-
Hire purchase payables	30	13	-	-
	<u>45,548</u>	<u>44,672</u>	<u>22,061</u>	<u>18,651</u>

8. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
Current year	939	863	285	285
Non-audit services	5	5	5	5
Bad debts written off	1,397	8,903	-	-
Depreciation of property, plant and equipment	63,917	60,303	25	26
Employee benefits expense (Note 9)	490,218	423,415	1,523	1,895
Expenses relating to short term leases for premises	5,170	8,254	-	-
Impairment losses on:				
Contract assets	-	10,941	-	-
Trade receivables	3,595	4,782	-	-
Other receivables	-	4,363	-	-
Investment in subsidiaries	-	-	112	-
Inventories written down	-	7,522	-	-
Inventories written off	140	1,039	-	-
Loss on derecognition of a subsidiary	1,125	-	414	-
Loss on foreign exchange:				
Realised	230	25,828	-	25,659
Unrealised	10,481	4,478	-	-
Provision for employees' service benefits, net	17,088	28,109	-	-
Reversal of impairment losses on:				
Trade receivables	(7,879)	(14,084)	-	-
Contract assets	-	(1,768)	-	-
Investment in subsidiaries	-	-	(391)	-

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Executive directors (Note 10)	24,773	10,577	959	509
Non-executive directors (Note 10)	318	246	318	246
Other employees:				
Cost of sales	385,690	323,976	-	1,116
Operating and administrative expenses	79,437	88,616	246	24
	<u>465,127</u>	<u>412,592</u>	<u>246</u>	<u>1,140</u>
Total employees benefits expense	<u>490,218</u>	<u>423,415</u>	<u>1,523</u>	<u>1,895</u>

Included in employee benefits is defined contribution plans amounting to approximately RM6,354,000 (2024: RM3,729,000) and RM54,000 (2024: RM97,000) for the Group and for the Company, respectively.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Executive directors:				
Salaries, bonus and other emoluments	24,701	10,505	930	480
Defined contribution plans	<u>72</u>	<u>72</u>	<u>29</u>	<u>29</u>
Executive directors' remuneration (Note 9)	24,773	10,577	959	509
Benefit-in-kind	<u>874</u>	<u>977</u>	<u>-</u>	<u>-</u>
Total executive directors' remuneration	<u>25,647</u>	<u>11,554</u>	<u>959</u>	<u>509</u>

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-executive directors:				
Fees	288	216	288	216
Other emoluments	30	30	30	30
Total non-executive directors' remuneration (Note 9)	318	246	318	246
Total directors' remuneration	25,965	11,800	1,277	755

11. INCOME TAX EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Estimated tax payable:				
Malaysian income tax	125	1,830	63	73
Foreign income tax	14,023	12,743	-	-
Under/(Over)provision in prior financial years	72	(39)	45	(46)
	14,220	14,534	108	27
Deferred tax (Note 16):				
Current financial year	4,324	(2,110)	-	-
Under/(Over)provision in prior financial years	1,474	(3,560)	-	-
	5,798	(5,670)	-	-
Real property gains tax:				
Current financial year	-	1,890	-	-
Overprovision in prior financial year	(1,374)	-	-	-
	(1,374)	1,890	-	-
	18,644	10,754	108	27

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. Taxation of other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's income tax expense are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax	<u>132,008</u>	<u>27,354</u>	<u>18,436</u>	<u>(1,128)</u>
Tax at Malaysian statutory income tax rate of 24% (2024: 24%)	31,682	6,565	4,425	(271)
Difference in foreign tax rates	(13,559)	7,753	-	-
Tax effects arising from:				
Expenses not deductible for tax purposes	672	1,832	5,593	4,942
Income not subject to tax	(589)	(2,697)	(9,955)	(4,598)
Deferred tax assets not recognised during the financial year	204	-	-	-
Utilisation of deferred tax assets previously not recognised	-	(768)	-	-
Under/(Over) provision in prior financial years:				
Estimated tax payable	72	(39)	45	(46)
Deferred tax	1,474	(3,560)	-	-
Real property gain tax	(1,374)	-	-	-
Tax allowance, incentive and benefits	62	(222)	-	-
Real property gains tax	<u>-</u>	<u>1,890</u>	<u>-</u>	<u>-</u>
Income tax expense	<u>18,644</u>	<u>10,754</u>	<u>108</u>	<u>27</u>

12. EARNINGS PER ORDINARY SHARE

Basic and diluted earnings per ordinary share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

Basic earnings per ordinary share

	Group	
	2025	2024
Profit for the financial year attributable to the owners of the Company (RM'000)	<u>105,161</u>	<u>13,395</u>
Weighted average number of ordinary shares ('000)	<u>781,447</u>	<u>781,004</u>
Basic earnings per ordinary share (sen)	<u>13.46</u>	<u>1.71</u>

Diluted earnings per ordinary share

	Group	
	2025	2024
Profit for the financial year attributable to the owners of the Company (RM'000)	<u>105,161</u>	<u>13,395</u>
Weighted average number of ordinary shares for basic earnings per ordinary share ('000)	781,447	781,004
Shares deemed to be issued for no consideration:		
Warrants	<u>-</u>	<u>6,051</u>
Weighted average number of ordinary shares for diluted earnings per ordinary share computation ('000)	<u>781,447</u>	<u>787,053</u>
Diluted earnings per ordinary share (sen)	<u>13.46</u>	<u>1.70</u>

13. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold lands RM'000	Fabrication factories and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Computer systems RM'000	Furniture, fittings and office equipment RM'000	Capital work- in-progress RM'000	Right-of-use assets RM'000	Total RM'000
Group 2025									
Cost									
As at 1 January 2025	79,382	592,507	401,406	43,580	33,861	24,927	67	210,069	1,385,799
Additions	-	132	33,198	3,128	2,933	5,795	-	12,868	58,054
Reclassification	-	67	-	-	-	-	(67)	-	-
Disposals	-	-	(5,866)	(4,946)	(746)	(157)	-	-	(11,715)
Exchange differences	(2,403)	(54,141)	(37,897)	(3,675)	(3,054)	(2,632)	-	(19,749)	(123,551)
As at 31 December 2025	76,979	538,565	390,841	38,087	32,994	27,933	-	203,188	1,308,587
Accumulated depreciation									
As at 1 January 2025	-	236,895	360,200	41,502	31,616	21,536	-	74,979	766,728
Charge for the financial year	-	24,490	19,997	1,491	1,235	1,729	-	14,975	63,917
Disposals	-	-	(4,984)	(4,845)	(157)	(157)	-	-	(10,143)
Exchange differences	-	(23,049)	(32,929)	(3,434)	(2,734)	(2,121)	-	(7,517)	(71,784)
As at 31 December 2025	-	238,336	342,284	34,714	29,960	20,987	-	82,437	748,718
Carrying amount									
As at 31 December 2025	76,979	300,229	48,557	3,373	3,034	6,946	-	120,751	559,869

Registration No. 200301011640 (614060-A)

	Freehold lands RM'000	Fabrication factories and buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Computer systems RM'000	Furniture, fittings and office equipment RM'000	Capital work- in-progress RM'000	Right-of-use assets RM'000	Total RM'000
Group 2024 Cost									
As at 1 January 2024	80,397	525,571	406,312	47,927	32,638	23,538	63,755	200,620	1,380,758
Additions	-	12,619	9,643	2,713	2,244	2,753	11,786	15,330	57,088
Reclassification	-	73,158	1,910	-	-	-	(75,068)	-	-
Disposals	-	(2,002)	(4,233)	(5,824)	(37)	(510)	-	-	(12,606)
Exchange differences	(1,015)	(16,839)	(12,226)	(1,236)	(984)	(854)	(406)	(5,881)	(39,441)
As at 31 December 2024	79,382	592,507	401,406	43,580	33,861	24,927	67	210,069	1,385,799
Accumulated depreciation									
As at 1 January 2024	-	220,215	354,682	47,927	31,772	21,783	-	63,208	739,587
Charge for the financial year	-	23,867	20,504	315	792	991	-	13,834	60,303
Disposals	-	(167)	(4,125)	(5,819)	(37)	(510)	-	-	(10,658)
Exchange differences	-	(7,020)	(10,861)	(921)	(911)	(728)	-	(2,063)	(22,504)
As at 31 December 2024	-	236,895	360,200	41,502	31,616	21,536	-	74,979	766,728
Carrying amount									
As at 31 December 2024	79,382	355,612	41,206	2,078	2,245	3,391	67	135,090	619,071

Registration No. 200301011640 (614060-A)

	Freehold land RM'000	Computer systems RM'000	Furniture, fittings and office equipment RM'000	Total RM'000
Company				
2025				
Cost				
As at 1 January 2025/31 December 2025	11,582	3,186	42	14,810
Accumulated depreciation				
As at 1 January 2025	-	3,144	42	3,186
Charge for the financial year	-	25	-	25
As at 31 December 2025	-	3,169	42	3,211
Carrying amount				
As at 31 December 2025	11,582	17	-	11,599

Registration No. 200301011640 (614060-A)

