

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

No securities will be allotted or issued based on this Abridged Prospectus after six (6) months from the date of this Abridged Prospectus.

**THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY.** All enquiries concerning the Rights Issue, which is the subject matter of this Abridged Prospectus, should be addressed to our Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Malaysia (Tel: +603 2084 9000).

This Abridged Prospectus has been registered by Bursa Securities. The registration of this Abridged Prospectus should not be taken to indicate that Bursa Securities recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. Bursa Securities has not, in any way, considered the merits of the Rights Issue. A copy of this Abridged Prospectus, together with the accompanying NPA and RSF (collectively, the "Documents"), has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue was obtained at the EGM held on 17 January 2022. Approval has also been obtained from Bursa Securities vide its letter dated 10 September 2021 for the issuance and allotment of Rights Shares, ICB Warrants and ICB RCPS pursuant to the Rights Issue, admission of EVD to the Official List and the listing of and quotation for EVD Shares, EVD Warrants and EVD RCPS issued/to be issued pursuant to the EVE Acquisition and the Securities Exchange as well as the new EVD Shares to be issued pursuant to the exercise and conversion of EVD Warrants/ESOS Options and EVD RCPS respectively. However, the admission to the Official List and quotation of the new securities are not to be taken as an indication of the merits of the Rights Issue. Upon the receipt of confirmation from Bursa Depository that CDS Accounts of the successful Entitled Holders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited, the notices of allotment will be despatched to them. For clarity, the trading of ICB Shares will be suspended on the next Market Day following the cessation of trading of rights in respect of the Rights Shares and ICB RCPS to facilitate the implementation of the Securities Exchange. In this regard, the Rights Shares, ICB Warrants and ICB RCPS to be issued pursuant to the Rights Issue will not be traded on the ACE Market of Bursa Securities upon issuance and allotment. Thereafter, pursuant to the Securities Exchange, all securities of ICB, including the Rights Shares, ICB Warrants and ICB RCPS to be issued pursuant to the Rights Issue, will be exchanged for an equal number of EVD Shares, EVD RCPS and EVD Warrants, which will then be listed/quoted on the ACE Market of Bursa Securities in place of such securities of ICB.

The Documents will only be despatched to the Entitled Holders who have provided our Share Registrar with a registered address in Malaysia and whose names appear on our Record of Depositors not later than 5:00 p.m. on Tuesday, 24 May 2022. The Documents are not intended to be (and will not be) issued, circulated or distributed in countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any countries or jurisdictions other than the laws of Malaysia. Entitled Holders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia should therefore immediately consult their legal advisers and/or other professional advisers as to whether the acceptance and/or renunciation (as the case may be) of all or any part of their entitlements to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Neither ICB, KAF IB nor any other professional advisers named herein shall accept any responsibility or liability in the event that any acceptance and/or renunciation (as the case may be) of all or any part of the entitlements to the Rights Issue made by the Entitled Holders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions.

Bursa Securities is not liable for any non-disclosure on the part of ICB and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability whatsoever for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.

**FOR INFORMATION CONCERNING RISK FACTORS WHICH YOU SHOULD CONSIDER, PLEASE REFER TO SECTION 7.0 OF THIS ABRIDGED PROSPECTUS.**

# **iDIMENSION**

**IDIMENSION CONSOLIDATED BHD**  
Registration No.: 201001042062 (925990-A)  
(Incorporated in Malaysia)

## **RENOUNCEABLE RIGHTS ISSUE OF:-**

- **87,026,436 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.10 EACH PER RIGHTS SHARE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF ICB HELD BY THE ENTITLED HOLDERS AS AT 5:00 P.M. ON TUESDAY, 24 MAY 2022 TOGETHER WITH 87,026,436 ICB WARRANTS ON THE BASIS OF ONE (1) ICB WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR; AND**
- **174,052,872 ICB RCPS AT AN ISSUE PRICE OF RM0.025 PER ICB RCPS ON THE BASIS OF FOUR (4) ICB RCPS FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF ICB HELD BY THE ENTITLED HOLDERS AS AT 5:00 P.M. ON TUESDAY, 24 MAY 2022.**

*Principal Adviser*



**INVESTMENT BANK BERHAD**  
Registration No. 197401003530 (20657-W)

## **IMPORTANT RELEVANT DATES AND TIMES:-**

Entitlement Date	:	Tuesday, 24 May 2022 at 5:00 p.m.
<b>Last date and time for:-</b>		
Sale of Provisional Rights Securities	:	Tuesday, 31 May 2022 at 5:00 p.m.
Transfer of Provisional Rights Securities	:	Thursday, 2 June 2022 at 4:30 p.m.
Acceptance and payment	:	Friday, 10 June 2022 at 5:00 p.m.
Excess application and payment	:	Friday, 10 June 2022 at 5:00 p.m.

This Abridged Prospectus is dated 24 May 2022

***ALL THE TERMS AND ABBREVIATIONS USED HEREIN SHALL HAVE THE SAME MEANINGS AS THOSE DEFINED IN THE "DEFINITIONS" SECTION OF THIS ABRIDGED PROSPECTUS UNLESS STATED OTHERWISE.***

**RESPONSIBILITY STATEMENTS**

**OUR DIRECTORS HAVE SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THIS RIGHTS ISSUE. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE IS NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH, IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.**

**KAF IB, BEING THE SPONSOR AND ADVISER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUE.**

**OTHER STATEMENTS**

**YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF INVESTING IN THE RIGHTS ISSUE. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

**YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THIS ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION; OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.**

**SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.**

**THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO MALAYSIAN LAWS. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO INFORM YOURSELF OF AND TO OBSERVE SUCH RESTRICTIONS.**

**THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUE UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.**

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF:-

“Abridged Prospectus”	: This Abridged Prospectus dated 24 May 2022 in relation to the Rights Issue
“Act”	: The Companies Act 2016
“Amendments”	: Amendments to the Constitution to facilitate the issuance of ICB RCPS pursuant to the Rights Issue
“ATM”	: Automated teller machine
“Authorisation Letter”	: The authorisation letter dated 30 March 2021, pertaining to the renunciation of such portions of Cash Consideration as well as Consideration Shares and Considerations RCPS issued/paid pursuant to the SSA, from EV-Dynamic to Mah Seong Huak, Ir. Gan Wee Peng, GVSB and VSB, which supersedes an authorisation letter dated 9 June 2020
“Authorised Nominee(s)”	: A person(s) who is authorised to act as a nominee as defined under the Rules of Bursa Depository
“Bloomberg”	: Bloomberg Finance Singapore L.P. and its affiliates
“Board”	: Board of Directors of ICB
“Bursa Anywhere”	: A mobile application operated by Bursa Depository to enable depositors to perform their CDS transactions electronically from their mobile phones
“Bursa Depository”	: Bursa Malaysia Depository Sdn. Bhd. (198701006854 / 165570-W)
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 / 635998-W)
“Business”	: The provision of ICT system solutions which focuses primarily on the transportation system solutions
“CAGR”	: Compound annual growth rate
“Cash Consideration”	: The portion of purchase consideration pursuant to the EVE Acquisition to be satisfied in cash amounting to RM12.0 million
“Cash Option”	: ICB/EVD RCPS is converted by surrendering a combination of ICB/EVD RCPS and cash with an aggregate value equal to RM0.10, subject to a minimum of one (1) ICB/EVD RCPS and paying the difference between the aggregate value of the ICB/EVD RCPS surrendered and the conversion price of RM0.10 in cash for one (1) ICB/EVD Share
“CDS Account(s)”	: A securities account established by Bursa Depository for a depositor pursuant to the SICDA and the Rules of Bursa Depository for the recording of deposits of securities and for dealings in such securities by the depositor
“CDS”	: Central Depository System, the system established and operated by Bursa Depository for the central handling of securities deposited with Bursa Depository
“Closing Date”	: 10 June 2022 at 5:00 p.m., being the last date and time for the acceptance of and payment for the Provisional Rights Securities and the application and payment for the Excess Rights Securities or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time
“CMSA”	: Capital Markets and Services Act 2007

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**DEFINITIONS (CONT'D)**

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“Consolidation”	: Consolidation of every ten (10) Pre-Consolidation Shares into one (1) ICB Share, which was completed on 23 March 2022
“Constitution”	: Constitution of ICB
“Conversion Price”	: The conversion price for the ICB RCPS/EVD RCPS of RM0.10 for every one (1) new ICB Share/EVD Share through surrendering ICB RCPS/EVD RCPS for cancellation
“COVID-19”	: Coronavirus disease 2019
“Deed Poll”	: The deed poll constituting the ICB Warrants and EVD Warrants dated 28 April 2022
“Director”	: A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 4 of the Act and Section 2(1) of the CMSA
“ECRL”	: East Coast Rail Link
“EGM”	: Extraordinary general meeting
“EGPL”	: EVD Global Pte. Ltd. (UEN. 201533778D), a wholly-owned subsidiary of EVE
“Electronic Application”	: Application for the Rights Securities and/or Excess Rights Securities through the ATMs or internet financial services website of Participating Financial Institutions
“Eligible Persons”	: All the eligible Directors and employees of the EVD Group (excluding dormant subsidiaries) who meet the eligibility criteria for participation in the ESOS
“Entitled Holders”	: Shareholders of ICB, whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date, who shall be entitled to participate in the Rights Issue
“Entitled Holders of Securities Exchange”	: The holders of ICB Shares, ICB Warrants and ICB RCPS whose names appear in the Record of Depositors of our Company as at the close of business on the Entitlement Date of Securities Exchange, who shall be entitled to participate in the Securities Exchange
“Entitlement Date”	: 24 May 2022, at 5:00 p.m., being the date on which the names of the shareholders of ICB must appear in the Record of Depositors of our Company in order to be entitled to participate in the Rights Issue
“Entitlement Date of Securities Exchange”	: The date to be determined and announced by our Board for the purpose of determining the entitlement of the holders of the ICB Shares, the ICB Warrants and the ICB RCPS to the Securities Exchange
“EPS”	: Earnings per share
“ESOS”	: Establishment of an employee share option scheme of up to fifteen percent (15%) of the total number of issued shares of EVD, at any point in time during the duration of the ESOS, for the Eligible Persons
“ESOS Options”	: Options granted under the ESOS
“ETSB”	: EVD Technology Sdn. Bhd. (202101019177 / 1419477-T), a 51%-owned subsidiary of EVE
“EV-Dynamic”	: EV-Dynamic Sdn. Bhd. (200601028126 / 747882-U)

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**DEFINITIONS (CONT'D)**

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“EV-Dynamic Acquisition”	: The acquisition of the 10,000,000 ordinary shares in EV-Dynamic, representing 100% of the issued share capital of EV-Dynamic by EVD from Mah Seong Huak and Ir. Gan Wee Peng, for a purchase consideration of RM1.00 in cash, which was completed on 27 April 2022
“EV-Dynamic SSA”	: The conditional share sale agreement dated 30 March 2021 entered into between Mah Seong Huak, Ir. Gan Wee Peng, ICB and EVD for the EV-Dynamic Acquisition
“EVD” or “Purchaser”	: EVD Berhad (201901045325 / 1354655-D)
“EVD Group”	: EVD and its subsidiaries pursuant to the Regularisation Plan
“EVD RCPS”	: Ten (10)-year RCPS in EVD issued and to be issued pursuant to the EVE Acquisition and the Securities Exchange respectively
“EVD Shares”	: Ordinary shares of EVD
“EVD Warrants”	: Seven (7)-year warrants in EVD to be issued pursuant to the Securities Exchange
“EVE”	: EVD Engineering Sdn. Bhd. (200801036987 / 838328-V), a wholly-owned subsidiary of EVD
“EVE Acquisition”	: The acquisition of the 5,000,000 ordinary shares in EVE, representing 100% of the issued share capital of EVE, by EVD from EV-Dynamic at the purchase consideration of RM108.0 million, which was completed on 27 April 2022
“EVE Group”	: Collectively, EVE, EGPL and ETSB
“Excess Rights Securities”	: Rights Shares with ICB Warrants and ICB RCPS which are not taken up or not validly taken up by the Entitled Holders and/or their renounee(s)/transferee(s) (if applicable) prior to the Closing Date
“Exemption”	: Exemption for Mah Seong Huak and Ir. Gan Wee Peng and the PACs under Paragraph 4.08 of the Rules, from the obligation to undertake the Mandatory Offer
“Exercise Price”	: The exercise price of the ICB Warrant/EVD Warrant of RM0.10 for one (1) new ICB Share/EVD Share
“Foreign Entitled Holders”	: Entitled Holders who do/do not have a registered address in Malaysia or an address for service in Malaysia
“FPE”	: Financial period ended
“FYE”	: Financial year ended/ending
“FYE 2018”	: FYE 31 December 2018
“FYE 2019”	: FYE 31 December 2019
“FYE 2020”	: FYE 31 December 2020
“FYE 2021”	: FYE 31 December 2021
“GN3”	: Guidance Note 3 of the Listing Requirements
“Government”	: Government of Malaysia
“GVSB”	: GWP Ventures Sdn. Bhd. (202101010680 / 1410979-D), where Ir. Gan Wee Peng is the sole Director and shareholder
“ICB” or “Company”	: iDimension Consolidated Bhd. (201001042062 / 925990-A)

**DEFINITIONS (CONT'D)**

“ICB Group” or “Group”	:	ICB and its subsidiaries
“ICB RCPS”	:	Up to 174,052,872 ten (10)-year RCPS in ICB to be issued pursuant to the Rights Issue
“ICB Shares”	:	Ordinary shares of ICB after the Consolidation
“ICB Warrants”	:	Up to 87,026,436 seven (7)-year free detachable warrants in ICB to be issued pursuant to the Rights Issue
“ICT”	:	Information and communications technology
“IMR”	:	Providence Strategic Partners Sdn. Bhd. (201701024744 / 1238910-A), the independent market researcher
“IMR Report”	:	Independent market research report prepared by the IMR on the Transportation System Solutions Industry, the Transportation Industry, the Healthcare Industry and Residential and Commercial Properties Industry
“Issue Price”	:	The issue price of RM0.10 per Rights Share
“KAF IB” or “Adviser” or “Sponsor”	:	KAF Investment Bank Berhad (197401003530 / 20657-W)
“km”	:	kilometre(s)
“LAT”	:	Loss after taxation
“LBT”	:	Loss before taxation
“Listing Requirements”	:	ACE Market Listing Requirements of Bursa Securities
“LPD”	:	27 April 2022, being the latest practicable date prior to the issuance of this Abridged Prospectus
“LPS”	:	Loss per share
“LTD”	:	19 May 2020, being the latest practicable date prior to the announcement of the initial Regularisation Plan
“Mandatory Offer”	:	Mandatory take-over offer to acquire all the remaining EVD Shares, EVD Warrants and EVD RCPS not already held by Mah Seong Huak, Ir. Gan Wee Peng and the PACs after the Securities Exchange in accordance with Paragraph 4.08 of the Rules
“Market Day(s)”	:	A day on which Bursa Securities is open for trading in securities
“Maximum Scenario”	:	On the assumption that:- <ul style="list-style-type: none"> <li>▪ all EVD Warrants will be fully exercised at RM0.10 per EVD Warrant;</li> <li>▪ all EVD RCPS will be converted via Cash Option by surrendering one (1) EVD RCPS together with RM0.075 in cash for one (1) EVD Share; and</li> </ul> all of the Entitled Holders will subscribe for their entitlements to the Rights Issue
“MBO”	:	A management buyout which entails the disposal by ICB of its entire equity interests in the Subject Companies to the MBO Purchaser for a total cash consideration of RM11,957,000, which was completed on 27 April 2022
“MBO Purchaser”	:	Daniel Boo Hui Siong and Ching Seek Fui (a person nominated by Daniel Boo Hui Siong)

## DEFINITIONS (CONT'D)

“MBO SSA”	:	Collectively, conditional share sale agreement dated 5 March 2020, supplemental share sale agreement dated 20 May 2020 and second supplemental share sale agreement dated 30 March 2021 entered into between ICB and Daniel Boo Hui Siong for the MBO
“MCO”	:	Movement Control Order
“Minimum Scenario”	:	On the assumption that:- <ul style="list-style-type: none"> <li>▪ none of the EVD Warrants will be exercised;</li> <li>▪ all EVD RCPS will be converted via Non-Cash Option; and</li> </ul> none of the Entitled Holders, except for the Undertaking Shareholders, will subscribe for their entitlements to the Rights Issue
“MRT”	:	Mass rapid transit
“NA”	:	Net assets
“Non-Cash Option”	:	ICB/EVD RCPS will be converted by surrendering four (4) ICB/EVD RCPS for one (1) ICB/EVD Share
“NPA”	:	Collectively, the notice of provisional allotment of Rights Shares with ICB Warrants and notice of provisional allotment of ICB RCPS
“NRS”	:	Nominee rights subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Shares with ICB Warrants and ICB RCPS through Bursa Depository’s existing network facilities with the Authorised Nominees
“Official List”	:	A list specifying all securities listed on the ACE Market of Bursa Securities
“PACs”	:	Persons acting in concert with Mah Seong Huak and Ir. Gan Wee Peng, namely GVSB and VSB
“Participating Financial Institutions”	:	Participating financial institutions for Electronic Applications as referred to in Section 10.5.2 of this Abridged Prospectus
“PAT”	:	Profit after taxation
“PBT”	:	Profit before taxation
“Philippines”	:	The Republic of Philippines
“PHP”	:	Philippine peso
“Placement Investors” or “Undertaking Shareholders”	:	Collectively, Yau Ming Teck, Yew Ah Chai, Too Tian Jen, Teoh Teng Guan and David Tan Chao Hsiung
“Placement Shares”	:	16,317,000 new ICB Shares issued pursuant to the Private Placement
“Pre-Consolidation Shares”	:	The then ordinary shares of ICB prior to the implementation of the Consolidation
“Private Placement”	:	Private placement of 16,317,000 new ICB Shares to the Placement Investors at RM0.10 per ICB Share, which was completed on 12 April 2022
“Provisional Rights Securities”	:	Rights Shares with ICB Warrants and ICB RCPS provisionally allotted to the Entitled Holders and/or their renounee(s)/transferee(s) (if applicable) pursuant to the Rights Issue
“RCPS”	:	Redeemable convertible preference shares
“Record of Depositors”	:	A record of depositors established by Bursa Depository under the Rules of Bursa Depository

## DEFINITIONS (CONT'D)

“Regularisation Plan”	:	Collectively, the Consolidation, the Private Placement, the EVE Acquisition, the EV-Dynamic Acquisition, the MBO, the Exemption, the Amendments, the ESOS, the Rights Issue, the Securities Exchange and the Transfer
“Rights Issue”	:	Renounceable rights issue of the following:- (i) 87,026,436 Rights Shares at the Issue Price, on the basis of two (2) Rights Shares for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date, together with 87,026,436 free ICB Warrants on the basis of one (1) ICB Warrant for every one (1) Rights Share subscribed for; and (ii) 174,052,872 ICB RCPS on the basis of four (4) ICB RCPS for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date, at the issue price of RM0.025 per ICB RCPS.
“Rights Securities”	:	Rights Shares with ICB Warrants and ICB RCPS to be issued pursuant to the Rights Issue
“Rights Securities Entitlement File”	:	An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee’s entitlement under Rights Issue as at the Entitlement Date
“Right Securities Subscription File”	:	An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee’s subscription of the Rights Securities
“Rights Share(s)”	:	87,026,436 new ICB Shares to be issued pursuant to the Rights Issue
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RSF”	:	Collectively, rights subscription form of Rights Shares with ICB Warrants and rights subscription form of ICB RCPS
“RTS Link”	:	Johor Bahru-Singapore Rapid Transit System Link
“Rules”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the SC
“Rules of Bursa Depository”	:	The rules of Bursa Depository as issued pursuant to the SICDA
“SC”	:	Securities Commission Malaysia
“Scheme Agreement”	:	Collectively, the conditional scheme agreement dated 19 December 2019, supplemental scheme agreement dated 20 May 2020, second supplemental scheme agreement dated 30 March 2021 and third supplemental scheme agreement dated 17 February 2022 entered into between ICB and EVD for the Regularisation Plan
“SEA”	:	Southeast Asia
“Securities Exchange”	:	Exchange of all ICB Shares, ICB Warrants and ICB RCPS by way of a scheme of arrangement under Section 366 of the Act, on the following basis:- (i) one (1) ICB Share for every one (1) EVD Share; (ii) one (1) ICB Warrant for every one (1) EVD Warrant; and (iii) one (1) ICB RCPS for every one (1) EVD RCPS, at the Entitlement Date of Securities Exchange
“Share Registrar”	:	Securities Services (Holdings) Sdn. Bhd. (197701005827 / 36869-T)



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**DEFINITIONS (CONT'D)**

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“SICDA”	: Securities Industry (Central Depositories) Act, 1991, as amended from time to time
“SSA”	: Collectively, the conditional share sale agreement dated 19 December 2019, supplemental share sale agreement dated 20 May 2020, second supplemental share sale agreement dated 30 March 2021 and third supplemental share sale agreement dated 17 February 2022 entered into between EV-Dynamic, ICB and EVD for the EVE Acquisition
“Subject Companies”	: Collectively referred to iDimension MSC Sdn. Bhd., iDimension Systems Sdn. Bhd., iDimension MSC Pte. Ltd., iDimension Agrisoft Sdn. Bhd. and IDB Interactive Sdn. Bhd. (in liquidation)
“TEP”	: Theoretical ex-price
“Transfer”	: Assumption of the listing status of ICB by EVD and the admission of EVD to and withdrawal of ICB from the Official List of Bursa Securities, with the listing of and quotation for the entire EVD Shares, EVD Warrants and EVD RCPS on the ACE Market of Bursa Securities
“Undertakings”	: Irrevocable and unconditional written undertakings from the Undertaking Shareholders to subscribe for their respective entitlements and additional undertakings for the Rights Shares/ICB RCPS
“USD”	: United States Dollar
“Valuer”	: Asia Equity Research Sdn. Bhd. (201401027762 / 1103848-M), the independent business valuer
“VSB”	: Vistacove Sdn. Bhd. (202101010172 / 1410471-H), where Mah Seong Huak is the sole Director and shareholder
“VWAMP”	: Volume weighted average market price

All references to “our Company” or “ICB” in this Abridged Prospectus are made to iDimension Consolidated Bhd. and references to “our Group” are made to our Company and our subsidiaries. All references to “we”, “us”, “our” and “ourselves” are made to our Company, or where the context requires, our Group or any of our subsidiaries. All references to “you” in this Abridged Prospectus are made to the Entitled Holders and/or where the context otherwise requires, their renounee(s)/transferee(s) (if applicable).

