

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

ANNOUNCEMENT

The Board of Directors of EVD Berhad (“EVDB” of “the Company”) is pleased to announce the following condensed consolidated financial statements for the third quarter ended 30 September 2022 which should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/09/2022 RM'000	QUARTER ENDED 30/09/2021 ⁽²⁾ RM'000	PERIOD ENDED 30/09/2022 RM'000	PERIOD ENDED 30/09/2021 ⁽²⁾ RM'000
Revenue	B1	36,578	N/A	64,241	N/A
Cost of Sales		(31,271)	N/A	(54,213)	N/A
Gross Profit		5,307	N/A	10,028	N/A
Other Income		492	N/A	637	N/A
Selling and marketing expenses		(131)	N/A	(197)	N/A
Administrative expenses		(2,744)	N/A	(4,752)	N/A
Other expenses		(859)	N/A	(1,390)	N/A
Finance costs		(26)	N/A	(48)	N/A
Net impairment losses on financial assets and contract assets		-	N/A	547	N/A
Profit before taxation	B2	2,039	N/A	4,825	N/A
Income tax expense	B6	(602)	N/A	(1,216)	N/A
Profit after taxation (PAT)		1,437	N/A	3,609	N/A
Other comprehensive income		-	N/A	-	N/A
Foreign currency translation differences		(40)	N/A	295	N/A
Total comprehensive income for the financial period		1,397	N/A	3,904	N/A
PAT attributable to:					
: Owners of the Company		1,465	N/A	3,638	N/A
: Non-controlling interest		(28)	N/A	(29)	N/A
		1,437	N/A	3,609	N/A
Total comprehensive income attributable to:					
: Owners of the Company		1,425	N/A	3,933	N/A
: Non-controlling interest		(28)	N/A	(29)	N/A
		1,397	N/A	3,904	N/A
Attributable to Equity Holders of the Company:					
- Basic earnings per share (sen)	B11	0.37	N/A	1.87	N/A
- Diluted earnings per share (sen)	B11	0.05	N/A	0.22	N/A

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS ⁽¹⁾ (CONTINUED)

Notes:

1. The basis of preparation of the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
2. This is the second interim financial report announced in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). There are no comparative figures for the preceding year’s quarter and year to-date available as no interim financial report was prepared for the comparative financial period concerned.

N/A - Not applicable

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

		AS AT 30/09/2022	AS AT 31/12/2021 ⁽³⁾
	Note	RM'000	RM'000
Non-current assets			
Equipment		4,597	N/A
Right-of-use assets		1,522	N/A
Deferred tax assets		200	N/A
Goodwill on consolidation		74,863	N/A
		<u>81,182</u>	<u>N/A</u>
Current assets			
Trade receivables		33,041	N/A
Other receivables, deposits and prepayments		2,750	N/A
Contract assets		75,152	N/A
Current tax assets		2,457	N/A
Fixed deposits with licensed banks		34,271	N/A
Cash and bank balances		20,426	N/A
		<u>168,097</u>	<u>N/A</u>
Total assets		<u>249,279</u>	<u>N/A</u>
Equity			
Share capital		67,447	N/A
Convertible redeemable preference shares		61,965	N/A
Warrant reserve		4,272	N/A
Foreign exchange translation reserve		295	N/A
Retained profits		3,585	N/A
		<u>137,564</u>	<u>N/A</u>
Non-controlling interest		(29)	N/A
		<u>137,535</u>	<u>N/A</u>
Non-current liabilities			
Deferred tax liabilities		750	N/A
Lease liabilities	B9	615	N/A
		<u>1,365</u>	<u>N/A</u>

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (CONTINUED)

		AS AT 30/09/2022	AS AT 31/12/2021 ⁽³⁾
	Note	RM'000	RM'000
Current liabilities			
Trade payables		57,949	N/A
Other payables and accruals		6,030	N/A
Contract liabilities		24,699	N/A
Borrowings	B9	19,473	N/A
Lease liabilities	B9	1,142	N/A
Current tax liabilities		1,086	N/A
		<u>110,379</u>	<u>N/A</u>
Total liabilities		<u>111,744</u>	<u>N/A</u>
Total equity and liabilities		<u>249,279</u>	<u>N/A</u>
Net assets per ordinary shares attributable to owners of the Company (RM) ⁽²⁾		<u>0.34</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the ordinary shares in EVDB of 406,056,436.
- (3) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). There are no comparative figures for the preceding year’s quarter available as no interim financial report was prepared for the comparative financial period concerned.