	Freehold land RM'000	Computer systems RM'000	Furniture, fittings and office equipment RM'000	Total RM'000
Company				
2024				
Cost				
As at 1 January 2024	11,582	3,184	42	14,808
Addition	-	2	-	2
As at 31 December 2024	11,582	3,186	42	14,810
Accumulated depreciation				
As at 1 January 2024	-	3,118	42	3,160
Charge for the financial year	-	26	-	26
As at 31 December 2024	-	3,144	42	3,186
Carrying amount				
As at 31 December 2024	11,582	42	-	11,624

(a) Depreciation has been allocated to profit or loss as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cost of sales	49,404	34,512	-	-
Operating and administrative expenses	14,513	25,791	25	26
	<u>63,917</u>	<u>60,303</u>	<u>25</u>	<u>26</u>

(b) Pledged as securities

The carrying amount of property, plant and equipment of the Group and of the Company pledged as securities to the financial institutions for credit facilities granted to the Company and its subsidiaries as disclosed in Note 28(d)(vi), leases and hire purchase arrangements are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Freehold lands	76,979	79,382	11,582	11,582
Fabrication factories and buildings	242,025	281,379	-	-
Plant and machinery	20,073	20,500	-	-
Motor vehicles	680	394	-	-
	<u>339,757</u>	<u>381,655</u>	<u>11,582</u>	<u>11,582</u>

(c) Right-of-use assets

The Group and the Company lease several assets including leasehold lands and office buildings.

The information about leases for which the Group and the Company are lessee is presented below:

	Leasehold lands RM'000	Office buildings RM'000	Total RM'000
Group			
2025			
Cost			
As at 1 January 2025	190,995	19,074	210,069
Addition	-	12,868	12,868
Exchange differences	(17,485)	(2,264)	(19,749)
As at 31 December 2025	173,510	29,678	203,188
Accumulated depreciation			
As at 1 January 2025	65,262	9,717	74,979
Charge for the financial year	10,927	4,048	14,975
Exchange differences	(6,500)	(1,017)	(7,517)
As at 31 December 2025	69,689	12,748	82,437
Carrying amount			
As at 31 December 2025	103,821	16,930	120,751
2024			
Cost			
As at 1 January 2024	196,598	4,022	200,620
Addition	-	15,330	15,330
Exchange differences	(5,603)	(278)	(5,881)
As at 31 December 2024	190,995	19,074	210,069
Accumulated depreciation			
As at 1 January 2024	61,999	1,209	63,208
Charge for the financial year	5,106	8,728	13,834
Exchange differences	(1,843)	(220)	(2,063)
As at 31 December 2024	65,262	9,717	74,979
Carrying amount			
As at 31 December 2024	125,733	9,357	135,090

14. GOODWILL

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January/31 December	<u>9,920</u>	<u>9,920</u>

Goodwill arising from business combination has been allocated to the following cash-generating units ("CGU"):

	Group	
	2025	2024
	RM'000	RM'000
Cash-generating units ("CGU")		
Eversendai Engineering LLC Dubai	4,143	4,143
Eversendai Engineering Sdn. Bhd.	<u>5,777</u>	<u>5,777</u>
	<u>9,920</u>	<u>9,920</u>

The management carried out its annual review of recoverable amounts of its goodwill. The Group prepares cash flow projections 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	
	2025	2024	2025	2024
	%	%	%	%
Cash-generating units ("CGUs")				
Eversendai Engineering LLC				
Dubai	1	1	9	9
Eversendai Engineering Sdn. Bhd.	<u>1</u>	<u>1</u>	<u>10</u>	<u>10</u>

Sensitivity to changes in assumptions

Management believes that any reasonably possible change in the above key assumptions applied are not likely to cause the recoverable amounts to be materially lower than the carrying amounts.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2025	2024
	RM'000	RM'000
Unquoted shares - at cost		
As at 1 January	378,996	378,806
Additions	3,921	190
Disposal	(414)	-
	<u>382,503</u>	<u>378,996</u>
Loans that are part of net investments (a)	<u>813,390</u>	<u>813,390</u>
	1,195,893	1,192,386
Less: Accumulated impairment losses (b)	<u>(424,192)</u>	<u>(424,471)</u>
	<u>771,701</u>	<u>767,915</u>

- (a) Loans that are part of net investments represent amount owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlements of the amounts are neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.
- (b) Arising from an assessment of the underlying value of subsidiaries, the Company noted that the recoverable amounts of certain subsidiaries were lower than their carrying amount in view of financial performance of the subsidiaries. The recoverable amount of the investment was computed based on the Company's estimated future cash flows expected to be generated by the subsidiary taking into consideration the expected revenue from construction contracts.

Movements in accumulated impairment losses were as follows:

	Company	
	2025	2024
	RM'000	RM'000
As at 1 January	424,471	424,471
Recognised during the financial year	112	-
Reversal during the financial year	(391)	-
	<u>424,192</u>	<u>424,471</u>

During the financial year, Eversendai Morocco, a wholly-owned subsidiary of the Company, was assessed for impairment as its recoverable amount was lower than its carrying amount. The recoverable amount was estimated based on the fair value method, determined with reference to the carrying amount of the subsidiary's net assets. As the subsidiary was in a net liabilities position, the recoverable amount was assessed to be RMNil. Accordingly, an impairment loss amounting to RM112,000 was recognised during the financial year.

(c) The details of the subsidiaries are as follows:

Name of Company	Principal place of business	Proportion of ownership interest held by the Group		Effective interest-in profit based on shareholders' agreement		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
Held by the Company						
Eversendai Engineering FZE (“Eversendai Sharjah”) @	United Arab Emirates	100	100	N/A	N/A	Steel, fabrication and painting
Eversendai Engineering LLC (“Eversendai Dubai”) @^	United Arab Emirates	49	49	100	100	Fabrication and erection of steel structures
Eversendai Engineering LLC - Abu Dhabi (“Eversendai Abu Dhabi”) @	United Arab Emirates	100	100	N/A	N/A	Building, steel structures and general contracting
EVS Construction LLC (“EVS Construction Dubai”) @^	United Arab Emirates	49	49	100	100	Engineering and contracting services
Eversendai Mega Structure FZE LLC (“EV Mega Structure RAK”) @	United Arab Emirates	100	100	N/A	N/A	Construction metal structures installation and structural steel manufacturing

Name of Company	Principal place of business	Proportion of ownership interest held by the Group		Effective interest-in profit based on shareholders' agreement		Principal activities
		2025 %	2024 %	2025 %	2024 %	
Held by the Company						
Eversendai Engineering Saudi LLC (“Eversendai Engineering Saudi”) #	Kingdom of Saudi Arabia	100	80	100	100	Steel construction contracts for buildings, steel construction works related to oil and gas fields. Industrial establishment building contracting, fire proofing and civil works
Eversendai Construction (S) Pte. Ltd. (“Eversendai Singapore”) #	Singapore	100	100	N/A	N/A	Building construction including major upgrading works
Eversendai Engineering Pte. Ltd. (“EEPL Singapore”) #	Singapore	100	100	N/A	N/A	Mechanical, electrical, civil and general engineers and engineering consultants
Eversendai Engineering Sdn. Bhd. (“EESB”)	Malaysia	100	100	N/A	N/A	Engineering, fabrication, design and erection of mechanical and structural steel works
Eversendai Offshore Sdn. Bhd. (“EOSB”)	Malaysia	100	100	N/A	N/A	Engineering, procurement, fabrication and construction services for the oil and gas industry

Name of Company	Principal place of business	Proportion of ownership interest held by the Group		Effective interest-in profit based on shareholders' agreement		Principal activities
		2025 %	2024 %	2025 %	2024 %	
Held by the Company						
ECB Properties Sdn. Bhd. (“EPSB”)	Malaysia	100	100	N/A	N/A	Real property and development
Eversendai Constructions (M) Sdn. Bhd. (“ECMSB”)	Malaysia	69	69	N/A	N/A	Civil engineering and general contracting services
Eversendai Resources Sdn. Bhd. (“ERSB”)	Malaysia	100	100	N/A	N/A	General contractors and property developer
Eversendai Engineering LLC (“Eversendai Azerbaijan”)*&	Azerbaijan	-	100	N/A	N/A	Engineering, procurement, fabrication and construction services
Eversendai Construction WLL Kuwait (“Eversendai Kuwait”)*@^	Kuwait	49	49	100	100	Engineering, procurement, fabrication and construction services
Eversendai Engineering Qatar WLL (“Eversendai Qatar”)*@^	State of Qatar	49	49	70	70	Engineering, blasting, painting, fabrication, design and erection of mechanical and structural steel works
Vahana Construction. M (SARL) (“Eversendai Morocco”)*@	Morocco	100	100	N/A	N/A	Construction, steel structure, infrastructure and oil and gas industry works

Name of Company	Principal place of business	Proportion of ownership interest held by the Group		Effective interest-in profit based on shareholders' agreement		Principal activities
		2025 %	2024 %	2025 %	2024 %	
Held by Eversendai Singapore						
Eversendai Construction Private Limited (“Eversendai India”) ^{#%}	India	100	100	N/A	N/A	Engineering, design, detailing, steel fabrication, development of residential buildings and commercial complexes
Held by EOSB						
Eversendai Offshore RMC FZE (“Eversendai Offshore RAK”) [@]	United Arab Emirates	100	100	N/A	N/A	Manufacturing and construction of oil and gas field equipment, oil and gas facility, sea platforms and rigs, structural steel, pressure vessels and other related activities
Held by ECMSB						
Eversendai Engineering (Pvt) Limited (“Eversendai Sri Lanka”) [*]	Sri Lanka	69	69	N/A	N/A	Construction

Name of Company	Principal place of business	Proportion of ownership interest held by the Group		Effective interest-in profit based on shareholders' agreement		Principal activities
		2025	2024	2025	2024	
		%	%	%	%	
Held by ERSB						
Eversendai Engineering Construction Limited (“Eversendai Construction Saudi”) #	Kingdom of Saudi Arabia	100	100	N/A	N/A	General construction for residential buildings, non-residential building, government buildings and work of installing scaffoldings

Audited by another auditors other than Morison Global member firm.

