

EVD BERHAD

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

QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Note	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
		QUARTER ENDED 30/06/2024 (Unaudited) RM'000	QUARTER ENDED 30/06/2023 (Unaudited) RM'000	PERIOD ENDED 30/06/2024 (Unaudited) RM'000	PERIOD ENDED 30/06/2023 (Unaudited) RM'000
Revenue	B1	2,889	-	57,109	-
Cost of Sales		(5,474)	-	(55,343)	-
Gross (Loss) / Profit		(2,585)	-	1,766	-
Other Income		130	-	2,720	-
		(2,455)	-	4,486	-
Selling and marketing expenses		(33)	-	(620)	-
Administrative expenses		(3,566)	-	(19,043)	-
Other expenses		(23,335)	-	(38,924)	-
Finance costs		(482)	-	(582)	-
Loss before taxation	B5	(29,871)	-	(54,683)	-
Income tax expense	B6	-	-	(111)	-
Loss after taxation		(29,871)	-	(54,794)	-
Other comprehensive income expense:					
Foreign currency translation differences		2,309	-	910	-
Total comprehensive expenses for the financial period		(27,562)	-	(53,884)	-
Loss after tax attributable to:					
: Owners of the Company		(29,858)	-	(54,704)	-
: Non-controlling interest		(13)	-	(90)	-
		(29,871)	-	(54,794)	-
Total comprehensive expenses attributable to:					
: Owners of the Company		(27,549)	-	(53,794)	-
: Non-controlling interest		(13)	-	(90)	-
		(27,562)	-	(53,884)	-
Attributable to Equity Holders of the Company:	B11				
- Basic loss per share (sen)		(6.91)	-	(13.16)	-
- Diluted loss per share (sen)		(1.00)	-	(1.84)	-

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

There is no comparative for the quarter ended 30 June 2024, due to the change in the financial year end from 31 December to 30 June. The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the current quarter ended 30 June 2024, being sixth quarter for the financial year ending 30 June 2024.

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.

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	AS AT 30/06/2024 (Unaudited) RM'000	AS AT 31/12/2022 (Audited) RM'000
Non-current assets			
Equipment		613	5,140
Right-of-use assets		315	1,117
Deferred tax assets		120	120
Goodwill on consolidation		61,632	61,632
		<u>62,680</u>	<u>68,009</u>
Current assets			
Trade receivables		35,712	44,498
Other receivables, deposits and prepayments		1,499	1,963
Contract assets		58,688	78,531
Current tax assets		2,810	1,962
Fixed deposits with licensed banks		17,075	28,343
Cash and bank balances		3,839	20,257
		<u>119,623</u>	<u>175,554</u>
Total assets		<u>182,303</u>	<u>243,563</u>
Equity			
Share capital		56,502	53,780
RCPS		61,270	61,950
Warrant reserve		4,272	4,272
Foreign exchange translation reserve		1,595	685
Retained profits		(47,303)	7,401
		<u>76,336</u>	<u>128,088</u>
Non-controlling interest		(152)	(62)
		<u>76,184</u>	<u>128,026</u>
Non-current liabilities			
Borrowings	B8	-	266
Deferred tax liabilities		-	418
Lease liabilities		223	672
		<u>223</u>	<u>1,356</u>

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

		AS AT 30/06/2024 (Unaudited)	AS AT 31/12/2022 (Audited)
	Note	RM'000	RM'000
Current liabilities			
Trade payables		60,402	66,755
Contract liabilities		17,610	26,484
Other payables and accruals		11,746	5,083
Lease liabilities		74	756
Borrowings	B8	15,460	13,511
Current tax liabilities		604	1,592
		<u>105,896</u>	<u>114,181</u>
Total liabilities		<u>106,119</u>	<u>115,537</u>
Total equity and liabilities		<u>182,303</u>	<u>243,563</u>
Net assets per ordinary shares attributable to owners of the Company (RM)		<u>0.18</u>	<u>0.31</u>

