

EVD BERHAD

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

QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS ⁽¹⁾

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/09/2023 (Unaudited)	QUARTER ENDED 30/09/2022 ⁽²⁾ (Unaudited)	PERIOD ENDED 30/09/2023 (Unaudited)	PERIOD ENDED 30/09/2022 ⁽²⁾ (Unaudited)
		RM'000	RM'000	RM'000	RM'000
Revenue	B1	11,042	36,578	38,365	64,241
Cost of Sales		(7,556)	(31,271)	(28,223)	(54,213)
Gross Profit		3,486	5,307	10,142	10,028
Other Income		1,488	492	2,297	637
		4,974	5,799	12,439	10,665
Selling and marketing expenses		(114)	(131)	(406)	(197)
Administrative expenses		(4,367)	(2,744)	(10,537)	(4,752)
Other expenses		(314)	(859)	(1,404)	(1,390)
Finance costs		(23)	(26)	(66)	(48)
Net reversal of impairment losses on financial assets and contract assets		-	-	-	547
Profit before taxation	B5	156	2,039	26	4,825
Income tax expense	B6	5	(602)	39	(1,216)
Profit after taxation		161	1,437	65	3,609
Other comprehensive income:					
Foreign currency translation differences		(91)	(40)	(545)	295
Total comprehensive (expenses)/income for the financial period		70	1,397	(480)	3,904
Profit / (Loss) after tax attributable to:					
: Owners of the Company		189	1,465	116	3,638
: Non-controlling interest		(28)	(28)	(51)	(29)
		161	1,437	65	3,609
Total comprehensive (expenses)/income attributable to:					
: Owners of the Company		98	1,425	(429)	3,933
: Non-controlling interest		(28)	(28)	(51)	(29)
		70	1,397	(480)	3,904
Attributable to Equity Holders of the Company:	B11				
- Basic earnings per share (sen)		0.05	0.40	0.03	1.87
- Diluted earnings per share (sen)		0.01	0.05	0.00	0.22

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QUARTERLY REPORT FOR THIRD QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS ⁽¹⁾

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 5 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 September 2022.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Note	AS AT 30/09/2023 (Unaudited) <u>RM'000</u>	AS AT 31/12/2022 (Audited) <u>RM'000</u>
Non-current assets			
Equipment		4,732	5,140
Right-of-use assets		560	1,117
Deferred tax assets		120	120
Goodwill on consolidation		61,632	61,632
		<u>67,044</u>	<u>68,009</u>
Current assets			
Trade receivables		28,482	44,498
Other receivables, deposits and prepayments		3,531	1,963
Contract assets		88,387	78,531
Current tax assets		2,299	1,962
Fixed deposits with licensed banks		21,072	28,343
Cash and bank balances		7,112	20,257
		<u>150,883</u>	<u>175,554</u>
Total assets		<u>217,927</u>	<u>243,563</u>
Equity			
Share capital		54,345	53,780
RCPS		61,809	61,950
Warrant reserve		4,272	4,272
Foreign exchange translation reserve		140	685
Retained profits		7,517	7,401
		<u>128,083</u>	<u>128,088</u>
Non-controlling interest		(113)	(62)
		<u>127,970</u>	<u>128,026</u>
Non-current liabilities			
Borrowings	B8	132	266
Deferred tax liabilities		-	418
Lease liabilities		234	672
		<u>366</u>	<u>1,356</u>

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

		AS AT 30/09/2023 (Unaudited)	AS AT 31/12/2022 (Audited)
	Note	RM'000	RM'000
Current liabilities			
Trade payables		58,197	66,755
Contract liabilities		16,896	26,484
Other payables and accruals		5,442	5,083
Lease liabilities		165	756
Borrowings	B8	8,114	13,511
Current tax liabilities		777	1,592
		<u>89,591</u>	<u>114,181</u>
Total liabilities		<u>89,957</u>	<u>115,537</u>
Total equity and liabilities		<u>217,927</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 THIRD QUARTER ENDED 30 SEPTEMBER 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
Profit/(Loss) after taxation for the financial period	-	-	-	-	116	116	(51)	65
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	(545)	-	(545)	-	(545)
Total comprehensive expenses for the financial period	-	-	-	(545)	116	(429)	(51)	(480)
Total contribution by owners of the Company:								
- Issuance of new ordinary shares	424	-	-	-	-	424	-	424
Conversion of RCPS	141	(141)	-	-	-	-	-	-
Balance as at 30 September 2023 (Unaudited)	54,345	61,809	4,272	140	7,517	128,083	(113)	127,970