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	←-----Non-distributable-----→			Distributable		Attributable to Owners of the Company	Non- controlling Interest	Total
	Share capital	Redeemable convertible preference shares	Foreign translation reserve	Warrant reserve	Retained profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	-	-	-	-	(53)	(53)	-	(53)
Profit after taxation/Total comprehensive income for the financial period	-	-	-	-	3,638	3,638	(29)	3,609
Foreign currency translation differences	-	-	295	-	-	295	-	295
Total comprehensive income	-	-	295	-	3,638	3,933	(29)	3,904
Total transactions with owners:-								
- Issuance of new ordinary shares	71,133	-	-	-	-	71,133	-	71,133
- Issuance of new redeemable convertible preference shares	-	62,551	-	-	-	62,551	-	62,551
- Exercise of Redeemable convertible preference shares	586	(586)	-	-	-	-	-	-
- Warrant reserve	(4,299)	-	-	4,299	-	-	-	-
- Exercise of Warrant	27	-	-	(27)	-	-	-	-
	67,447	61,965	-	4,272	-	133,684	-	133,684
Balance as at 30 September 2022	67,447	61,965	295	4,272	3,585	137,564	(29)	137,535

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾ (CONTINUED)

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's quarter and year to-date available as no interim financial report was prepared for the comparative financial period concerned.

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)
(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	PERIOD ENDED 30/09/2022	PERIOD ENDED 30/09/2021 ⁽²⁾
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	4,825	N/A
Adjustments for :		
Depreciation of equipment	297	N/A
Depreciation of right-of-use assets	863	N/A
Interest expense on lease liabilities	48	N/A
Equipment written-off	143	N/A
Reversal of impairment loss	(547)	N/A
Interest income	(198)	N/A
Interest expenses	618	N/A
Net gain on unrealised on foreign exchange	(145)	N/A
Operating profit before working capital changes	5,904	N/A
Decrease in trade and other receivables	3,061	N/A
Increase in contract assets	4,583	N/A
Increase in contract liabilities	(17,561)	N/A
Increase in trade and other payables	(6,887)	N/A
Cash for operations	(10,900)	N/A
Net income tax paid	(940)	N/A
Net cash for operations activities	(11,840)	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	198	N/A
Increase in escrow and collateral account	(5)	N/A
Acquisition of subsidiaries, net of cash and cash equivalents	(90,160)	N/A
Proceeds from disposal of equipment	303	N/A
Net increase in fixed deposits with maturity period more than 3 months and pledged with licensed banks	(121)	N/A
Purchase of equipment	(1,292)	N/A
Net cash for investing activities	(91,077)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptances	4,230	N/A
Drawdown of trust receipts	22,408	N/A
Repayment of bankers' acceptances	(4,211)	N/A
Repayment of trust receipts	(20,833)	N/A
Repayment of lease liabilities	(810)	N/A
Issuance of new ordinary shares	133,684	N/A
Interest paid	(666)	N/A
Net cash from financing activities	133,802	N/A

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾ (CONTINUED)

	PERIOD ENDED 30/09/2022	PERIOD ENDED 30/09/2021 ⁽²⁾
	RM'000	RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	30,885	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	-	N/A
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	14	N/A
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	<u>30,899</u>	<u>N/A</u>

Cash and cash equivalents included in the statements of cash flows comprised the following amount:

	PERIOD ENDED 30/09/2022	PERIOD ENDED 30/09/2021 ⁽²⁾
	RM'000	RM'000
Fixed deposits with licensed banks	34,271	N/A
Cash and bank balances	20,426	N/A
Less:		
Fixed deposits with maturity period more than 3 months and pledged with licensed banks	(22,873)	N/A
Cash placed in collateral and Escrow account	(925)	N/A
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	<u>30,899</u>	<u>N/A</u>

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report announced in compliance with the ACE Market Listing Requirements (“**Listing Requirements**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). There are no comparative figures for the preceding year’s quarter available as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134

(1) BASIS OF PREPARATION

The interim financial report of EVD Berhad (“**EVDB**” or the “**Company**”) and its subsidiary (“**Group**”) are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting, issued by Malaysian Accounting Standards Board (“**MASB**”) and Chapter 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

This is the second interim financial report on the Group’s condensed consolidated financial results for the Third (3rd) quarter ended 30 September 2022 announced in compliance with the Listing Requirements of Bursa Securities and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial report should be read in conjunction with the accompanying explanatory notes attached to this interim financial report.

(2) SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted for the interim financial reports are consistent with those adopted in the most recent annual financial statements.

(a) During the current quarter 30 September 2022, the Group has adopted the following new accounting standards and interpretation (including the consequential amendments):

MFRSs and /or IC Interpretations (Including The Consequential amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of fulfilling a contract

Annual Improvements to MFRS Standards 2018 – 2020

(b) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:

MFRSs and /or IC Interpretations (Including The Consequential amendments)

Effective Date

MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution Of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact to the financial report of the Group.

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

(3) AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors have express an unqualified opinion on the Company's statutory financial statements for the financial year ended 31 December 2021 in their report dated 27 April 2022.

(4) SEASONAL OR CYCLICAL FACTORS

The operations of the Group were not significantly affected by seasonality and cyclical factors.

(5) EXCEPTIONAL ITEMS

There were no material exceptional items affecting the assets, liabilities, net equity, net income or cash flows for the financial period under review.

(6) MATERIAL CHANGES IN ESTIMATES

There were no changes in estimates for the current financial quarter under review.

(7) DEBT AND EQUITY SECURITIES

During the 9-months period ended 30 September 2022, the Company has issued 23,516,780 new ordinary shares as follows:-

- (a) Conversion of redeemable convertible preferences shares of 23,444,680 at exercise price of RM0.10 per share; and
- (b) Conversion of warrants of 552,100 at exercise price of RM0.10.

As at 30 September 2022, the outstanding redeemable convertible preferences shares and warrants remained at 2,478,608,192 and 86,474,336 respectively.

(8) DIVIDENDS PAID

There were no dividends paid during the financial period under review.

EVD BERHAD

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

(9) SEGMENTAL INFORMATION

The Group's reportable segmental information for the current financial report ended 30 September 2022 is as follows:-

a) Analysis of revenue by business segments:

	<u>Transportation</u>	<u>Healthcare</u>	<u>Others</u>	<u>Group elimination</u>	<u>Group</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	59,124	3,761	1,356	-	64,241
Inter-segment revenue	53,446	1,875	-	(55,321)	-
Total revenue	<u>112,570</u>	<u>5,636</u>	<u>1,356</u>	<u>(55,321)</u>	<u>64,241</u>
Gross profit					10,028
Net operating expenditure					4,873
Finance cost					(48)
Profit before tax					4,825
Income Tax Expense					(1,216)
Profit after tax					<u>3,609</u>
Revenue by geographical:					
- Malaysia					63,038
- Philippines					1,203
					<u>64,241</u>

(10) VALUATION OF EQUIPMENT

There were no revaluations of equipment in the financial period under review. As at 30 September 2022, all equipment were stated at cost less accumulated depreciation and impairment losses.