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Abridged Prospectus shall be a reference to Malaysian time, unless otherwise specified.

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50490 Kuala Lumpur  
  
Tel No: +603 2084 9000  
Fax No: +603 2094 9940
- STOCK EXCHANGE LISTED AND LISTING SOUGHT** : ACE Market of Bursa Securities

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**SUMMARY OF RIGHTS ISSUE**


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**This summary of Rights Issue only highlights the key information from other parts of this Abridged Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Abridged Prospectus.**

- Number of Rights Securities to be issued and the basis of allotment** : The Rights Issue, which is to be undertaken on a renounceable basis, entails the issuance of the following:-
- (i) 87,026,436 Rights Shares at the Issue Price, on the basis of two (2) Rights Shares for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date, together with 87,026,436 free ICB Warrants on the basis of one (1) ICB Warrant for every one (1) Rights Share subscribed for; and
  - (ii) 174,052,872 ICB RCPS on the basis of four (4) ICB RCPS for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date at the issue price of RM0.025 per ICB RCPS.

Please refer to Section 2.1 of this Abridged Prospectus for further information.

- Issue Price / Conversion Price / Exercise Price** : Our Board has fixed the Issue Price of the Right Share, Exercise Price of ICB Warrants and Conversion Price of ICB RCPS at RM0.10, whilst the issue price per ICB RCPS is fixed at RM0.025.

Please refer to Sections 2.2 and 2.3 of this Abridged Prospectus for further information.

- Shareholders' Undertakings** : The Rights Issue will be undertaken based on a full subscription basis, to raise a total of RM13.05 million. The Undertaking Shareholders have provided written irrevocable and unconditional undertakings to subscribe for their respective entitlements and additional undertakings for the Rights Shares/ICB RCPS under the Rights Issue.

Please refer to Section 2.8 of this Abridged Prospectus for further information.

- Utilisation of proceeds** : The Private Placement, the Rights Issue and the MBO, on a collective basis, are expected to raise total gross proceeds of RM26.64 million, which are proposed to be utilised as follows:-

<b>Utilisation of proceeds</b>	<b>Expected timeframe for utilisation</b>	<b>Total gross proceeds RM'000</b>
Working capital for EVD Group	Within 24 months	11,343
EVE Acquisition	Within 12 months	12,000
Estimated expenses in relation to the Regularisation Plan	Within 3 months	3,300
<b>Total</b>		<b>26,643</b>

Please refer to Section 3.0 of this Abridged Prospectus for further information.

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# **iDIMENSION**

## **IDIMENSION CONSOLIDATED BHD.**

Registration No.: 201001042062 (925990-A)  
(Incorporated in Malaysia)

**Registered Office:**  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan

**24 May 2022**

### **BOARD OF DIRECTORS**

Ir. Hon Hin See (Independent Non-Executive Chairman)  
Pang Lee Fung (Executive Director)  
Eric Lim Kheng Joo (Independent Non-Executive Director)

### **To: The Entitled Holders**

Dear Sir/Madam,

---

### **RENOUNCEABLE RIGHTS ISSUE OF:-**

- **87,026,436 RIGHTS SHARES AT THE ISSUE PRICE, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ICB SHARE HELD BY THE ENTITLED HOLDERS AS AT 5:00 P.M. ON TUESDAY, 24 MAY 2022, TOGETHER WITH 87,026,436 FREE ICB WARRANTS ON THE BASIS OF ONE (1) ICB WARRANT FOR EVERY ONE (1) RIGHTS SHARE SUBSCRIBED FOR; AND**
  - **174,052,872 ICB RCPS ON THE BASIS OF FOUR (4) ICB RCPS FOR EVERY ONE (1) EXISTING ICB SHARE HELD BY THE ENTITLED HOLDERS AS AT 5:00 P.M. ON TUESDAY, 24 MAY 2022, AT THE ISSUE PRICE OF RM0.025 PER ICB RCPS.**
- 

### **1.0 INTRODUCTION**

- 1.1 On 9 October 2018, the Board announced that ICB has been classified as an affected listed corporation under Rule 8.03A(2) of the Listing Requirements following the deconsolidation of the financial statements of its wholly-owned subsidiary, namely IDB Interactive Sdn. Bhd., from the consolidated financial statements of ICB for the 18-month FPE 30 June 2018, where ICB would have technically suspended a major business which contributes or generates 70.0% or more of the Company's revenue on a consolidated basis based on its latest annual unaudited financial statements for the 12-month FPE 31 December 2017.
- 1.2 On 29 October 2018, the Board announced that the Company has been classified as an affected listed corporation under GN3 as it has triggered the prescribed criteria under Rule 2.1(f) of Guidance Note 3 of the Listing Requirements following the adverse opinion expressed by its external auditors on the audited financial statements of the Company for the 18-month FPE 30 June 2018.
- 1.3 On 19 December 2019, on behalf of our Board, KAF IB announced our Company's initial regularisation plan ("**Initial Regularisation Plan**").
- 1.4 On 20 May 2020, on behalf of our Board, KAF IB announced the consequential revisions to the Initial Regularisation Plan pursuant to the supplemental SSA, supplemental Scheme Agreement and supplemental MBO SSA.
- 1.5 On 30 March 2021, on behalf of our Board, KAF IB announced the final Regularisation Plan with further variations to the Initial Regularisation Plan, including the inclusion of the EV-Dynamic Acquisition as well as having the MBO as an integral step to the Regularisation Plan.

1.6 On 10 September 2021, on behalf of our Board, KAF IB announced that Bursa Securities had, vide its letter dated 10 September 2021, approved the Regularisation Plan as well as:-

- (i) the delisting of ICB;
- (ii) the admission of EVD to the ACE Market of Bursa Securities in place of ICB;
- (iii) the issuance and allotment for:-
  - (a) 16,317,000 ICB Shares to be issued pursuant to the Private Placement; and
  - (b) 87,026,436 Rights Shares, 174,052,872 ICB RCPS and 87,026,436 ICB Warrants to be issued pursuant to the Rights Issue;
- (iv) the listing of and quotation for:-
  - (a) 382,539,656 EVD Shares, 87,026,436 EVD Warrants and 2,502,052,872 EVD RCPS pursuant to the Securities Exchange;
  - (b) up to 87,026,436 new EVD Shares to be issued pursuant to the exercise of EVD Warrants;
  - (c) up to 2,502,052,872 new EVD Shares to be issued pursuant to the conversion of EVD RCPS; and
  - (d) such number of new EVD Shares, representing up to fifteen percent (15%) of the total number of issued EVD Shares to be issued upon exercise of the ESOS Options,

on the ACE Market of Bursa Securities.

The approval of Bursa Securities for the Regularisation Plan is subject to the following conditions:-

	<b>Conditions imposed</b>	<b>Status of compliance</b>
1.	ICB and KAF IB to submit the following information with respect to the moratorium on the shareholdings of the Placement Investors, Mah Seong Huak, Ir. Gan Wee Peng, GVSB and VSB to Bursa Depository:-  (i) Name of shareholders;  (ii) Number of shares; and  (iii) Date of expiry of the moratorium for each block of shares.	The information in respect to the moratorium on the shareholdings of:-  (i) the Placement Investors had been submitted to the Bursa Depository;  (ii) Mah Seong Huak, Ir. Gan Wee Peng, GVSB and VSB will be submitted to Bursa Depository prior to the crediting of EVD Shares, EVD Warrants and EVD RCPS to their CDS accounts.
2.	ICB and KAF IB to confirm all approvals of relevant authorities have been obtained for the implementation of the Regularisation Plan and furnish a copy of all letters of approvals from the relevant authorities.	Met
3.	ICB and KAF IB to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM for the Regularisation Plan.	Met



	<b>Conditions imposed</b>	<b>Status of compliance</b>
4.	ICB and KAF IB to ensure that all directors and directors of EVD who have not attended the Mandatory Accreditation Programme pursuant to Rule 15.08 and Guidance Note 10 of the Listing Requirements to do so prior to the admission of EVD to the Official List of Bursa Securities.	Met
5.	EVD and KAF IB to submit a confirmation to Bursa Securities of full compliance of the ESOS pursuant to Rule 6.43 of the Listing Requirements and stating the effective date of implementation of the ESOS.	To be complied
6.	EVD and KAF IB to furnish Bursa Securities with a copy of the public shareholding spread pursuant to Appendix 8E of the Listing Requirements based on the entire issued share capital of EVD upon the completion of the Regularisation Plan.	To be complied
7.	ICB and KAF IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Regularisation Plan.	To be complied
8.	ICB and KAF IB to inform Bursa Securities upon the completion of the Regularisation Plan and furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval.	To be complied

- 1.7 On 30 November 2021, on behalf of our Board, KAF IB announced that the SC's Equity Compliance Unit had, vide its letter dated 30 November 2021, approved the resultant equity structure of EVD pursuant to the Regularisation Plan under the equity requirement for public listing companies, subject to the following conditions:-

	<b>Conditions imposed</b>	<b>Status of compliance</b>
1.	EVD to allocate 12.5% of its enlarged number of issued shares to Bumiputera investors to be approved by Ministry of International Trade and Industry within the one (1) year after registering profit or three (3) years after the implementation of the Proposed Regularisation Plan, whichever is earlier (" <b>Compliance Date</b> ").	To be complied
2.	EVD to submit to Equity Compliance Unit of the SC a proposal to comply with equity condition stated in paragraph (1) above, at least six (6) months prior to the Compliance Date.	To be complied
3.	EVD or KAF IB to inform Equity Compliance Unit of the SC upon completion of the proposal stated in paragraph (2) above.	To be complied

- 1.8 On 7 December 2021, on behalf of our Board, KAF IB announced that the High Court of Malaya had on 7 December 2021, granted an order for ICB to convene the court convened meeting with the shareholders of ICB to obtain their approvals for the Securities Exchange and Transfer within three (3) months from the date of the court order.
- 1.9 On 17 January 2022, all the relevant resolutions pertaining to the Regularisation Plan, including the Rights Issue, had been approved by the shareholders of ICB at the EGM and court convened meeting.
- 1.10 On 23 March 2022, the Consolidation had been completed following the listing of and quotation for 27,196,218 ICB Shares on the ACE Market of Bursa Securities, as disclosed in Section 5.1 of this Abridged Prospectus.

- 1.11 On 12 April 2022, the Private Placement had been completed following the listing of and quotation for 16,317,000 Placement Shares on the ACE Market of Bursa Securities as disclosed in Section 5.2 of this Abridged Prospectus.
- 1.12 On 27 April 2022, EVE Acquisition, EV-Dynamic Acquisition and MBO had been completed. Please refer to Sections 5.4.1, 5.5 and 5.10 of this Abridged Prospectus for further details.
- 1.13 On 29 April 2022, KAF IB had on behalf of our Board, announced that the Entitlement Date for the Rights Issue has been fixed at 5:00 p.m. on 24 May 2022.
- 1.14 No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issue and if given or made, such information or representation must not be relied upon as having been authorised by us or KAF IB in connection with the Rights Issue.

**IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

## **2.0 DETAILS OF THE RIGHTS ISSUE**

### **2.1 Particulars of the Rights Issue**

The Rights Issue, which is to be undertaken on a renounceable basis, entails the issuance of the following:-

- (i) 87,026,436 Rights Shares at the Issue Price, on the basis of two (2) Rights Shares for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date, together with 87,026,436 free ICB Warrants on the basis of one (1) ICB Warrant for every one (1) Rights Share subscribed for; and
- (ii) 174,052,872 ICB RCPS on the basis of four (4) ICB RCPS for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date at the issue price of RM0.025 per ICB RCPS. The ICB RCPS can be converted into ICB Shares at the Conversion Price during a tenure of 10-year through either the Cash Option or Non-Cash Option.

As the Rights Issue is renounceable, the Entitled Holders can fully or partially subscribe for and/or renounce their entitlements to the Rights Shares and ICB RCPS in full or in part. The renunciation of the Rights Shares by the Entitled Holders will accordingly entail the renunciation of the ICB Warrants to be issued together with the Rights Shares pursuant to the Rights Issue. For the avoidance of doubt, the Rights Shares and the ICB Warrants are not separately renounceable. As such, if the Entitled Holders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the ICB Warrants in proportion to the acceptance of their Rights Shares entitlements.

Any unsubscribed Rights Shares together with ICB Warrants and ICB RCPS shall be made available for excess applications by the Entitled Holders and/or their renounee(s)/transferee(s). Our Board intends to allocate the Excess Rights Securities on a fair and equitable basis in accordance with the basis as set out in Section 10.9 of this Abridged Prospectus.

The ICB Warrants are attached to the Rights Shares without any cost and will only be issued to the Entitled Holders who subscribe for the Rights Shares. The ICB Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded.

The principal terms of the ICB RCPS, which will be issued in registered form and constituted in the Constitution are set out in Section 2.5 of this Abridged Prospectus while the salient terms of the ICB Warrants, which will be issued in registered form and constituted by the Deed Poll, are set out in Section 2.6 of this Abridged Prospectus.

Any fractional entitlements of Rights Shares, ICB Warrants and ICB RCPS under the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interests of our Company.

As you are an Entitled Holder, your CDS Account will be duly credited with the number of Provisional Rights Securities which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed in this Abridged Prospectus the NPA notifying you of the number of Rights Securities which you are entitled to subscribe for under the terms of the Rights Issue and the RSF to enable you to subscribe for the Provisional Rights Securities as well as to apply for Excess Rights Securities if you so choose to.

Any dealings in our securities will be subject to, among others, the provisions of the SICDA, the Rules of Bursa Depository and any other relevant legislation. Accordingly, the Rights Securities will, upon subscription, be credited directly into the respective CDS Accounts of the successful applicants. No physical certificates will be issued but notices of allotment will be despatched to the successful applicants. A notice of allotment will be despatched to you within eight (8) Market Days from the Closing Date or such period as may be prescribed by Bursa Securities.

## **2.2 Basis and justifications for the Issue Price/Conversion Price of the Rights Shares/ICB RCPS**

The Issue Price/Conversion Price of RM0.10 per Rights Share/ICB RCPS was arrived at after taking into consideration the following:-

- (i) the TEP of RM0.1167 per ICB Share after the Rights Issue, calculated based on the Issue Price, the five (5)-day VWAMP of the Pre-Consolidation Shares up to and including the LTD of RM0.025 per share and the effect of the Consolidation on the Pre-Consolidation Shares;
- (ii) the audited consolidated LAT recorded by ICB for the past two (2) 18-month FPE 30 June 2018 and FYE 30 June 2019 of 3.40 sen and 6.23 sen per Pre-Consolidation Share respectively, being the latest available audited financial statements as at the LTD;
- (iii) our Company's existing GN3 status; and
- (iv) the pro forma consolidated NA per EVD Share of RM0.11 upon completion of the Regularisation Plan (under Maximum Scenario) as shown in Section 8.4 of this Abridged Prospectus.

For illustration purpose, the Issue Price/Conversion Price of RM0.10 per Rights Share/ICB RCPS is at a discount of RM0.0167 or 14.31% to the TEP of RM0.1167 per ICB Share.

## **2.3 Basis of and justification for the issue price and the Exercise Price of the ICB Warrants**

The ICB Warrants will be issued at no cost to the Entitled Holders who subscribe for the Rights Shares. The Exercise Price of RM0.10 per ICB Warrant was arrived at after taking into consideration the following:-

- (i) the TEP of RM0.1167 per ICB Share after the Rights Issue, calculated based on the Issue Price, the five (5)-day VWAMP of the Pre-Consolidation Shares of ICB up to and including the LTD of RM0.025 per Pre-Consolidation Share and the effect of the Consolidation on the Pre-Consolidation Shares;
- (ii) the historical price movement of the Pre-Consolidation Shares; and
- (iii) the potential future earnings of the EVD Group.

For illustration purpose, the Exercise Price of RM0.10 per ICB Warrant is at a discount of RM0.0167 or 14.31% to the TEP of RM0.1167 per ICB Share.

## **2.4 Ranking of the Rights Shares, ICB RCPS and ICB Warrants**

The Rights Shares shall, upon allotment and issue, rank equally in all respects with the then existing ICB Shares, save and except that such Rights Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of such Rights Shares. For clarity, the ICB RCPS and the ICB Warrants shall not be converted into new ICB Shares as they shall be exchanged for new EVD RCPS and new EVD Warrants pursuant to the Securities Exchange respectively.

## 2.5 Salient terms of ICB RCPS

The salient terms of ICB RCPS are set out as follows:-

Issuer	:	ICB
Issue size	:	174,052,872 units of ICB RCPS
Issue price	:	RM0.025 per ICB RCPS
Nominal value in issue	:	RM4,351,322
Form and Denomination	:	The ICB RCPS will be constituted in the Constitution and issued in registered form and in multiples of RM0.025 each
Voting Rights	:	<p>The ICB RCPS shall carry no right to vote at any general meeting of our Company except where permitted under law. Subject to applicable laws, the ICB RCPS holder shall have the right to attend and vote at any general meeting convened for the purposes of sanctioning:-</p> <ul style="list-style-type: none"> <li>(i) a proposal to reduce the capital of our Company;</li> <li>(ii) a proposal for the disposal of the whole of our Company's property, business and undertaking, other than pursuant to the MBO;</li> <li>(iii) a proposal or resolution which affects the rights and privileges attached to the ICB RCPS;</li> <li>(iv) a proposal to wind-up our Company; and</li> <li>(v) during the winding-up of our Company.</li> </ul> <p>In any such case, the ICB RCPS holder shall be entitled to vote together with the holders of ordinary shares and to one (1) vote for each ICB RCPS held</p>
Ranking	:	<ul style="list-style-type: none"> <li>(i) The ICB RCPS shall rank equally in all respects amongst all ICB RCPS;</li> <li>(ii) The ICB RCPS will not be entitled to any rights, allotment and/or other distributions that may be declared by our Company; and</li> <li>(iii) Their rights as to voting shall be as limited to those described in "Voting Rights" above</li> </ul>
Tenure	:	Ten (10) years from the date of issue
Maturity Date	:	The Market Day immediately before the tenth (10 <sup>th</sup> ) anniversary of the date of issue
Dividend Rate	:	The ICB RCPS shall not be entitled to any dividend declared or paid by our Company for its ordinary shares
Conversion Period	:	The ICB RCPS shall be convertible into ICB Shares at any time on any business day between Monday and Friday that is not a public holiday from the completion date of the Regularisation Plan up to and including the Maturity Date. All the ICB RCPS which are yet to be converted after the conversion period shall mandatorily be converted into new ICB Shares at the "Conversion Ratio" below
Conversion Price	:	RM0.10 for one (1) new ICB Share

- Conversion Ratio : The Conversion Price shall be satisfied through surrendering for cancellation:-
- (i) four (4) ICB RCPS for one (1) new ICB Share; or
  - (ii) a combination of such number of ICB RCPS and cash with an aggregate value equal to the Conversion Price, subject to a minimum of one (1) ICB RCPS, and paying the difference between the aggregate value of the ICB RCPS surrendered and the Conversion Price in cash for one (1) new ICB Share;
- subject to “Adjustment to Conversion Ratio” below
- Conversion Mode : The conversion shall be satisfied by surrendering the ICB RCPS for cancellation
- Conversion Rights : The ICB RCPS holders will have the right to convert the ICB RCPS at the “Conversion Ratio” above into new ICB Shares through the surrender of the ICB RCPS from the date of completion of the Regularisation Plan up to and including the Maturity Date. If the conversion results in a fractional entitlement to the ordinary shares of our Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the ICB RCPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement
- Adjustment to Conversion Ratio : The “Conversion Ratio” above will be adjusted at the determination of our Company, in all or any of the following events:-
- (i) an alteration to the number of ICB Shares by reason of consolidation or subdivision;
  - (ii) a bonus issue of shares and/or convertible securities by our Company or any other capitalisation issue for accounting purposes;
  - (iii) a capital distribution to shareholders made by our Company whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets;
  - (iv) a rights issue of shares and/or convertible securities by our Company; or
  - (v) any other circumstances that our Board deems necessary,
- subject to the computation for any such adjustment to the Conversion Ratio being certified by external auditors appointed by our Company
- Redemption : Redeemable for cash at the option of our Company at any time during the tenure of the ICB RCPS on the basis of RM0.025 for every one (1) ICB RCPS
- Transferability/ Listing : The ICB RCPS will not be listed on Bursa Securities. It shall be fully exchanged by the Entitled Holders for new EVD RCPS on a one-to-one basis pursuant to the Securities Exchange
- Priority on Liquidation : The right on a winding-up or other return of capital to repayment, in priority to any payment to the holders of ordinary shares but equally amongst the ICB RCPS holders then in issue
- Ranking of new ICB Shares arising from Conversion : The new ICB Shares to be issued pursuant to the conversion of the ICB RCPS shall, upon allotment and issue, rank equally in all respects with the then existing ICB Shares except that they will not be entitled to any dividends, rights, allotment and/or other distributions, the entitlement date of which is before the date of allotment of such new ICB Shares
- Governing Law : Laws of Malaysia

## 2.6 Salient terms of ICB Warrants

The salient terms of ICB Warrants are set out as follows:-

Issuer	:	ICB
Form and denomination	:	The ICB Warrants will be issued in registered form and constituted by the Deed Poll
Number of ICB Warrants	:	Up to 87,026,436 ICB Warrants to be issued pursuant to the Rights Issue Warrants
Exercise Price	:	The Exercise Price of the ICB Warrants has been fixed at RM0.10 per ICB Warrant, subject to further adjustments (where applicable) in accordance with the provisions of the Deed Poll
Exercise Period	:	Commencing from and inclusive of the date of completion of the Regularisation Plan up to the “Expiry Date” below Any ICB Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose
Method of exercise	:	The ICB Warrant holders are required to lodge at our Company’s registrar an exercise form, as set out in the Deed Poll, duly completed and signed, together with payment of the exercise price for the total number of new ICB Shares subscribed by cashier’s order or banker’s draft drawn by a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or by internet bank transfer
Expiry Date	:	The close of business at 5:00 p.m. in Kuala Lumpur on the last Market Day immediately preceding the seventh (7 <sup>th</sup> ) anniversary date of first issue of the ICB Warrants, and if such date is not a Market Day, then on the immediate preceding Market Day
Exercise Rights	:	Each ICB Warrant entitles its holder to subscribe for one (1) new ICB Share at the “Exercise Price” above at any time during the “Exercise Period” above, subject to adjustments in accordance with the provisions in the Deed Poll
Tradability	:	The ICB Warrants will not be listed on Bursa Securities. It shall be fully exchanged by the Entitled Holders for new EVD Warrants on a one-to-one basis pursuant to the Securities Exchange
Status of new ICB Shares to be issued pursuant to the exercise of the ICB Warrants	:	All new ICB Shares to be issued upon the exercise of the ICB Warrants (in accordance with the provisions of the Deed Poll) shall, upon allotment and issue, rank equally in all respects with the then existing ICB Shares, save and except that the new ICB Shares shall not be entitled to any dividends, rights, allotment and/or any other distribution which may be declared, made or paid before the date of allotment of such new ICB Shares
Adjustment in the Exercise Price and/or the number of ICB Warrants held by Warrant holders in the event of alteration to the share capital	:	Subject to the provisions of the Deed Poll, the “Exercise Price” above and/or the number of ICB Warrants held by each ICB Warrant holder shall be adjusted by our Board in consultation with an approved principal advisor or an auditor in Malaysia appointed by our Company for the purposes of the Deed Poll in the event of alteration to the share capital of our Company in accordance with the provisions as set out in the Deed Poll.
Rights of ICB Warrants	:	The ICB Warrants do not entitle the registered holders thereof to any voting rights in any general meeting of our Company or to participate in any distribution and/or offer of further securities in our Company unless the Warrant holder becomes a shareholder by exercising his/her ICB Warrants.