@ Audited by another auditors under Morison Global member firm.

* Not required to be audited pursuant to the relevant regulations of the place of incorporation.

% The financial year end of the subsidiary is 31 March due to local regulatory requirement. For the purpose of consolidation, the management account from 1 January 2025 to 31 December 2025 are audited.

& The subsidiary has ceased its operations and strike off on 29 September 2025.

^ Pursuant to the shareholders' agreements with the respective foreign partners of the subsidiaries and the power of attorney granted by them, the Group controls these subsidiaries by virtue of having the:

- (i) power of more than half of the voting rights and to govern the financial and operating policies;
- (ii) power to appoint or remove majority of the members of the board of directors or equivalent governing body and control of the entity that is by that board or body; and
- (iii) power to cast majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

Strike off of Eversendai Azerbaijan

During the financial year, a wholly-owned subsidiary of the Company, Eversendai Azerbaijan has ceased its operations and was strike off on 29 September 2025. Following the completion of the strike off, the subsidiary has been derecognised and deconsolidated from the Group. The strike off did not have any impact on the Group's net assets, as the subsidiary had RMNil net assets at the date of strike off and no consideration was received. The Group recognised a loss on derecognition of a subsidiary amounting to RM1,125,000 arising from the realisation of the foreign currency translation reserve.

Capital contribution from Eversendai Singapore

On 3 September 2025, a wholly-owned subsidiary of the Company, Eversendai Singapore, transferred its 100% equity interest in its subsidiary, EEPL Singapore, to the Company as part of the Group internal reorganisation. The transfer was effected at no consideration and represents a capital contribution from Eversendai Singapore to the Company.

As a result, the Company recognised an addition to its investment in subsidiaries with a corresponding credit to capital contribution reserve amounting to approximately RM3,921,000 (equivalent to approximately SGD1,242,000). Accordingly, the Company's direct equity interest in EEPL Singapore increased from 0% to 100%.

Additional interest in Eversendai Engineering Saudi

On 14 August 2025, the Company entered into a settlement agreement with the non-controlling interest of its subsidiary, for the full and final settlement of the amount owing to the non-controlling interest, amounting to RM8,655,000 (equivalent to approximately SAR8,000,000).

Upon settlement of the said amount on 29 October 2025, the Company's equity interest in Eversendai Engineering Saudi increased from 80% to 100%.

(d) Non-controlling interests in subsidiaries

The financial information of the Company's subsidiaries that have material non-controlling interests are as follows:

	Eversendai Qatar RM'000	ECMSB RM'000	Eversendai Sri Lanka RM'000	Total RM'000
2025				
Proportion of ownership interests held by non-controlling interests	30%	31%	31%	
Accumulated non-controlling interests	5,358	(23,331)	75	(17,898)
Profit/(Loss) allocated to non-controlling interests	8,488	(285)	-	8,203
Other comprehensive loss allocated to non-controlling interests	(457)	-	-	(457)
	<u>8,031</u>	<u>(285)</u>	<u>-</u>	<u>7,746</u>
2024				
Proportion of ownership interests held by non-controlling interests	30%	31%	31%	
Accumulated non-controlling interests	(2,673)	(23,046)	75	(25,644)
Profit/(Loss) allocated to non-controlling interests	3,453	(248)	-	3,205
Other comprehensive loss allocated to non-controlling interests	(83)	-	-	(83)
	<u>3,370</u>	<u>(248)</u>	<u>-</u>	<u>3,122</u>

(e) Summarised financial information of material non-controlling interests

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	Eversendai Qatar RM'000	ECMSB RM'000
2025		
Summarised statements of financial position		
Non-current assets	13,993	330
Current assets	153,243	91,609
Non-current liabilities	(18,923)	(451)
Current liabilities	<u>(109,527)</u>	<u>(170,729)</u>
Net assets/(liabilities)	<u>38,786</u>	<u>(79,241)</u>
Summarised statements of profit or loss and other comprehensive income/(loss)		
Revenue	<u>123,326</u>	<u>-</u>
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	<u>28,293</u>	<u>(919)</u>
Summarised statements of cash flows		
Net cash (used in)/from operating activities	(7,631)	66,321
Net cash used in investing activities	(1,401)	(66,041)
Net cash used in financing activities	<u>(162)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents	<u>(9,194)</u>	<u>280</u>

	Eversendai Qatar RM'000	ECMSB RM'000
2024		
Summarised statements of financial position		
Non-current assets	17,581	459
Current assets	157,369	25,335
Non-current liabilities	(20,920)	-
Current liabilities	<u>(140,800)</u>	<u>(104,116)</u>
Net assets/(liabilities)	<u>13,230</u>	<u>(78,322)</u>
Summarised statements of profit or loss and other comprehensive income/(loss)		
Revenue	<u>144,106</u>	<u>-</u>
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	<u>11,510</u>	<u>(799)</u>
Summarised statements of cash flows		
Net cash from/(used in) operating activities	55,073	(225)
Net cash (used in)/ from investing activities	(1,079)	249
Net cash used in financing activities	<u>(51,123)</u>	<u>(25)</u>
Net increase/(decrease) in cash and cash equivalents	<u>2,871</u>	<u>(1)</u>

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2025 RM'000	2024 RM'000
Deferred tax assets	10,990	16,842
Deferred tax liabilities	<u>(1,584)</u>	<u>-</u>
	<u>9,406</u>	<u>16,842</u>

The movements in deferred tax during the financial year are as follows:

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	16,842	11,895
Credited to profit or loss (Note 11):		
Property, plant and equipment	(5,009)	562
Inventories	-	583
Trade receivables	376	571
Lease liabilities	350	-
Employees' service benefits	660	581
Other payables and accrued expenses	(2,175)	3,373
	(5,798)	5,670
Exchange differences	<u>(1,638)</u>	<u>(723)</u>
As at 31 December	<u>9,406</u>	<u>16,842</u>

The deferred tax in the financial statements is in respect of the tax effects on the following:

	Group	
	2025	2024
	RM'000	RM'000
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	649	4,020
Inventories	517	569
Trade receivables	6,523	6,914
Lease liabilities	350	-
Employees' service benefits	1,641	1,197
Other payables and accrued expenses	<u>1,666</u>	<u>4,148</u>
	11,346	16,848
Offsetting	<u>(1,940)</u>	<u>(6)</u>
Deferred tax assets (after offsetting)	<u>9,406</u>	<u>16,842</u>
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	<u>1,940</u>	<u>6</u>
	1,940	6
Offsetting	<u>(1,940)</u>	<u>(6)</u>
Deferred tax liabilities (after offsetting)	<u>-</u>	<u>-</u>

The deductible temporary difference, unabsorbed capital allowances and unutilised tax losses which would give rise to deferred tax assets not recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unabsorbed capital allowances and unutilised tax losses can be utilised. As at the end of reporting period, the estimated amount of temporary difference, unabsorbed capital allowances and unutilised tax losses for which no deferred tax assets has not been recognised in the financial statements due to uncertainty of its realisation are as follows:

	Group	
	2025	2024
	RM'000	RM'000
Unutilised tax losses	65,959	65,224
Unabsorbed capital allowances	10	-
Others	(288)	(394)
	<u>65,681</u>	<u>64,830</u>

At the end of the reporting period, the Group has unutilised tax losses and unabsorbed capital allowances that are available for offsetting against future taxable profits, subject to the agreement with the tax authorities.