(11) MATERIAL EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

There were no material events subsequent to the current interim financial period up to the date of this report

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

(12) CHANGES IN THE COMPOSITION OF THE GROUP

The changes in the composition of the Group for current quarter ended 30 September 2022 are disclosed as follows:

(a) On 19 December 2019, the Company has entered into the conditional share sale agreement (“SSA”) with iDimension Consolidated Bhd. (“ICB”) and EV-Dynamic Sdn Bhd (“EV-Dynamic”)* pertaining to the acquisition of 5,000,000 ordinary shares in EVD Engineering Sdn. Bhd (“EVE”) at the purchase consideration of RM108.0 million as follows:

(aa) RM37.8 million through issuance of 252.0 million EVDB ordinary shares at an issue price of RM0.15 per ordinary share;

(bb) RM58.2 million through the issuance of 2,380 million EVDB redeemable convertible preference shares (“RCPS”) with a denomination of RM0.025 per EVDB RCPS; and

(cc) the remaining RM12 million in cash.

The acquisition has been completed on 27 April 2022 and the EVE became a wholly-owned subsidiary of the Company.

* replaced by Mah Seong Huak and Ir. Gan Wee Peng (“Vendor”) under second supplemental agreement signed on 30 March 2021.

(b) On 30 March 2021, the Company has entered into the share sale agreement (“EV-Dynamic SSA”) with ICB and Mah Seong Huak and Ir. Gan Wee Peng pertaining to the acquisition of 10,000,000 ordinary shares in EV-Dynamic at the purchase consideration of RM1.

The acquisition has been completed on 27 April 2022 and the EV-Dynamic became a wholly-owned subsidiary of the Company.

(c) The Company has participated in the Regularisation Plan of ICB which has been announced by ICB announcement dated 19 December 2019 and its subsequent announcements in relation to the Regularisation Plan.

Upon the Completion of the Regularisation Plan, the Company issued 130,539,654 new EVDB ordinary shares, 87,026,436 new EVDB Warrants and 174,052,872 new EVDB RCPS in exchange for all the securities of ICB. Following to this, ICB became a wholly-owned subsidiary of the Company.

The Regularisation Plan has been completed on 30 June 2022.

The fair value of net assets and goodwill derived from the above acquisition are provisional and will be adjusted, if necessary, upon completion of the purchase price allocation as allowed under MFRS 3.

(13) CAPITAL COMMITMENTS

There were no capital expenditure contracted for at the end of the financial period under review.

(14) CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities and contingent assets as the date of this interim report.

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Company Registration No. 201901045325 (1354655 – D)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (CONTINUED)

(15) SIGNIFICANT RELATED PARTY TRANSACTION

The significant related party transactions and balances during the financial year under review as described below were carried out in the ordinary course of business and on agreed commercial terms with the related parties:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2022	QUARTER ENDED 30/09/2021 ⁽¹⁾	PERIOD ENDED 30/09/2022	PERIOD ENDED 30/09/2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Rentals payable	294	N/A	490	N/A

Note:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's quarter and year to-date available as no interim financial report was prepared for the comparative financial period concerned.

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE BURSA LISTING REQUIREMENTS FOR THE ACE MARKET (CONTINUED)

(1) REVIEW OF GROUP PERFORMANCE

(a) Results for current quarter

The Group recorded revenue of RM36.5 million and profit before tax of RM2.0 million for the current financial quarter and revenue of RM27.6 million and profit before tax of RM2.8 million for financial period ended 30 June 2022.

The Group's revenue mainly derived from the provision of transportation system solutions for the followings:-

- (i) System Solutions for railways and urban rail transit; and
- (ii) ITS solutions for roads and highways.

Our Group revenue from this segment of RM34.6 million for the current financial quarter and RM24.5 million for financial period ended 30 June 2022 accounted approximately 95% and 89% of the total revenue recorded for the respective financial period under review.

No comparative figures for the preceding corresponding quarter and preceding financial year are available as this is the second interim financial report on the consolidated results for the financial quarter ended 30 September 2022 being announced by the Company in compliance with the Listing Requirements of Bursa Securities.