- Modification of rights of ICB Warrant holders : Save as otherwise provided in the Deed Poll, an ordinary resolution of the ICB Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the ICB Warrant holders.
- Rights of ICB Warrant holders on winding-up, compromise or arrangement of our Company : Where a resolution has been passed for a members' voluntary winding-up of our Company, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one (1) or more companies (other than under the Regularisation Plan), then every ICB Warrant holder shall be entitled, upon and subject to the provisions of the Deed Poll, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company, or within six (6) weeks after (whichever is later) the court order approving the compromise or arrangement, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be) exercised the "Exercise Rights" above represented by the ICB Warrants and had on such date been the holder of the new ICB Shares arising from the exercise of the ICB Warrants. Upon the expiry of the above six (6) weeks, all "Exercise Rights" above shall lapse and cease to be valid for any purpose.
- Governing Law : Laws and regulations of Malaysia.

## **2.7 Listing of and quotation for the Rights Shares, ICB RCPS and ICB Warrants**

To facilitate the implementation of the Securities Exchange, the trading of ICB Shares will be suspended on the next Market Day following the cessation of trading of the Provisional Rights Securities. In this regard, the Rights Securities will not be traded on the ACE Market of Bursa Securities upon issuance and allotment. Thereafter, pursuant to the Securities Exchange, all securities of ICB, including the Rights Shares, ICB RCPS and ICB Warrants, will be exchanged for an equal number of EVD Shares, EVD RCPS and EVD Warrants, which will then be listed/quoted on the ACE Market of Bursa Securities in place of such securities of ICB. Bursa Securities had vide its letter dated 10 September 2021 approved the listing of and quotation for such EVD Shares, EVD RCPS and EVD Warrants arising from the Securities Exchange, and the new EVD Shares to be issued arising from the conversion of such EVD RCPS and exercise of such EVD Warrants on the ACE Market of Bursa Securities.

Kindly refer to Appendices II and III for the salient terms of the EVD RCPS and EVD Warrants respectively.

## **2.8 Shareholders' Undertakings**

The Rights Issue will be undertaken based on a full subscription basis, which was determined after taking into consideration the level of funds required for the purposes as stated in Section 3.0 of this Abridged Prospectus and the total entitlements of our Company's substantial shareholders under the Rights Issue following the Private Placement.

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To facilitate the implementation of the Rights Issue on a full subscription basis, the Undertaking Shareholders have provided the Undertakings in the following manner:-

	Rights Issue ----->															
	(I)					(II)					After					
	As at the LPD No. of ICB Shares	Entitlements No. of Rights Shares	Additional undertakings No. of Rights Shares	Total No. of Rights Shares	Total No. of Shares	Entitlements No. of ICB RCPS	Additional undertakings No. of ICB RCPS	Total No. of ICB RCPS	Total No. of ICB Shares	Total No. of ICB Shares						
Yau Ming Teck	3,917,000	9.00	7,834,000	9.00	16,392,436	18.84	24,226,436	27.84	15,668,000	9.00	32,784,872	18.84	48,452,872	27.84	28,143,436	21.56
Yew Ah Chai	3,100,000	7.12	6,200,000	7.12	9,500,000	10.92	15,700,000	18.04	12,400,000	7.12	19,000,000	10.92	31,400,000	18.04	18,800,000	14.40
Too Tian Jen	3,100,000	7.12	6,200,000	7.12	9,500,000	10.92	15,700,000	18.04	12,400,000	7.12	19,000,000	10.92	31,400,000	18.04	18,800,000	14.40
Teoh Teng Guan	3,100,000	7.12	6,200,000	7.12	9,500,000	10.92	15,700,000	18.04	12,400,000	7.12	19,000,000	10.92	31,400,000	18.04	18,800,000	14.40
David Tan Chao Hsiung	3,100,000	7.12	6,200,000	7.12	9,500,000	10.92	15,700,000	18.04	12,400,000	7.12	19,000,000	10.92	31,400,000	18.04	18,800,000	14.40
<b>Total</b>	<b>32,634,000</b>	<b>37.48</b>	<b>64,268,000</b>	<b>37.48</b>	<b>96,266,436</b>	<b>62.52</b>	<b>147,026,436</b>	<b>100.0</b>	<b>65,268,000</b>	<b>37.48</b>	<b>108,784,872</b>	<b>62.52</b>	<b>174,052,872</b>	<b>100.0</b>	<b>103,343,436</b>	<b>79.16</b>

**Notes:-**

1. As a percentage of the enlarged issued share capital of ICB as at the LPD.
2. As a percentage of the Rights Shares/ICB RCPS under the Rights Issue.
3. As a percentage of the enlarged issued share capital of ICB after the Rights Issue and without the conversion of any ICB RCPS.

The Undertaking Shareholders have provided written confirmation that they have sufficient financial resources to subscribe in full for their respective Undertakings pursuant to the Rights Issue. KAF IB has verified, to the extent possible, that they have the financial resources to fulfil their commitment pursuant to the Undertakings as stated above.

The Undertakings will not give rise to a mandatory take-over offer obligation for the remaining ICB Shares not already owned by the Undertaking Shareholders and/or any persons acting in concert with them pursuant to the Rules even though with the full conversion of the ICB RCPS and full exercise of the ICB Warrants by the Undertaking Shareholders.

In the event the Undertaking Shareholders fail to observe their obligations as stipulated in the Undertakings, the Rights Issue will be terminated and all consideration received for the Rights Shares/ICB RCPS will be immediately returned to all subscribers of the Rights Shares/ICB RCPS without interest. Accordingly, the Regularisation Plan cannot be implemented as the Rights Issue forms an integral step of the overall Regularisation Plan.

For clarity, in the event that the full subscription basis has been achieved via subscription by all other Entitled Holders and/or their renouneece(s)/transferee(s), the Undertaking Shareholders are not obliged to subscribe for the Rights Securities pursuant to the Undertakings. Nonetheless, the Undertaking Shareholders may still choose to do so at their own discretion.

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### 3.0 UTILISATION OF PROCEEDS

The Private Placement, the Rights Issue and the MBO, on a collective basis, are expected to raise total gross proceeds of RM26.64 million, as follows:-

<b>Total gross proceeds</b>	<b>(RM)</b>
Private Placement	1,631,700
Rights Issue	13,053,966
MBO	11,957,000
<b>Total</b>	<b>26,642,666</b>

The total gross proceeds of RM26.64 million are proposed to be utilised as follows:-

<b>Utilisation of proceeds</b>	<b>Expected time frame for utilisation</b>	<b>Total gross proceeds RM'000</b>
Working capital for EVD Group <sup>(1)</sup>	Within 24 months	11,343
EVE Acquisition <sup>(2)</sup>	Within 12 months	12,000
Estimated expenses in relation to the Regularisation Plan <sup>(3)</sup>	Within 3 months	3,300
<b>Total</b>		<b>26,643</b>

**Notes:-**

1. *This portion of gross proceeds earmarked for working capital purposes is proposed to be utilised, inter-alia, as follows:-*

	<b>RM'000</b>
<i>Payment for staff salaries</i>	5,000
<i>Payment to trade creditors</i>	6,000
<i>General administrative expenses</i>	343
<b>Total</b>	<b>11,343</b>

*The actual proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore cannot be determined at this juncture. Nevertheless, our Board is of the opinion that EVD would have sufficient working capital for the next twelve (12) months after the completion of the Regularisation Plan.*

2. *This portion of gross proceeds is earmarked for the settlement of Cash Consideration. Pursuant to the SSA, EVD is given up to two (2) years from the completion of the EVE Acquisition to settle the Cash Consideration. Nonetheless, EVD would be able to settle the same upon completion of the Private Placement, Rights Issue and MBO. Further details of EVE Acquisition are set out in Section 5.4 of this Abridged Prospectus.*
3. *Being estimated expenses incidental to the Regularisation Plan, such as professional fees, fees payable to the relevant authorities, printing, postage, advertising and other miscellaneous expenses. Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for working capital purposes. The estimated expenses in relation to the Regularisation Plan are as follows:-*

	<b>RM'000</b>
<i>Professional fees</i>	2,980
<i>Fees payable to relevant authorities</i>	180
<i>Miscellaneous</i>	140
<b>Total</b>	<b>3,300</b>

Upon completion of the Regularisation Plan, the total gross proceeds of RM26.64 million will first be captured at ICB, which will then be advanced to EVD as inter-company loan and classified as amounts owing by EVD in the accounts of ICB. This is in line with the function of an investment holding company where all cash resources of companies within the EVD Group will be managed and centralised at EVD's level upon completion of the Regularisation Plan. As a wholly-owned subsidiary of EVD, ICB is not prohibited from advancing such proceeds to EVD pursuant to Rule 8.25(1)(iii) of the Listing Requirements.

Prior to being utilised for the above purposes, the total gross proceeds of RM26.64 million received will be placed in interest-bearing deposits and/or short-term money market instruments with financial institutions as the board of Directors of EVD in its absolute discretion deems fit and in the best interest of the EVD Group. The resulting interest income derived from such placements will be used as additional working capital for the EVD Group.

The additional proceeds to be received by EVD pursuant to the exercise of the EVD Warrants/ESOS Options and the conversion of the EVD RCPS via the Cash Option, if any, are intended to be utilised for working capital requirements of the EVD Group. The eventual quantum of such proceeds cannot be determined at this juncture as it would be dependent on:-

- (i) the total number of EVD Warrants exercised during the tenure of the EVD Warrants;
- (ii) the exercise price of the ESOS Options and the actual number of ESOS Options granted, vested and exercised during the tenure of the ESOS Options; and
- (iii) the number of EVD RCPS converted under the Cash Option. However, no proceeds will be raised upon conversion of the EVD RCPS into new EVD Shares via the Non-Cash Option.

#### **4.0 RATIONALE FOR THE RIGHTS ISSUE**

The Rights Issue forms an integral step of the overall Regularisation Plan of our Company, which serves to regularise the financial condition of our Group. After due consideration of various funding options available to our Company, our Board is of the opinion that the Rights Issue is the most appropriate avenue of fund raising for the purposes stated in Section 3.0 of this Abridged Prospectus in view of the following reasons:-

- (i) the combination of the issuance of Rights Shares and ICB RCPS pursuant to the Rights Issue serves to raise the intended funds for the purposes as set out in Section 3.0 of this Abridged Prospectus. For clarity, the issuance of Rights Shares would not dilute the Entitled Holders' equity interest in ICB if they fully subscribe for their respective entitlements under the Rights Issue, whilst the issuance of ICB RCPS minimises the immediate dilutive effect on the EPS of our Group as compared to the issuance of new ICB Shares;
- (ii) as opposed to borrowings from financial institutions, the Rights Issue enables our Group to raise funds without incurring interest costs;
- (iii) the Entitled Holders would have the opportunity to increase their equity participation in our Company on a pro rata basis to minimise dilution of their interests in our Company as opposed to a non-pro rata equity fund raising and ultimately, participate in the prospects and future growth of the EVD Group pursuant to the Securities Exchange;
- (iv) the subscription of the ICB RCPS would provide the Entitled Holders with an option to further participate in the equity of EVD at a predetermined Conversion Price during the tenure of the EVD RCPS pursuant to the Securities Exchange;
- (v) the free ICB Warrants which are attached to the Rights Shares will provide the Entitled Holders with an incentive to subscribe for the Rights Shares; and
- (vi) the proceeds, if any, from the exercise of the EVD Warrants and the conversion of the EVD RCPS via the Cash Option, if any (after the Securities Exchange) will provide an additional source of funds for working capital requirements of the EVD Group.

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## **5.0 THE REGULARISATION PLAN**

The Regularisation Plan serves to regularise the financial condition of our Group and eventually lead to the regularisation of our Company's GN3 status through, amongst others:-

- (i) raising of fresh capital via the Private Placement and the Rights Issue;
- (ii) the entry into the ICT system solutions business via the EVE Acquisition; and
- (iii) the exchange of securities, whereby ICB's shareholders will exchange their holdings of securities in ICB with new securities in EVD,

thereby benefitting ICB's shareholders as a whole.

The Regularisation Plan consists of the Consolidation, the Private Placement, the EVE Acquisition, the EV-Dynamic Acquisition, the MBO, the Exemption, the Amendments, the ESOS, the Rights Issue, the Securities Exchange and the Transfer.

### **5.1 Consolidation**

The Consolidation entails the consolidation of every ten (10) Pre-Consolidation Shares into one (1) ICB Share, which was completed on 23 March 2022.

### **5.2 Private Placement**

The Private Placement, which entails the issuance of 16,317,000 Placement Shares to the Placement Investors (or Undertaking Shareholders) at the issue price of RM0.10, has been completed on 12 April 2022. The Undertaking Shareholders have given their Undertakings to facilitate the implementation of the Rights Issue.

### **5.3 Rights Issue**

The Rights Issue, which is to be undertaken on a renounceable basis, entails the issuance of the following:-

- (i) 87,026,436 Rights Shares at the Issue Price, on the basis of two (2) Rights Shares for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date, together with 87,026,436 free ICB Warrants on the basis of one (1) ICB Warrant for every one (1) Rights Share subscribed for; and
- (ii) 174,052,872 ICB RCPS on the basis of four (4) ICB RCPS for every one (1) existing ICB Share held by the Entitled Holders on the Entitlement Date at the issue price of RM0.025 per ICB RCPS.

Please refer to Section 2.0 of this Abridged Prospectus for further details on the Rights Issue.

### **5.4 EVE Acquisition**

#### **5.4.1 Background information**

The EVE Acquisition entails the acquisition by EVD of the entire 5,000,000 ordinary shares in EVE, representing 100% of the issued share capital of EVE, at the purchase consideration of RM108.0 million as follows:-

- (i) RM37.80 million through the issuance of 252.0 million new EVD Shares at an issue price of RM0.15 per EVD Share;
- (ii) RM58.20 million through the issuance of 2,328.0 million new EVD RCPS at an issue price of RM0.025 per EVD RCPS; and
- (iii) the remaining RM12.0 million in cash.

Pursuant to the Authorisation Letter from EV-Dynamic to Mah Seong Huak, Ir. Gan Wee Peng, GVSBS and VSB, EV-Dynamic renounced the Cash Consideration, EVD Shares and EVD RCPS to Mah Seong Huak, Ir. Gan Wee Peng, GVSBS and VSB as follows:-

	<b>Cash (RM)</b>	<b>No. of EVD Shares</b>	<b>No. of EVD RCPS</b>
Mah Seong Huak	6,000,000	113,500,000	1,079,000,000
Ir. Gan Wee Peng	6,000,000	113,500,000	1,079,000,000
VSB	-	17,000,000	98,000,000
GVSBS	-	8,000,000	72,000,000
	<u><b>12,000,000</b></u>	<u><b>252,000,000</b></u>	<u><b>2,328,000,000</b></u>

The EVE Acquisition has been completed on 27 April 2022.

#### 5.4.2 Basis and justification of arriving at the purchase consideration

The purchase consideration of RM108.0 million was arrived at on a “willing-buyer willing-seller” basis after taking into consideration, inter-alia, the following:-

- (i) the future earnings potential of the EVE Group. As appraised by the Valuer, the valuation range of the EVE Group ranges between RM106.90 million and RM115.90 million. On this premise, the purchase consideration falls within the valuation range and represents a discount of 3.05% to the average valuation range of RM111.40 million.

In arriving at the valuation range, the Valuer has adopted, amongst others, the following parameters:-

- equity discount rates of 11.2% and 12.5% for EVE and EGPL respectively;
  - a terminal value based on a range of between 0.5% and 1.5%. This range is reasonable considering that the minimum and maximum range of the implied annual sustainable growth rates of the comparable companies range from 3.3% to 21.1%; and
  - annual net margin from 2.6% to 8.0% for EVE and 11.9% to 14.4% for EGPL,
- (ii) a two (2)-year profit guarantee of RM18.0 million in aggregate on the PAT of the EVE Group for the FYE 2021 and FYE 31 December 2022;
- (iii) an implied price-to-earnings multiple of 12.0 times based on an average profit guarantee of RM9.0 million per year;
- (iv) the outlook and prospects of the transportation system solutions industry in Malaysia, transportation industry in Malaysia and SEA, healthcare industry in Malaysia as well as residential and commercial properties industry in Malaysia where the EVE Group is involved in as more particularly set out in Sections 6.2, 6.3, 6.4 and 6.5 of this Abridged Prospectus; and
- (v) the prospects of the EVD Group as set out in Section 6.6 of this Abridged Prospectus.

#### 5.4.3 Assumption of liabilities

Save for the existing liabilities as stated in the financial statements of EVE and the corporate guarantee(s) to be provided by EVD in substitution of the corporate guarantee provided by EV-Dynamic for banking facilities procured by EVE prior to the completion of the SSA for the purpose of working capital, EVD will not assume any liabilities, including contingent liabilities and guarantees, pursuant to the EVE Acquisition. The existing liabilities of the EVE Group will be settled in its ordinary course of business.

#### **5.4.4 Additional financial commitment required**

There is no other financial commitment required in putting the EVE Group on-stream on the premise that it is already in operation and profitable.

#### **5.4.5 Rationale**

The EVE Acquisition allows the EVD Group to enter into the ICT system solutions business as a means to improve its financial performance and to enhance its shareholders' value. Pursuant to the SSA, EVD has acquired:-

- (i) the entire 5,000,000 ordinary shares in EVE, representing 100% of the issued share capital of EVE. The EVE Group is an ICT system solutions provider, and is primarily involved in the provision of ICT system solutions for transportation infrastructure projects. EVE has participated in providing ICT system solutions for several key railways, urban rail transit system and highway projects in Malaysia, and has secured a traffic management system solution contract for expressways in the Philippines through EGPL. By leveraging on its technical expertise and experience, EVE Group intends to strengthen and expand its presence in Malaysia and other countries in SEA; and
- (ii) the EVE Acquisition is premised on the basis that the Business (consisting the entire ICT system solutions business currently undertaken by EV-Dynamic, EVE and EGPL) shall be streamlined to EVE.

Premised on the foregoing, our Board is of the view that the EVE Acquisition would be beneficial to the EVD Group's future prospects and in the interest of the shareholders of ICB in the medium to long term. Kindly refer to Sections 6.3 and 6.6, of this Abridged Prospectus for further information on the transportation industry in Malaysia and SEA as well as prospects of the EVD Group.

#### **5.5 EV-Dynamic Acquisition**

The EV-Dynamic Acquisition entails the acquisition by EVD of the entire 10,000,000 ordinary shares in EV-Dynamic, representing 100% of the issued share capital of EV-Dynamic, for a purchase consideration of RM1.00 in cash.

The EV-Dynamic Acquisition has been completed on 27 April 2022.

#### **5.6 Securities Exchange**

The Securities Exchange shall be effected by way of a scheme of arrangement pursuant to Section 366 of the Act, where all Entitled Holders of Securities Exchange as at the Entitlement Date of Securities Exchange will exchange all of their holdings of ICB Shares, ICB RCPS and ICB Warrants for an equal number of EVD Shares, EVD RCPS and EVD Warrants on a one-for-one basis based on their respective holdings as at the Entitlement Date of Securities Exchange.

Upon completion of the Rights Issue, the issued share capital of ICB will be enlarged to RM27,251,087 comprising 130,539,654 ICB Shares, 87,026,436 ICB Warrants and 174,052,872 ICB RCPS, whilst the issued share capital of EVD as at the LPD stood at RM37,800,000, comprising 252,000,002 EVD Shares and 2,328,000,000 EVD RCPS. In this regard, EVD will issue 130,539,654 new EVD Shares, 87,026,436 new EVD Warrants and 174,052,872 new EVD RCPS in exchange for all the securities of ICB pursuant to the Securities Exchange. Following this, ICB shall become a wholly-owned subsidiary of EVD.

For clarity, the Entitled Holders of Securities Exchange will receive such number of new EVD Shares, new EVD RCPS and new EVD Warrants equivalent to their respective holdings in ICB as at the Entitlement Date of Securities Exchange.

## **5.7 Exemption**

Upon completion of the Securities Exchange, on a pro forma basis, the resultant shareholdings of Mah Seong Huak, Ir. Gan Wee Peng and the PACs in EVD will be approximately 65.87%, and hence, they shall have an obligation to undertake the Mandatory Offer.

Pursuant thereto, Mah Seong Huak, Ir. Gan Wee Peng and the PACs had sought the exemption from the SC from the obligation to undertake the Mandatory Offer and the SC had, vide its letter dated 23 February 2022, approved the Exemption.