The details of unutilised tax losses and unabsorbed capital allowances are as follow:

	Group	
	2025	2024
	RM'000	RM'000
Unabsorbed capital allowances	10	-
Unutilised tax losses	<u>65,959</u>	<u>65,224</u>

The comparative information has been restated to reflect the revised unabsorbed capital allowances and unutilised tax losses and to conform with the actual income tax computation submitted to the tax authorities

Expiry date of the unutilised tax losses is summarised below:

	Group	
	2025	2024
	RM'000	RM'000
Year of assessment:		
2030	8,122	8,122
2031	39,313	39,313
2032	16,198	16,198
2033	1,591	1,591
2035	<u>735</u>	<u>-</u>
	<u>65,959</u>	<u>65,224</u>

17. INVENTORIES

	Group	
	2025	2024
	RM'000	RM'000
At cost:		
Materials at fabrication yard and on site	342,589	280,775
At net realisable value:		
Materials at fabrication yard	3,219	3,830
	<u>345,808</u>	<u>284,605</u>
Recognised in profit or loss:		
Inventories recognised as cost of sales	720,249	288,923
Inventories write down to net realisable value	-	7,522
Inventories written off	140	1,039

Certain inventories amounting to RM42,282,000 (2024: RM45,483,000) are pledged against borrowings as disclosed in Note 28(d)(iv).

18. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025	2024
	RM'000	RM'000
Contract assets	687,771	523,508
Contract liabilities	(617,825)	(392,490)
	<u>69,946</u>	<u>131,018</u>

(a) Significant changes in contract balances

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	455,823	476,362
Revenue recognised during the financial year	2,135,042	1,247,984
Progress billing issued during the financial year	(2,525,233)	(1,580,351)
Contract cost capitalised during the financial year	38,469	6,012
Impairment losses of contract assets	-	(10,941)
Reversal during the financial year	-	1,768
Exchange differences	(34,155)	(9,816)
As at 31 December	<u>69,946</u>	<u>131,018</u>

(b) Impairment

The movement in the impairment of contract assets is as follow:

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	17,598	8,986
Charge for the financial year	-	10,941
Reversal during the financial year	-	(1,768)
Exchange differences	(1,726)	(561)
As at 31 December	<u>15,872</u>	<u>17,598</u>
Revenue recognised that was included in contract liabilities balance at beginning of the financial year	<u>188,639</u>	<u>288,851</u>

- (c) Included in contract assets is an amount of RM250,503,000 (2024: RM235,074,000) relating to contract works carried out on a self-propelled jack-ups liftboat, Vahana Arjun. The final milestone, being the successful sea trial of Vahana Arjun, is expected to be completed in the last quarter of year 2026.

19. **TRADE RECEIVABLES**

	Group	
	2025	2024
	RM'000	RM'000
Trade receivables:		
Third parties	256,670	221,797
Retention sum receivables	618,492	539,603
Less: Allowance for impairment losses	(217,864)	(245,439)
	<u>657,298</u>	<u>515,961</u>

- (a) The retention sum receivables range from 12 months to 36 months (2024: 12 months to 36 months) to satisfactory completion of the respective project defect liability periods.

The Group's contract terms with its customers are mainly on credit. The Group's credit term ranges from 30 days to 90 days (2024: 30 days to 90 days). Trade receivables are non-interest bearing.

- (b) The following table shows the movement in lifetime ECL that has been recognised for trade receivables and retention sum receivables in accordance with the simplified approach set out in MFRS 9.

The movement in the impairment of trade receivables is as follow:

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	245,439	262,124
Charge for the financial year	3,595	4,782
Reversal during the financial year	(7,879)	(14,084)
Written off during the financial year	(662)	-
Exchange differences	<u>(22,629)</u>	<u>(7,383)</u>
As at 31 December	<u>217,864</u>	<u>245,439</u>

- (c) The following details the risk profile of trade receivables collectively assessed based on the Group's "Probability of Default" approach. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer within the same region, the probability of default based on past due status is only distinguished between customer bases from different region.

	Middle East			India			Southeast Asia			Others			Total	
	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL RM'000
Group 2025														
Not past due	312,024	0.02	-	9,428	1.29	121	62,836	-	-	-	-	-	384,288	121
Past due 1 - 30 days	24,294	1.39	-	1,924	6.62	63	49	-	-	-	-	-	26,267	63
Past due 31 - 60 days	4,436	3.54	-	3,777	6.42	151	4,432	-	-	-	-	-	12,645	151
Past due more than 60 days	110,847	6.68	3,901	20,849	7.87	699	20,285	0.01	1,001	12,307	100.00	12,307	164,288	17,908
Total (Collectively assessed)	451,601		3,901	35,978		1,034	87,602		1,001	12,307		12,307	587,488	18,243
Individually assessed														
- KAPSARC													12,265	12,265
- Kuwait University													40,859	40,859
- Doha Oasis													33,354	33,354
- Capital gate/Feature tower													9,715	9,715
- Abu Dhabi International Airport													45,884	7,752
- CMA Tower													39,246	6,404
- Qinp-Water Park													6,909	6,909
- Commercial Boulevard - Bp18A													2,211	2,211
- Education City - Cultural Cent													4,757	3,644
- Dubai Pearl Project													58,557	58,557
- Others													33,917	17,951
Total (Forward)													875,162	217,864

	Middle East			India			Southeast Asia			Others			Total	
	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL %	ECL RM'000	Gross value RM'000	ECL RM'000
Group 2024														
Not past due	196,772	0.25	343	6,970	0.84	59	25,324	-	-	-	-	-	229,066	402
Past due 1 - 30 days	1,103	2.63	29	2,259	7.00	117	1,792	-	-	-	-	-	5,154	146
Past due 31 - 60 days	29,053	5.31	-	942	6.70	32	1,289	-	-	-	-	-	31,284	32
Past due more than 60 days	136,968	3.69 to 6.68	2,912	14,057	6.02 to 8.18	493	25,134	0.01	1,001	13,520	100.00	13,520	189,679	17,926
Total (Collectively assessed)	363,896		3,284	24,228		701	53,539		1,001	13,520		13,520	455,183	18,506
Individually assessed														
- KAPSARC													13,508	13,508
- Kuwait University													44,997	44,997
- Doha Oasis													36,729	36,729
- Capital gate/Feature tower													11,217	10,699
- Abu Dhabi International Airport													50,531	8,245
- CMA Tower													43,221	7,052
- Dubai Pearl Project													64,486	64,486
- Others													41,528	41,217
Total													761,400	245,439

20. OTHER RECEIVABLES, REFUNDABLE DEPOSITS AND PREPAID EXPENSES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other receivables	26,053	49,638	10,504	10,080
Less: Allowance for impairment losses	(3,869)	(16,052)	-	-
	22,184	33,586	10,504	10,080
Down payments to suppliers (a)	57,192	63,789	-	-
Refundable deposits (b)(c)	71,271	46,412	13,358	12,412
Prepaid expenses	7,511	7,795	100	237
GST receivables	17,994	10,242	-	-
	<u>176,152</u>	<u>161,824</u>	<u>23,962</u>	<u>22,729</u>

Other receivables disclosed above are neither past due nor impaired at the end of the reporting period.

Included in other receivables are amount owing from related parties amounting to RM15,220,000 (2024: RM10,504,000), which arose mainly from non-trade transaction, are unsecured, interest-free and receivable on demand.

- (a) Down payments to suppliers are to be offset against the suppliers' invoices upon issuance of invoices.
- (b) Included in refundable deposits of the Group are security deposits amounting to RM32,883,000 (2024: RM11,381,000) relating to accommodation of contract workers which are refundable in their respective countries. Included in refundable deposits are payments for contract labour cost of RM4,810,000 (2024: RM4,218,000) relating to the working permits which are refundable in the respective countries.
- (c) On 26 December 2025, a wholly-owned subsidiary of the Company, EESB has entered into a Sale and Purchase Agreement for the acquisition of a piece of vacant industrial land for a total purchase consideration of RM18,800,000.

As at 31 December 2025, a deposit of 10% of the purchase consideration, amounting to RM1,880,000, has been paid and is included in refundable deposits of the Group. As at the date of this report, the acquisition is still pending fulfillment of condition precedent.

(d) Impairment

The movement in the impairment of other receivables is as follows:

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	16,052	11,802
Charge for the financial year	-	4,363
Written off during the financial year	(11,802)	-
Exchange differences	(381)	(113)
	<u>3,869</u>	<u>16,052</u>
As at 31 December	<u>3,869</u>	<u>16,052</u>

21. AMOUNTS OWING BY/(TO) RELATED PARTY, SUBSIDIARIES AND HOLDING COMPANY

- (a) The Company is a subsidiary of Vahana Holdings Sdn. Bhd., a company incorporated and domiciled in Malaysia, which is regarded by the directors as the holding company of the Company.
- (b) Amounts owing by/(to) related party, subsidiaries and holding company, which arose mainly from non-trade transactions and payments on behalf, are unsecured, interest-free and receivable/(repayable) on demand, except for net advances to a subsidiary, Eversendai Offshore RAK, of RM198,227,000 (2024: RM267,615,000) which bear interest of 4.00% (2024: 4.00%) per annum and are receivable based on repayment schedule of 5 years from year 2025 to 2029.

As at 31 December 2025, the current and non-current portion of the said advances are RM35,921,000 and RM162,306,000 respectively, totaling to RM198,227,000.

22. CASH AND BANK BALANCES

The weighted average effective interest rate for deposits with financial institutions as at the end of the reporting period for the Group ranges from 3.45% to 5.50% (2024: 5.00% to 6.00%) per annum.