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 SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	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	-	-	-	-	(54,704)	(54,704)	(90)	(54,794)
Other comprehensive income for the financial period:								
- Foreign currency translation differences	-	-	-	910	-	910	-	910
Total comprehensive expenses for the financial period	-	-	-	910	(54,704)	(53,794)	(90)	(53,884)
Total contribution by owners of the Company:								
- Issuance of new ordinary shares	2,042	-	-	-	-	2,042	-	2,042
Conversion of RCPS	680	(680)	-	-	-	-	-	-
Balance as at 30 June 2024 (Unaudited)	56,502	61,270	4,272	1,595	(47,303)	76,336	(152)	76,184

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

There is no comparative for the quarter ended 31 March 2024, due to the change in the financial year end from 31 December to 30 June. The Condensed Consolidated Statement of Changes in Equity for the current quarter ended 30 June 2024, being the sixth quarter for the financial year ending 30 June 2024.

The Condensed Consolidated Statement of Changes in Equity 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 SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	CUMULATIVE PERIOD ENDED 30/06/2024 (Unaudited) <u>RM'000</u>	CUMULATIVE PERIOD ENDED 30/06/2023 (Unaudited) <u>RM'000</u>
CASH FLOWS (FOR) / FROM OPERATING ACTIVITIES		
Loss before taxation	(54,683)	-
Adjustments for :		
Amortisation of intangible asset	-	-
Bargain purchase	-	-
Depreciation of equipment	1,328	-
Depreciation of right-of-use assets	994	-
Interest expense on lease liabilities	57	-
Equipment written off	3,510	-
Reversal of impairment loss	-	-
Gain on disposal of equipment	(27)	-
Gain on lease modification	(28)	-
Impairment loss		
- contract assets	27,911	-
- trade receivables	4,689	-
Interest income	(731)	-
Interest expenses	1,365	-
Net unrealised loss on foreign exchange	1,341	-
Operating loss before working capital changes	(14,274)	-
Decrease in trade and other receivables	4,561	-
Increase in contract assets	(8,069)	-
Decrease in contract liabilities	(8,874)	-
Increase in trade and other payables	310	-
Cash used in operations	(26,346)	-
Net income tax paid	(2,923)	-
Net cash used in operations activities	(29,269)	-
CASH FLOWS FROM / (FOR) INVESTING ACTIVITIES		
Acquisition of subsidiaries, net of cash and cash equivalents	-	-
Withdrawal to fixed deposits with maturity period more than 3 months and pledged with licensed banks	6,226	-
Interest income received	732	-
Increase in escrow and collateral account	(25)	-
Purchase of equipment	(419)	-
Proceed for disposal of equipment	136	-
Net cash from investing activities	6,650	-

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	CUMULATIVE PERIOD ENDED 30/06/2024 (Unaudited) RM'000	CUMULATIVE PERIOD ENDED 30/06/2023 (Unaudited) RM'000
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES		
Advances from a director	-	-
Interest paid	(1,422)	-
Proceed from ordinary shares issuance	2,041	-
Net repayment drawdown of borrowings	(10,890)	-
Net repayment of lease liabilities	(1,040)	-
Net cash used in financing activities	(11,311)	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	(33,930)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	24,721	-
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(125)	-
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	(9,334)	-

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

	CUMULATIVE PERIOD ENDED 30/06/2024 (Unaudited) RM'000	CUMULATIVE PERIOD ENDED 30/06/2023 (Unaudited) RM'000
Fixed deposits with licensed banks	17,075	-
Cash and bank balances	3,839	-
Bank overdraft	(12,590)	-
	8,324	-
Less:		
Fixed deposits with maturity period more than 3 months and pledged with licensed banks	(16,705)	-
Cash placed in collateral and Escrow account	(953)	-
CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL PERIOD	(9,334)	-

There is no comparative for the quarter ended 30 June 2024, due to the change in the financial year end from 31 December to 30 June. The Condensed Consolidated Statements of Cash Flows for the current quarter ended 30 June 2024, being the sixth quarter for the financial year ending 30 June 2024.

The Condensed Consolidated Statements of Cash Flows 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 SIXTH QUARTER ENDED 30 JUNE 2024

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.

On 10 January 2024, the Company changed the financial year end from 31 December to 30 June. The next financial year will commence from 1 January 2023 to 30 June 2024, covering a period of 18 months. Thereafter, the financial year shall revert to 12 months ending 30 June for each subsequent year.