(2) COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

The Group's performance for the third quarter ended 30 September 2022 (Q3 FY2022) are tabled below:

Description	CURRENT QUARTER ENDED 30/09/2022 (RM'000)	PRECEDING QUARTER ENDED 30/06/2022 (RM'000)	Variance	
			RM'000	%
Revenue	36,578	27,663	8,915	32.23
Profit before tax (PBT)	2,039	2,820	(781)	(27.70)

For the current financial quarter, the Group revenue has increased by RM8.9 million or 32.23% from RM27.6 million recorded in the preceding quarter ended 30 June 2022. The increase in revenue was mainly due to revenue recognised in current financial quarter is for 3 months as compared to 2 months in preceding quarter ended 30 June 2022.

Profit before tax decreased by approximately RM0.8 million or 27.70% from RM2.8 million recorded in the preceding quarter ended 30 June 2022. The difference is due to recognition of reversal of impairment losses amounted RM0.5 million in preceding quarter ended 30 June 2022. Furthermore, profit margin for projects recognised in current financial quarter is lower compared to those which has been recognised in preceding quarter ended 30 June 2022.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE BURSA LISTING REQUIREMENTS FOR THE ACE MARKET (CONTINUED)

(3) PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Board is optimistic of the long-term prospect of the Group in line with the expected growth of the transportation system solutions industry in Malaysia. The transportation systems solution industry in Malaysia has recovered from a decline caused by the COVID-19 pandemic in 2020, having registered a growth of 8.2% between 2020 and 2021. Moving forward, the transportation system solutions industry in Malaysia is expected to progressively recover in the following years, between 2022 and 2024, in light of the on-going and upcoming transportation infrastructure projects, and various stimulus package to cushion the headwinds arising from the COVID-19 pandemic. The industry is also expected to benefit from the country entering into the endemic phase of the COVID-19 pandemic beginning 1 May 2022, as recovery of the domestic economy is expected to spur development of transportation infrastructure project in the country.

(4) PROFIT FORECAST OR GUARANTEE

There is no other profit forecast or guarantee except for below:-

- (a) 2 years profit guarantee of RM18 million in aggregate on the profit after taxation of the EVE Group for the financial year ended 2021 and financial year ending 2022.

	UNAUDITED FINANCIAL PERIOD ENDED 30/09/2022 RM'000	AUDITED FINANCIAL YEAR ENDED 31/12/2021 RM'000
Profit after taxation	<u>6,938</u>	<u>9,067</u>

Up to 30 September 2022, EVE Group has achieved of RM6.938 million profit after taxation and the Board is in the opinion that the EVE Group's financial performance for the financial year ending 31 December 2022 will remain favourable.

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE BURSA LISTING REQUIREMENTS FOR THE ACE MARKET (CONTINUED)

(5) PROFIT BEFORE TAX

Profit before tax for the period has been arrived at after (crediting)/charging:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2022 RM'000	QUARTER ENDED 30/09/2021 ⁽¹⁾ RM'000	PERIOD ENDED 30/09/2022 RM'000	PERIOD ENDED 30/09/2021 ⁽¹⁾ RM'000
After charging:				
Depreciation:-				
- equipment	175	N/A	297	N/A
- right-of-use assets	499	N/A	863	N/A
Equipment written-off	143	N/A	143	N/A
Interest expense on lease liabilities	26	N/A	48	N/A
Interest expenses	375	N/A	618	N/A
After crediting:				
Interest income	153	N/A	198	N/A
Net gains on unrealised foreign exchange	183	N/A	145	N/A
After other comprehensive income:				
Foreign currency translation differences	40	N/A	(295)	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirement of Bursa Securities. There are no comparative figures for the preceding year's quarter and year-to-date are available as no interim financial report prepared for the comparative financial period concerned.