Deposits with financial institutions of the Group amounting to RM90,236,000 (2024: RM65,579,000) are pledged as securities for borrowing facilities granted to the subsidiaries as disclosed in Note 28(d)(vi). The maturity period of the Group's deposits with financial institutions at the reporting date ranges from 90 days to 365 days (2024: 90 days to 365 days).

23. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
Issued and fully paid up with no par value:				
As at 1 January 2025	781,105	781,100	585,310	585,308
Exercise of warrants	443	5	199	2
As at 31 December 2025	<u>781,548</u>	<u>781,105</u>	<u>585,509</u>	<u>585,310</u>

During the financial year, the Company issued 442,550 new ordinary shares at an exercise price of RM0.45 per ordinary share for total consideration of RM199,148 from the exercise of warrants.

In the previous financial year, the Company issued 5,000 new ordinary shares at an exercise price of RM0.38 per ordinary share for total consideration of RM1,900 from the exercise of warrants.

The new ordinary shares issued during the financial year shall rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

24. RESERVES

(a) Treasury shares

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
At cost:				
As at 1 January/31 December	<u>101</u>	<u>101</u>	<u>91</u>	<u>91</u>

(b) Capital reserve

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Statutory reserve	<u>280</u>	<u>187</u>	<u>3,921</u>	<u>-</u>

Qatar

In accordance with the Law No.11 of 2015 stating Qatari Commercial Companies' Law and its related amendments ("Qatari Law") and the Articles of Association of Eversendai Qatar, Eversendai Qatar is required to establish a statutory reserve by transferring 10% of net profit for each financial year until the reserve equals 50% of the paid-up capital. This is not available for distribution except as stipulated by the Qatari Law. As the said reserve exceeds the legal minimum requirement of the Qatari Law, Eversendai Qatar has discontinued the transfer to the said reserve.

UAE

In accordance with the UAE Federal Decree Law No. 32 of 2021 ("UAE Law") and the Memorandum of Association of EV Mega Structure RAK and Eversendai Abu Dhabi, 5% of the profit for each financial year is required to be transferred to a statutory reserve. EV Mega Structure RAK and Eversendai Abu Dhabi may resolve to discontinue such annual transfers until the reserve equals 50% of the paid-up capital. The reserve is not available for distribution except in circumstances stipulated under the UAE Law.

The Company's capital reserve related to capital contribution reserve derived from the internal reorganisation as disclosed in Note 15.

(c) **Foreign currency translation reserve**

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

25. **WARRANTS**

The Company issued 390,499,496 free warrants which were listed and quoted on Bursa Malaysia Securities Berhad on 23 October 2020 pursuant to the bonus issue on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company. The warrants are constituted by a Deed Poll dated 30 September 2020 executed by the Company.

Issue Date	Expiry Date	Number of warrants			As at 31 December 2025
		As at 1 January 2025	Exercised	Lapsed	
19.10.2020	17.10.2025	390,494,496	(442,550)	(390,051,946)	-

The salient terms of the warrants are as follows:

- (a) The warrants are constituted by a Deed Poll executed on 30 September 2020.
- (b) The warrants are traded separately.

- (c) The warrants can be exercised at any time within a period of five (5) years commencing from and including the date of issue, 19 October 2020 to 18 October 2025 (“Exercise Period”). Any warrants not exercised during the exercise period will thereafter lapse and cease to be valid.

Up to the expiry date of exercise of the warrants on 17 October 2025, the 390,051,946 warrants not exercised were delisted from the Official List of Bursa Malaysia Securities Berhad on 21 October 2025.

26. LEASE LIABILITIES

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	175,882	180,610
Additions to right-to-use assets	12,868	15,330
Derecognition of lease liabilities	(162)	-
Repayments:		
Principal	(16,282)	(15,080)
Interest	(3,680)	(3,854)
Interest expense incurred (Note 7)	3,680	3,854
Exchange differences	(15,901)	(4,978)
	<u>156,405</u>	<u>175,882</u>
As at 31 December		
Minimum lease payments:		
Not later than one year	20,582	18,282
Later than one year and not later than five years	67,684	71,154
Later than five years	87,079	110,354
	<u>175,345</u>	<u>199,790</u>
Less: Future finance charges	(18,940)	(23,908)
	<u>156,405</u>	<u>175,882</u>
Present value of minimum lease payments:		
Not later than one year	17,501	14,824
Later than one year and not later than five years	58,979	60,794
Later than five years	79,925	100,264
	<u>156,405</u>	<u>175,882</u>
Less: Amount due within twelve months	(17,501)	(14,824)
	<u>138,904</u>	<u>161,058</u>

The Group does not face a significant liquidity risk with regard to their lease liabilities.

Interest rates for lease liabilities of the Group which are fixed at inception, ranges from 1.90% to 6.57% (2024: 1.90% to 5.25%) per annum.

27. HIRE PURCHASE PAYABLES

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	209	43
Additions	423	246
Repayments:		
Principal	(351)	(72)
Interest	(30)	(13)
Interest expense incurred (Note 7)	30	13
Exchange differences	(10)	(8)
	<u>271</u>	<u>209</u>
As at 31 December	<u>271</u>	<u>209</u>
Minimum lease payments:		
Not later than one year	108	48
Later than one year and not later than five years	187	192
Later than five years	-	8
	<u>295</u>	<u>248</u>
Less: Future finance charges	<u>(24)</u>	<u>(39)</u>
Present value of hire purchase payables	<u>271</u>	<u>209</u>
Present value of minimum lease payments:		
Not later than one year	97	35
Later than one year and not later than five years	174	166
Later than five years	-	8
	<u>271</u>	<u>209</u>
Less: Amount due within twelve months	<u>(97)</u>	<u>(35)</u>
Amount due after twelve months	<u>174</u>	<u>174</u>

The hire purchase payables bear interest ranges from 5.27% to 6.90% (2024: 3.68%) per annum. The hire purchase payables are secured by a charge over the property, plant and equipment as disclosed in Note 13(b).

28. **BORROWINGS**

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Secured</u>				
Non-current:				
Term loans	432,133	12,267	420,482	-
Current:				
Term loans	70,195	543,549	34,115	508,066
Bills payables	-	52,524	-	-
Bank overdrafts	-	22,095	-	22,095
	<u>70,195</u>	<u>618,168</u>	<u>34,115</u>	<u>530,161</u>
	<u>502,328</u>	<u>630,435</u>	<u>454,597</u>	<u>530,161</u>
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Total borrowings:				
Term loans	502,328	555,816	454,597	508,066
Bills payables	-	52,524	-	-
Bank overdrafts	-	22,095	-	22,095
	<u>502,328</u>	<u>630,435</u>	<u>454,597</u>	<u>530,161</u>

- (a) In 2024, bank overdrafts of the Group and the Company beared interest of 10.32% per annum.
- (b) Bills payables are obtained for purchase of steel materials for short-term financing. In 2024, the bills payables carried interest in the range of 4.50% to 6.86% per annum and were repayable up to 90 days from the date of disbursement.
- (c) Term loans
- (i) The term loans bear interest ranges from 3.00% to 10.50% (2024: 4.00% to 10.00%) per annum and are repayable over a period of 12 months to 84 months (2024: 12 months to 84 months).

(ii) Syndicated term loan facility

On 4 November 2019, the Company obtained a 5-year syndicated term loan facility amounting to RM528million (equivalent to USD115million) from a consortium of financial institutions comprising MBSB Bank Berhad, Export-Import Bank of Malaysia Berhad, United Overseas Bank (Malaysia) Berhad and Commercial Bank International PSC (collectively known as the “Lenders”) (the “Facility”). The Facility was utilised to refinance the outstanding sum for the 5-year syndicated term loan facility obtained in October 2016. In connection with this Facility, the Lenders appointed a Common Facility Agent (the “Agent”) to act on their behalf under the term of the agreement.

In previous financial years, the Company did not meet certain financial covenants and resulted in reclassification of the outstanding loan balance as current liabilities. During the financial year, the Group and the Company entered into a Debt Settlement Agreement dated 23 April 2025 (“Agreement”) with the Lenders. Under the Agreement, the total settlement sum of RM653,244,000 (equivalent to USD146,152,000), which include the outstanding principal and future financial charges, will be repaid via quarterly repayments over a period of six years from year 2025 to 2030.

Following the execution of the Agreement, the Group and the Company have classified the outstanding loan amount as current and non-current portion in accordance with the repayment terms. As at 31 December 2025, included in the Group’s and the Company’s term loan are the outstanding loan amount of RM30,577,000 and RM404,567,000 (2024: RMNil and RM508,066,000), classified as current and non-current portion, respectively.

(d) The borrowings are secured by:

- (i) Joint and several guarantees by certain directors of the Company;
- (ii) Third party legal charges over certain properties belonging to certain directors of the Company;
- (iii) Deed of Legal Agreement and Assignment of all the contract proceeds relating to projects undertaken by certain subsidiaries;
- (iv) Pledge on certain inventories as disclosed in Note 17;
- (v) Cash collateral and counter-guarantee on all performance bond guarantees and advance payment guarantees; and
- (vi) Pledge on certain property, plant and equipment and deposits with financial institutions of the Group as disclosed in Notes 13 and 22, respectively.