(2) MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) 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 and MFRS 7: Supplier Finance Arrangements

1 January 2024

Amendments to MFRS 121: Lack of Exchangeability

1 January 2025

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 SIXTH QUARTER ENDED 30 JUNE 2024

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 18-months period from 1 January 2023 to 30 June 2024, the Company has issued 27,218,100 new ordinary shares as follows :-

Conversion of redeemable convertible preferences shares of 27,218,100 at exercise price of RM0.10 per share from 1 January 2023 to 30 June 2024.

As at 30 June 2024, the outstanding redeemable convertible preferences shares and warrants remained at 2,450,795,192 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 SIXTH QUARTER ENDED 30 JUNE 2024

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 for cumulative period ended 30 June 2024 was as follows:

Cumulative Period Ended 30 June 2024	<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	46,679	7,760	2,670	-	57,109
Inter-segment revenue	54,115	4,327	315	(58,757)	-
Total revenue	<u>100,794</u>	<u>12,087</u>	<u>2,985</u>	<u>(58,757)</u>	<u>57,109</u>
Gross profit					1,766
Net operating expenditure					(54,101)
Finance cost					(582)
Loss before tax					(54,683)
Income Tax expense					(111)
Loss after tax					<u>(54,794)</u>
Revenue by geographical:					
- Malaysia					55,592
- Philippines					1,517
					<u>57,109</u>

b) The segmental result for cumulative period ended 30 June 2023 was as follows:

Cumulative Period Ended 30 June 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	-	-	-	-	-
Inter-segment revenue	-	-	-	-	-
Total revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gross profit					-
Net operating expenditure					-
Finance cost					-
Profit before tax					-
Income Tax expense					-
Profit after tax					<u>-</u>
Revenue by geographical:					
- Malaysia					-
- Philippines					-
					<u>-</u>

* There is no comparative for the preceding year corresponding period, due to the change in the financial year end from 31 December to 30 June.

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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 2024, 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 30/06/2024 RM'000	QUARTER ENDED 30/06/2023 RM'000	PERIOD ENDED 30/06/2024 RM'000	PERIOD ENDED 30/06/2023 RM'000
Rentals payable	5	-	1,340	-

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

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

On 10 January 2024, the Company changed the financial year end from 31 December to 30 June. As such, there are no comparative figures available for the corresponding periods in the preceding year.

For the 18-month period ended 30 June 2024, the Group recorded revenue of RM57.11 million.

(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 revenue from provision of transportation system solutions contributed RM46.68 million represented approximately 82% of the total revenue recorded for the respective financial period under review.

(ii) Healthcare

Healthcare posted a revenue recognition of RM7.76 million solely from its contract involved in the provision of services for hospital industries.

(iii) Others

Others revenue of RM2.67 million was mainly relates to the service and maintenance engaged to the customers.

The Group recorded a loss before tax of RM54.68 million in the current financial period, mainly due to lower revenue generated in respect of projects completion and high administrative expenses incurred during the current financial period.

(2) COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Description	CURRENT QUARTER ENDED 30/06/2024 (Unaudited) (RM'000)	PRECEDING QUARTER ENDED 31/03/2023 (Unaudited) (RM'000)	Variance	
			RM'000	%
Revenue	2,889	5,969	(3,080)	(51)
Loss before tax	(29,871)	(4,341)	(25,530)	(588)

In the current quarter, revenue of the Group was registered at RM2.89 million with 51.60% decrease from the immediate preceding quarter. The decrease in revenue was mainly due to final project closure, thus revenue decrease as compare to the immediate preceding quarter.

The Group recorded a loss before tax of RM29.87 million in the current quarter as compared to loss before tax of RM4.34 million in the immediate preceding quarter.

Provision for impairment losses on contract assets, receivables and equipment written off of RM22.49 million is recorded for this quarter.

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

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

(3) PROSPECTS

The infrastructure construction industry is set for a positive outlook in 2024, driven by on-going development projects, new mega projects with bullish government initiatives, such as revival of delayed projects and price variation for government projects. The growth is expected to be higher at 7.2% in 2024 as compared to 6.5% in 2023.