## **5.8 Amendments**

The Amendments entail the consequential amendments to the Constitution, which serve to facilitate the issuance of the ICB RCPS pursuant to the Rights Issue.

## **5.9 ESOS**

The ESOS involves the granting of ESOS Options to all the Eligible Persons, which shall entitle the Eligible Persons to subscribe for new EVD Shares at a pre-determined price in accordance with the by-laws. The maximum number of new EVD Shares to be issued pursuant to the exercise of the ESOS Options that may be granted under the ESOS shall not exceed fifteen percent (15%) of the total number of issued shares of EVD (excluding treasury shares) at any one time throughout the tenure of the ESOS.

## **5.10 MBO**

The MBO entails the disposal by ICB of the entire equity interests in the Subject Companies to the MBO Purchaser for a total cash consideration of RM11,957,000.

The MBO has been completed on 27 April 2022.

## **5.11 Transfer**

Upon completion of the Securities Exchange, EVD will be the new holding company of ICB and will assume the listing status of ICB. Accordingly, ICB will be delisted from the Official List of Bursa Securities and EVD be admitted to the Official List of Bursa Securities in place of ICB, with the listing of and quotation for the entire EVD Shares, EVD Warrants and EVD RCPS on the ACE Market of Bursa Securities.

## **6.0 INDUSTRY OVERVIEW AND PROSPECTS**

### **6.1 Overview and outlook of the Malaysian economy**

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%). Growth was supported mainly by an improvement in domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan (NRP). The improvement also reflected recovery in the labour market as well as continued policy support. In addition, strong external demand amid the continued upcycle in global technology provided a further lift to growth.

On the supply side, all economic sectors recorded improvements in growth, led by the services and manufacturing sectors. On the demand side, growth was driven by higher consumption and trade activity. On a quarter-on-quarter seasonally adjusted basis, the economy registered an increase of 6.6% (3Q 2021: -3.6%).

All economic sectors recorded an improvement in the fourth quarter of 2021. The services sector turned around to expand by 3.2% (3Q 2021: -4.9%). Consumer-related activities continued to recover amid the reopening of the economy. This was reflected in the higher spending observed within the retail and recreational subsectors. The finance and insurance subsector also continued to grow, driven mainly by higher net insurance premiums. Growth in the information and communication subsector provided further support amid continued demand for data communications services, particularly for e-commerce and e-payment activities.

Private consumption growth turned around to register a positive growth of 3.7% (3Q 2021: -4.2%). The turnaround was mainly supported by the relaxation of containment measures. In particular, spending on discretionary items such as restaurants and hotels as well as recreational services rebounded during the quarter. Labour market conditions also improved during the same period, as evidenced by stronger employment and wage growth. Furthermore, various policy measures provided additional support to consumer spending.

Public consumption growth expanded at a slower pace of 4.3% (3Q 2021: 8.1%), attributable to a moderate growth in supplies and services expenditure. However, government spending remained supported by COVID-related spending and small maintenance and repair works.

*(Source: Quarterly Bulletin Vol. 36 No. 4 for the Fourth Quarter of 2021, Bank Negara Malaysia)*

For the Malaysian economy, the recovery is expected to gain momentum in 2022. This is underpinned by several factors including continued expansion in external demand, full upliftment of containment measures, reopening of international borders, and further improvement in labour market conditions. In addition, the implementation of investment projects and targeted policy measures will provide further support to economic activity and aggregate demand. Taken together, these factors pave the way towards a more broad-based and sustainable recovery for Malaysia.

Developments surrounding COVID-19 remain key in influencing Malaysia's growth trajectory in 2022, particularly in the shift towards a more calibrated and proportionate approach to managing the domestic epidemic situation. After enduring the COVID-19 pandemic for two years, the Government, businesses, and healthcare system are now more adept at managing the spread of the virus.

Under the National COVID-19 Immunisation Programme, Malaysia has achieved high vaccination rates and swiftly rolled out booster doses, which has helped to lower hospitalisations and severity of infections. As of 24 March 2022, 97.5% of Malaysia's adult population had been fully vaccinated, while 66.2% had received booster shots. Vaccines are also being rolled out to adolescents aged 12 to 17 (91.5% fully vaccinated), and children aged 5 to 11 (36.1% received first dose). The promising recent discoveries of antiviral drugs and treatments for severe COVID-19 cases would also contribute to lowering hospitalisations and deaths due to infections going forward.

Therefore, where capacity of the national healthcare system remains sufficient, the Government has reaffirmed its position to avoid impositions of nationwide lockdowns and strict containment measures. Significant resurgences of COVID-19 cases could, however, impact economic activity through other channels. High absenteeism rates, for example, resulting from workers having to take medical leave and undergo quarantines may impact productivity, while cautious sentiments may suppress mobility and consumer spending. Nevertheless, measures taken to contain future outbreaks would balance national health considerations while minimising adverse impacts on livelihoods and the economy.

*(Source: Outlook and Policy in 2022, Bank Negara Malaysia)*

## **6.2 Overview and outlook of the transportation system solutions industry in Malaysia**

Transportation system solutions are ICT system solutions that improve the efficiency and safety of transportation infrastructure such as railways, urban rail transit systems, roads and highways, ports and airports.

The transportation system solutions industry size in Malaysia is computed based on revenues of identified transportation system solutions providers in Malaysia. Between 2015 and 2021, the transportation system solutions industry size in Malaysia demonstrated a healthy CAGR of 10.3%. The transportation system solutions industry in Malaysia grew from RM910.7 million in 2015 to an estimated RM1,514.8 million in 2020.

The transportation system solutions industry in Malaysia is estimated to have recovered by 8.2% between 2020 and 2021 to RM 1,639.0 million, and will continue to progressively improve in the following years. This is in light of the on-going as well as upcoming transportation infrastructures projects as announced under the Budget 2021 and Budget 2022 such as Pan Borneo Highway, Central Spine Road, Gemas-Johor Bahru Electrified Double-Tracking Project, Klang Valley Double Tracking Project Phase 1 and Phase 2, MRT 3 and RTS Link. The Government also announced various stimulus packages to cushion the

headwinds arising from the COVID-19 pandemic. Part of these stimuli were allocated for the construction of small-scale infrastructure projects which include the maintenance of federal and rural road projects. With these economic stimuli and as the country enters into the “Transition to Endemic” phase of the COVID-19 pandemic, it is envisaged that the domestic economy will gradually recover in the foreseeable future. The improved economy will in turn spur development of transportation infrastructure projects in the country. To this end, the IMR forecasts the transportation system solutions industry in Malaysia to grow at a CAGR of 9.9%, from RM1,781.1 million in 2022 to RM2,150.5 million in 2024.

The transportation system solutions industry in Malaysia is expected to be driven by the following factors:-

**(i) Growing number of transportation infrastructure projects in the country arising from an increasing need for more transportation infrastructure and Government initiatives**

The growth in the transportation system solutions industry is mainly driven by an increasing need for transportation infrastructures and the various initiatives by the Government to drive the development of this industry.

The growing need for transportation infrastructures in Malaysia can be depicted by the increasing number of users, as illustrated in Section 6.3(ii) of this Abridged Prospectus. In view of the COVID-19 pandemic and the MCO, the execution of many on-going transportation infrastructure projects were delayed. Nevertheless, the Government continued the implementation of transportation infrastructure projects identified under Budget 2020 including the MRT 2 and ECRL projects. In addition, Budget 2021 and Budget 2022 have set aside allocations for several transportation infrastructure projects, including Pan Borneo Highway, Central Spine Road, Gemas-Johor Bahru Electrified Double-Tracking Project, Klang Valley Double Tracking Project Phase 1 and Phase 2, MRT 3 and RTS Link.

Through the Twelfth Malaysia Plan, the Government also intends to increase the provision of rural infrastructure by building and upgrading 2,800 km of paved road and 100 bridges, as well as integrating transport network connecting land, air and sea to boost inter- and intra-regional economic activities, facilitate movement of people and goods and reduce travelling time and costs (examples include West Coast Expressway and Labuan-Menumbok bridge). Other measures to improve infrastructure accessibility and connectivity to boost trade and socioeconomic activities includes upgrading the bridge connecting Rantau Panjang, Kelantan and Sungai Golok, Narathiwat, and completing more segments of the Pan Borneo Highway project to enhance economic growth across Sabah and Sarawak.

**(ii) Technological advancements are expected to encourage existing transport infrastructure owners and operators to invest in upgrading their transportation system solutions**

The transportation system solutions industry is subject to technological advancements as the industry evolves to cater for transportation infrastructure advancement. In the past, transportation system solutions for trains using steam or diesel-powered engines only offered basic functions such as rail traffic control, radio communication and broadcasting of information to transportation users. Today, transportation system solutions for electrified trains allow a wider range of functions including remote supervision and status control of key train function, maintenance monitoring and management, as well as interconnectivity of devices/equipment along the entire railway network. Similarly, transportation system solutions for roads and highways have evolved from offering basic functions such as surveillance systems to intelligent transportation system offered today which enable functions such as traffic management, monitoring and data analysis as well as vehicle incident and speed detection. The transportation system solutions industry is expected to continue to evolve to cater to the introduction of 5th-generation (5G) wireless technology and advancement in transportation technology such as the introduction of electric vehicles and autonomous/self-driving vehicles.

As such, existing transportation infrastructure owners and operators may replace/upgrade their existing transportation system solutions with more advanced system solutions in order to keep up with latest technological trends, and this will inevitably benefit the transportation system solutions industry in Malaysia.



**(iii) Government initiatives to drive the adoption of transportation system solutions**

The Twelfth Malaysia Plan aims to increase public transport ridership in Greater Kuala Lumpur or Klang Valley by 5.0% between 2021 and 2025, and increase the number of air transport passengers by 20.0% by 2025. Some of the strategies that were announced to achieve these targets include improving accessibility to public transportation by integrating different modes of transport through establishing an ICT platform which will use real-time data to coordinate and optimise schedules, and enhancing efficiency of transport services through upgrading aviation system solutions.

The Malaysian Intelligent Transportation System Blueprint 2019-2023 (“**Blueprint**”) is aimed at encouraging a seamless transport system to enhance the mobility and connectivity of the population. The Blueprint has 3 focus areas, i.e. building an integrated need-based transportation system solution which involves enhancing connectivity between transport modes and improving safety and efficiency of transport infrastructure, unleashing growth of logistics and trade facilitation which involves deploying system solutions in the logistics industry, as well as improving coverage, quality and affordability of broadband infrastructure to enable intelligent transportation system to be deployed.

Meanwhile, the National Transport Policy 2019-2030 (“**NTP**”) is aimed towards developing an efficient, integrated and secure transport infrastructure, thereby contributing towards a sustainable transportation industry. Initiatives under the NTP include optimising existing transportation infrastructure as well as monitoring maintenance and performance of key equipment using technology such as transportation system solutions. The promotion of transportation system solutions usage will benefit the transportation system solutions industry in Malaysia.

The transportation system solutions industry in Malaysia stands to benefit from the abovementioned initiatives driven by the Government.

*(Source: IMR Report)*

**6.3 Overview and outlook of the transportation industry in Malaysia and SEA**

The transportation industry in Malaysia can be depicted by the growth of transportation infrastructure construction projects, as a growing number of transportation infrastructure in the country would indicate a growing demand for transportation. In 2016, the value of transportation infrastructure construction projects increased by almost seven-fold from RM11.6 billion in 2015 to RM72.0 billion. This is likely contributed by several mega transport projects, including the MRT 2 project, Pan Borneo Highway project and Gemas-Johor Bahru Electrified Double Tracking project. The value of the transportation infrastructure construction projects moderated to RM28.9 billion in 2017. After the General Election 2018, there were postponement and cost-cutting measures of several major transportation infrastructure projects in Malaysia including the ECRL and the MRT projects, impacting the transportation industry in 2018. These projects were only relaunched in mid-2019 and 2020. As a result, the value of transportation infrastructure construction projects in Malaysia declined in 2018 and 2019 to RM23.7 billion and RM17.9 billion respectively. In 2020, the value of transportation infrastructure construction projects in Malaysia further declined to RM12.3 billion, as the COVID-19 pandemic and the MCO have caused delays in the execution of these transportation projects and exerted cash flow pressures on construction companies involved in these projects. In 2021, the transportation industry recovered, as depicted by the growth of 25.2% to RM15.4 billion worth of transportation infrastructure construction projects in the country.

Despite the peaks and troughs over the years, the value of transport infrastructure construction projects in Malaysia illustrated a CAGR of 4.8% over the past 6 years, from RM11.6 billion in 2015 to RM15.4 billion in 2021.

Moving forward, the transportation industry in Malaysia is expected to recover from 2022 onwards in light of the Budget 2021 and Budget 2022, and the recovering economy as the country enters into the “Transition to Endemic” phase of the COVID-19 pandemic. Under Budget 2021, it was announced that RM15 billion was allocated for transportation infrastructure projects, including Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-Tracking Project and Klang Valley Double Tracking Project Phase 1 and Phase 2. Budget 2021 also allocated for the continuation of major transportation

infrastructure projects such as MRT 3 and RTS Link. In addition, Budget 2022 has also allocated RM 3.5 billion for the construction of Pan Borneo Highway and Central Spine Road

In SEA, the transportation industry, as depicted by transportation infrastructure expenditure, was estimated to be USD47.0 billion (RM183.6 billion) in 2015. Transportation infrastructure expenditure in this region is estimated to grow at a CAGR of 5.4% between 2015 and 2020, and estimated to reach USD61.0 billion (RM256.3 billion) by 2020.

The transportation industries in Malaysia and SEA are expected to continue to be driven by the following factors:-

**(i) Growing number of registered vehicles on the road**

In Malaysia, there were 33.2 million registered vehicles on the road as at the third quarter of 2021, increasing from 26.3 million in 2015. Meanwhile in SEA, the total number of registered vehicles grew from 203.5 million in 2015 to an estimated 228.7 million in 2020. In order to cushion the adverse impact of the COVID-19 pandemic on the automotive sector, the Government announced a full sales tax exemption for the purchase of locally assembled passenger cars and 50% sales tax exemption on imported cars from mid-June to December 2020, and this exemption has been further extended to June 2022. The tax exemption has encouraged and is estimated to continue to encourage the purchase of passenger cars during these periods, as shown by 452,663 newly registered vehicles in 2021.

The increase in the number of vehicles on the road will generate higher demand for more road and highway infrastructure, especially in terms of well-planned roads/highways and effective timing of traffic signals, to reduce congestions while increasing road safety, thereby allowing for efficient infrastructure usage.

**(ii) Increasing demand for public rail transport infrastructure services**

The number of passengers on light rail transit services grew from 145.0 million passengers in 2015 to 159.8 million passengers in 2019, but decreased to 80.0 million passengers in 2020 and 31.2 million passengers as of the third quarter of 2021. Meanwhile, the number of passengers on MRT services grew from 22.4 million passengers in 2017 to 64.0 million passengers in 2019, but declined to 33.2 million passengers in 2020 and 12.8 million passengers as of the third quarter of 2021. The number of passengers travelling on KL Monorail services decreased from 25.1 million passengers in 2015 to 12.5 million passengers in 2019 due to fewer trains in operation, and further declined to 7.1 million passengers in 2020 and 2.7 million passengers as of the third quarter of 2021. The decline in the number of passengers in 2020 and 2021 are largely due to the COVID-19 pandemic which caused nationwide lockdowns as well as led to many employees working from home. In SEA, the number of passengers for railways reportedly increase from an estimated 1.1 billion passengers in 2015 to 1.2 billion passengers in 2019, before decreasing to an estimated 265.9 million passengers in 2020 due largely to the COVID-19 pandemic.

The growing use of urban rail transport systems is largely in line with the rise in urbanisation in Malaysia and SEA over the years. The increase in urbanisation is mainly driven by job opportunities in the cities. Thus, as rate of urbanisation increases, there will be greater demand for public rail transport for more convenient and quicker travel. The changing population demographics in Malaysia and SEA towards an ageing population is also expected to increase demand for public transportation, particularly urban rail transit systems. As this group of people is less likely to drive, they may resort to using public transportation, which would in turn lead to a greater demand for urban rail transit systems.

In addition, the stimulus package announced by the Government to cushion the adverse impacts of the COVID-19 also included the introduction of an unlimited monthly pass of RM50 for use on all urban rail transit systems as well as bus services.

**(iii) Favourable government plans and initiatives that will boost the transportation industry**

The Government as well as governments of SEA countries have also recognised the importance of the transportation industry in order to drive their countries' development. Amongst some of the plans, initiatives and projects launched by the Government include the Twelfth Malaysia Plan, NTP and several major transportation infrastructure projects including the Penang Undersea Tunnel, Central Spine Road, remaining phases of Pan Borneo Highway, ECRL, RTS Link projects and Iskandar Malaysia Bus Rapid Transport.

Meanwhile, the Government of Singapore launched major infrastructure projects such as the Cross-Island MRT Line, extension of the Thomson East Coast MRT Line and the North-South Corridor. Further, the Development Bank of the Philippines and Public-Private Partnership Center of the Philippines had also signed an agreement with Infrastructure Asia, Singapore in 2019, to allow for knowledge sharing of best practices in traffic and transport management to support the infrastructure development in the Philippines. The Government of the Philippines also announced several infrastructure projects including the Philippine National Railways Clark Phase 1, Mindanao Railway, Metro Manila Subway, MRT 7, Philippine National Railways South Commuter Line (Solis to Los Banos), New Manila International Airport and Pasiq River Expressway. The Government of Indonesia also announced several infrastructure projects including the MRT Jakarta Koridor East-West, East Kalimantan railway, Kualanamu International Airport and Medan City Urban Transport. In addition, the Government of Thailand launched the Eastern Economic Corridor Infrastructure as well as the Thailand Transport Systems Development Strategy (2018 – 2037) which aims to develop environmentally friendly, safe and efficient transportation infrastructure that is easily available to its citizens. It also launched the Thai-Sino high-speed train project and the High-Speed Rail Linking Three Airports project. The transportation industries in Malaysia and SEA stand to benefit from the abovementioned initiatives driven by the respective governments.

*(Source: IMR Report)*

**6.4 Overview and outlook of the healthcare industry in Malaysia**

Over the years, the number of hospitals and clinics (both Government as well as private) in the country grew from 10,675 premises in 2015 to an estimated 11,717 premises in 2020. The number of hospitals in Malaysia is expected to continue to increase steadily, as witnessed by upcoming hospitals. The growth of the healthcare industry in Malaysia is expected to be driven by:-

**(i) Growing number of hospital admissions and outpatient attendees**

Between 2015 and 2019, the number of hospital admissions grew by a CAGR of 2.3%, from 3.7 million persons in 2015 to an estimated 4.1 million patients in 2019. Meanwhile, outpatient attendees grew from 65.0 million persons in 2015 to an estimated 73.8 million persons in 2019, at a CAGR 3.2%. In 2020, the number of hospital admissions and outpatient attendees decreased to 3.5 million persons and 58.9 million persons respectively. The decrease in 2020 was likely caused by patients deferring elective medical treatments at the hospitals due to the fear of COVID-19 exposure.

**(ii) A growing ageing society in Malaysia**

An ageing population is defined as a shift in the distribution of a country's population towards an older age group, which is mainly caused by the ageing of baby boomers, who are moving into retirement age. Malaysia's demographic is gradually recording a decrease in younger population and an increase in elderly population over the years. Malaysia's percentage of population below 14 years old in the country has decreased from 24.5% to an estimated 23.0% in 2021. In comparison, the percentage of population above 65 years old has increased from 6.0% of the total population in 2015 to an estimated 7.4% of the total population in 2021.

**(iii) Government plans and initiatives to promote the healthcare services industry**

The Government has launched various national plans and programmes to support the growth of the healthcare services industry. Among these plans and programmes include the Health Care Scheme for Group B40 (PeKa 40) which was launched in 2019 with emphasis on the early detection of non-infectious, non-communicable diseases amongst the B40 group aged 40 and above. This initiative aims to increase the usage of healthcare services and reduce the burden of B40 treatment costs.

Further, under Budget 2022, the Government has also allocated:-

- RM20.0 million to the Malaysia Healthcare Travel Council to revitalize the international health tourism industry;
- RM32.4 billion to the Ministry of Health for their operating and development expenditure;
- RM4.0 billion will be provided to manage the COVID-19 pandemic, which includes RM2.0 billion to fund the vaccination programme and RM2.0 billion to enhance the capacity of public health service facilities; and
- RM70.0 million for services related to mental health issues.

The Twelfth Malaysia Plan includes a focus on the country's healthcare system. The Government intends to revitalise the healthcare system, with 3 strategies, namely redesigning the healthcare service, strengthening health financing and public awareness as well as leveraging on technology to ensure seamless utilisation of information.

The abovementioned Government plans and initiatives are expected to support the growth of the healthcare industry in Malaysia.

*(Source: IMR Report)*

**6.5 Overview and outlook of the residential and commercial properties industry in Malaysia**

The residential and commercial properties industry in Malaysia has witnessed growth over the years, as depicted by the number of available properties. The number of existing residential properties in Malaysia stood at 4.9 million as at the end of 2015, increasing to 6.0 million as at the end of 2021. Meanwhile, the number of existing commercial properties stood at 419,120 as at the end of 2015 doubling to 892,323 as at the end of 2021.

The demand for residential and commercial properties in Malaysia is expected to increase over the long term especially in prime locations and bigger cities, albeit a weakening take-up rates in recent years due to property overhang. In 2021, the residential and commercial properties industry in Malaysia is expected to be adversely affected by low demand as well as delays in the completion of new projects due to the COVID-19 pandemic and the MCO. Nevertheless, the number of new residential and commercial properties in Malaysia is expected to increase in light of the various upcoming property developments.

The growth of the residential and property industry in Malaysia is expected to be driven by:-

**(i) Growth in population and rising disposable income will contribute to the demand for residential properties**

The population in Malaysia grew from approximately 31.2 million in 2015 to an estimated 32.7 million as at the third quarter of 2021. As the population increases, there will be more demand for residential properties.

Malaysia's gross national income per capita grew from RM36,710 in 2015 to an estimated RM45,874 in 2021. The increase in disposable income leads to a rise in a more affluent population that has greater spending power. While the COVID-19 pandemic and resulting MCO have caused a slowdown in economic activities, the Government has announced various stimulus packages to cushion the adverse impacts of the COVID-19 pandemic. The economy of the country is also expected to recover as the country enters into the "Transition to Endemic" phase of the COVID-19 pandemic. As such, the disposable income of the population in Malaysia is expected to continue growing in the long-term, and this will support demand for residential properties in the country.