29. EMPLOYEES' SERVICE BENEFITS

	Group	
	2025	2024
	RM'000	RM'000
As at 1 January	103,523	90,514
Addition during the financial year	17,558	28,109
Provisions reversed during the financial year	(470)	-
Employees' service benefits paid	(11,150)	(12,141)
Exchange differences	(9,999)	(2,959)
	<u>99,462</u>	<u>103,523</u>
As at 31 December	<u>99,462</u>	<u>103,523</u>

Provision is made for the employees' service benefits in accordance with local requirement for foreign subsidiaries for their period of service up to the reporting date. The provision for the employees' service benefits is calculated annually.

30. TRADE PAYABLES

	Group	
	2025	2024
	RM'000	RM'000
Trade payables	682,523	421,275
Retention sum payables	14,942	23,814
	<u>697,465</u>	<u>445,089</u>

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 days to 90 days (2024: 30 days to 90 days).

31. OTHER PAYABLES AND ACCRUED EXPENSES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Other payables and accrued expenses (a)	218,829	138,971	1,468	3,627
GST payables	7,617	19,481	-	-
	<u>226,446</u>	<u>158,452</u>	<u>1,468</u>	<u>3,627</u>

(a) Included in other payables are amount owing to a related party amounting to RM12,000 (2024: RMNil), which arose mainly from non-trade transaction, are unsecured, interest-free and repayable on demand.

32. AMOUNT OWING TO DIRECTORS

Amount owing to directors, which arose mainly from payments on behalf and remuneration payable, is unsecured and interest-free.

33. COMMITMENTS AND CONTINGENCIES

(a) Operating commitments

	Group	
	2025	2024
	RM'000	RM'000
Letter of credit	-	2,869

(b) Contingent liabilities

	Group	
	2025	2024
	RM'000	RM'000
Advance payment and performance guarantees	218,677	171,339
Labour guarantees	552	91
	<u>219,229</u>	<u>171,430</u>

(c) Financial guarantees

The Company has provided corporate guarantees for banking facilities to the subsidiaries as follows:

	Company	
	2025	2024
	RM'000	RM'000
Corporate guarantee given to financial institutions to secure credit facilities granted to subsidiaries	<u>47,730</u>	<u>101,043</u>

The Company has assessed the corporate guarantees and concluded that the guarantees are more likely not to be called upon by the financial institution and accordingly not recognised as financial liability as at 31 December 2025 and 31 December 2024.

(d) Capital commitment

At the end of the reporting period, the Group has capital commitment in respect of acquisition of property, plant and equipment as follow:

	Group	
	2025	2024
	RM'000	RM'000
Contracted but not provided for:		
Acquisition of property, plant and equipment	<u>33,280</u>	<u>2,920</u>

34. **RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	As at 1 January RM'000	Financing cash flow (i) RM'000	Non-cash changes (ii) RM'000	As at 31 December RM'000
Group				
2025				
Hire purchase payables	209	(351)	413	271
Lease liabilities	175,882	(16,444)	(3,033)	156,405
Borrowings (net of bank overdrafts)	608,340	(121,471)	15,459	502,328
Amount owing to holding company	6,356	(133)	-	6,223
Amount owing to directors	<u>58,916</u>	<u>(10,401)</u>	<u>-</u>	<u>48,515</u>
	<u>849,703</u>	<u>(148,800)</u>	<u>12,839</u>	<u>713,742</u>

	As at 1 January RM'000	Financing cash flow (i) RM'000	Non-cash changes (ii) RM'000	As at 31 December RM'000
2024				
Hire purchase payables	43	(72)	238	209
Lease liabilities	180,610	(15,080)	10,352	175,882
Borrowings (net of bank overdrafts)	1,057,686	(215,892)	(233,454)	608,340
Amount owing to holding company	4,513	1,843	-	6,356
Amount owing to directors	<u>28,727</u>	<u>30,189</u>	<u>-</u>	<u>58,916</u>
	<u>1,271,579</u>	<u>(199,012)</u>	<u>(222,864)</u>	<u>849,703</u>
Company				
2025				
Borrowings (net of bank overdrafts)	508,066	(32,748)	(20,721)	454,597
Amount owing to subsidiaries	206,477	13,853	(15,859)	204,471
Amount owing to directors	<u>1,776</u>	<u>-</u>	<u>-</u>	<u>1,776</u>
	<u>716,319</u>	<u>(18,895)</u>	<u>(36,580)</u>	<u>660,844</u>
2024				
Borrowings (net of bank overdrafts)	578,243	(71,372)	1,195	508,066
Amount owing to subsidiaries	132,697	80,855	(7,075)	206,477
Amount owing to directors	<u>1,648</u>	<u>128</u>	<u>-</u>	<u>1,776</u>
	<u>712,588</u>	<u>9,611</u>	<u>(5,880)</u>	<u>716,319</u>

- (i) The cash flow from lease liabilities, hire purchase payables, borrowings, amounts owing to holding company, subsidiaries and directors make up a net amount of proceeds from or repayments or payments in the statements of cash flows.
- (ii) Non-cash changes included additions to right-of-use assets, hire purchase arrangement, derecognition of lease liabilities, finance cost, exchange differences and unrealised gain from foreign exchange.

35. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group RM'000	Company RM'000
2025		
Financial assets		
<u>At amortised cost</u>		
Trade receivables	657,298	-
Other receivables and refundable deposits	93,455	23,862
Amount owing by subsidiaries	-	240,468
Amount owing by holding company	9,672	8,319
Cash and bank balances	<u>269,154</u>	<u>3,893</u>
Financial liabilities		
<u>At amortised cost</u>		
Trade payables	697,465	-
Other payables and accrued expenses	218,829	1,468
Amount owing to directors	48,515	1,776
Amount owing to subsidiaries	-	204,471
Amount owing to holding company	6,223	-
Borrowings	502,328	454,597
Lease liabilities	156,405	-
Hire purchase payables	<u>271</u>	<u>-</u>
2024		
Financial assets		
<u>At amortised cost</u>		
Trade receivables	515,961	-
Other receivables and refundable deposits	79,998	22,492
Amount owing by subsidiaries	-	306,660
Amount owing by holding company	8,555	8,245
Cash and bank balances	<u>152,682</u>	<u>227</u>
Financial liabilities		
<u>At amortised cost</u>		
Trade payables	445,089	-
Other payables and accrued expenses	138,971	3,627
Amount owing to directors	58,916	1,776
Amount owing to subsidiaries	-	206,477
Amount owing to holding company	6,356	-
Borrowings	630,435	530,161
Lease liabilities	175,882	-
Hire purchase payables	<u>209</u>	<u>-</u>

(b) **Fair value of financial instruments**

The carrying amounts of cash and bank balances, short-term receivables and payables are reasonable approximation to their fair values due to relatively short-term nature of these financial instruments.

The carrying amount of long-term and short-term floating rate borrowings approximates their fair value as the borrowings will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial year.

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The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025									
Company									
Financial assets									
Amount owing by subsidiaries	<u>198,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,227</u>	<u>198,227</u>
2024									
Company									
Financial assets									
Amount owing by subsidiaries	<u>267,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>267,615</u>	<u>267,615</u>

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole as follows:

- (a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below.

(a) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to the credit risk arises primarily from trade and other receivables. For cash and bank balances and deposits with financial institutions, the Group and the Company minimise credit risk by dealing exclusively with high credit rating financial institutions.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group and the Company trade only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an on-going basis with the result that the Group's and the Company's exposure to bad debt is not significant.

Trade receivables and contract assets

At the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables is not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

As at 31 December 2025, approximately 23% (2024: 27%) of the Group's trade receivables was due from one (2024: one) major customer.

As at 31 December 2025, approximately 60% (2024: 45%) of the Group's contract assets was due from two (2024: one) major customers.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on the days past due.

The information about the credit risk exposure on the Group's trade receivables using the provision matrix are disclosed in Note 19.

Other receivables and other financial assets

For other receivables and other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due from the credit term in making a contractual payment.

Some intercompany loans between entities within the Company are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the debtor does not have sufficient highly liquid resources when the loan is demanded, the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

At the end of the reporting period, the Group and the Company consider the other receivables and other financial assets as low credit risk did not recognise any loss allowance for impairment for other receivables and other financial assets.

Refer to Note 3 for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to the financial institutions in respect of credit facilities granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis.

The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries.

The maximum exposure to credit risks is representing by the maximum amount the Company could pay if the guarantee is called on is disclosed in Note 33(c). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from its borrowings and trade and other payables.

The Group manages its liquidity risk through ongoing monitoring of its cash flow requirements and maintaining a balance between continuity of funding and flexibility. This includes aligning repayment obligations with expected cash inflows and maintaining adequate liquidity buffers.

During the financial year, the Group and the Company entered into a Debt Settlement Agreement dated 23 April 2025 with the Lenders, which provides a revised repayment schedule over the period and supports the Group's liquidity management.