The Group intends to leverage on the opportunities with the upcoming transportation projects announced and assumed the revival of the delayed projects in 2024. 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 one stop service solutions and additional recurrent income to the Group. The Group will also focus on the new projects secured during the quarter involved in the provision of smart building and security services and mechanical and engineering works.

The Group aimed to be vigilant and conscious with efficient project management and effective internal control to ensure the sustainability of the operation within the Group.

(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.

(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 30/06/2024	QUARTER ENDED 30/06/2023	PERIOD ENDED 30/06/2024	PERIOD ENDED 30/06/2023
	RM'000	RM'000	RM'000	RM'000
After charging:				
Depreciation:-				
- equipment	103	-	1,328	-
- right-of-use assets	289	-	994	-
Equipment written off	3,510	-	3,510	-
Impairment loss				
- contact assets	14,294	-	27,911	-
- trade receivables	-	-	4,689	-
Interest expense on lease liabilities	24	-	57	-
Interest expenses	339	-	1,365	-
Net unrealised loss on foreign exchange	1,438	-	1,341	-
After crediting:				
Interest income	(29)	-	(731)	-
After other comprehensive income:				
Foreign currency translation differences	2,309	-	910	-

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

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

(6) TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	QUARTER ENDED 30/06/2024	QUARTER ENDED 30/06/2023	PERIOD ENDED 30/06/2024	PERIOD ENDED 30/06/2023
	RM'000	RM'000	RM'000	RM'000
Income tax expenses:				
- current financial year	-	-	628	-
- underprovision in the previous finance year	-	-	155	-
	-	-	783	-
Deferred tax expense:				
- Originating and recognition of temporary differences	-	-	(672)	-
- underprovision in the previous finance year	-	-	-	-
	-	-	111	-

(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 Investment, Trade and Industry ("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 Special Issue.

On 4 December 2023, the Company has submitted the applications to Bursa Malaysia Securities Berhad and Equity Compliance Unit of Securities Commission Malaysia to seek an extension of time of six months up to 19 June 2024 to implement the Special Issue ("Initial EOT").

On 28 February 2024, the Company has submitted the application to Equity Compliance Unit of Securities Commission Malaysia to seek for an additional 2 months from the initial EOT, that is an extension of time of up to 19 August 2024 to implement the Special Issue.

Bursa Securities had, vide its letter dated 15 April 2024, resolved to approve the application for the extension of time of up to 19 August 2024, for EVD to implement the Special Issue.

6,582,100 Special Issue Shares at RM0.1150 each issued pursuant to the Special Issue were listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 9 August 2024, which marks the completion of the Special Issue.

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(INCORPORATED IN MALAYSIA)

QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

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

(8) BORROWINGS

The Group's borrowings as at 30 June 2024 were as follows:-

	<u>Current liabilities</u>	<u>Non-Current liabilities</u>	<u>Total</u>
	RM'000	RM'000	RM'000
Secured			
Group borrowings:			
- Bankers' acceptance	1,043	-	1,043
- Trust receipts	1,663	-	1,663
- Bank overdraft	12,590	-	12,590
- Hire purchase	164	-	164
Total	<u>15,460</u>	<u>-</u>	<u>15,460</u>

All the borrowings are secured and denominated in Ringgit Malaysia.

(9) MATERIAL LITIGATION

The material litigations as at the date of this report are as follow:

- a) Winding Up Petition served by Exygnos Engineering Sdn Bhd against EVD Engineering Sdn Bhd

On 19 October 2023, Exygnos Engineering Sdn Bhd ("Exygnos") has filed the Winding Up Petition against EVD Engineering Sdn Bhd ("EVDE").

The Winding up Petition was filed following the Statutory Notice of Demand and adjudication decisions pursuant to the Construction Industry Payment and Adjudication ACT 2012 ("CIPPA 2012") dated 21 August 2023, 29 August 2023 and 5 September 2023 respectively.

The amount claimed is RM728,860.57 which includes adjudicated amount, interest, cost of representation and cost of adjudication proceedings.

On 18 July 2024, the Winding-up Petition has been struck out with no order as to cost.

- b) Winding Up Petition served by Yee Cheng Construction Sdn Bhd against EVDE

On 16 November 2023, Yee Cheng Construction Sdn Bhd ("Yee Cheng") has filed the Winding Up Petition against EVDE.

