

EVD BERHAD

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS ⁽¹⁾

| | Note | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---------------------------------------------------------------------------|------|-----------------------------------------------|--------------------------------------------------------------|----------------------------------------------|-------------------------------------------------------------|
| | | QUARTER ENDED 30/06/2023 (Unaudited) | QUARTER ENDED 30/06/2022 ⁽²⁾ (Unaudited) | PERIOD ENDED 30/06/2023 (Unaudited) | PERIOD ENDED 30/06/2022 ⁽²⁾ (Unaudited) |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | B1 | 9,331 | 27,663 | 27,323 | 27,663 |
| Cost of Sales | | (7,386) | (22,942) | (20,667) | (22,942) |
| Gross Profit | | 1,945 | 4,721 | 6,656 | 4,721 |
| Other Income | | 420 | 145 | 809 | 145 |
| | | 2,365 | 4,866 | 7,465 | 4,866 |
| Selling and marketing expenses | | (152) | (66) | (293) | (66) |
| Administrative expenses | | (3,493) | (1,974) | (6,170) | (2,008) |
| Other expenses | | (427) | (531) | (1,089) | (531) |
| Finance costs | | (20) | (22) | (43) | (22) |
| Net reversal of impairment losses on financial assets and contract assets | | - | 547 | - | 547 |
| (Loss)/Profit before taxation | B5 | (1,727) | 2,820 | (130) | 2,786 |
| Income tax expense | B6 | 243 | (614) | 34 | (614) |
| (Loss)/Profit after taxation ((LAT)/PAT) | | (1,484) | 2,206 | (96) | 2,172 |
| Other comprehensive income: | | | | | |
| Foreign currency translation differences | | (83) | 335 | (454) | 335 |
| Total comprehensive (expenses)/income for the financial period | | (1,567) | 2,541 | (550) | 2,507 |
| (LAT)/PAT attributable to: | | | | | |
| : Owners of the Company | | (1,487) | 2,207 | (73) | 2,173 |
| : Non-controlling interest | | 3 | (1) | (23) | (1) |
| | | (1,484) | 2,206 | (96) | 2,172 |
| Total comprehensive (expenses)/income attributable to: | | | | | |
| : Owners of the Company | | (1,570) | 2,542 | (527) | 2,508 |
| : Non-controlling interest | | 3 | (1) | (23) | (1) |
| | | (1,567) | 2,541 | (550) | 2,507 |
| Attributable to Equity Holders of the Company: | B11 | | | | |
| - Basic (loss)/earnings per share (sen) | | (0.36) | 1.24 | (0.02) | 2.44 |
| - Diluted (loss)/earnings per share (sen) | | (0.05) | 0.12 | (0.01) | 0.24 |

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 Annual Financial Statements for the Financial Year ended 31 December 2022 and accompanying explanatory notes attached to this interim financial report.
2. Acquisition of EVD Engineering Sdn. Bhd. and its subsidiaries (“EVE Group”) and EV-Dynamic Sdn. Bhd. (“EV-Dynamic”) were completed on 27 April 2022. Therefore, the Company has included 2 months results of the EVE Group and EV-Dynamic into the Condensed Consolidated Statements of Profit and Loss for financial quarter and financial period ended 30 June 2022.

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

| | | AS AT 30/06/2023 (Unaudited) | AS AT 31/12/2022 (Audited) |
|---------------------------------------------|------|------------------------------------|----------------------------------|
| | Note | RM'000 | RM'000 |
| Non-current assets | | | |
| Equipment | | 4,690 | 5,140 |
| Right-of-use assets | | 634 | 1,117 |
| Deferred tax assets | | 120 | 120 |
| Goodwill on consolidation | | 61,632 | 61,632 |
| | | <u>67,076</u> | <u>68,009</u> |
| Current assets | | | |
| Trade receivables | | 32,200 | 44,498 |
| Other receivables, deposits and prepayments | | 3,535 | 1,963 |
| Contract assets | | 84,060 | 78,531 |
| Current tax assets | | 1,650 | 1,962 |
| Fixed deposits with licensed banks | | 20,972 | 28,343 |
| Cash and bank balances | | 10,752 | 20,257 |
| | | <u>153,169</u> | <u>175,554</u> |
| Total assets | | <u>220,245</u> | <u>243,563</u> |
| Equity | | | |
| Share capital | | 54,162 | 53,780 |
| RCPS | | 61,855 | 61,950 |
| Warrant reserve | | 4,272 | 4,272 |
| Foreign exchange translation reserve | | 231 | 685 |
| Retained profits | | 7,328 | 7,401 |
| | | <u>127,848</u> | <u>128,088</u> |
| Non-controlling interest | | (85) | (62) |
| | | <u>127,763</u> | <u>128,026</u> |
| Non-current liabilities | | | |
| Borrowings | B8 | 174 | 266 |
| Deferred tax liabilities | | - | 418 |
| Lease liabilities | | 330 | 672 |
| | | <u>504</u> | <u>1,356</u> |

