

EVD BERHAD

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 fourth quarter ended 31 December 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	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
		31/12/2022	31/12/2021 ⁽²⁾	31/12/2022	31/12/2021 ⁽²⁾
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	30,121	N/A	94,361	N/A
Cost of Sales		(21,386)	N/A	(75,600)	N/A
Gross Profit		8,735	N/A	18,761	N/A
Other Income		4,817	N/A	5,454	N/A
Selling and marketing expenses		(147)	N/A	(344)	N/A
Administrative expenses		(1,553)	N/A	(6,305)	N/A
Other expenses		(5,473)	N/A	(6,863)	N/A
Finance costs		(27)	N/A	(75)	N/A
Net (impairment losses)/reversal of impairment losses on financial assets and contract assets		(112)	N/A	435	N/A
Profit before taxation	B2	6,240	N/A	11,063	N/A
Income tax expense	B6	(2,466)	N/A	(3,683)	N/A
Profit after taxation (PAT)		3,774	N/A	7,380	N/A
Other comprehensive income		-	N/A	-	N/A
Foreign currency translation differences		382	N/A	677	N/A
Total comprehensive income for the financial period		4,156	N/A	8,057	N/A
PAT attributable to:					
: Owners of the Company		3,803	N/A	7,438	N/A
: Non-controlling interest		(29)	N/A	(58)	N/A
		<u>3,774</u>	<u>N/A</u>	<u>7,380</u>	<u>N/A</u>
Total comprehensive income attributable to:					
: Owners of the Company		4,185	N/A	8,115	N/A
: Non-controlling interest		(29)	N/A	(58)	N/A
		<u>4,156</u>	<u>N/A</u>	<u>8,057</u>	<u>N/A</u>
Attributable to Equity Holders of the Company:					
- Basic earnings per share (sen)	B11	0.94	N/A	3.00	N/A
- Diluted earnings per share (sen)	B11	0.13	N/A	0.38	N/A

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 fourth (4th) quarter ended 31 December 2022 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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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Note	AS AT 31/12/2022 RM'000	AS AT 31/12/2021 ⁽³⁾ RM'000
Non-current assets			
Equipment		4,772	N/A
Right-of-use assets		1,257	N/A
Deferred tax assets		120	N/A
Goodwill on consolidation		61,632	N/A
		<u>67,781</u>	<u>N/A</u>
Current assets			
Trade receivables		43,975	N/A
Other receivables, deposits and prepayments		1,972	N/A
Contract assets		78,334	N/A
Current tax assets		1,734	N/A
Fixed deposits with licensed banks		28,343	N/A
Cash and bank balances		20,277	N/A
		<u>174,635</u>	<u>N/A</u>
Total assets		<u>242,616</u>	<u>N/A</u>
Equity			
Share capital		53,779	N/A
Convertible redeemable preference shares		61,950	N/A
Warrant reserve		4,272	N/A
Foreign exchange translation reserve		677	N/A
Retained profits		7,385	N/A
		<u>128,063</u>	<u>N/A</u>
Non-controlling interest		(58)	N/A
		<u>128,005</u>	<u>N/A</u>
Non-current liabilities			
Deferred tax liabilities		923	N/A
Lease liabilities	B9	668	N/A
		<u>1,591</u>	<u>N/A</u>

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

		AS AT 31/12/2022	AS AT 31/12/2021 ⁽³⁾
	Note	RM'000	RM'000
Current liabilities			
Trade payables		66,801	N/A
Other payables and accruals		5,069	N/A
Contract liabilities		25,018	N/A
Borrowings	B9	13,244	N/A
Lease liabilities	B9	826	N/A
Current tax liabilities		1,862	N/A
		<u>112,820</u>	<u>N/A</u>
Total liabilities		<u>114,411</u>	<u>N/A</u>
Total equity and liabilities		<u>242,416</u>	<u>N/A</u>
Net assets per ordinary shares attributable to owners of the Company (RM) ⁽²⁾		<u>0.31</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 406,651,336.
- (3) This is the fourth (4th) quarter ended 31 December 2022 announced in compliance with the Listing Requirements of 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.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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	-	-	-	-	7,438	7,438	(58)	7,380
Foreign currency translation differences	-	-	677	-	-	677	-	677
Total comprehensive income	-	-	677	-	7,438	8,115	(58)	8,057
Total transactions with owners:-								
- Issuance of new ordinary shares	57,450	-	-	-	-	57,450	-	57,450
- Issuance of new redeemable convertible preference shares	-	62,551	-	-	-	62,551	-	62,551
- Exercise of Redeemable convertible preference shares	601	(601)	-	-	-	-	-	-
- Warrant reserve	(4,299)	-	-	4,299	-	-	-	-
- Exercise of Warrant	27	-	-	(27)	-	-	-	-
	53,779	61,950	-	4,272	-	120,001	-	120,001
Balance as at 31 December 2022	53,779	61,950	677	4,272	7,385	128,063	(58)	128,005