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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	-	-	-	-	3,638	3,638	(29)	3,609
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	295	-	295	-	295
Total comprehensive income for the financial period	-	-	-	295	3,638	3,933	(29)	3,904
Contribution by owners of the Company:								
- Issuance of new ordinary shares	71,133	-	-	-	-	71,133	-	71,133
- Warrant reserve	(4,299)	-	4,299	-	-	-	-	-
- Exercise of warrant reserve	27	-	(27)	-	-	-	-	-
Total contribution by owners of the Company	66,861	-	4,272	-	-	71,133	-	71,133
Issuance of RCPS	-	62,551	-	-	-	62,551	-	62,551
Conversion of RCPS	586	(586)	-	-	-	-	-	-
Balance as at 30 September 2022 (Unaudited)	67,447	61,695	4,272	295	3,585	137,564	(29)	137,535

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	PERIOD ENDED 30/09/2023 (Unaudited) RM'000	PERIOD ENDED 30/09/2022 (Unaudited) RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES		
Profit before taxation	26	4,825
Adjustments for :		
Depreciation of equipment	809	297
Depreciation of right-of-use assets	557	863
Interest expense on lease liabilities	23	48
Equipment written off	-	143
Reversal of impairment loss	-	(547)
Gain on disposal of equipment	(20)	-
Interest income	(472)	(198)
Interest expenses	806	618
Net unrealised (gain)/loss on foreign exchange	(173)	(145)
Operating profit before working capital changes	1,556	5,904
Decrease in trade and other receivables	14,449	3,061
(Increase) / decrease in contract assets	(9,857)	4,583
Decrease in contract liabilities	(9,588)	(17,561)
Decrease in trade and other payables	(8,199)	(6,887)
Cash used in operations	(11,639)	(10,900)
Net income tax paid	(1,814)	(940)
Net cash used in operations activities	(13,453)	(11,840)
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	2,225	(121)
Interest income received	472	198
Increase in escrow and collateral account	(15)	(5)
Purchase of equipment	(401)	(1,292)
Proceed for disposal of equipment	20	303
Net cash from/(for) investing activities	2,301	(91,077)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Interest paid	(829)	(666)
Proceed from ordinary shares issuance	424	133,684
Net (repayment)/drawdown of borrowings	(5,937)	1,594
Net repayment of lease liabilities	(775)	(810)
Net cash (for)/from financing activities	(7,117)	133,802

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

	PERIOD ENDED 30/09/2023 (Unaudited) RM'000	PERIOD ENDED 30/09/2022 (Unaudited) RM'000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(18,269)	30,885
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	24,721	-
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(344)	14
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	6,108	30,899

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

	PERIOD ENDED 30/09/2023 (Unaudited) RM'000	PERIOD ENDED 30/09/2022 (Unaudited) RM'000
Fixed deposits with licensed banks	21,072	34,271
Cash and bank balances	7,112	20,426
Bank overdraft	(423)	-
	27,761	54,697
Less:		
Fixed deposits with maturity period more than 3 months and pledged with licensed banks	(20,707)	(22,873)
Cash placed in collateral and Escrow account	(946)	(925)
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	6,108	30,899

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 THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 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 9-months period ended 30 September 2023, the Company has issued 5,654,300 new ordinary shares as follows:-

Conversion of redeemable convertible preferences shares of 5,654,300 at exercise price of RM0.10 per share.

As at 30 September 2023, the outstanding redeemable convertible preferences shares and warrants remained at 2,472,358,992 and 86,474,336 respectively.

(8) DIVIDENDS PAID

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

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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 September 2023 was as follows:

9-Months Period Ended 30 September 2023	<u>Transportation</u>	<u>Healthcare</u>	<u>Others</u>	<u>Consolidated adjustment</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	34,115	2,295	1,955	-	38,365
Inter-segment revenue	25,215	1,871	660	(27,745)	-
Total revenue	<u>59,329</u>	<u>4,166</u>	<u>2,615</u>	<u>(27,745)</u>	<u>38,365</u>
Gross profit					10,142
Net operating expenditure					92
Finance cost					(66)
Profit before tax					<u>26</u>
Income Tax expense					39
Profit after tax					<u>65</u>
Revenue by geographical:					
- Malaysia					37,037
- Philippines					1,327
					<u>38,365</u>

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

5-Months Period Ended 30 September 2022	<u>Transportation</u>	<u>Healthcare</u>	<u>Others</u>	<u>Consolidated adjustment</u>	<u>Group</u>
	RM'000	RM'000	RM'000	RM'000	RM'000
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					<u>4,825</u>
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>

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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 September 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
	30/09/2023	30/09/2022	30/09/2023	30/09/2022
	RM'000	RM'000	RM'000	RM'000
Rentals payable	311	294	933	490

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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

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 30/09/2023 (Unaudited) (RM'000)	FINANCIAL QUARTER ENDED 30/09/2022 ⁽¹⁾ (Unaudited) (RM'000)	Variance		CURRENT PERIOD ENDED 30/09/2023 (Unaudited) (RM'000)	FINANCIAL PERIOD ENDED 30/09/2022 ⁽¹⁾ (Unaudited) (RM'000)	Variance	
			RM'000	%			RM'000	%
Revenue :								
Transportation	8,988	34,599	(25,611)	(74)	34,115	59,125	(25,010)	(42)
Healthcare	1,100	1,273	(173)	(14)	2,295	3,760	(1,465)	(39)
Others	954	706	248	35	1,955	1,356	599	44
Total	11,042	36,578	(25,536)	(70)	38,365	64,241	(25,876)	(40)

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 5 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 September 2022.