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

| | | AS AT 30/06/2023 (Unaudited) | AS AT 31/12/2022 (Audited) |
|---------------------------------------------------------------------------|-----------|------------------------------------|----------------------------------|
| | Note | RM'000 | RM'000 |
| Current liabilities | | | |
| Trade payables | | 60,749 | 66,755 |
| Contract liabilities | | 17,957 | 26,484 |
| Other payables and accruals | | 5,559 | 5,083 |
| Lease liabilities | | 204 | 756 |
| Borrowings | B8 | 7,065 | 13,511 |
| Current tax liabilities | | 444 | 1,592 |
| | | <u>91,978</u> | <u>114,181</u> |
| Total liabilities | | <u>92,482</u> | <u>115,537</u> |
| Total equity and liabilities | | <u>220,245</u> | <u>243,563</u> |
| Net assets per ordinary shares attributable to owners of the Company (RM) | | <u>0.31</u> | <u>0.31</u> |

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2022 and accompanying explanatory notes attached to this interim financial report.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

| | Share capital | RCPS | Warrant reserve | Non- distributable Foreign exchange translation reserve | Distributable Retained profits | Attributable to Owners of the Company | Non- controlling Interest | Total Equity |
|-------------------------------------------------------|------------------|---------------|--------------------|------------------------------------------------------------------------|--------------------------------------|------------------------------------------------|---------------------------------|-----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 January 2023 | 53,780 | 61,950 | 4,272 | 685 | 7,401 | 128,088 | (62) | 128,026 |
| Loss after taxation for the financial period | - | - | - | - | (73) | (73) | (23) | (96) |
| Other comprehensive income for the financial period: | | | | | | | | |
| - Foreign currency translation differences | - | - | - | (454) | - | (454) | - | (454) |
| Total comprehensive expenses for the financial period | - | - | - | (454) | (73) | (527) | (23) | (550) |
| Total contribution by owners of the Company: | | | | | | | | |
| - Issuance of new ordinary shares | 287 | - | - | - | - | 287 | - | 287 |
| Conversion of RCPS | 95 | (95) | - | - | - | - | - | - |
| Balance as at 30 June 2023 (Unaudited) | 54,162 | 61,855 | 4,272 | 231 | 7,328 | 127,848 | (85) | 127,763 |

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

| | Share capital | RCPS | Warrant reserve | Non-distributable Foreign exchange translation reserve | Distributable (Accumulated losses)/ Retained profits | Attributable to Owners of the Company | Non-controlling Interest | Total Equity |
|------------------------------------------------------|---------------|---------------|-----------------|--------------------------------------------------------|------------------------------------------------------|---------------------------------------|--------------------------|----------------|
| | 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 for the financial period | - | - | - | - | 2,173 | 2,173 | (1) | 2,172 |
| Other comprehensive income for the financial period: | | | | | | | | |
| - Foreign currency translation differences | - | - | - | 335 | - | 335 | - | 335 |
| Total comprehensive income for the financial period | - | - | - | 335 | 2,173 | 2,508 | (1) | 2,507 |
| Contribution by owners of the Company: | | | | | | | | |
| - Issuance of new ordinary shares | 69,367 | - | - | - | - | 69,367 | - | 69,367 |
| - Warrant reserve | (4,299) | - | 4,299 | - | - | - | - | - |
| Total contribution by owners of the Company | 65,068 | - | 4,299 | - | - | 69,367 | - | 69,367 |
| Issuance of RCPS | - | 62,551 | - | - | - | 62,551 | - | 62,551 |
| Balance as at 30 June 2022 (Unaudited) | 65,068 | 62,551 | 4,299 | 335 | 2,120 | 134,373 | (1) | 134,372 |