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 fourth (4th) quarter ended 31 December 2022 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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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	PERIOD ENDED 31/12/2022	PERIOD ENDED 31/12/2021 ⁽²⁾
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,063	N/A
Adjustments for :		
Bargain purchase	(4,599)	N/A
Amortisation of intangible assets	4,103	N/A
Depreciation of equipment	520	N/A
Depreciation of right-of-use assets	1,316	N/A
Interest expense on lease liabilities	68	N/A
Equipment written-off	447	N/A
Reversal of impairment loss	(434)	N/A
Interest income	(306)	N/A
Interest expenses	902	N/A
Net unrealised loss on foreign exchange	549	N/A
Operating profit before working capital changes	13,629	N/A
Increase in trade and other receivables	(7,207)	N/A
Decrease in contract assets	4,109	N/A
Increase in contract cost assets	(2,480)	N/A
Decrease in contract liabilities	(17,242)	N/A
Decrease in trade and other payables	78	N/A
Cash for operations	(9,113)	N/A
Net income tax paid	(1,616)	N/A
Net cash for operations activities	(10,729)	N/A
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest income received	306	N/A
Increase in escrow and collateral account	(12)	N/A
Acquisition of subsidiaries, net of cash and cash equivalents	(76,433)	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	(180)	N/A
Purchase of equipment	(2,182)	N/A
Net cash for investing activities	(78,198)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bankers' acceptances	5,720	N/A
Drawdown of trust receipts	28,506	N/A
Repayment of bankers' acceptances	(6,824)	N/A
Repayment of trust receipts	(32,053)	N/A
Repayment of lease liabilities	(1,074)	N/A
Issuance of new ordinary shares	120,002	N/A
Interest paid	(970)	N/A
Net cash from financing activities	113,307	N/A

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

	PERIOD ENDED 31/12/2022	PERIOD ENDED 31/12/2021 ⁽²⁾
	RM'000	RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	24,380	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	-	N/A
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	362	N/A
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	24,742	N/A

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

	PERIOD ENDED 31/12/2022	PERIOD ENDED 31/12/2021 ⁽²⁾
	RM'000	RM'000
Fixed deposits with licensed banks	28,343	N/A
Cash and bank balances	20,277	N/A
Bank overdraft	(16)	N/A
Less:		
Fixed deposits with maturity period more than 3 months and pledged with licensed banks	(22,931)	N/A
Cash placed in collateral and Escrow account	(931)	N/A
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	24,742	N/A

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 fourth (4th) quarter ended 31 December 2022 announced in compliance with the Listing Requirements of 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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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2022

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

(1) BASIS OF PREPARATION

The interim financial report of EVDB 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 interim financial report on the Group’s condensed consolidated financial results for the fourth (4th) quarter ended 31 December 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 31 December 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.

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

(3) AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors have expressed 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 12-months period ended 31 December 2022, the Company has issued 24,111,680 new ordinary shares as follows:-

- (a) Conversion of redeemable convertible preferences shares of 24,039,580 at exercise price of RM0.10 per share; and
- (b) Conversion of warrants of 552,100 at exercise price of RM0.10.

As at 31 December 2022, the outstanding redeemable convertible preferences shares and warrants remained at 2,478,013,292 and 86,474,336 respectively.

(8) DIVIDENDS PAID

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

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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 31 December 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	87,525	4,840	1,996	-	94,361
Inter-segment revenue	89,178	3,040	-	(92,218)	-
Total revenue	<u>176,703</u>	<u>7,880</u>	<u>1,996</u>	<u>(92,218)</u>	<u>94,361</u>
Gross profit					18,761
Net operating expenditure					11,138
Finance cost					(75)
Profit before tax					11,063
Income Tax expense					(3,683)
Profit after tax					<u>7,380</u>
Revenue by geographical:					
- Malaysia					91,825
- Philippines					2,536
					<u>94,361</u>

(10) VALUATION OF EQUIPMENT

There were no revaluations of equipment in the financial period under review. As at 31 December 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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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 31 December 2022 are disclosed as follows:

(a) On 19 December 2019, the Company has entered into the conditional share sale agreement 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”) (“EVE Acquisition”) 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 2,328.0 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 with ICB and Vendors 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 effect of the adjustments made upon the completion of purchase price allocation during the financial period is set out below:

Acquisition of EVE and EV-Dynamic	RM'000
Consideration transferred	108,000
Net assets acquired	(42,265)
Fair value of identifiable net assets	(4,103)
Goodwill on consolidation	61,632
Acquisition of ICB	RM'000
Consideration transferred	22,192
Net assets acquired	(26,791)
Bargain purchase	(4,599)

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

(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.

(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	QUARTER ENDED	PERIOD ENDED	PERIOD ENDED
	31/12/2022	31/12/2021 ⁽¹⁾	31/12/2022	31/12/2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Rentals payable	306	N/A	796	N/A

Note:

- (1) This is the fourth (4th) quarter ended 31 December 2022 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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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 RM30.1 million and profit before tax of RM6.2 million for the current financial quarter and revenue of RM36.5 million and profit before tax of RM2.0 million for financial period ended 30 September 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) Intelligent Transportation System solutions for roads and highways.