The Group prepares regular cash flow projections to assess its ability to meet its financial obligations as they fall due. These projections are supported by expected collections from ongoing and completed projects, including a terminated project and proceeds from planned disposals of assets, and do not assume reliance on additional borrowings.

Subsequent year end developments have been considered in the Group's liquidity assessment, including their impact on the timing of projected cash inflows. Management monitors its liquidity position on an ongoing basis and is of the view that the Group will have sufficient liquidity to meet its financial obligations as they fall due.

(c) **Liquidity risk**

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Weighted average effective interest rate %	Contractual undiscounted cash flows				Total RM'000
		Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	
2025						
Group						
Non-interest bearing:						
Trade payables	-	697,465	697,465	-	-	697,465
Other payables and accrued expenses	-	226,446	226,446	-	-	226,446
Amount owing to directors	-	48,515	48,515	-	-	48,515
Amount owing to holding company	-	6,223	6,223	-	-	6,223
Interest bearing:						
Borrowings	3.00 - 10.50	502,328	87,634	470,161	-	557,795
Lease liabilities	1.90 - 6.57	156,405	20,582	67,684	87,079	175,345
Hire purchase payables	5.27 - 6.90	271	108	187	-	295
		<u>1,637,653</u>	<u>1,086,973</u>	<u>538,032</u>	<u>87,079</u>	<u>1,712,084</u>

	Weighted average effective interest rate %	Contractual undiscounted cash flows				Total RM'000
		Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	
Company						
Non-interest bearing:						
Other payables and accrued expenses	-	1,468	1,468	-	-	1,468
Amount owing to directors	-	1,776	1,776	-	-	1,776
Amount owing to subsidiaries	-	204,471	204,471	-	-	204,471
Interest bearing:						
Borrowings	3.00 - 4.50	454,597	51,554	459,020	-	510,574
		662,312	259,269	459,020	-	718,289

	Weighted average effective interest rate %	Contractual undiscounted cash flows				Total RM'000
		Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	
2024						
Group						
Non-interest bearing:						
Trade payables	-	445,089	445,089	-	-	445,089
Other payables and accrued expenses	-	158,452	158,452	-	-	158,452
Amount owing to directors	-	58,916	58,916	-	-	58,916
Amount owing to holding company	-	6,356	6,356	-	-	6,356
Interest bearing:						
Borrowings	4.00 - 10.32	630,435	138,035	340,065	217,838	695,938
Lease liabilities	1.90 - 5.25	175,882	18,282	71,154	110,354	199,790
Hire purchase payables	3.68	209	48	192	8	248
		<u>1,475,339</u>	<u>825,178</u>	<u>411,411</u>	<u>328,200</u>	<u>1,564,789</u>

	Weighted average effective interest rate %	Contractual undiscounted cash flows				Total RM'000
		Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	
Company						
Non-interest bearing:						
Other payables and accrued expenses	-	3,627	3,627	-	-	3,627
Amount owing to directors	-	1,776	1,776	-	-	1,776
Amount owing to subsidiaries	-	206,477	206,477	-	-	206,477
Interest bearing:						
Borrowings	4.00 - 10.32	530,161	48,497	326,544	217,838	592,879
		742,041	260,377	326,544	217,838	804,759

(c) Foreign currency risk

The currencies giving rise to this risk are primarily US Dollars and Euro. The operational transactions in Euro are immaterial and hence will not give rise to significant currency risk exposure.

The businesses of the Group in the Middle East region are exposed to transactional currency risk primarily through purchases that are denominated in a currency other than the functional currency of the operations to which they are related. The operational transactions of the businesses in other major operating countries like India and Malaysia are mainly denominated in the currencies in which they operate.

The Group is also exposed to foreign currency translation risk arising from its investments in foreign operations, including UAE, Qatar, Saudi Arabia, Kuwait, Sri Lanka, Morocco, India and Singapore. The Group's net investments in these foreign operations are not hedged as the currency positions in these foreign investments are considered to be long term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, with all the variables held constant on the Group's profit for the financial year.

	Foreign currency risk	
	+5%	-5%
	RM'000	RM'000
Group		
2025		
USD impact		
<u>Financial assets</u>		
Trade receivables	187	(187)
Cash and bank balances	<u>1</u>	<u>(1)</u>
<u>Financial liability</u>		
Borrowings	<u>(22,730)</u>	<u>22,730</u>
EURO impact		
<u>Financial assets</u>		
Cash and bank balances	<u>41</u>	<u>(41)</u>
2024		
USD impact		
<u>Financial assets</u>		
Trade receivables	156	(156)
Cash and bank balances	<u>7</u>	<u>(7)</u>
<u>Financial liability</u>		
Borrowings	<u>(26,508)</u>	<u>26,508</u>

	Foreign currency risk	
	+5%	-5%
	RM'000	RM'000
Company		
2025		
<u>Financial liability</u>		
Borrowings	<u>(22,730)</u>	<u>22,730</u>
2024		
<u>Financial liability</u>		
Borrowings	<u>(26,508)</u>	<u>26,508</u>

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from:

(i) Interest-bearing financial assets

Deposits with financial institutions are short-term in nature and are not held for speculative purposes.

The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

(ii) Interest-bearing financial liabilities

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
<u>Financial assets</u>				
Deposits with financial institutions	<u>90,236</u>	<u>66,135</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
<u>Financial liabilities</u>				
Borrowings	466,248	555,816	454,597	508,066
Lease liabilities	156,405	175,882	-	-
Hire purchase payables	271	209	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Floating rate instruments				
<u>Financial liabilities</u>				
Borrowings	<u>36,080</u>	<u>74,619</u>	<u>-</u>	<u>22,095</u>

Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed for fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

At the end of the reporting period, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit/(loss) before tax for the financial year would have been approximately RM180,000 (2024: RM373,000) and RM NIL (2024: RM110,000) lower/higher, arising mainly as a result of lower/higher finance costs on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

37. RELATED PARTY TRANSACTIONS**(a) Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company.

(b) Significant related party transactions and balances

Related party transactions have been entered in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the related party transactions of the Group and of the Company are as follows:

	2025 RM'000	2024 RM'000
Group		
Transactions with certain directors and key management personnel of the Group		
Rental paid by the Group on properties owned by a director of the Company	<u>(3,175)</u>	<u>(2,471)</u>
Company		
Transactions with subsidiaries		
Dividend income (Note 5)	-	7,042
Rental charged (Note 5)	564	564
Interest charged (Note 5)	8,115	10,869
Management fee charged (Note 5)	<u>-</u>	<u>1,248</u>

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company and certain members of senior management of the Group and the Company. The remuneration of the key management personnel are disclosed in Note 10.

The remuneration of the director of the Group and the Company and other members of key management during the financial year are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Fees	288	216	288	216
Salaries, bonus and other emoluments	26,115	11,237	960	510
Defined contribution plan	103	100	29	29
	<u>26,506</u>	<u>11,553</u>	<u>1,277</u>	<u>755</u>

38. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into business units based on each respective company and has reportable operating segments based on industry segment and geographical segment of the subsidiaries.

The subsidiaries included in the following segments are:

- (i) Geographical segments
 - (a) Middle East - Eversendai Dubai, Eversendai Sharjah, Eversendai Abu Dhabi, EVS Construction Dubai, EV Mega Structure RAK, Eversendai Offshore RAK, Eversendai Qatar, Eversendai Engineering Saudi, Eversendai Construction Saudi, Eversendai Kuwait and Eversendai Morocco
 - (b) India - Eversendai India
 - (c) Southeast Asia - EESB, ECMSB, Eversendai Singapore and EEPL Singapore
- (ii) Others - EOSB, EPSB, ERSB and Eversendai Corporation Berhad

Management monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a company basis as well.

Group 2025	Geographical Segments				Adjustment and elimination RM'000	Group RM'000
	Middle East RM'000	India RM'000	Southeast Asia RM'000	Others RM'000		
Revenue:						
Revenue from external customers	1,591,870	377,151	166,021	-	-	2,135,042
Inter-segment revenue	635,940	11,535	30,433	8,679	(686,587)	-
	<u>2,227,810</u>	<u>388,686</u>	<u>196,454</u>	<u>8,679</u>	<u>(686,587)</u>	<u>2,135,042</u>
Results:						
Included in the measure of segment profit/ (loss) are:						
Bad debts written off	987	410	-	-	-	1,397
Depreciation on property, plant and equipment	50,985	9,177	3,730	25	-	63,917
Finance costs	19,880	10,596	1,240	22,061	(8,228)	45,549
Interest income	(50)	(1,405)	-	(25)	-	(1,480)
Gain on disposal of property, plant and equipment	(719)	(25)	(2,183)	-	2,174	(753)
Loss/(Gain) on unrealised of foreign exchange	1,048	(82)	7,618	(31,848)	113	(23,151)
Impairment loss on trade receivables	1,370	2,224	-	-	-	3,594
Reversal of impairment loss on trade receivables	(7,879)	-	-	-	-	(7,879)
Income tax expense/(credit)	10,122	4,052	5,736	(1,266)	-	18,644
Segment profit/(loss)	<u>104,030</u>	<u>(16,491)</u>	<u>(17,165)</u>	<u>19,608</u>	<u>23,382</u>	<u>113,364</u>

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Group 2025	Geographical segments				Adjustment and elimination RM'000	Group RM'000
	Middle East RM'000	India RM'000	Southeast Asia RM'000	Others RM'000		
Assets:						
Property, plant and equipment	419,079	57,326	23,908	61,730	(2,174)	559,869
Other assets*	<u>2,639,618</u>	<u>270,754</u>	<u>632,510</u>	<u>1,115,464</u>	<u>(2,472,555)</u>	<u>2,185,791</u>
	<u>3,058,697</u>	<u>328,080</u>	<u>656,418</u>	<u>1,177,194</u>	<u>(2,474,729)</u>	<u>2,745,660</u>
Liabilities:						
Segment liabilities^	<u>2,550,495</u>	<u>278,670</u>	<u>579,373</u>	<u>662,697</u>	<u>(1,699,844)</u>	<u>2,371,391</u>

* Comprising goodwill, deferred tax assets, inventories, contract assets, trade receivables, other receivables, refundable deposits and prepaid expenses, amount owing by holding company, tax recoverable and cash and bank balances.