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 Annual Financial Statements for the Financial Year Ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

| | PERIOD ENDED 30/06/2023 (Unaudited) RM'000 | PERIOD ENDED 30/06/2022 (Unaudited) RM'000 |
|------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES | | |
| (Loss)/Profit before taxation | (130) | 2,786 |
| Adjustments for : | | |
| Depreciation of equipment | 569 | 122 |
| Depreciation of right-of-use assets | 483 | 364 |
| Interest expense on lease liabilities | 17 | 22 |
| Reversal of impairment loss | - | (547) |
| Gain on disposal of equipment | (20) | - |
| Interest income | (358) | (45) |
| Interest expenses | 490 | 243 |
| Net unrealised (gain)/loss on foreign exchange | (173) | 38 |
| Operating profit before working capital changes | 878 | 2,983 |
| Decrease in trade and other receivables | 10,725 | - |
| Increase in contract assets | (5,530) | (12,623) |
| Decrease in contract liabilities | (8,527) | 12,871 |
| Increase in trade and other payables | (5,530) | 9,956 |
| Cash (for)/from operations | (7,984) | 13,187 |
| Net income tax paid | (1,473) | (381) |
| Net cash (for)/from operations activities | (9,457) | 12,806 |
| CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES | | |
| Acquisition of subsidiaries, net of cash and cash equivalents | - | (90,160) |
| Withdrawal/(Additions) to fixed deposits with maturity period more than 3 months and pledged with licensed banks | 2,319 | (33) |
| Interest income received | 358 | 45 |
| Increase in escrow and collateral account | (3) | (2) |
| Purchase of equipment | (119) | (147) |
| Proceed for disposal of equipment | 20 | - |
| Net cash from/(for) investing activities | 2,575 | (90,297) |
| CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES | | |
| Interest paid | (507) | (265) |
| Issuance of new ordinary shares | 287 | 131,919 |
| Net (repayment)/drawdown of borrowings | (6,956) | 2,869 |
| Net repayment of lease liabilities | (640) | (279) |
| Net cash (for)/from financing activities | (7,816) | 134,244 |

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

| | PERIOD ENDED 30/06/2023 (Unaudited) RM'000 | PERIOD ENDED 30/06/2022 (Unaudited) RM'000 |
|-----------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (14,698) | 56,753 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | 24,721 | - |
| EFFECTS OF FOREIGN EXCHANGE TRANSLATION | (281) | 30 |
| CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD | 9,742 | 56,783 |

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

| | PERIOD ENDED 30/06/2023 (Unaudited) RM'000 | PERIOD ENDED 30/06/2022 (Unaudited) RM'000 |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Fixed deposits with licensed banks | 20,972 | 25,218 |
| Cash and bank balances | 10,752 | 55,272 |
| Bank overdraft | (435) | - |
| Less: | | |
| Fixed deposits with maturity period more than 3 months and pledged with licensed banks | (20,612) | (22,785) |
| Cash placed in collateral and Escrow account | (935) | (922) |
| CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD | 9,742 | 56,783 |

Notes:

- (1) The basis of preparation of the Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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.

The interim financial report should be read in conjunction with the Annual Financial Statements for the Financial Year Ended 31 December 2022 and 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 June 2023, the Group has adopted the following new accounting standards and interpretation (including the consequential amendments):

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

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: Income Taxes

- (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

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 16: Lease Liability in a Sale and Leaseback

1 January 2024

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

1 January 2024

Amendments to MFRS 101: Non-current Liabilities with Covenants

1 January 2024

Amendments to MFRS 107: Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

1 January 2024

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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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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 2022 in their report dated 25 April 2023.

(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 6-months period ended 30 June 2023, the Company has issued 3,822,000 new ordinary shares as follows:-

Conversion of redeemable convertible preferences shares of 3,822,000 at exercise price of RM0.10 per share.