Our Group revenue from this segment of RM28.4 million for the current financial quarter and RM34.6 million for financial period ended 30 September 2022 accounted approximately 94% and 95% 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 fourth (4th) quarter ended 31 December 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 fourth quarter ended 31 December 2022 (Q4 FY2022) are tabled below:

Description	CURRENT QUARTER ENDED 31/12/2022 (RM'000)	PRECEDING QUARTER ENDED 30/09/2022 (RM'000)	Variance	
			RM'000	%
Revenue	30,121	36,578	(6,457)	(18%)
Profit before tax	6,240	2,039	4,201	206%

For the current financial quarter, the Group revenue has decreased by RM6.4 million or 18% from RM36.5 million recorded in the preceding quarter ended 30 September 2022. The decrease in revenue was mainly due to revenue of projects from transportation has come to the last stage of revenue recognition, thus revenue decrease as compare to the preceding quarter ended 30 September 2022.

Profit before tax increased by approximately RM4.2 million or 206% from RM2.0 million recorded in the preceding quarter ended 30 September 2022. The difference is due to higher profit margin for projects recognised in current financial quarter is higher compared to those which has been recognised in preceding quarter ended 30 September 2022 as lesser costs involved when come to the final stage of the projects. Furthermore, there is bargain purchase of RM4.6 million and amortisation of intangible assets amounted RM4.1 million recognised during the current quarter.

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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 31 December 2021 and 2022.

	UNAUDITED FINANCIAL PERIOD ENDED 31/12/2022	AUDITED FINANCIAL YEAR ENDED 31/12/2021
	RM'000	RM'000
Profit after taxation	9,393	9,067

Up to 31 December 2022, EVE Group has achieved of RM9.393 million profit after taxation. Thus, profit guarantee of RM18 million has been met.

EVD BERHAD

Company Registration No. 201901045325 (1354655 – D)

(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31/12/2022	QUARTER ENDED 31/12/2021 ⁽¹⁾	PERIOD ENDED 31/12/2022	PERIOD ENDED 31/12/2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
After charging:				
Amortisation of intangible assets	4,103	N/A	4,103	N/A
Depreciation:-				
- equipment	223	N/A	520	N/A
- right-of-use assets	453	N/A	1,316	N/A
Equipment written-off	304	N/A	447	N/A
Interest expense on lease liabilities	20	N/A	68	N/A
Interest expenses	284	N/A	902	N/A
Net unrealised loss on foreign exchange	694	N/A	549	N/A
After crediting:				
Bargain purchase	(4,599)	N/A	(4,599)	N/A
Interest income	(108)	N/A	(306)	N/A
After other comprehensive income:				
Foreign currency translation differences	(382)	N/A	(677)	N/A

Notes:

- (1) This is the fourth (4th) quarter ended 31 December 2022 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

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31/12/2022	QUARTER ENDED 31/12/2021 ⁽¹⁾	PERIOD ENDED 31/12/2022	PERIOD ENDED 31/12/2021 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Income tax expenses:				
- current financial year	2,212	N/A	3,637	N/A
- over provision in the previous financial year	-	-	(5)	-
	2,212	N/A	3,632	N/A
Deferred tax expense:				
- Originating and recognition of temporary differences	254	N/A	51	N/A
	2,466	N/A	3,683	N/A

Note:-

- (1) This is the fourth (4th) quarter ended 31 December 2022 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 34.8% 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 31 December 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 Group	11,343	6,000	5,343	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	21,300	5,343	

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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 31 December 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	2,207	-	2,207
- Trust receipts	10,695	-	16,095
- Bank overdraft	16	-	16
	<u>13,244</u>	<u>-</u>	<u>13,244</u>
Lease liabilities:			
- Hire purchase payables	271	262	533
- Lease liabilities	555	406	961
	<u>826</u>	<u>668</u>	<u>1,494</u>
Total	<u>14,070</u>	<u>668</u>	<u>14,738</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.

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QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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 31/12/2022 RM'000	QUARTER ENDED 31/12/2021 ⁽¹⁾ RM'000	PERIOD ENDED 31/12/2022 RM'000	PERIOD ENDED 31/12/2021 ⁽¹⁾ RM'000
(a) Basic earnings per share				
Profit after tax attributable to owners of the Company (RM'000)	3,803	N/A	7,438	N/A
Weighted average number of issued ordinary shares ('000)	406,374	N/A	247,706	N/A
Basic earnings per share (sen)	0.94	N/A	3.00	N/A
(b) Diluted earnings per share				
Profit after tax attributable to owners of the Company (RM'000)	3,803	N/A	7,438	N/A
Weighted average number of issued ordinary shares ('000)	406,374	N/A	247,706	N/A
Adjusted for redeemable convertible preference shares ('000)	2,478,297	N/A	1,667,746	N/A
Adjusted for warrant reserve ('000)	86,474	N/A	43,860	N/A
Adjusted weighted average shares ('000)	2,971,145	N/A	1,959,312	N/A
Diluted earnings per share (sen)	0.13	N/A	0.38	N/A

Notes:

- (1) This is the fourth (4th) quarter ended 31 December 2022 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 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.