**(ii) Growth in the number of business and companies in the country will lead to a demand for commercial properties**

According to latest available data from the Companies Commission of Malaysia, the number of businesses in Malaysia grew from approximately 6.0 million in 2015 to approximately 8.5 million in 2021, while the number of companies grew from approximately 1.2 million to approximately 1.4 million over the same period. Although uncertainties were experienced in 2020 and 2021 due to the COVID-19 pandemic and fall in oil price, the number of new business and companies are expected to steadily grow over the long term as the country enters into the "Transition to Endemic" phase of COVID-19 pandemic and the local economy recovers. The growing number of businesses and companies registered each year provides opportunities for greater demand for commercial properties in Malaysia.

**(iii) Various Government initiatives and plans will contribute to the long term growth of the residential and commercial properties industry**

In early 2019, the Ministry of Housing and Local Government unveiled the National Housing Policy 2.0 (2018 – 2025) with the objective of addressing various issues surrounding the residential market.

As part of the economic easing measures to cushion the headwinds arising from the COVID-19 pandemic, Bank Negara Malaysia reduced its overnight policy rate to 2.5% in March 2020 and 2.0% in May 2020, and then further reduced the overnight policy rate to 1.75% in July 2020, from 2.7% in February 2020. As a result, commercial banks in Malaysia have also lowered their respective base rate and base lending rates. The lower rates will lower the borrowing costs for property owners, which is expected to support the overall property industry to a certain extent.

Under the Budget 2021, the Government has announced several initiatives to boost the demand for residential properties, such as the extension of the full stamp duty exemption for first time home buyers until 31 December 2025, extension of stamp duty exemption on loan agreements and instruments of transfer until 31 December 2025, provision of comfortable and quality housing; and implementation of a Rent-to-Own Scheme for first-time buyers of 5,000 Pr1ma houses until 2022. In addition, the Government will also focus on ensuring businesses continuity by, amongst others, allocating RM1 billion fund to support the research and development investments in companies focusing on high value-added technology, various tax incentives to attract foreign businesses into the country, National Development Scheme valued at RM1.4 billion to support the implementation and development of domestic supply chain and increase the production of local products. These financial initiatives are expected to contribute to the demand for commercial and industrial properties.

In addition, the Selangor State Government and Ministry of Federal Territories also launched 'Rumah Selangorku' and 'Residensi Wilayah' (previously known as 'Rumah Mampu Milik Wilayah Persekutuan' or 'RUMAWIP'). These schemes are aimed at providing affordable housing to the lower and middle-income groups in Selangor and the federal territories, namely Kuala Lumpur, Putrajaya and Labuan.

Under the Budget 2022, the Government has allocated RM1.5 billion for continuation of housing projects for low-income population, including *Program Rumah Mesra Rakyat* and maintenance assistance programmes, and provision of guarantees of up to RM2 billion to banks under the *Skim Jaminan Kredit Perumahan* to improve access to financing for population without fixed income.

Under the Twelfth Malaysia Plan, one of the main priority areas is on increasing the supply of quality affordable houses, in order to provide access to quality and liveable affordable housing for the population. This will be carried out through 3 strategies, namely improving access to affordable housing, enhancing governance and ensuring inclusive housing. One of the strategies including the revision of the Housing Development (Control & Licensing) Act 1966 to improve existing housing laws and regulations to protect homebuyers. Stronger action will be taken against irresponsible developers and individuals associated with the companies for abandoning housing projects and treating homebuyers unfairly. An act on commercial development will be introduced to protect the interest of small property owners in commercial development projects.

The abovementioned Government plans and initiatives are expected to create demand for residential and commercial properties over the long term.

*(Source: IMR Report)*

## **6.6 Prospects and future plan of the EVD Group**

The future prospects of the EVD Group are expected to be positive in the long term in light of the favourable industry outlook over the long term. As highlighted in Section 6.2 of this Abridged Prospectus, the IMR forecasts the transportation system solutions industry in Malaysia to grow at a CAGR of 9.9%, from RM1,781.1 million in 2022 to RM2,150.5 million in 2024. The EVD Group's future prospects is also expected to be supported by its competitive strengths as set out below:-

- (i) the EVD Group is capable of providing comprehensive ICT system solutions;
- (ii) EVD Group has been participating in the execution of the contracts/projects and thus, has the track record and experience in providing transportation system solutions for railways and urban rail transit systems, as well as intelligent transportation system solutions for roads and highways; and
- (iii) the EVD Group has an experienced and technically-strong key management team.

Moving forward, the EVD Group intends to leverage on some of the opportunities created by the upcoming railway, urban rail transit system and road/highway projects in Malaysia, as illustrated in Sections 6.2 and 6.3 of this Abridged Prospectus. As at the LPD, the EVD Group has submitted tender applications for six (6) ICT system solutions projects in Malaysia and it is currently still in the midst of the tendering stage.

In addition, the EVD Group intends to leverage on its track record in delivering transportation system solutions for key railway, urban rail transit system and highway projects in Malaysia to tap into the regional market, particularly the SEA countries. According to the IMR Report, some of the major transportation infrastructure projects in other SEA countries include the Cross-Island MRT Line, extension of the Thomson East Coast MRT Line and the North-South Corridor in Singapore, the Philippine National Railways Clark Phase 1 Project, Mindanao Railway, Metro Manila Subway, MRT 7, Philippine National Railways South Commuter Line (Solis to Los Banos), New Manila International Airport and Pasiq River Expressway in the Philippines, MRT Jakarta Koridor East-West, East Kalimantan railway project, Kualanamu International Airport and Medan City Urban Transport Project in Indonesia, and the Eastern Economic Corridor Infrastructure which includes the development of high-speed eastern rail routes and double-track railways and expansion of highways and motorways, as well as the Thai-Sino high-speed train and High-Speed Rail Linking Three Airport project in Thailand.

To-date, EVD Group has, through its wholly-owned subsidiary, namely EGPL, successfully secured a traffic management system solution contract for the C5 South Link Expressway, the Manila-Cavite Expressway and the Cavite-Laguna Expressway in the Philippines.

Further, the EVD Group also intends to seek to widen its range of transportation system solutions. At present, the EVD Group provides transportation system solutions for railways, urban rail transit systems, as well as roads and highways. The EVD Group's technical capabilities in delivering these system solutions can be replicated for other transportation infrastructure. As such, the EVD Group intends to venture into delivering transportation system solutions for other types of transportation infrastructure, particularly air transport, which will include people mover systems and curbside management systems. While the present engineering department have the required technical capability in delivering such system solutions, personnel in the engineering department will be sent to relevant exhibitions and training courses to ensure that they are kept abreast with the latest trends and developments in the market. EVD Group also intends to hire additional employees with relevant experience in airport transportation system solutions.

Our Company is optimistic of the long-term prospects of the EVD Group in line with the expected growth of the transportation system solutions industry in Malaysia. The transportation systems solution industry in Malaysia has recovered from a decline caused by the COVID-19 pandemic in 2020, having registered a growth of 8.2% between 2020 and 2021. Moving forward, the transportation systems solution industry in Malaysia is expected to progressively recover in the following years, between 2022 and 2024, in light of the on-going and upcoming transportation infrastructure projects, and various stimulus packages to cushion the headwinds arising from the COVID-19 pandemic as indicated in Section 6.3 of this Abridged Prospectus. The industry is also expected to benefit from the country entering into the endemic phase of the COVID-19 pandemic beginning 1 May 2022, as the recovery of the domestic economy is expected to spur development of transportation infrastructure projects in the country.

## **7.0 RISK FACTORS**

You and/or your renounee(s)/transferee(s) (if applicable) should carefully consider the following risk factors which may have an impact on the future performance of the EVD Group (instead of ICB pursuant to the Transfer), in addition to the other information contained elsewhere in this Abridged Prospectus, before subscribing for or investing in the Rights Issue.

### **7.1 Risks relating to the business operations of EVD Group**

#### **7.1.1 Dependency on key management**

The continuing success of the EVE Group is to a certain extent dependent on the continued efforts of its key management personnel who are directly responsible for the strategic direction, leadership, business planning and development, and management of its business operations. The loss of any of such key management personnel, and subsequent inability to recruit suitable replacement personnel in a timely manner, may adversely affect the business operations and financial performance of the EVE Group as well as its continuing ability to compete effectively in the industry. The EVE Group recognises the importance to retain its key management and have in place a human resource strategy, which includes maintaining a competitive remuneration package and providing opportunities for career development for its employees. Nonetheless, there can be no assurance that the EVE Group will be able to recruit, develop and retain adequate number of skilled and motivated employees.

#### **7.1.2 Project risks**

In view of the complexity of the ICT system solutions projects undertaken by the EVE Group, the EVE Group is subject to changes in the specifications required under these projects. As such, the EVE Group is subject to, amongst others, the following risks:-

- (i) Delay and/or cancellation of projects due to unforeseen circumstances such as unexpected changes in project requirements or timeline. Any delay in customers' expansion projects will accordingly affect the implementation of the systems and this would affect the recognition of revenues from the relevant projects. The COVID-19 pandemic has led to the implementation of national lockdown policies in many countries worldwide, including Malaysia, and this has adversely impacted many businesses, including the transportation industry. Transportation infrastructure projects, including some of the EVE Group's present projects, were delayed, which had a negative impact on the EVE Group's financial performance in the short-term.

Although EVE's operations in Malaysia fall within the approved industries which are allowed to operate during MCO, it experienced slow work progress primarily due to the protracted site preparation by its customers in compliance with the standard operating procedures during the MCO. As for its project in the Philippines, it has been affected by COVID-19 pandemic as both Malaysia and Philippines had started MCO and lockdown in March 2020. Meanwhile, EVE has made an alternative arrangement with a local project manager to assist in the supervision of work progress at the project site in the Philippines and conduct regular on-line meetings with the EVE's project team in Malaysia to monitor the status of work and its implementation. Nevertheless, none of the projects secured by EV-Dynamic and the EVE Group have been cancelled due to the MCO.

- (ii) Project cost overruns due to unanticipated difficulties encountered during the project implementation stage or changes in project requirements. These project cost overruns could impact the EVE Group's profitability.

### **7.1.3 Financing risk**

The EVE Group's ability to obtain external financing is subject to various uncertainties, including its future results of operations, financial condition and cash flows, the performance of the Malaysian economy and the markets for its system solutions, the cost of financing and the condition of financial markets, and the continuing willingness of banks to provide new loans. If adequate funding is not available when needed, or is available only on unfavourable terms, taking advantage of business opportunities or responding to competitive pressures may become challenging, which could have a material and adverse effect on the business, financial condition and results of operations of the enlarged EVD Group.

### **7.1.4 Dependency on the maintenance or renewal of licences**

The validity of the EVE Group's registration as a Grade 7 (G7) contractor from Construction Industry Development Board and electrical contractor (under Class C) from the Energy Commission are subject to renewal on a periodic basis or re-assessment by the relevant authorities. In the event the EVE Group fails to comply with the rules and regulations issued by the governing authorities, such licences may be revoked, suspended or not renewed, as well as may result in the imposition of penalties and fines. In such circumstances, the EVE Group's business operations may be disrupted and may accordingly affect its financial performance and profitability.

### **7.1.5 Defect liabilities**

The EVE Group is exposed to the risk of defect liability claims by its customers during the defect liability period which typically ranges from twelve (12) to twenty-four (24) months after final acceptance by the customers, where it is responsible to make good and rectify any defects during such period. In the event of any claim against the EVE Group, which could not be sufficiently covered by the product warranty given by the suppliers of EVE, for defect in respect of its ICT system solutions, the business and financial performance of the EVE Group could be adversely affected.

## **7.2 Risks relating to the industry of EVD Group**

### **7.2.1 Competition**

The EVE Group competes with other ICT system solutions providers primarily for transportation infrastructure projects. As such, it experiences substantial competition during the project tendering stage. The EVE Group is able to leverage on its past technical expertise and experience to remain competitive, having participated in providing ICT system solutions for key transportation infrastructure projects in Malaysia and in the Philippines, as illustrated in Section 6.6 of this Abridged Prospectus. Notwithstanding the foregoing, there can be no assurance that the EVE Group will be able to continuously compete effectively with its peers.



### 7.2.2 Dependency on the transportation industry

The EVE Group is an ICT system solutions provider, which focuses primarily on the transportation system solutions and as such, the EVE Group's business performance is correlated with the growth of the transportation sector in the markets in which it operates, namely Malaysia and the Philippines, as well as markets it intends to operate in. As such, a decline in the number of new transportation projects in these countries would translate into a fall in demand for the EVE Group's transportation system solutions, thereby adversely affecting the EVE Group's business operations and financial performance.

As with many businesses worldwide, the transportation industry in Malaysia and the Philippines were adversely affected in 2020 as the COVID-19 pandemic and the national lockdown have caused delays in execution of transportation projects and exerted cash flow pressures on construction companies involved in these projects. The national lockdown measures implemented in both Malaysia and the Philippines have also restricted cross-border travels, which in turn have restricted the EVE Group's employees from travelling to the Philippines for its ongoing projects. Nevertheless, the Government also continued with the implementation of transportation infrastructure projects identified under Budget 2020 including the ongoing projects such as MRT 2 and ECRL.

The transportation industry in Malaysia and the Philippines are estimated to have recovered in 2021. In Malaysia, this is expected to be driven by several transportation infrastructure projects announced under the Budget 2021 and Budget 2022 such as the Pan Borneo Highway, Central Spine Road, Gemas-Johor Bahru Electrified Double-Tracking Project, Klang Valley Double Tracking Project Phase 1, MRT 3 and RTS Link. Meanwhile, the Government of the Philippines has launched the "Build, Build, Build program" which aims to grow infrastructure spending to reach PHP9.0 trillion (RM0.8 trillion) by 2022.

However, there can be no assurance that these announcements and any further developments arising from the COVID-19 pandemic will not have a material adverse effect on the EVE Group's business operations and financial performance.

### 7.2.3 Foreign currency fluctuations

The purchases of hardware and software by the EVE Group are denominated in RM, PHP and USD, while part of the revenue of the EVE Group from its foreign customer is denominated in PHP. In this regard, the EVE Group is exposed to potential losses on foreign currency exchange rates, particularly arising from fluctuations in the exchange rate of USD and PHP against RM. The management of EVE constantly monitors the movements of USD and PHP against RM with the aim of assessing such potential exposure/risk with due regard to its payables and receivables denominated in foreign currencies and if the need arises, to enter into hedging arrangement for the same. Nevertheless, there can be no assurance that any future fluctuation in foreign currency exchange rates will not have a material adverse impact on the earnings of the enlarged EVD Group.

### 7.2.4 Concentration of customers

The overall composition of the EVE Group's customers (through subcontracts secured from EV-Dynamic) varies from year-to-year, but a significant portion of its annual revenue for any given year was contributed by a few major customers. This was mainly due to the following reasons:-

- the large value of each contract secured from the major customers as a proportion to its total revenue. The EVE Group's top five (5) customers contributed more than 90.0% of its total revenue for FYE 2018, FYE 2019, FYE 2020 and FYE 2021;
- the working capital and staff resources required in the implementation of such contracts; and
- the long implementation timeframe for each project that generally ranges between two (2) and five (5) years from the date of contracts.

As such, any cancellation or variation in project specifications from these selected customers at any point in time may have a material adverse impact on the EVE Group's business operations and financial performance as EVE may not be able to secure replacement projects from other customers to cushion such impact in the respective year.

Nevertheless, the EVE Group undertakes careful evaluation prior to accepting a project and detailed planning prior to project commencement as part of its measures to ensure timely implementation of the contracts secured.

### **7.2.5 Changes in economic, political and regulatory conditions**

The EVE Group's business prospects are dependent, to a large extent, on the developments in economic, political and regulatory conditions in the markets in which it operates, namely Malaysia and the Philippines. Any adverse development in such conditions may have a negative impact on the prospects of the EVE Group. These adverse developments include, among others, downturn in the global and Malaysia economies, changes in political leadership, changes in interest rates, war, terrorism activities, riots, and unfavourable changes in government policies such as introduction of new regulations, import restrictions and duties, tariffs, licensing regulations or subsidies. The COVID-19 pandemic has also caused an economic slowdown worldwide, including the delay in project implementation. Although the EVE Group may take a prudent approach to manage these risks internally, however these risks are beyond its control. Hence, there can be no assurance that any adverse economic, political and regulatory changes will not materially affect the EVE Group's business prospects.

### **7.3 Risks relating to the Rights Issue**

To reiterate, to facilitate the Securities Exchange, the Rights Shares, ICB RCPS and ICB Warrants to be issued pursuant to the Rights Issue will not be traded on the ACE Market of Bursa Securities upon issuance and allotment, but all the ICB securities will be exchanged for an equal number of EVD securities instead. Thereafter, ICB will be delisted from the Official List of Bursa Securities and EVD be admitted to the Official List of Bursa Securities in place of ICB, with the listing of and quotation for the entire EVD Shares, EVD Warrants and EVD RCPS on the ACE Market of Bursa Securities.

#### **7.3.1 Investment risks**

The market price of EVD Shares, EVD Warrants and EVD RCPS will be influenced by, amongst others, the prevailing market sentiments, volatility of the stock market, the liquidity, the prospects and operating results of the EVD Group and the future outlook of the industries in which it operates. As the Issue Price/Conversion Price of the Rights Shares/ICB RCPS and the Exercise Price of the ICB Warrants were arrived at after taking into consideration, amongst others, the TEP of ICB Shares as disclosed in Sections 2.2 and 2.3 of this Abridged Prospectus, there can be no assurance that the EVD Shares (to be issued in exchange for the Rights Shares pursuant to the Securities Exchange) will trade above the Issue Price of the Rights Shares upon or subsequent to its listing on the ACE Market of Bursa Securities.

The market prices of the EVD Warrants and EVD RCPS, like all listed securities traded on Bursa Securities and being new securities to be issued by our Company, are subject to, inter-alia, price discovery by investors, fluctuations in tandem with the overall outlook of the stock market in Malaysia and globally. There is no assurance that the Exercise Price of the EVD Warrants/Conversion Price of the EVD RCPS will be in-the-money during the tenure of the respective exercise/conversion period.

#### **7.3.2 Delay or failure in the completion of the Rights Issue**

The Rights Issue is exposed to the risk that it may be aborted or delayed on the occurrence of any force majeure events or events/circumstances, which are beyond the control of our Group and KAF IB, arising prior to the completion of the Rights Issue.

Where prior to the issuance and allotment of the Rights Shares, ICB Warrants and ICB RCPS to the successful Entitled Holders and/or their renounee(s)/transferee(s) (if applicable):-

- (i) in the event of failure in the completion of the Rights Issue where the SC issues a stop order pursuant to Section 245(1) of the CMSA, all applications shall be deemed to be withdrawn and cancelled and our Company shall be liable to repay without interest all monies paid in respect of the Rights Shares and ICB RCPS within 14 days from the date of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such rate which may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or

- (ii) in the event of failure in the completion of the Rights Issue (other than pursuant to Section 245(1) of the CMSA), all application money received pursuant to the Rights Issue will be refunded to the Entitled Holders and/or their renounee(s)/transferee(s) (if applicable) who have subscribed for the Rights Shares and ICB RCPS without interest.

In the event that the Rights Shares, ICB Warrants and ICB RCPS have been allotted to the successful Entitled Holders and/or their renounee(s)/transferee(s) (if applicable) and:-

- (a) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of the Rights Securities shall be deemed to be void and all monies received from the applicants shall be forthwith repaid without interest and if any such money is not repaid within 14 days from the stop order, our Company shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (b) the Rights Issue is subsequently cancelled or terminated for reasons other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders can only be achieved by way of cancellation of our Company's share capital as provided under the Act and its related rules.

Notwithstanding the above, our Company will exercise our best endeavour to ensure the successful implementation of the Rights Issue. However, there can be no assurance that the abovementioned events will not cause a delay in or failure of the Rights Issue.

### **7.3.3 Potential dilution**

Entitled Holders who do not subscribe or partially subscribe for their entitlement under the Rights Issue will have their proportionate ownership and voting interest in our Company reduced and the percentage of the enlarged issued share capital represented by their shareholdings in our Company will also be reduced accordingly as a result of the issuance of Rights Shares. Further, subsequent to the Securities Exchange, Entitled Holders who do not subscribe or partially subscribe for their entitlement under the Rights Issue will experience further dilution of their shareholdings percentage as a result of the exercise/conversion of EVD Warrants/EVD RCPS. Consequently, their proportionate entitlement to any future dividend, distributions, rights and/or allotment that the EVD Group may declare or make after completion of Regularisation Plan will correspondingly be diluted.

### **7.3.4 Forward-looking statements**

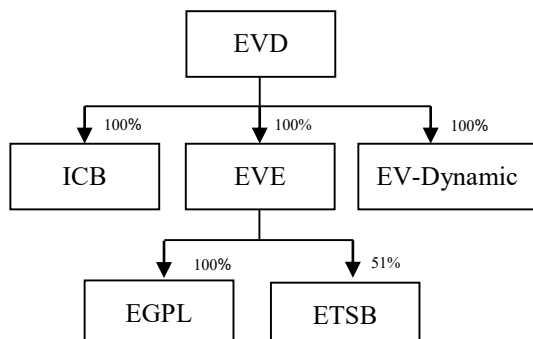
Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements contained in this Abridged Prospectus are based on estimates and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements.

In view of these uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

## 8.0 EFFECTS OF THE REGULARISATION PLAN

### 8.1 Corporate structure

As at the LPD, ICB does not have any subsidiary or associated company. Upon completion of the Securities Exchange and Transfer, EVD will become the new investment holding company by assuming the listing status of ICB, whilst ICB will become a wholly-owned subsidiary of EVD. The corporate structure of the EVD Group after the Securities Exchange and Transfer is set out below:-



### 8.2 Earnings and EPS

The Regularisation Plan is expected to be completed by the 3<sup>rd</sup> quarter of 2022. Barring any unforeseen circumstances, the Regularisation Plan is expected to regularise the financial condition of our Company and thereafter, contribute positively to the future earnings and EPS of the EVD Group.