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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 RM11.04 million for the current financial quarter in comparison to revenue of RM36.58 million for corresponding quarter of preceding financial year and revenue of RM38.36 million for the current financial period ended 30 September 2023 in comparison to revenue of RM64.24 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 following: -

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

The recorded revenue was mainly contributed by highways project namely WCE. The decreased in revenue was due to completion of KWMRT project with minimal work carried out on site.

(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 project has reached the final closure and less progress of works was carried out on site.

(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 profit before tax of RM156k for the current financial quarter in comparison to profit before tax of RM2.04 million for corresponding quarter of preceding financial year. A profit before tax of RM 26k recorded for the current financial period in comparison to profit before tax of RM4.8 million.

This was due to lower revenue generated in respect of project completion and high administrative expenses incurred during the current period.

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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 30/09/2023 (Unaudited) (RM'000)	PRECEDING QUARTER ENDED 30/06/2023 (Unaudited) (RM'000)	Variance	
			RM'000	%
Revenue	11,042	9,331	1,711	18
Profit/(Loss) before tax	156	(1,727)	1,883	(109)

For the current financial quarter, the Group revenue has recorded an increase of RM 1.7 million from RM9.3 million recorded in the preceding quarter ended 30 June 2023. The increase in revenue was due to additional project progress from highway project namely WCE.

In tandem to the increase in revenue, the Group recorded a profit before tax RM156k for the current financial quarter as compared to loss before tax of RM1.7 million in the preceding quarter ended 30 June 2023.

(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.

The Group intends to leverage on the opportunities created by the upcoming transportation projects announced by our government. However, with recent Budget announced by relevant authorities, several transportation projects have been postponed to a later date.

Meantime, the Group will capitalise 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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QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

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 30/09/2023	QUARTER ENDED 30/09/2022	PERIOD ENDED 30/09/2023	PERIOD ENDED 30/09/2022
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation:-				
- equipment	240	175	809	297
- right-of-use assets	74	499	557	863
Equipment written off	-	143	-	143
Interest expense on lease liabilities	6	26	23	48
Interest expenses	316	375	806	618
Net unrealised gain on foreign exchange	-	(183)	(173)	(145)
After crediting:				
Interest income	114	153	472	145
After other comprehensive income:				
Foreign currency translation differences	91	183	545	145

(6) TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/09/2023	QUARTER ENDED 30/09/2022	PERIOD ENDED 30/09/2023	PERIOD ENDED 30/09/2022
	RM'000	RM'000	RM'000	RM'000
Income tax expenses:				
- current financial year	(5)	1,088	633	1,424
- overprovision in the previous finance year	-	(5)	-	5
	(5)	1,083	633	1,429
Deferred tax expense:				
- Originating and recognition of temporary differences	-	(481)	(672)	(203)
	(5)	602	(39)	1,216

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(7) STATUS OF CORPORATE PROPOSALS

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.

For the current quarter ended 30 September until 24 November 2023, being the latest practicable date which is not earliest than seven (7) days from the date of issuance of this interim financial report, the Proposed special issue has yet to be carried out.

(8) BORROWINGS

The Group’s borrowings as at 30 September 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	2,832	-	2,832
- Trust receipts	4,686	-	4,686
- Bank overdraft	423	-	423
- Hire purchase	173	132	305
Total	<u>8,114</u>	<u>132</u>	<u>8,246</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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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 30/09/2023 RM'000	QUARTER ENDED 30/09/2022 RM'000	PERIOD ENDED 30/09/2023 RM'000	PERIOD ENDED 30/09/2022 RM'000
(a) Basic earnings per share				
Profit after tax attributable to owners of the Company (RM'000)	189	1,465	116	3,638
Weighted average number of issued ordinary shares ('000)	411,135	369,910	409,212	194,235
Basic earnings per share (sen)	0.05	0.40	0.03	1.87
(b) Diluted earnings per share				
Profit after tax attributable to owners of the Company (RM'000)	189	1,465	116	3,648
Weighted average number of issued ordinary shares ('000)	411,135	396,910	409,212	194,235
Adjusted for redeemable convertible preference shares ('000)	2,473,550	2,488,322	2,475,473	1,393,393
Adjusted for warrant reserve ('000)	86,474	86,564	86,474	29,489
Adjusted weighted average shares ('000)	2,971,159	2,971,796	2,971,159	1,617,117
Diluted earnings per share (sen)	0.01	0.05	0.00	0.22