N/A Not applicable

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE BURSA LISTING REQUIREMENTS FOR THE ACE MARKET (CONTINUED)

(6) TAX EXPENSE

The breakdown of income tax expense are as follows:-

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2022	QUARTER ENDED 30/09/2021 ⁽¹⁾	PERIOD ENDED 30/09/2022	PERIOD ENDED 30/09/2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Income tax expenses:				
- current financial year	1,088	N/A	1,424	N/A
- over provision in the previous financial year	(5)		(5)	
	1,083	N/A	1,419	N/A
Deferred tax expense:				
- Originating and recognition of temporary differences	(481)	N/A	(203)	N/A
	602	N/A	1,216	N/A

Note:-

(1) This is the second interim financial report announced in compliance with the Listing Requirement of Bursa Securities. There are no comparative figures for the preceding year's quarter and year-to-date are available as no interim financial report prepared for the comparative financial period concerned.

The Group's effective tax rate for the current financial period were 29.5% respectively, higher than the statutory tax rate of 24% due to certain expenses not being deductible for tax purposes.

(7) STATUS OF CORPORATE PROPOSALS

Subsequent to the completion of the regularisation plan, fund raised under the private placement, right issue and management buy-out was equivalent to RM26.6 million.

The status of utilisation of proceeds derived from the above mentioned exercise as at 30 September 2022 was as follow:-

	Proposed Utilisation	Actual Utilisation	Unutilised proceeds	Time frame for utilisation of proceeds
	RM'000	RM'000	RM'000	
Working capital for EVDB Group	11,343	-	11,343	Within 24 months
EVE Acquisition	12,000	12,000	-	Within 12 months
Estimated expenses in relation to the Regularisation Plan	3,300	3,300	-	Within 3 months
	26,643	15,300	11,343	

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE BURSA LISTING REQUIREMENTS FOR THE ACE MARKET (CONTINUED)

(9) BORROWINGS

The Group's borrowings as at 30 September 2022 were as follows:-

	<u>Current liabilities</u> RM'000	<u>Non-Current liabilities</u> RM'000	<u>Total</u> RM'000
Secured			
Group borrowings:			
- Letter of credit	326	-	326
- Bankers' acceptance	3,331	-	3,331
- Trust receipts	15,816	-	15,816
	<u>19,473</u>	<u>-</u>	<u>19,473</u>
Lease liabilities:			
- Hire purchase payables	298	323	621
- Lease liabilities	844	292	1,136
	<u>1,142</u>	<u>615</u>	<u>1,757</u>
Total	<u>20,615</u>	<u>615</u>	<u>21,230</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

(10) MATERIAL LITIGATION

There were no material litigations pending on the date of this announcement.

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE BURSA LISTING REQUIREMENTS FOR THE ACE MARKET (CONTINUED)

(11) EARNINGS PER SHARE

The basic and diluted earnings per share for the current financial quarter and year-to-date are computed as follows:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2022 RM'000	QUARTER ENDED 30/09/2021 ⁽¹⁾ RM'000	PERIOD ENDED 30/09/2022 RM'000	PERIOD ENDED 30/09/2021 ⁽¹⁾ RM'000
(a) Basic earnings per share				
Profit after tax attributable to owners of the Company (RM'000)	1,465	N/A	3,638	N/A
Weighted average number of issued ordinary shares ('000)	396,910	N/A	194,235	N/A
Basic earnings per share (sen)	0.37	N/A	1.87	N/A
(b) Diluted earnings per share				
Profit after tax attributable to owners of the Company (RM'000)	1,465	N/A	3,638	N/A
Weighted average number of issued ordinary shares ('000)	396,910	N/A	194,235	N/A
Adjusted for redeemable convertible preference shares ('000)	2,488,322	N/A	1,393,393	N/A
Adjusted for warrant reserve ('000)	86,564	N/A	29,489	N/A
Adjusted weighted average shares ('000)	2,971,796	N/A	1,617,117	N/A
Diluted earnings per share (sen)	0.05	N/A	0.22	N/A

Notes:

- (1) This is the second interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding year's quarter and year-to-date are available as no interim financial report was prepared for the comparative period concerned.

N/A Not applicable

(12) PROPOSED DIVIDENDS

The board of Directors has not recommended any dividend for the current financial quarter under review.