In terms of the ESOS, the cost relating to the ESOS Options granted pursuant to Malaysian Financial Reporting Standards 2 will need to be measured at the date of granting the ESOS Options and recognised as an expense in the statement of comprehensive income of EVD over the vesting period of such ESOS Options. However, it should be noted that the estimated cost does not represent a cash outflow by EVD as it is merely an accounting treatment.

As for the MBO which had been completed on 27 April 2022, ICB recognised a gain on disposal of RM0.298 million based on the latest unaudited financial statements of the Subject Companies for the 6-months FPE 31 December 2021, after taking into consideration, inter-alia, the associated cost of investment and expenses incidental to the MBO, which translated into a consolidated EPS of approximately 0.68 sen to our Company after taking into consideration of ICB's issued share capital of 43,513,218 ICB Shares as at the LPD.

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Solely for the purposes of illustration only, the pro forma effects of the Regularisation Plan on the earning and EPS of ICB and EVD based on the latest unaudited consolidated financial statements of ICB for the six (6)-month FPE 31 December 2021 are as follows:-

	←-----ICB-----→		←-----EVD-----→	
	(I)	(II)	(IV)	(V)
	Unaudited as at 6-month FPE 31 December 2021	After subsequent events up to the LPD	After subsequent LPD	Minimum Scenario After (IV) and conversion of all EVD RCPS and EVD Warrants
PAT/(LAT) (RM'000)	(220)	(584)	(32)	(32)
No of shares ('000)	(1) 271,962	(3) 43,513	(7) 382,540	(7) 1,008,053
EPS/(Loss per share) (sen)	0.08	(1.34)	(0.01)	-
		(4) 130,540	(0.01)	(7) 2,971,619
		(5) (32)	(0.01)	-
		(6) 252,000	(0.01)	-
		(0.45)	(0.01)	-

**Notes:-**

- (1) Being the number of Pre-Consolidation Shares.
- (2) After adjusted for the following upon completion of the Consolidation, the Private Placement and the MBO:-
  - (i) deducted the remaining estimated expenses accrued for the Regularisation Plan of RM0.662 million. Out of the total estimated expenses incidental to the Regularisation Plan of RM3.30 million, RM2.64 million has been expended as at the end of 6-month FPE 31 December 2021, while the remaining portion is being accrued in other payable account; and
  - (ii) netting-off the gain on disposal of RM0.298 million pursuant to the MBO.
- (3) After adjusted for the issuance of 27,196,218 ICB Shares pursuant to the Consolidation completed on 23 March 2022 and 16,317,000 Placement Shares pursuant to the Private Placement completed on 12 April 2022 respectively.
- (4) Being the number of ICB Shares after the Rights Issue.
- (5) After having excluded the pre-acquisition LAT of RM0.88 million of ICB for the 6-month FPE 31 December 2021, pre-acquisition PAT of RM9.07 million of the EYE Group for the FYE 2021 and pre-acquisition PAT of RM0.57 million of EV-Dynamic for the FYE 2021 as acquisition method is being used to consolidate ICB, EVE Group and EV-Dynamic.
- (6) After the issuance of 252,000,000 EVD Shares pursuant to the EVE Acquisition completed on 27 April 2022.
- (7) Being the number of EVD Shares after the Securities Exchange and the conversion/exercise of EVD RCPS/EVD Warrants respectively.

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### 8.3 Issued share capital

No effect on the ESOS is illustrated below as no ESOS Options have been granted as at the LPD. The pro forma effects of the Rights Issue and Securities Exchange on the issued share capital of ICB and EVD are as follows:-

#### Minimum Scenario

	ICB			EVD				
	No. of shares	Total Value (RM)	No. of ICB RCPS	Total Value (RM)	No. of shares	Total Value (RM)	No. of EVD RCPS	Total Value (RM)
Issued share capital as at the LPD	43,513,218	22,864,954	-	-	(2) 252,000,002	37,800,000	2,328,000,000	58,200,000
To be issued pursuant to Rights Issue	87,026,436	(1) 4,386,133	174,052,872	4,351,322	-	-	-	-
	130,539,654	27,251,087	174,052,872	4,351,322	252,000,002	37,800,000	2,328,000,000	58,200,000
To be issued pursuant to Securities Exchange	-	-	-	-	130,539,654	27,251,087	174,052,872	4,351,322
After the Securities Exchange	-	-	-	-	<b>382,539,656</b>	<b>65,051,087</b>	<b>2,502,052,872</b>	<b>62,551,322</b>
To be issued pursuant to conversion of EVD RCPS	-	-	-	-	(3) 625,513,218	62,551,322	-	-
To be issued upon full exercise of EVD Warrants	-	-	-	-	-	-	-	-
<b>Enlarged issued share capital</b>	-	-	-	-	<b>1,008,052,874</b>	<b>127,602,409</b>	-	-

#### Notes:-

1. After taking into account the adjustments for warrant reserve of RM4,316,511 arising from the Rights Issue.
2. After the issuance of 252,000,000 EVD Shares pursuant to the EVE Acquisition completed on 27 April 2022.
3. On the assumption that all EVD RCPS will be converted on Non-Cash Option basis.

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**Maximum Scenario**

	ICB			EVD				
	No. of shares	Total Value (RM)	No. of ICB RCPS	Total Value (RM)	No. of shares	Total Value (RM)	No. of EVD RCPS	Total Value (RM)
Issued share capital as at the LPD	43,513,218	22,864,954	-	-	<sup>(2)</sup> 252,000,002	37,800,000	2,328,000,000	58,200,000
To be issued pursuant to Rights Issue	87,026,436	<sup>(1)</sup> 4,386,133	174,052,872	4,351,322	-	-	-	-
To be issued pursuant to Securities Exchange	130,539,654	27,251,087	174,052,872	4,351,322	252,000,002	37,800,000	2,328,000,000	58,200,000
After the Securities Exchange	-	-	-	-	130,539,654	27,251,087	174,052,872	4,351,322
To be issued pursuant to conversion of EVD RCPS	-	-	-	-	<b>382,539,656</b>	<b>65,051,087</b>	<b>2,502,052,872</b>	<b>62,551,322</b>
To be issued upon full exercise of EVD Warrants	-	-	-	-	<sup>(3)</sup> 2,502,052,872	250,205,287	-	-
<b>Enlarged issued share capital</b>	-	-	-	-	87,026,436	<sup>(1)</sup> 13,019,155	-	-
	-	-	-	-	<b>2,971,618,964</b>	<b>328,275,529</b>	-	-

**Notes:-**

1. After taking into account the adjustments for warrant reserve of RM4,316,511 arising from the Rights Issue.
2. After the issuance of 252,000,000 EVD Shares pursuant to the EVE Acquisition completed on 27 April 2022.
3. On the assumption that all EVD RCPS will be converted on Cash Option basis.

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#### 8.4 NA and gearing

The pro forma effects of the Regularisation Plan on the consolidated gearing and NA per share of ICB and EVD based on the latest unaudited consolidated financial statements of ICB for the 6-month FPE 31 December 2021 are as follows:-

	←-----ICB-----→ ←-----EVD-----→					(V) After (IV) & conversion/ exercise of all EVD RCPS & EVD Warrants RM'000
	(I) Unaudited as at 31 December 2021 RM'000	(II) After (I) & Rights Issue RM'000	(III) After subsequent events and up to the LPD RM'000	(IV) After (III) & Securities Exchange RM'000	(V) Minimum Scenario After (IV) and conversion of all EVD RCPS RM'000	
Share capital	21,233	(1) 22,865	37,800	65,051	127,602	328,276
RCPS	-	4,351	58,200	62,551	-	-
Warrant reserve	-	(4) 4,317	-	4,317	-	-
Reserve	609	(2) -	-	-	-	-
(Accumulated losses)/Retained profit	(9,496)	(3) (9,860)	(53)	(53)	-	-
<b>Shareholders' equity/ NA</b>	<b>12,346</b>	<b>26,059</b>	<b>95,947</b>	<b>131,866</b>	<b>131,866</b>	<b>328,223</b>
No. of shares ('000)	(5) 271,962	(6) 43,513	(7) 252,000	(7) 382,540	(7) 1,008,053	(7) 2,971,619
NA per share (RM)	0.05	0.30	0.38	0.34	0.13	0.11
Borrowings (RM'000)	2,264	(2) -	20,113	(8) 20,113	20,113	20,113
Gearing (times)	0.18	-	0.21	0.15	0.15	0.06

#### Notes:-

- After adjusted for the issuance of 16,317,000 Placement Shares at the issue price of RM0.10 per Placement Shares pursuant to the Private Placement completed on 12 April 2022.
- After the disposal of all the existing assets, liabilities, businesses and Subject Companies pursuant to the MBO which completed on 27 April 2022.
- After adjusted for the following:-
  - deducted remaining estimated expenses accrued for the Regularisation Plan of RM0.662 million. Out of the total estimated expenses incidental to the Regularisation Plan of RM3.30 million, RM2.64 million has been expended as at end of FYE 30 June 2021, while the remaining portion is being accrued in other payable account.
  - adjusted for a gain on disposal of RM0.298 million pursuant to the MBO.
- After taking into account the adjustments for warrant reserve of RM4,316,511 arising from the Rights Issue.
- Being the number of Pre-Consolidation Shares.
- Being the number of ICB Shares.
- Being the number of EVD Shares.
- After including the borrowings of EY-Dynamic as at 31 December 2021 upon completion of the EY-Dynamic Acquisition.



## 8.5 Substantial shareholders' shareholdings

The pro forma effects of the Regularisation Plan on the substantial shareholders' shareholdings in ICB and EVD are as follows:-

Minimum Scenario	As at the LPD				(I)				(II)				(III)			
	Direct		Indirect		After Rights Issue		After Securities Exchange		After (II) and full conversion		Direct		Indirect			
	No. of ICB Shares	%	No. of ICB Shares	%	No. of ICB Shares	%	No. of EVD Shares	%	No. of EVD Shares	%	No. of EVD Shares	%	No. of EVD Shares	%		
<b>Substantial Shareholders</b>																
Daniel Boo Hui Siong	3,682	8.46	5,227	0.52	3,682	2.82	3,682	0.96	3,682	0.06	3,682	0.37	5,227	0.02		
Ching Seek Fui	227	0.52	6,3682	8.46	227	0.17	6,3682	2.82	227	0.06	6,3682	0.96	227	0.02		
Yau Ming Teck	3,917	9.00	-	-	28,143	21.56	-	-	28,143	7.36	-	-	40,257	3.99		
Yew Ah Chai	3,100	7.12	-	-	18,800	14.40	-	-	18,800	4.91	-	-	26,650	2.64		
Teoh Teng Guan	3,100	7.12	-	-	18,800	14.40	-	-	18,800	4.91	-	-	26,650	2.64		
Too Tian Jen	3,100	7.12	-	-	18,800	14.40	-	-	18,800	4.91	-	-	26,650	2.64		
David Tan Chao Hsiung	3,100	7.12	-	-	18,800	14.40	-	-	18,800	4.91	-	-	26,650	2.64		
Ir. Gan Wee Peng	-	-	-	-	-	-	-	-	7,113,500	29.67	8,000	2.09	383,250	38.02		
Mah Seong Huak	-	-	-	-	-	-	-	-	7,113,500	29.67	9,17,000	4.44	383,250	38.02		
VSB	-	-	-	-	-	-	-	-	17,000	4.44	-	-	41,500	4.12		
GVSBB	-	-	-	-	-	-	-	-	78,000	2.09	-	-	26,000	2.58		

### Notes:-

1. As a percentage of enlarged 43,513,218 ICB Shares after the Consolidation, the Private Placement and the MBO.
2. As a percentage of enlarged 130,539,654 ICB Shares after the Rights Issue.
3. As a percentage of enlarged 382,539,656 EVD Shares after the EYE Acquisition, the EV-Dynamic Acquisition and the Securities Exchange.
4. As a percentage of enlarged 1,008,052,874 EVD Shares under Minimum Scenario.
5. Deemed interested through the shareholding of his spouse, Ching Seek Fui's interest in our Company.
6. Deemed interested through the shareholding of her spouse, Daniel Boo Hui Siong's interest in our Company.
7. Allocated pursuant to the Authorisation Letter.
8. Deemed interested by virtue of his shareholding in GVSBB in accordance with Section 8(4)(c) of the Act.
9. Deemed interested by virtue of his shareholding in VSB in accordance with Section 8(4)(c) of the Act.

Maximum Scenario	← ICB →				← EVD →				← EVD →							
	As at the LPD				After Rights Issue				After Securities Exchange				After (II) and full conversion of EVD RCPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect		Direct		Indirect	
No. of ICB Shares	%	No. of ICB Shares	%	No. of ICB Shares	%	No. of ICB Shares	%	No. of EVD Shares	%	No. of EVD Shares	%	No. of EVD Shares	%	No. of EVD Shares	%	
<b>Substantial Shareholders</b>																
Daniel Boo Hui Siong	3,682	8.46	5,227	0.52	11,045	8.46	5,682	0.52	11,045	2.89	5,682	0.18	33,134	1.12	5,2,046	0.07
Ching Seek Fui	227	0.52	3,682	8.46	682	0.52	11,045	8.46	682	0.18	11,045	2.89	2,046	0.07	6,33,134	1.12
Yau Ming Teck	3,917	9.00	-	-	11,751	9.00	-	-	11,751	3.07	-	-	35,253	1.19	-	-
Yew Ah Chai	3,100	7.12	-	-	9,300	7.12	-	-	9,300	2.43	-	-	27,900	0.94	-	-
Teoh Teng Guan	3,100	7.12	-	-	9,300	7.12	-	-	9,300	2.43	-	-	27,900	0.94	-	-
Too Tian Jen	3,100	7.12	-	-	9,300	7.12	-	-	9,300	2.43	-	-	27,900	0.94	-	-
David Tan Chao Hsiung	3,100	7.12	-	-	9,300	7.12	-	-	9,300	2.43	-	-	27,900	0.94	-	-
Ir. Gan Wee Peng	-	-	-	-	-	-	-	-	7,113,500	29.67	8,800	2.09	1,192,500	40.13	80,000	2.69
Mah Seong Huak	-	-	-	-	-	-	-	-	7,113,500	29.67	17,000	4.44	1,192,500	40.13	115,000	3.87
VSB	-	-	-	-	-	-	-	-	7,170,000	4.44	-	-	115,000	3.87	-	-
GVSB	-	-	-	-	-	-	-	-	7,800,000	2.09	-	-	80,000	2.69	-	-

**Notes:-**

1. As a percentage of enlarged 43,513,218 ICB Shares after the Consolidation, the Private Placement and the MBO.
2. As a percentage of enlarged 130,539,654 ICB Shares after the Rights Issue.
3. As a percentage of enlarged 382,539,656 EVD Shares after the EYE Acquisition, the EY-Dynamic Acquisition and the Securities Exchange.
4. As a percentage of enlarged 2,971,618,964 EVD Shares under Maximum Scenario.
5. Deemed interested through the shareholding of his spouse, Ching Seek Fui's interest in our Company.
6. Deemed interested through the shareholding of her spouse, Daniel Boo Hui Siong's interest in our Company.
7. Allocated pursuant to the Authorisation Letter.
8. Deemed interested by virtue of his shareholding in GVSB in accordance with Section 8(4)(c) of the Act.
9. Deemed interested by virtue of his shareholding in VSB in accordance with Section 8(4)(c) of the Act.

## 8.6 Convertible securities

As at the LPD, our Company does not have any convertible securities.

Nevertheless, upon completion of the Regularisation Plan, EVD will have 2,502,052,872 EVD RCPS and 87,026,436 EVD Warrants.

## 8.7 Public shareholdings spread

Pursuant to Rule 8.02(1) of the Listing Requirements, a listed corporation must ensure that at least 25% of its total listed shares (excluding treasury shares) are held by public shareholders. Based on the public shareholding spread of ICB as at the LPD and on the assumption that only the Undertaking Shareholders will be subscribing for their entitlements and additional undertakings to the Rights Issue, the public shareholding spread of EVD upon completion of the Regularisation Plan will be approximately 26.77%, which is still above the requisite threshold of at least 25%.

	<b>Upon the completion of the Regularisation Plan</b>	
	<b>No. of EVD Shares</b>	<b>%</b>
Share capital	382,539,656	100.00
Less: Directors, substantial shareholders and associates	280,143,436	73.23
Less: Shareholders' shareholdings less than 100 shares	6,818	-
<b>Public shareholdings spread</b>	<b>102,389,402</b>	<b>26.77</b>

## 9.0 WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

As at the LPD, EVE and EV-Dynamic are the wholly-owned subsidiaries of EVD. Upon completion of the Regularisation Plan, EVD shall assume the listing status of ICB and will then become the holding company of ICB.

### 9.1 Working capital

The current working capital of the EVE Group and EV-Dynamic are funded through their existing cash and bank balances as well as credit facilities from financial institutions along with the funds generated from their operating activities. As at the LPD, the cash and balances of the subsidiaries of EVD Group and ICB (being a proposed subsidiary of EVD Group) are as follows:-

- (i) EVE Group has cash and short-term deposits of RM16.65 million, and a combined limit for general and project financing facility of RM23.0 million, of which RM9.05 million have yet to be utilised;
- (ii) EV-Dynamic has cash and short-term deposits of RM6.49 million, and a combined limit for general and project financing facility of RM104.96 million, of which RM54.22 million have yet to be utilised; and
- (iii) ICB has cash and bank balances of RM13.94 million, which includes unutilised proceeds of RM1.63 million from the Private Placement and RM11.96 million from the MBO.

After taking into consideration the abovementioned source of funds and the proceeds from the Rights Issue, EVD's Directors are of the opinion that EVD Group will have sufficient working capital for a period of twelve (12) months from the completion of the Regularisation Plan.

## 9.2 Borrowings

As at 31 March 2022, ICB does not have any borrowings whilst the EVE Group and EV-Dynamic have outstanding bank borrowings of RM16.80 million and RM6.40 million respectively as follows:-

			As at 31 March 2022			
			EVE Group		EV-Dynamic	
			Payable within 12 months RM'000	Payable after 12 months RM'000	Payable within 12 months RM'000	Payable after 12 months RM'000
Type of financial instruments	Tenure	Interest rates (per annum)				
Blanket contract financing line	Up to 90 days	Base Lending Rate (“BLR”) + 1.10%	13,843	-	4,032	-
General line	Up to 90 days	BLR + 1.10%	2,440	-	-	-
Lease liabilities	1 to 5 years	3.50% to 6.67%	275	239	1,473	897
<b>Total borrowings</b>			<b>16,558</b>	<b>239</b>	<b>5,505</b>	<b>897</b>

The board of Directors of EVE and EV-Dynamic confirmed that the EVE Group and EV-Dynamic have not defaulted on payments of either the principal sum and/or interest in relation to their borrowings during FYE 2021 and the subsequent financial period up to the LPD.

## 9.3 Material commitments and contingent liabilities

As at the LPD, EVD’s board of Directors is not aware of any material commitments and contingent liabilities incurred or known to be incurred by the proposed EVD Group which, upon becoming due and enforceable, may have a material and adverse impact on the financial results/position of EVD Group.

## 10.0 INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SECURITIES, EXCESS APPLICATION FOR THE RIGHTS SECURITIES AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.**

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS PRINTED THEREIN CAREFULLY, IN ACCORDANCE WITH SECTION 232(2) OF THE CMSA. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS.**

**ACCEPTANCE OF AND/OR PAYMENT FOR THE PROVISIONAL RIGHTS SECURITIES WHICH DO NOT CONFORM STRICTLY TO THE TERMS OF THIS ABRIDGED PROSPECTUS, THE RSF OR THE NOTES AND INSTRUCTIONS PRINTED THEREIN OR WHICH ARE ILLEGIBLE MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF THE BOARD.**

## 10.1 General

As an Entitled Holder, your CDS Account will be duly credited with the number of Provisional Rights Securities which you are entitled to subscribe for in full or in part under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such securities into your CDS Account and the RSF to enable you to subscribe for the Provisional Rights Securities provisionally allotted to you, as well as to apply for Excess Rights Securities if you choose to do so.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic copy of this Abridged Prospectus and the Rights Securities Entitlement File will be transmitted to you electronically by Bursa Depository through its existing network facility with the Authorised Nominees. Please refer to Sections 10.5 and 10.9 of this Abridged Prospectus for the procedures for acceptance as well as to apply for Excess Rights Securities, if you choose to do so.

This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

The outcome of the subscription of the Rights Issue shall be announced after the Closing Date.

## 10.2 NPA

The Provisional Rights Securities are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the Provisional Rights Securities will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/ or your renounee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

## 10.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the Provisional Rights Securities is at **5:00 p.m. on Friday, 10 June 2022**, or such extended date and time as our Board may decide at its absolute discretion. Where the Closing Date is extended from the original date, the announcement of such extension will be made not less than two (2) Market Days before the original Closing Date.

## 10.4 Methods of acceptance and application

You may subscribe for the Provisional Rights Securities as well as apply for Excess Rights Securities if you chose to do so, using either of the following methods:-

<b>Method</b>	<b>Category of Entitled Holders</b>
RSF	All Entitled Holders
Electronic Application <sup>(1)</sup>	All Entitled Holders
NRS	Authorised Nominee who has subscribed for NRS
Bursa Anywhere <sup>(2)</sup>	All Entitled Holders who has registered for Bursa Anywhere

### Notes:-

(1) *The following surcharge per Electronic Application via ATM will be charged by the Participating Financial Institutions:-*

- *Public Bank Berhad – RM4.00; and*
- *Affin Bank Berhad – RM4.00*

*The following processing fee per Electronic Application via internet financial services website will be charged by the respective Participating Financial Institutions:-*

- *Public Bank Berhad (<http://www.pbebank.com>) – RM4.00; and*
- *Affin Bank Berhad (<https://www.affinbank.com.my>) – RM4.00.*

(2) *A processing fee of RM2.00 per Electronic Application via Bursa Anywhere will be charged.*

## 10.5 Procedures for acceptance and payment

### 10.5.1 By way of RSF

Acceptance and payment for the Provisional Rights Securities to you as an Entitled Holder and/or your renouncee(s)/transferee(s) (if applicable) must be made on the RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not strictly conform to the terms of this Abridged Prospectus, NPA or RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

**FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SECURITIES, EXCESS APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL OR TRANSFER ALL OR ANY PART OF YOUR/THEIR ENTITLEMENT, ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.**

**YOU AND/OR YOUR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.**

You or your renounees (if applicable) wish to accept either in full or in part of your entitlement to the Provisional Rights Securities, please complete Part I(A) and Part II of the RSF in accordance with the notes and instructions provided therein. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST, COURIER or DELIVERED BY HAND** using the envelope provided (at your own risk) to the Share Registrar at the following address:-

**Securities Services (Holdings) Sdn. Bhd.**

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

Tel No: +603 2084 9000  
Fax No: +603 2094 9940

so as to arrive not later than **5:00 p.m. on Friday, 10 June 2022**, being the Closing Date.