As at 30 June 2023, the outstanding redeemable convertible preferences shares and warrants remained at 2,474,191,292 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

Segmental information is presented in respect of the Group's business segment which form the primary basis of segmental reporting.

a) The segmental result as at financial period ended 30 June 2023 was as follows:

| 6-Months Period Ended 30 June 2023 | Transportation | Healthcare | Others | Consolidated adjustment | Group |
|------------------------------------------|----------------|------------|--------|----------------------------|-------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 25,128 | 1,195 | 1,000 | - | 27,323 |
| Inter-segment revenue | 26,378 | 1,052 | 315 | (27,745) | - |
| Total revenue | 51,506 | 2,247 | 1,315 | (27,745) | 27,323 |
| Gross profit/(loss) | | | | | 6,656 |
| Net operating expenditure | | | | | (87) |
| Finance cost | | | | | (43) |
| Loss before tax | | | | | (130) |
| Income Tax expense | | | | | 34 |
| Loss after tax | | | | | (96) |
| Revenue by geographical: | | | | | |
| - Malaysia | | | | | 26,725 |
| - Philippines | | | | | 598 |
| | | | | | 27,323 |

b) The segmental result as at financial period ended 30 June 2022 was as follows:

| 2-Months Period Ended 30 June 2023 | Transportation | Healthcare | Others | Consolidated adjustment | Group |
|------------------------------------------|----------------|------------|--------|----------------------------|--------------|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 24,526 | 2,488 | 649 | - | 27,663 |
| Inter-segment revenue | 21,497 | 118 | - | (21,615) | - |
| Total revenue | 46,023 | 2,606 | 649 | (21,615) | 27,663 |
| Gross profit | | | | | 4,721 |
| Net operating expenditure | | | | | 2,808 |
| Finance cost | | | | | (22) |
| Profit before tax | | | | | 2,786 |
| Income Tax expense | | | | | (614) |
| Profit after tax | | | | | 2,172 |
| Revenue by geographical: | | | | | |
| - Malaysia | | | | | 26,937 |
| - Philippines | | | | | 726 |
| | | | | | 27,663 |

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

(10) VALUATION OF EQUIPMENT

There were no revaluations of equipment in the financial period under review. As at 30 June 2023, 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 event during and subsequent to the end of the financial period.

(12) CHANGES IN THE COMPOSITION OF THE GROUP

There was no material change in the composition of the Group for the current financial quarter under review.

(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 |
| | 30/06/2023 | 30/06/2022 | 30/06/2023 | 30/06/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Rentals payable | 311 | 196 | 622 | 196 |

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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

Results for current quarter vs corresponding quarter of preceding financial year and Current financial period-to-date vs corresponding period-to-date of preceding financial year

| Description | CURRENT QUARTER ENDED 30/06/2023 (Unaudited) (RM'000) | FINANCIAL QUARTER ENDED 30/06/2022 ⁽¹⁾ (Unaudited) (RM'000) | Variance | | CURRENT PERIOD ENDED 30/06/2023 (Unaudited) (RM'000) | FINANCIAL PERIOD ENDED 30/06/2022 ⁽¹⁾ (Unaudited) (RM'000) | Variance | |
|----------------|-------------------------------------------------------|------------------------------------------------------------------------|----------|------|------------------------------------------------------|-----------------------------------------------------------------------|----------|------|
| | | | RM'000 | % | | | RM'000 | % |
| Transportation | 8,310 | 24,526 | (16,216) | (66) | 25,128 | 24,526 | 602 | 2 |
| Healthcare | 344 | 2,488 | (2,144) | (86) | 1,195 | 2,488 | (1,293) | (52) |
| Others | 677 | 649 | 28 | 4 | 1,000 | 649 | 351 | 54 |
| Total | 9,331 | 27,663 | (18,332) | (66) | 27,323 | 27,663 | (340) | (1) |

Notes:

⁽¹⁾ Acquisition of EVD Engineering Sdn. Bhd. and its subsidiaries ("EVE Group") and EV-Dynamic Sdn. Bhd. ("EV-Dynamic") were completed on 27 April 2022. Therefore, the Company has included 2 months results of the EVE Group and EV-Dynamic into the Condensed Consolidated Statements of Profit and Loss for financial quarter and financial period ended 30 June 2022.