^ Comprising all classes of liabilities in the statements of financial position.

Group 2024	Geographical Segments				Adjustment and elimination RM'000	Group RM'000
	Middle East RM'000	India RM'000	Southeast Asia RM'000	Others RM'000		
Revenue:						
Revenue from external customers	936,986	180,804	130,194	-	-	1,247,984
Inter-segment revenue	455,667	6,575	23,288	19,723	(505,253)	-
	<u>1,392,653</u>	<u>187,379</u>	<u>153,482</u>	<u>19,723</u>	<u>(505,253)</u>	<u>1,247,984</u>
Results:						
Included in the measure of segment profit/ (loss) are:						
Bad debts written off	7,998	905	-	-	-	8,903
Depreciation on property, plant and equipment	47,535	10,061	2,681	26	-	60,303
Finance costs	28,910	6,465	1,515	18,651	(10,869)	44,672
Interest income	-	(1,402)	(1,017)	(141)	-	(2,560)
Gain on disposal of assets held for sale	-	-	-	(1,710)	-	(1,710)
Gain on disposal of property, plant and equipment	(274)	(81)	(1,218)	-	-	(1,573)
(Gain)/Loss on unrealised of foreign exchange	4,139	282	(370)	(27,160)	-	(23,109)
Impairment loss on:						-
Trade receivables	1,506	3,276	-	-	-	4,782
Contract assets	-	9,423	1,518	-	-	10,941
Other receivables	4,363	-	-	-	-	4,363
Reversal of impairment loss on:						
Trade receivables	(12,761)	(1,019)	(304)	-	-	(14,084)
Contract assets	(75)	-	(1,693)	-	-	(1,768)
Income tax (credit)/expense	7,876	(3,560)	4,522	1,916	-	10,754
Segment profit/(loss)	<u>25,285</u>	<u>(22,738)</u>	<u>2,272</u>	<u>(1,536)</u>	<u>13,317</u>	<u>16,600</u>

	Geographical segments				Adjustment and elimination RM'000	Group RM'000
	Middle East RM'000	India RM'000	Southeast Asia RM'000	Others RM'000		
Group 2024						
Assets:						
Property, plant and equipment	471,481	63,139	22,696	61,755	-	619,071
Other assets*	<u>1,973,811</u>	<u>265,823</u>	<u>364,398</u>	<u>1,171,588</u>	<u>(2,086,633)</u>	<u>1,688,987</u>
	<u>2,445,292</u>	<u>328,962</u>	<u>387,094</u>	<u>1,233,343</u>	<u>(2,086,633)</u>	<u>2,308,058</u>
Liabilities:						
Segment liabilities^	<u>1,992,937</u>	<u>254,237</u>	<u>288,227</u>	<u>742,572</u>	<u>(1,291,021)</u>	<u>1,986,952</u>

* Comprising goodwill, deferred tax assets, inventories, contract assets, trade receivables, other receivables, refundable deposits and prepaid expenses, amount owing by holding company, tax recoverable and cash and bank balances.

^ Comprising all classes of liabilities in the statements of financial position.

The major customers are summarised as follows:

	Group	
	2025	2024
	RM'000	RM'000
Customer A	1,200,325	156,376
Customer B	-	196,540
Customer C	-	174,190
	<u>1,200,325</u>	<u>527,106</u>

39. CAPITAL RISK MANAGEMENT

The Group and the Company monitor capital using a gearing ratio, which is total borrowings divided by total equity. The Group and the Company believe that the level of shareholders' funds and total borrowings as at the reporting date is sufficient to support the Group's and the Company's existing and expected level of business operations. The details of capital of the Group, which is made up of total equity and total borrowings are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Borrowings	502,328	630,435	454,597	530,161
Lease liabilities	156,405	175,882	-	-
Hire purchase payables	271	209	-	-
Total borrowings	<u>659,004</u>	<u>806,526</u>	<u>454,597</u>	<u>530,161</u>
Total equity	<u>374,269</u>	<u>321,106</u>	<u>397,592</u>	<u>375,144</u>
Gearing ratio	<u>1.76</u>	<u>2.51</u>	<u>1.14</u>	<u>1.41</u>

The Group and the Company do not have any externally imposed capital requirement other than certain financial covenants relating to capital requirements imposed by the financial institutions of the Group and the Company as disclosed in Note 28.

40. EVENTS SUBSEQUENT TO FINANCIAL YEAR END

- (a) Subsequent to the financial year end, geopolitical tensions have escalated in the Middle East region following the outbreak of US-Iran conflict which have affected global trade routes, energy markets, and overall economic conditions. As these events arose after the reporting date, they are considered non-adjusting events in accordance with MFRS 110 *Events after the Reporting Period*. Accordingly, no adjustments have been made to the amounts recognised in these financial statements.

The management has assessed the potential implications of these developments on the Group's operations, financial position and performance. As at the date of approval of these financial statements:

- The Group continues to operate in the Middle East region, which maintains a stable economic and regulatory environment.
- No material adverse impact on operations has been identified.

However, given the evolving nature of the situation, the extent of any future financial impact cannot be reasonably estimated at this stage. The management will continue to monitor developments closely.

- (b) On 24 March 2026, the Company announced that the Group had received a notice of termination dated 19 March 2026 from NEOM in respect of the Trojena Ski Village structural steel scope contract (the "Contract"), which shall take effect on 26 March 2026. The Contract was awarded to the Group in collaboration with Al Bawani Co in the Kingdom of Saudi Arabia.

The Group is in the process of preparing the necessary documentation to substantiate the overall progress on the project carried out in accordance with the Contract up to the effective date of termination, including the commercial claims for the termination, related demobilisation costs and other related costs that shall be compensated by NEOM. The Group is required to submit these claims within the time prescribed by NEOM.

As this event occurred after the reporting date, it is considered a non-adjusting event in accordance with MFRS 110 *Events after the Reporting Period*. Accordingly, no adjustments have been made to the amounts recognised in these financial statements.

As at the date of approval of these financial statements, the financial impact arising from the termination of the contract cannot be reliably estimated. Nevertheless, based on the Group's outstanding order book excluding the terminated project, remain at approximately RM2.5 billion, management expects that the termination of the project will not have a material adverse impact on the Group's overall operations.

41. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in prior financial year's statements of financial position and statements of cash flows as shown below have been reclassified to enhance comparability with current financial year's presentation. As a result, certain line items have been amended on the face of the statements of financial position and statements of cash flows. The items reclassified were as follows:

Group	As previously stated RM'000	Reclassifications RM'000	As reclassified RM'000
Statements of financial position as at 31 December 2024			
Current liabilities			
Contract liabilities	67,685	324,805	392,490
Other payables and accrued expenses	537,059	(378,607)	158,452
Borrowings	<u>564,366</u>	<u>53,802</u>	<u>618,168</u>
Statements of cash flows for the financial year ended 31 December 2024			
CASH FLOWS FROM/(USED IN)			
OPERATING ACTIVITIES			
Changes in working capital:			
Payables	<u>67,406</u>	<u>(4,053)</u>	<u>63,353</u>
CASH FLOWS (USED IN)/FROM			
FINANCING ACTIVITIES			
Repayment of term loans and bill payables, net	<u>(192,909)</u>	<u>4,053</u>	<u>(188,856)</u>
(Forward)			

	As previously stated RM'000	Reclassifications RM'000	As reclassified RM'000
Company			
Statements of financial position			
as at 31 December 2024			
Current liabilities			
Other payables and accrued expenses	57,429	(53,802)	3,627
Borrowings	476,359	53,802	530,161
Statements of cash flows			
for the financial year ended 31			
December 2024			
CASH FLOWS FROM/(USED IN)			
OPERATING ACTIVITIES			
Changes in working capital:			
Payables	(3,852)	(4,053)	(7,905)
CASH FLOWS (USED IN)/FROM			
FINANCING ACTIVITIES			
Repayment of term loans and bill payables, net	(64,217)	4,053	(60,164)