If you and/or your renounee(s)/transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/or your renounee(s)/transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our registered office or the website of Bursa Securities (<https://www.bursamalaysia.com>).

One (1) RSF can only be used for acceptance of the Provisional Rights Securities standing to the credit of one (1) CDS Account. Separate RSF must be used for the acceptance of the Provisional Rights Securities standing to the credit of more than one (1) CDS Account. If successful, Rights Securities subscribed by you or your renounee(s)/transferee(s) (if applicable) will be credited into the respective CDS Accounts as stated in the completed RSF(s).

A reply envelope is enclosed in this Abridged Prospectus. In order to facilitate the processing of the RSF by our Share Registrar, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renounee(s)/transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares with ICB Warrants and ICB RCPS will comprise 100 ICB Shares and 100 ICB Warrants as well as 100 ICB RCPS respectively. The minimum number of securities that can be subscribed for or accepted is one (1) Rights Share together with one (1) ICB Warrant and/or (1) ICB RCPS. Fractional entitlements arising from the Rights Issue will be disregarded and shall be dealt with in such manner as our Board shall in its absolute discretion deem fit, expedient and in the best interests of our Company.

If acceptance and payment for the Provisional Rights Securities from you and/or your renouncee(s)/transferee(s) (if applicable) is not received by our Share Registrar by **5:00 p.m. on Friday, 10 June 2022**, being the Closing Date, you and/or your renouncee(s)/transferee(s) (if applicable) will be deemed to have declined the Provisional Rights Securities made to you and/or your renouncee(s)/transferee(s) (if applicable) and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by the Share Registrar.

In the event that the Rights Securities are not fully taken up by such applicants, our Board will then have the right to allot such Rights Securities to the applicants who have applied for Excess Rights Securities in the manner as set out in Section 10.9 of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in part only without providing any reasons.

**EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SECURITIES ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "ACCOUNT PAYEE ONLY" AND MADE PAYABLE TO "ICB RIGHTS SHARES ACCOUNT" AND/OR "ICB RIGHTS RCPS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS TOGETHER WITH YOUR CONTACT NUMBER, YOUR ADDRESS AND YOUR CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE CLOSING DATE.**

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF. CHEQUE OR OTHER MODE(S) OF PAYMENT NOT PRESCRIBED HEREIN ARE NOT ACCEPTABLE.**

**NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES IN RESPECT OF THE RIGHTS ISSUE WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED WITH THEIR RIGHTS SECURITIES, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE CLOSING DATE.**

**APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.**

**APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**WHERE AN APPLICATION IS NOT ACCEPTED OR ACCEPTED ONLY IN PART, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE CREDITED INTO YOUR BANK ACCOUNT REGISTERED WITH BURSA DEPOSITORY OR BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO THE APPLICANTS WITHIN FIFTEEN (15) MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT THE APPLICANTS' OWN RISK.**

**ALL RIGHTS SECURITIES TO BE ISSUED PURSUANT TO THE RIGHT ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SECURITIES INTO THE CDS ACCOUNTS OF THE SUCCESSFUL APPLICANTS. NO PHYSICAL SHARE CERTIFICATES WARRANT CERTIFICATES AND/OR RCPS CERTIFICATES WILL BE ISSUED.**

## 10.5.2 By way of Electronic Application

Only Malaysian individuals who are Entitled Holders may apply for the Rights Issue by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs and internet financial services website of the Participating Financial Institutions before making an Electronic Application.

The procedures for Electronic Applications at the ATMs and internet financial services website of the Participating Financial Institutions are set out on the ATM screens and internet financial services website of the relevant Participating Financial Institutions (“**Steps**”). For illustration purposes, the procedures for Electronic Applications are set out below. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions of Electronic Applications set out in Section 10.5.2(ii) of this Abridged Prospectus before making an Electronic Application:

You must have an account with a Participating Financial Institution and an ATM card issued by a Participating Financial Institution or with access to internet financial services with **Public Bank Berhad** at <http://www.pbekbank.com> or **Affin Bank Berhad** at <https://www.affinbank.com.my>.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

You shall apply for the Rights Securities via the ATM or internet financial services website of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in Section 10.5.2(ii) of this Abridged Prospectus.

Upon the completion of your Electronic Application transaction via ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

For application via internet financial services website, a message from the Participating Financial Institutions pertaining to the payment status will appear on the screen of the website through which the online payment for the Provisional Rights Securities is being made. Subsequently, the Participating Financial Institutions shall confirm that the said application has been completed, via the confirmation screen in respect of your application (“**Confirmation Screen**”) on their website. You are advised to print out the Confirmation Screen for your reference and record.

**YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.**

### (i) Participating Financial Institutions

Electronic Applications may be made through an ATM or internet financial services websites of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad; and
- Affin Bank Berhad



**(ii) Terms and Conditions of Electronic Applications**

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing therein:

- (a) You are required to confirm the following statements and undertake that the following information given are true to contract:
  - (aa) You have attained 18 years of age as at the Closing Date;
  - (bb) You have read the Abridged Prospectus and understood and agreed with the terms and conditions of the application; and
  - (cc) You give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refunds, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you complete all the steps required by the Participating Financial Institutions. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Provisional Rights Securities as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the ATM or screen of financial services websites of the Participating Financial Institutions through which the Electronic Application is being made, will be rejected.
- (d) You agree and undertake to subscribe for or purchase and to accept the number of Provisional Rights Securities applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons)) of the number of Provisional Rights Securities applied for shall signify, and shall be treated as, your acceptance of the number of Provisional Rights Securities that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

- (e) By making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Provisional Rights Securities allotted to you into your CDS Account.
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and you irrevocably agree that if:

- (aa) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
- (bb) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the Provisional Rights Securities applied for or for any compensation, loss or damage relating to the application for the Provisional Rights Securities.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, make our Share Registrar, the relevant Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
  - (aa) In consideration of our Company agreeing to allow and accept your application for the Provisional Rights Securities via the Electronic Application facility established by the Participating Financial Institutions at their perspective ATMs and financial services websites, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
  - (bb) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or any cause beyond our control;
  - (cc) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Provisional Rights Securities for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Rights Securities; and
  - (dd) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these terms/instructions.
- (k) Notification on the outcome of your application for the Rights Securities will be despatched to you by ordinary post to the correspondence address as show on Bursa Depository's record at your own risk within the timelines as follows:

- (aa) Successful application – a notice of allotment will be despatched within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
- (bb) Unsuccessful/ partial successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note if the terms and conditions as stated in Section 10.5.2(ii) of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

### 10.5.3 By way of Bursa Anywhere

Only Entitled Holders who had registered for Bursa Anywhere and subscribed for e-Dividend service could apply for the Rights Issue by way of Bursa Anywhere.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, notices, terms and conditions for Bursa Anywhere before making an application.

The procedures for submitting an application at Bursa Anywhere are set out on the Bursa Anywhere mobile application screens. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions as set out in Section 10.5.3(ii) of this Abridged Prospectus before making an application.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

Upon completion of your application transaction via Bursa Anywhere, you will receive a push notification from Bursa Anywhere and a message in your Bursa Anywhere account inbox on the request of your Rights Securities subscription. The notification message is only a record of the completed transaction at Bursa Anywhere.

#### (i) Procedures for submitting an application through Bursa Anywhere:

- (a) Launch the Bursa Anywhere application on your handphone and login using your username and password.
- (b) Upon successful login, choose the "My Services" at the bottom of the screen and then select "eRights".
- (c) Next, select "Submit Application", and you will see a screen that informs you to agree with the Terms & Conditions and Notices that governs your Rights Securities application via Bursa Anywhere.
- (d) Click on the hyperlink of Terms & Conditions and Notices. You must read and understand the Terms & Conditions and Notices before you click "Agree" to proceed to the next page.
- (e) Click "Agree" to proceed to a landing page for you to select the Rights Securities that you would like to subscribe to.
- (f) Select the Rights Issue that you want to apply.

- (g) You may click on the hyperlink of the “Prospectus” to view the content of the related Abridged Prospectus.
- (h) You are also required to click on the hyperlink to the “Declaration”. Read and understand the clauses of the “Declarations”.
- (i) Upon the completion of the above, at the bottom of the Rights Issue detail page you are required to swipe the toggle to the right to indicate that you have read and understood the Abridged Prospectus as well as accepted and made the declarations stated in the “Declaration”.
- (j) Next, select the CDS account for your Rights Securities subscription and click “NEXT”.
- (k) You will come to a page for you to fill up for entitled and excess Rights Securities subscription. You have the options to select either “Entitle only”, “Excess only” and “Entitled & Excess” for your Right Securities subscription.
- (l) Select the subscription type, enter the number of units that you would like to subscribe. Click “NEXT” once you complete the required information.
- (m) You will come to a “Preview” page, where it displays the following information of your subscription.
- units and Ringgit amount of your Rights Securities subscriptions
  - Subscription Fee (charged by Bursa Malaysia)
  - Tax, if applicable
  - Stamp duty, if applicable
- (n) Check the summary information on the “Preview” page. Click “CONFIRM” at the bottom of the same page, if the information is correct.
- (o) Next, you will receive a six-digit SMS TAC verification code via your mobile phone (the mobile number that you registered with Bursa Anywhere).
- (p) You are required to key-in and submit the verification code.
- (q) Upon successful validation of the verification code, you will be led to the Payment Gateway for payment.
- (r) You are required to select the bank for your Rights Securities subscription payment. **(IMPORTANT NOTE: You are required to use the bank account that you have registered for Bursa Depository’s e-Dividend service. Your subscription will be rejected if another bank account is used for payment. You will be notified if your subscription is rejected. Your subscription monies will be refunded within 3 working days, to your subscription bank account that you have just subscribed.)**
- (s) You will be brought to your selected bank login page for payment.
- (t) Once payment is made successfully via your selected bank, you will be brought to the “Thank You” page, which displays your bank transaction details.
- (u) Click “DONE” at the bottom, you will be led back to the My Service landing page.
- (v) You will receive a push notification message in your Bursa Anywhere account inbox.

**(ii) Terms and Conditions of Applications via Bursa Anywhere**

- (a) The electronic copy of the Abridged Prospectus is available at the “Prospectus” landing page of “Corporate Announcement” at Bursa Securities’ website and can be accessed via the hyperlink in Bursa Anywhere. You have read the Abridged Prospectus prior to making an investment decision and should make the investment decision based on the Abridged Prospectus rather than on advertising or promotional materials. The securities offered are offered by our Company solely on the basis of the information contained in the Abridged Prospectus.
- (b) Our Company has appointed Bursa Depository to provide eRights Services via Bursa Anywhere. Bursa Depository is not responsible for, has not authorised and shall not be deemed to have authorised the contents of the electronic copy of Abridged Prospectus and therefore, shall not have any liability in respect of the electronic copy of Abridged Prospectus or the application submitted by way of Bursa Anywhere.
- (c) The physical printed copy of the Abridged Prospectus is available upon request from our Company at the location specified in the Abridged Prospectus during the offer period.
- (d) You may also obtain a physical printed copy of the Abridged Prospectus from the participating organisation(s) set out in the respective Abridged Prospectus.
- (e) Payment of subscription to the Rights Issue via Bursa Anywhere is required to be made from your e-Dividend bank account. Failing which, the request of the eRights application will be rejected,
- (f) By submitting an eRights application from Bursa Anywhere, then you confirm that:
- You have read and understood the contents of the Abridged Prospectus;
  - You have read and agreed to be bound by these terms and conditions and notices for application of Rights Issue and the terms and conditions of Bursa Anywhere;
  - You are eligible to apply for the Right Securities in Malaysia or in jurisdictions where the securities offering is intended to be available;
  - You irrevocably consent to the receipt of any cash payment or refund in relation to the eRights application to be made via direct credit into the eDividend bank account; and
  - You agree to give irrevocable consent to Bursa Depository to disclose your information, including bank account information, which are necessary or expedient to the relevant entities involved in facilitating the payment of any cash payments or refunds via direct credit into eDividend bank account in relation to the application.
- (g) Applications shall close at the Closing Date or such later date and time as our Board may decide and announce.
- (h) An application is deemed to be received by Bursa Anywhere only upon its completion, that is, when you have:
- Successfully made full subscription payment via the payment gateway; and
  - Received an email indicating that the application has been submitted to our Company and/or the Share Registrar.

- (i) You are advised to print out and retain a copy of the Transaction Records for record purposes. The Transaction Records are only a record of the completed transactions received at Bursa Anywhere and not a record of the receipt of the application or any data relating to such as application by the Issuer or the Share Registrar. No application or monies can be accepted electronically in respect of the securities offered once the offer closes on the Closing Date.
- (j) Upon your receipt of the Transaction Record, cancellation of the application will not be allowed.
- (k) Bursa Depository shall not be liable for any applications made through any alternative methods of application.
- (l) If Bursa Depository has any reason to believe that the electronic copy of the Abridged Prospectus or processes for collection and handling of applications via Bursa Anywhere have been tampered with, Bursa Depository may reject the application and Bursa Depository shall not be liable for such rejection.
- (m) No securities will be allotted or issued on the basis of the Abridged Prospectus after the Closing Date. Bursa Depository, Bursa Securities and Bursa Malaysia Berhad do not guarantee any allotment of securities as a result of the application via Bursa Anywhere and are not responsible for any non-allotment of Rights Securities or part thereof by our Company pursuant to the application via Bursa Anywhere.
- (n) Any request for any refunds related to the allotment of Rights Securities must be referred to our Company.
- (o) No refund for any subscription fee charged by Bursa Depository and applicable tax (if any), will be made to you if your subscription is rejected by the Share Registrar.
- (p) The electronic copy of Abridged Prospectus made available on the Bursa Securities' website after the Closing Date as described in the terms and conditions is made available solely for informational and archiving purposes.
- (q) Risk of submitting the application from Bursa Anywhere:
  - (aa) By submitting an application from Bursa Anywhere, you agree to assume the risks associated with conducting transactions online, including risks of electrical, electronic, technical and mobile-related faults and breakdowns, faults with mobile applications, problems occurring during data transmission, mobile security threats such as viruses, hackers and crackers, fires, acts of God and other events beyond the control of Bursa Depository, and/or our Company. You acknowledge that the aforementioned events may result in (i) interruption, transmission blackout or delayed transmission; and/or (ii) incorrect data transmission due to the public nature of the Internet and agrees to bear such risks.

The applicant agrees that neither Bursa Depository, Bursa Securities, Bursa Malaysia Berhad, our Company nor the Share Registrar shall be liable for any delay, failure or inaccuracy in the recording, storage or transmission or delivery of data, breakdown or failure in communication facilities or due to any cause beyond their control.
  - (bb) If, Bursa Depository, our Company and/or the Share Registrar does not receive your application and/or the relevant payment, or in the event that any data relating to the application is lost, corrupted, destroyed or otherwise not accessible, whether wholly or partially and for any reason whatsoever, you shall be deemed not to have made an application. In such an event, you shall have no claim whatsoever against Bursa Depository and/or Bursa Securities and/or Company and/or the Share Registrar, in relation to the purported application.

- (r) Instead of submitting an application via Bursa Anywhere, you may alternatively submit applications through the existing manual paper-based application method as well as other means of application specified in the Abridged Prospectus, such as via ATM or internet facilities of financial institutions offering such services within Malaysia and such other methods as may from time to time be permitted by the SC.
- (s) In the event a supplementary Abridged Prospectus is issued, you are entitled to revise or withdraw your application by contacting the Share Registrar directly. Bursa Depository or Bursa Anywhere will not be able to facilitate any revision or withdrawal of the application in such circumstances.
- (t) Bursa Depository is committed to protecting the security of the applicant's personal information. It uses a variety of security technologies and procedures, to help protect the confidentiality and security of an applicant's personal information provided through Bursa Anywhere, from unauthorised access, use, or disclosure. In addition, Bursa Depository has put in place appropriate measures to minimise the risks of unauthorised access and to maintain the security of the information it collects through Bursa Anywhere.

#### 10.5.4 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only the Entitled Holders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and user guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application

##### (i) Steps for application via NRS

- (a) If you are an Entitled Holder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.
- (b) Instead, this Abridged Prospectus and the Rights Securities Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's user guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the Abridged Prospectus and the Rights Securities Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issue.
- (f) To apply for the Provisional Rights Securities, you will be required to submit your subscription information via Rights Securities Subscription File which is to be prepared based on the format as set out in Bursa Depository's user guide for NRS.
- (g) Once completed, you will need to submit the Rights Securities Subscription File to Bursa Depository at any time daily before 5:00 p.m., but in any event no later than the Closing Date.

- (h) Together with the Rights Securities Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
- (aa) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed;
- (bb) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Provisional Rights Securities which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:
- Bank : **United Overseas Bank (Malaysia) Bhd**  
 Account Name : **ICB RIGHTS SHARES ACCOUNT**  
 Bank Account No. : **2603068507**
- Bank : **United Overseas Bank (Malaysia) Bhd**  
 Account Name : **ICB RIGHTS RCPS ACCOUNT**  
 Bank Account No. : **2603068523**
- (j) Upon completion of the transfer/payment, you may receive a transaction slip from the transacting financial institution confirming the details of your transfer/payment. The transaction slip is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The transaction slip is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Rights Securities electronically within the timelines as stated below. No physical notice of allotment will be mailed to you.
- (aa) Successful application – an electronic notification will be sent to you within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
- (bb) Unsuccessful/partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.
- The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in this Abridged Prospectus and the required consent in making the application via NRS.
- If the crediting of the refund into your bank account(s) (as provided by you in the Rights Securities Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown in Bursa Depository's record at your own risk.
- (l) Upon crediting of the Rights Securities allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Rights Securities submitted under NRS will be irrevocable upon submission of the Rights Securities Subscription File to Bursa Depository and cannot be subsequently withdrawn.



**(ii) Terms and Conditions for applications via NRS**

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's user guide for NRS as well as the terms and conditions appearing herein:

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments. You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.
- (b) You agree and undertake to subscribe for or purchase and to accept the number of Rights Securities applied for as stated on your Rights Securities Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as, your acceptance of the number of Rights Securities that may be allotted to you.
- (c) You acknowledge that by completing and submitting the Rights Securities Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Rights Securities allotted to you into the respective CDS Account(s) as indicated in the Rights Securities Subscription File.
- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
  - (aa) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
  - (bb) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Rights Securities applied for or for any compensation, loss or damage relating to the application for the Rights Securities.
- (e) By completing and submitting the Rights Securities Subscription File to Bursa Depository, you agree that:
  - (aa) In consideration of our Company agreeing to allow and accept your application for the Rights Securities via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
  - (bb) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;

- (cc) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Rights Securities issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Rights Securities; and
- (dd) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

#### **10.6 Procedures for part acceptance**

If you do not wish to accept the Rights Securities provisionally allotted to you in full, you are entitled to accept part of your entitlements that can be subscribed/applied for. The minimum number of Rights Securities that may be subscribed for or accepted is one (1) Rights Share and one (1) ICB RCPS. However, the ICB Warrants will be issued in proportion of 1 ICB Warrant for every 1 Rights Share subscribed. Fractions of a Rights Shares, ICB Warrants and/or ICB RCPS arising from the Rights Issue will be disregarded and the aggregate of such fractions shall be dealt with as our Board may at its absolute discretion deem fit and expedient and in the best interests of our Company.

You must complete Parts I(A) and II of the RSF by specifying the number of Rights Securities which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar, in the same manner as set out in Section 10.5.1 of this Abridged Prospectus.

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF.**

#### **10.7 Procedures for sale or transfer of Provisional Rights Securities**

As the Provisional Rights Securities are prescribed securities, should you wish to sell/transfer all or part of your entitlement to the Provisional Rights Securities to one (1) or more person(s), you may do so through your stockbroker during the period up to the last date and time for sale of transfer of the Provisional Rights Securities (in accordance with the Rules of Bursa Depository) without first having to request for a split of the Provisional Rights Securities standing to the credit of your CDS Account.

To sell/transfer of all or part of your entitlement to the Provisional Rights Securities, you may sell such entitlement in the open market or transfer to such persons as may be allowed under the Rules of Bursa Depository during the period up to the last date and time for sale of transfer of the Provisional Rights Securities (in accordance with the Rules of Bursa Depository).

**YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED IN THE RSF. IN SELLING/TRANSFERRING ALL OR PART OF YOUR PROVISIONAL RIGHTS SECURITIES, YOU ARE NOT REQUIRED TO DELIVER ANY DOCUMENT TO YOUR STOCKBROKER. HOWEVER, YOU MUST ENSURE THAT YOU HAVE SUFFICIENT NUMBER OF PROVISIONAL RIGHTS SECURITIES STANDING TO THE CREDIT OF YOUR CDS ACCOUNTS BEFORE SELLING OR TRANSFERRING.**

Purchasers of the Provisional Rights Securities may obtain a copy of this Abridged Prospectus and the RSF from their stockbrokers or from our Share Registrar, or at our Registered Office. This Abridged Prospectus and RSF are also available on Bursa Securities' website (<http://www.bursamalaysia.com>).

## 10.8 Procedures for acceptance by renounee(s)/transferee(s)

Renounee(s)/transferee(s) who wish to accept the Provisional Rights Securities must obtain a copy of the RSF from their stockbrokers, our Share Registrar, or at our Registered Office or from the Bursa Securities' website (<http://www.bursamalaysia.com>) and complete the RSF, submit the same together with the remittance to our Share Registrar at the abovementioned address in accordance with the notes and instructions printed therein.

The procedures for acceptance and payment applicable to the Entitled Holders as set out in Section 10.5 of this Abridged Prospectus also applies to renounee(s)/transferee(s) who wish to accept the Provisional Rights Securities.