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QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

The Group recorded revenue of RM9.3 million for the current financial quarter in comparison to revenue of RM27.6 million for corresponding quarter of preceding financial year and revenue of RM27.3 million for the current financial period ended 30 June 2023 in comparison to revenue of RM 27.6 million for corresponding financial period of preceding financial year. The variance explained as per below:

(i) Transportation

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

- (aa) System Solutions for railways and urban rail transit; and
- (bb) Intelligent Transportation System solutions for roads and highways.

Revenue recognised for the provision of transportation system solutions for the current quarter derived from transportation related projects on the additional scope rendered.

Revenue derived from the provision of transportation system solutions decreased as projects have reached the final project closure when final deliverables handed over to clients. Therefore, less progress of works incurred during the current quarter as compare to the corresponding quarter of preceding financial year.

(ii) Healthcare

Healthcare's revenue relates to the contract involved in the provision of services for hospital industries.

Revenue recognised for healthcare relates to the balance of works performed during the current quarter.

Revenue derived from healthcare decreased as projects have reached the final project closure. Therefore, less progress of works incurred during the current quarter as compare to the corresponding quarter of preceding financial year.

(iii) Others

Others revenue was mainly relates to the service and maintenance engaged to the customers.

Increase revenue in others was mainly due to additional service and maintenance works incurred during the current quarter as compare to the corresponding quarter of preceding financial year.

The Group recorded a loss before tax of RM1.7 million for the current financial quarter in comparison to profit before tax of RM2.8 million for corresponding quarter of preceding financial year. A loss before tax of RM0.1 million recorded for the current financial period in comparison to profit before tax of RM2.7 million for corresponding financial period of preceding financial year.

This was due to lower revenue generated and higher administrative expenses incurred during the current period.

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2023

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

(2) COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

| Description | CURRENT QUARTER ENDED 30/06/2023 (Unaudited) (RM'000) | PRECEDING QUARTER ENDED 31/03/2023 (Unaudited) (RM'000) | Variance | |
|--------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|----------|--------|
| | | | RM'000 | % |
| Revenue | 9,331 | 17,992 | (8,661) | (48%) |
| (Loss)/Profit before tax | (1,727) | 1,597 | (3,324) | (208%) |

For the current financial quarter, the Group revenue has decreased by RM8.6 million or 48% from RM18.0 million recorded in the preceding quarter ended 31 March 2023. The decrease in revenue was due to final project closure when final deliverables handed over to clients. Therefore, revenue decrease as compare to the preceding quarter ended 31 March 2023.

The Group recorded a loss before tax RM1.7 million for the current financial quarter as compared to profit before tax of RM1.6 million in the preceding quarter ended 31 March 2023. The loss before tax of RM1.7 million was due to lower revenue generated and higher administrative expenses incurred during the current quarter.

(3) PROSPECTS

The Board believe, a good transportation system provides benefits to people, businesses, environment and the overall economy. In the past decade, Malaysia has made significant advancement toward increasing upward social mobility as it strives to become a develop nation. Considering that 75% of Malaysia is an urban region, having a reliable transportation system is crucial to create an impact on our social-economic scenario and improved connectivity.

Moving forward, the Group intends to leverage on the opportunities created by the upcoming transportation projects announced by our government. Further, the Group will also capitalised on the existing completed railway and highway projects to secure the service and maintenance segment which have reached the scheduled maintenance timeline, with the aims to provide additional recurrent income to the Group.

On this note, the Group intends to play our role in supporting the local transportation industry as an ICT system solution provider, which focuses primarily on the transportation system solutions, capitalizing on the opportunities mentioned.

(4) PROFIT FORECAST OR GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement during the current financial quarter under review.

EVD BERHAD

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(5) (LOSS)/PROFIT BEFORE TAX

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | QUARTER ENDED 30/06/2023 | QUARTER ENDED 30/06/2022 | PERIOD ENDED 30/06/2023 | PERIOD ENDED 30/06/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| After charging: | | | | |
| Depreciation:- | | | | |
| - equipment | 269 | 122 | 569 | 122 |
| - right-of-use assets | 158 | 364 | 483 | 364 |
| Interest expense on lease liabilities | 7 | 22 | 17 | 22 |
| Interest expenses | 168 | 243 | 490 | 243 |
| Net unrealised (gain)/loss on foreign exchange | (86) | 38 | (173) | 38 |
| After crediting: | | | | |
| Interest income | (140) | (45) | (358) | (45) |
| After other comprehensive income: | | | | |
| Foreign currency translation differences | 83 | (335) | 454 | (335) |

(6) TAX EXPENSE

The breakdown of income tax expense are as follows:-.