The Winding up Petition was filed following the Statutory Notice of Demand and adjudication decisions pursuant to the CIPPA 2012 dated 22 September 2023 and 2 October 2023 respectively.

The amount claimed is RM870,413.24 which includes adjudicated sum plus interest, cost of representation and cost of adjudication proceedings.

On 18 July 2024, EVDE was informed via its solicitors that the Winding-up Petition had been withdrawn with no order as to costs. However, as at to-date there is no court order or written confirmation from the Yee Cheng's solicitors on the withdrawal.

EVD BERHAD

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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) MATERIAL LITIGATION (CONTINUED)

c) Civil Suit between EVDE and North Line Eng (M) Sdn Bhd

On 29 November 2023, the sub-contractor, North Line Eng (M) Sdn Bhd (“North Line”) had filed a court action at Kuala Lumpur Sessions Court against EVDE.

North Line has filed Writ of Summons which require EVDE to file the Memorandum of Appearance within 14 days from the issued date of the Writ of Summons. However, it was not attended by the employee-in-charge. The Case Management was fixed on 2 January 2024 for e-Review and subsequently North Line has successfully obtained Judgement in Default of Appearance on the same day.

The amount of claim is RM600,291.85 inclusive of principal sum and interest.

EVDE has engaged an Advocate and Solicitor to defend the case in the appropriate Court and have filed Setting-Aside Application. EVDE has on 30 April 2024 through its Advocate and Solicitor successfully set aside the Judgment in Default dated 2 January 2024 recorded against EVDE and subsequently filed the relevant Statement of Defence in the Sessions Court. The case management is fixed on 26 August 2024.

d) Civil Suit between EVDE and (1) Zakiah Binti Zahib and (2) Mohd Nabawi Bin Zahid (in a business as a partnership under the name Saz Diversified)

On 5 February 2024, (1) Zakiah Binti Zahib and (2) Mohd Nabawi Bin Zahid (in a business as a partnership under the name Saz Diversified) (“Saz Diversified”) had filed a court action at Kuala Lumpur Sessions Court against EVDE (“the Suit”). The amount of claim is RM203,500.00; subsequent interests on the judgement amount at the rate of five (5) per cent per annum calculated from the date of judgement until the date of full settlement; and costs.

Saz Diversified has on 14 March 2024 through its solicitors withdrawn the Suit with liberty to file afresh after Saz Diversified and EVDE mutually agreed to settle the matter amicably.

e) Winding Up Petition served by Daikin Applied (Malaysia) Sdn Bhd against EVDE

On 16 July 2024, Daikin Applied (Malaysia) Sdn Bhd (“Daikin”) has filed the Winding Up Petition against EVDE. The Winding up Petition was filed following the Statutory Notice of Demand and payment certificates. The amount claimed is RM312,494.33.

High Court has fixed for hearing on 14 October 2024. EVDE has engaged an advocate and solicitor (“solicitors”) and instructed its solicitors to prepare the filing of relevant affidavits in opposition.

(10) PROPOSED DIVIDENDS

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

EVD BERHAD

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QUARTERLY REPORT FOR THE SIXTH QUARTER ENDED 30 JUNE 2024

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

(11) (LOSS) / 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 30/06/2024	QUARTER ENDED 30/06/2023	PERIOD ENDED 30/06/2024	PERIOD ENDED 30/06/2023
(a) Basic (loss) / earnings per share				
(Loss) / Profit after tax attributable to owners of the Company (RM'000)	(29,858)	-	(54,704)	-
Weighted average number of issued ordinary shares ('000)	432,060	-	415,579	-
Basic (loss) / earnings per share (sen)	(6.91)	-	(13.16)	-
(b) Diluted (loss) / earnings per share				
(Loss) / Profit after tax attributable to owners of the Company (RM'000)	(29,858)	-	(54,704)	-
Weighted average number of issued ordinary shares ('000)	432,060	-	415,579	-
Adjusted for redeemable convertible preference shares ('000)	2,452,691	-	2,469,135	-
Adjusted for warrant reserve ('000)	86,474	-	86,474	-
Adjusted weighted average shares ('000)	2,971,225	-	2,971,188	-
Diluted (loss) / earnings per share (sen)	(1.00)	-	(1.84)	-