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|--------------------------------------------------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | QUARTER ENDED 30/06/2023 | QUARTER ENDED 30/06/2022 | PERIOD ENDED 30/06/2023 | PERIOD ENDED 30/06/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax expenses: | | | | |
| - current financial year | 611 | 336 | 638 | 336 |
| Deferred tax expense: | | | | |
| - Originating and recognition of temporary differences | (854) | 278 | (672) | 278 |
| | (243) | 614 | (34) | 614 |

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(7) STATUS OF CORPORATE PROPOSALS

- (a) 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 June 2023 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 | 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 |
| | <u>26,643</u> | <u>26,643</u> | <u>-</u> | |

- (b) On 27 March 2023, The Company has proposed a special issue of up to 132,323,000 new ordinary shares of the Company to Bumiputera investors to be identified or approved by the Ministry of International Trade and Industry ("Proposed special issue"). The applications had been submitted on 20 April 2023.

The Company had on 12 June 2023, 19 June 2023 and 27 June 2023 obtained approval via letter from Equity Compliance Unit of Securities Commission Malaysia, Bursa Malaysia Securities Berhad and Ministry of Investment, Trade and Industry respectively.

The Company had on 26 July 2023 obtained approval from shareholders through an Extraordinary General Meeting on the Proposed special issue.

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(8) BORROWINGS

The Group's borrowings as at 30 June 2023 were as follows:-

| | <u>Current liabilities</u> RM'000 | <u>Non-Current liabilities</u> RM'000 | <u>Total</u> RM'000 |
|--------------------------|------------------------------------------|----------------------------------------------|------------------------|
| Secured | | | |
| Group borrowings: | | | |
| - Bankers' acceptance | 2,047 | - | 2,047 |
| - Trust receipts | 4,365 | - | 4,365 |
| - Bank overdraft | 435 | - | 435 |
| - Hire purchase | 218 | 174 | 392 |
| Total | <u>7,065</u> | <u>174</u> | <u>7,239</u> |

All the borrowings are secured and denominated in Ringgit Malaysia.

(9) MATERIAL LITIGATION

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

(10) PROPOSED DIVIDENDS

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

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(11) (LOSS)/EARNINGS PER SHARE

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

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|------------------------------------------------------------------------|------------------------------------|------------------------------------|-----------------------------------|-----------------------------------|
| | QUARTER ENDED 30/06/2023 RM'000 | QUARTER ENDED 30/06/2022 RM'000 | PERIOD ENDED 30/06/2023 RM'000 | PERIOD ENDED 30/06/2022 RM'000 |
| (a) Basic (loss)/earnings per share | | | | |
| (Loss)/Profit after tax attributable to owners of the Company (RM'000) | (1,487) | 2,207 | (73) | 2,173 |
| Weighted average number of issued ordinary shares ('000) | 409,603 | 177,231 | 408,235 | 89,105 |
| Basic (loss)/earnings per share (sen) | (0.36) | 1.24 | (0.02) | 2.44 |
| (b) Diluted (loss)/earnings per share | | | | |
| (Loss)/Profit after tax attributable to owners of the Company (RM'000) | (1,487) | 2,207 | (73) | 2,173 |
| Weighted average number of issued ordinary shares ('000) | 409,603 | 177,231 | 408,235 | 89,105 |
| Adjusted for redeemable convertible preference shares ('000) | 2,475,090 | 1,637,275 | 2,476,451 | 823,160 |
| Adjusted for warrant reserve ('000) | 86,474 | - | 86,474 | - |
| Adjusted weighted average shares ('000) | 2,971,167 | 1,814,506 | 2,971,160 | 912,265 |
| Diluted (loss)/earnings per share (sen) | (0.05) | 0.12 | (0.01) | 0.24 |