**RENOUNEE(S)/TRANSFEREE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF CAREFULLY.**

## 10.9 Procedures for Excess Rights Securities application

### (i) By way of RSF

As an Entitled Holder, you and/ your renounee(s)/transferee(s) (if applicable) may apply for Excess Rights Securities in addition to the Provisional Rights Securities by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance made in RM** for the full amount payable in respect of the Excess Rights Securities applied for) to our Share Registrar at the address set out above, not later than **Friday, 10 June 2022 at 5:00 p.m.**, being the Closing Date.

**PAYMENT FOR THE EXCESS RIGHTS SECURITIES APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS SET OUT IN SECTION 10.5 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "ICB EXCESS RIGHTS SHARES ACCOUNT" OR "ICB EXCESS RIGHTS RCPS ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS TO BE RECEIVED BY OUR SHARE REGISTRAR, NOT LATER THAN THE CLOSING DATE. THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SECURITIES APPLIED FOR, ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.**

### (ii) By way of Electronic Application

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Securities in excess of your entitlement via Electronic Application in addition to your Provisional Rights Securities. If you wish to do so, you may apply for the Excess Rights Securities by following the same steps as set out in Section 10.5.2 of this Abridged Prospectus.

The Electronic Application for Excess Rights Securities will be made on, subject to, the same terms and conditions appearing in Section 10.5.2 of this Abridged Prospectus.

### (iii) By way of Bursa Anywhere

You and/or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Securities in excess of your entitlement via Bursa Anywhere in addition to your Provisional Rights Securities. If you wish to do so, you may apply for the Excess Rights Securities by following the same steps as set out in Section 10.5.3 of this Abridged Prospectus.

The application for Excess Rights Securities via Bursa Anywhere will be made on, subject to, the same terms and conditions appearing in Section 10.5.3 of this Abridged Prospectus.

**(iv) By way of NRS**

You and/ or your renounee(s)/transferee(s) (if applicable) may apply for the Excess Rights Securities in excess of your entitlement via NRS in addition to your Provisional Rights Securities. If you wish to do so, you may apply for the Excess Rights Securities by following the same steps as set out in Section 10.5.4 of this Abridged Prospectus save and except that the amount payable to be directed to "ICB EXCESS RIGHTS SHARES ACCOUNT" (BANK ACCOUNT NO. 2603068515 WITH UNITED OVERSEAS BANK (MALAYSIA) BHD) and/or "ICB EXCESS RIGHTS RCPS ACCOUNT" (BANK ACCOUNT NO. 2063068531 WITH UNITED OVERSEAS BANK (MALAYSIA) BHD) for the Excess Rights Securities applied and also that you should complete the details for Excess Rights Securities application at the designated fields for excess applications in the Rights Securities Subscription File.

The application for Excess Rights Securities via NRS will be made on, subject to, the same terms and conditions appearing in Section 10.5.4 of this Abridged Prospectus.

It is the intention of our Board to allot the Excess Rights Securities, if any, on a fair and equitable basis in the following priority:

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to Entitled Holders who have applied for Excess Rights Securities, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in ICB as at the Entitlement Date;
- (c) thirdly, for allocation to Entitled Holders who have applied for Excess Rights Securities, on a pro-rata basis and in board lots, calculated based on the quantum Excess Rights Securities applied for; and
- (d) finally, for allocation to renounee(s)/transferee(s) who have applied for Excess Rights Securities, on a pro-rata basis and in board lots, calculated based on the quantum of Excess Rights Securities applied for.

In the event of any balance of Excess Rights Securities after steps (a) to (d) are carried out, steps (b) to (d) will be repeated in the same sequence again to allocate the balance Excess Rights Securities until each balance is exhausted.

Nevertheless, our Board reserves the right to allot any Excess Rights Securities applied for under Part 1 (b) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the priority set out in (a) to (d) are achieved. Our Board also reserves the right at its absolute discretion not to accept any application for Excess Rights Securities, in full or in part, without assigning any reason thereof.

**APPLICATIONS ACCOMPANIED BY PAYMENT OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.**

**NO ACKNOWLEDGEMENT WILL BE ISSUED FOR THE RECEIPT OF THE EXCESS RIGHTS SECURITIES APPLICATION OR APPLICATION MONIES IN RESPECT THEREOF. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO YOU AT YOUR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.**

**EXCESS RIGHTS SECURITIES APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY APPLICATION OR TO ACCEPT ANY APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.**

**YOU SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.**

**IN RESPECT OF UNSUCCESSFUL OR PARTIALLY SUCCESSFUL EXCESS RIGHTS SECURITIES APPLICATIONS, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST. THE REFUND WILL BE MADE BY ISSUANCE OF CHEQUE AND SHALL BE DESPATCHED TO YOU WITHIN 15 MARKET DAYS FROM THE CLOSING DATE BY ORDINARY POST TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK.**

#### **10.10 Notice of allotment**

Within 5 Market Days after the Closing Date, our Company will make the relevant announcements in relation to the subscription rate of the Rights Issue.

Upon allotment of the Rights Securities in respect of your acceptance and/or your renounee(s)/transferee(s) acceptance (if applicable) and Excess Rights Securities application (if any), the Rights Securities shall be credited directly into the respective CDS Account where the Provisional Rights Securities were credited. No physical certificates will be issued in respect of the Rights Securities. However, a notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities, to the address last shown on the Record of Depositors at your own risk.

Where any application for the Rights Securities is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you. The refund will be by issuance of cheque and will be despatched to you within 15 Market Days from the Closing Date by ordinary post to the address last shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof, once lodged with the Share Registrar for the Rights Securities, cannot be withdrawn subsequently.

#### **10.11 Form of issuance**

Bursa Securities has already prescribed our Rights Shares, ICB Warrants and ICB Warrants to be listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Securities are prescribed securities and as such, the SICDA and the rules of Bursa Depository shall apply in respect of the dealings in the said securities.

Failure to comply with the specific instructions or inaccuracy in the CDS Account number may result in the application being rejected.

No physical share, warrant or RCPS certificates will be issued to you under the Rights Securities. Instead, the Rights Securities will be credited directly into your CDS Accounts. The notices of allotment will be issued and forwarded to you by ordinary post at your own risk to the address shown in the Record of Depositors within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

A notice of allotment will be despatched to you and/or your renounee(s)/transferee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's user guide for NRS.

Where the Rights Securities are provisionally allotted to the Entitled Holders in respect of their existing ICB Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Holders of the Provisional Rights Securities shall mean that they consent to receive such Provisional Rights Securities as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who intends to subscribe for the Rights Securities as a renounee by purchasing the Provisional Rights Securities from an Entitled Holder will have his Rights Securities credited directly as prescribed securities into his CDS Account.

The Excess Rights Securities, if allotted to the successful applicant who applies for Excess Rights Securities, will be credited directly as prescribed securities into his CDS Account.

## 10.12 Laws of foreign jurisdictions

This Abridged Prospectus, the NPA and the RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Rights Securities will not be made or offered in any foreign jurisdiction.

Foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Securities only to the extent that it would be lawful to do so.

KAF IB, our Company, our Board and officers and other experts would not, in connection with the Rights Securities, be in breach of the laws of any jurisdiction to which that foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) are or may be subject to. Foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. KAF IB, our Company, our Board and officers and other experts shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

Accordingly, this Abridged Prospectus together with the accompanying documents will not be sent to the foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) may collect the Abridged Prospectus including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the aforesaid documents.

The foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against KAF IB or us in respect of their rights and entitlements under the Rights Securities. Such foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Securities.

By signing any of the forms accompanying this Abridged Prospectus, the NPA, and the RSF, the foreign Entitled Holders and/or the renounee(s)/transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) KAF IB, our Company and our Board and officers and other experts that:-

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Securities, be in breach of the laws of any jurisdiction to which that foreign Entitled Holders and/or the renouncee(s)/transferee(s) (if applicable) are or may be subject to;
- (ii) they have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation;
- (iii) they are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) they are aware that the Rights Securities can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) they have respectively received a copy of this Abridged Prospectus and have had access to such financial and other information and have been afforded the opportunity to pose such questions to the representatives of our Company and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Securities; and
- (vi) they have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Securities, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Securities.

Persons receiving this Abridged Prospectus, NPA and RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this Abridged Prospectus, NPA and RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this Abridged Prospectus, NPA and RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Securities from any such application by foreign Entitled Holders and/or the renouncee(s)/transferee(s) (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in its absolute discretion, to treat any acceptance of the Rights Securities as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

## 11.0 TERMS AND CONDITIONS

The issuance of the Rights Securities pursuant to the Rights Issue is governed by the terms and conditions as set out in this Abridged Prospectus, Deed Poll, Constitution, the NPA and the RSF.

## 12.0 FURTHER INFORMATION

You are advised to refer to the attached appendices for further information.

Yours faithfully,  
For and on behalf of our Board of Directors of  
**IDIMENSION CONSOLIDATED BHD.**



**PANG LEE FUNG**  
Executive Director

**BACKGROUND INFORMATION OF ICB****1. PRINCIPAL ACTIVITIES**

ICB is currently dormant following the completion of the MBO and it does not have any subsidiary/associated company.

**2. SHARE CAPITAL**

As at the LPD, ICB has an issued share capital of RM22,864,954, comprising 43,513,218 ICB Shares.

**3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

Please refer to Section 8.5 of this Abridged Prospectus for information on the substantial shareholders' shareholdings prior to and after the Rights Issue.

**4. OPTIONS TO SUBSCRIBE FOR SHARES**

As at the LPD, there is no option available to subscribe.

**5. BOARD OF DIRECTORS**

The particulars of the Directors of ICB as at 5 May 2022 are set out below:-

<b>Name</b>	<b>Address</b>	<b>Age</b>	<b>Nationality</b>	<b>Designation</b>
Ir. Hon Hin See	38, Jalan SS 22A/3 Damansara Jaya 47400 Petaling Jaya Selangor	63	Malaysian	Independent Non-Executive Chairman
Pang Lee Fung	No.288, Jalan Perak 3 Taman Bersatu 81000 Kulai Johor	49	Malaysian	Executive Director
Eric Lim Kheng Joo	162, Lorong Maarof Bangsar 59000 Kuala Lumpur Wilayah Persekutuan	55	Malaysian	Independent Non-Executive Director

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**BACKGROUND INFORMATION OF ICB (CONT'D)****Directors' shareholdings**

As at 5 May 2022, save as disclosed below, none of the Directors have any direct and/or indirect shareholdings in our Company. The pro forma effects of the Rights Issue on our Directors' shareholdings prior to and after the Rights Issue are as follows:-

	As at the LPD				Minimum Scenario After Rights Issue				Maximum Scenario After Rights Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ir. Hon Hin See	-	-	-	-	-	-	-	-	-	-	-	-
Pang Lee Fung	133,306	0.31	-	-	133,306	0.10	-	-	399,918	0.31	-	-
Eric Lim Kheng Joo	-	-	-	-	-	-	-	-	-	-	-	-

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**BACKGROUND INFORMATION OF ICB (CONT'D)****6. HISTORICAL SHARE PRICE**

The monthly highest and lowest prices of ICB Shares as traded on Bursa Securities for the past twelve (12) months from May 2021 to April 2022 are as follows:-

	<b>Highest (RM)</b>	<b>Lowest (RM)</b>
<b><u>2021</u></b>		
May	0.075	0.065
June	0.075	0.060
July	0.080	0.065
August	0.100	0.075
September	0.145	0.095
October	0.140	0.105
November	0.145	0.125
December	0.145	0.130
<b><u>2022</u></b>		
January	0.135	0.095
February	0.115	0.090
March	0.990	0.080
April	1.020	0.875
Last transacted market price on 19 May 2020 <i>(being the latest Market Day preceding the announcement of the Initial Regularisation Plan)</i>		0.025
Last transacted market price on 20 May 2022 <i>(being the latest Market Day prior to the ex-date of the Rights Issue)</i>		0.895
Last transacted market price on the LPD <i>(Source: Bloomberg)</i>		1.00

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**BACKGROUND INFORMATION OF ICB (CONT'D)****7. HISTORICAL FINANCIAL INFORMATION****7.1 Historical financial performance**

	<-----Audited----->			<-----Unaudited----->	
	FYE 30.6.2019 RM'000	FYE 30.6.2020 RM'000	FYE 30.6.2021 RM'000	6-month FPE 31.12.2020 RM'000	6-month FPE 31.12.2021 RM'000
Revenue	11,937	11,259	11,602	4,879	6,100
Cost of sales	(8,545)	(7,336)	(7,594)	(2,755)	(3,773)
<b>Gross Profit ("GP")</b>	<b>3,392</b>	<b>3,923</b>	<b>4,008</b>	<b>2,124</b>	<b>2,327</b>
Other income	369	1,177	289	105	75
Administrative expenses	(20,383)	(7,492)	(3,975)	(1,989)	(2,405)
Finance costs	(310)	(238)	(145)	(78)	(56)
<b>(LBT)/PBT</b>	<b>(16,932)</b>	<b>(2,630)</b>	<b>177</b>	<b>162</b>	<b>(59)</b>
Taxation	(17)	43	(139)	(115)	(161)
<b>(LAT)/PAT ^</b>	<b>(16,949)</b>	<b>(2,587)</b>	<b>38</b>	<b>47</b>	<b>(220)</b>
(LPS)/EPS (RM)	(0.06)	(0.01)	*_	*_	*_

**Notes:-**

\* Negligible.

^ (LAT)/PAT attributable to the owners of ICB Group.

**7.2 Historical financial position**

	<----- Audited ----->			<-----Unaudited----->	
	FYE 30.6.2019 RM'000	FYE 30.6.2020 RM'000	FYE 30.6.2021 RM'000	6-month FPE 31.12.2020 RM'000	6-month FPE 31.12.2021 RM'000
Non-current assets	12,547	8,212	7,785	7,980	7,603
Current assets	13,568	12,019	11,268	11,397	12,540
<b>Total assets</b>	<b>26,115</b>	<b>20,231</b>	<b>19,053</b>	<b>19,377</b>	<b>20,143</b>
Share capital	21,233	21,233	21,233	21,233	21,233
Reserves	606	608	610	602	609
Accumulated losses	(6,726)	(9,314)	(9,276)	(9,267)	(9,496)
<b>Total equity attributable to owners of our Company</b>	<b>15,113</b>	<b>12,527</b>	<b>12,567</b>	<b>12,568</b>	<b>12,346</b>
Non-current liabilities	3,964	2,772	1,626	2,772	1,626
Current liabilities	7,038	4,932	4,860	4,037	6,171
<b>Total liabilities</b>	<b>11,002</b>	<b>7,704</b>	<b>6,486</b>	<b>6,809</b>	<b>7,797</b>
<b>Total equity and liabilities</b>	<b>26,115</b>	<b>20,231</b>	<b>19,053</b>	<b>19,377</b>	<b>20,143</b>

**BACKGROUND INFORMATION OF ICB (CONT'D)****7.3 Historical cash flow**

	<----- Audited ----->			<----- Unaudited ----->	
	->			6-month	6-month
	FYE 30.6.2019 RM'000	FYE 30.6.2020 RM'000	FYE 30.6.2021 RM'000	FPE 31.12.2020 RM'000	FPE 31.12.2021 RM'000
Net cash from / (used in) operating activities	2,358	(208)	1,044	373	81
Net cash (used in) / from investing activities	(4,915)	(371)	583	132	31
Net cash (used in) / from financing activities	(1,874)	(1,364)	(1,347)	(676)	(645)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(4,431)</b>	<b>(1,943)</b>	<b>280</b>	<b>(171)</b>	<b>(533)</b>
Exchange differences on translation of the financial statement of foreign operations	(78)	1	2	(7)	(1)
Cash and cash equivalents at beginning of the financial year/period	9,372	4,863	2,921	2,921	3,203
<b>Cash and cash equivalents at end of the financial year/period</b>	<b>4,863</b>	<b>2,921</b>	<b>3,203</b>	<b>2,743</b>	<b>2,669</b>

**7.4 Commentaries of Past Financial Performance****Comparison between FYE 30.6.2019 and FYE 30.6.2020**

Revenue decreased slightly by RM0.68 million to RM11.26 million (FYE 30.6.2019: RM11.94 million) due mainly to the impact of MCO and conditional MCO which has affected the Group's information technology ("IT") business during the last quarter of FYE 30 June 2020. However, ICB incurred a lower LAT to RM2.59 million due primarily to the reversal of a loss allowance for an amount due from IDB Interactive Sdn. Bhd. (in liquidation) of RM3.0 million through the settlement sum of the associated legal suits. Moving forward, our Board does not foresee the remaining IT business of the ICB Group to be able to turn around its financial performance in the near future and to return the ICB Group to profitability.

ICB recorded a net decrease in cash and cash equivalents of RM1.94 million (FYE 30.6.2019: net decrease of RM4.43 million). This is mainly due to the net cash used in operating activities of RM0.21 million, proceeds from disposal of other investment of RM2.45 million, purchase of other investments of RM3.0 million and repayment of term loan of RM1.08 million.

**Comparison between FYE 30.6.2020 and FYE 30.6.2021**

Revenue increased marginally by RM0.34 million to RM11.60 million (FYE 30.6.2020: RM11.26 million) mainly attributable to a new one-off IT consultancy service. In tandem, ICB recorded a PAT of RM0.04 million (FYE 30.6.2020: LAT of RM2.59 million), which was due mainly to the slight increase in the revenue, lower cost savings measures implemented during the first half of the financial year end and lower professional fees incurred on the Regularisation Plan.

ICB recorded a net increase in cash and cash equivalents of RM0.28 million (FYE 30.6.2020: net decrease of RM1.94 million). This is mainly due to the net cash from operating activities of RM1.04 million, proceeds from disposal of other investment of RM0.50 million, interest paid of RM0.14 million and repayment of term loan of RM1.15 million.

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**BACKGROUND INFORMATION OF ICB (CONT'D)**

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**Comparison between FPE31.12.2020 and FPE 31.12.2021**

Revenue increased by RM1.22 million to RM6.10 million (FPE 31.12.2020: RM4.88 million) mainly attributable to the sales of new software and milestone billings of the existing IT projects. Despite the increase in revenue, ICB recorded an LAT of RM0.22 million (FPE 31.12.2020: PAT of RM0.05 million), which was due mainly to the higher cost of sales and professional fees incurred on the Regularisation Plan.

ICB recorded a net decrease in cash and cash equivalents of RM0.53 million (FPE 31.12.2020: net decrease of RM0.17 million). This is mainly due to the net cash from operating activities of RM0.08 million and repayment of borrowings of RM0.59 million.

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**BACKGROUND INFORMATION OF EVD GROUP****1. PRINCIPAL ACTIVITIES**

EVD is an investment holding company incorporated to facilitate the implementation of the Regularisation Plan, where upon completion of the Regularisation Plan, EVD shall assume the listing status of ICB and the Business from EVE/EV-Dynamic.

**2. SHARE CAPITAL**

As at the LPD, the issued share capital of EVD Group are as follows:-

EVD*	:	RM96,000,000, comprising of 252,000,002 EVD Shares
EVE	:	RM5,000,000, comprising 5,000,000 ordinary shares
EV-Dynamic	:	RM10,000,000, comprising 10,000,000 ordinary shares

*Note \* :- As at the LPD, EVD also has RM58,200,000 of 2,328,000,000 EVD RCPS.*

**3. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

As at the LPD, EVE and EV-Dynamic are the wholly-owned subsidiaries of EVD.

As at 5 May 2022, the shareholders' shareholdings of EVD are as follows:-

Shareholders	Nationality/Country of Incorporation	Direct		Indirect	
		No. of EVD Shares	%	No. of EVD Shares	%
Mah Seong Huak	Malaysian	113,500,001	45.04	<sup>(1)</sup> 17,000,000	6.75
Ir. Gan Wee Peng	Malaysian	113,500,001	45.04	<sup>(2)</sup> 8,000,000	3.17
VSBB	Malaysia	17,000,000	6.75	-	-
GVSBB	Malaysia	8,000,000	3.17	-	-

**Notes:-**

- Deemed interested by virtue of his shareholding in VSBB in accordance with Section 8(4)(c) of the Act.*
- Deemed interested by virtue of his shareholding in GVSBB in accordance with Section 8(4)(c) of the Act.*

Please refer to Section 8.5 of this Abridged Prospectus for information on the shareholders' shareholdings of EVD under Minimum Scenario and Maximum Scenario.

**4. OPTIONS TO SUBSCRIBE FOR SHARES**

As at the LPD, there are no options available to subscribe. Nonetheless, the establishment of an ESOS had been approved on the EGM held on 17 January 2022, where the ESOS will only be implemented after the completion of the Regularisation Plan. The maximum number of EVD Shares which may be made available under the ESOS shall not exceed 15% of the total number of issued shares of EVD (excluding treasury shares) at any point in time over a period of five (5) years from the effective date of implementation of the ESOS.

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**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)****5. BOARD OF DIRECTORS**

The particulars of the Directors of EVD Group as at 5 May 2022 are set out below:-

<u>Name</u>	<u>Address</u>	<u>Age</u>	<u>Nationality</u>	<u>Designation</u>
<b><u>EVD</u></b>				
Mah Seong Huak	62, Jalan USJ 4/2 47630 Subang Jaya Selangor Darul Ehsan	57	Malaysian	Executive Director
Ir. Gan Wee Peng	27, Jalan SS 22/9 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	63	Malaysian	Executive Director
Ir. Hon Hin See	38, Jalan SS 22A/3 Damansara Jaya 47400 Petaling Jaya Selangor	64	Malaysian	Independent Non-Executive Director
<b><u>EVE/EV-Dynamic</u></b>				
Mah Seong Huak	62, Jalan USJ 4/2 47630 Subang Jaya Selangor Darul Ehsan	57	Malaysian	Executive Director
Ir. Gan Wee Peng	27, Jalan SS 22/9 Damansara Jaya 47400 Petaling Jaya Selangor Darul Ehsan	63	Malaysian	Executive Director

As at the LPD, save for the shareholdings of Mah Seong Huak and Ir. Gan Wee Peng as disclosed in Section 3 of this Appendix I(B), none of the Directors have any direct and/or indirect shareholdings in EVD.

**6. MATERIAL CONTRACTS**

Save for the SSA, EV-Dynamic SSA, Scheme Agreement and the Deed Poll in relation to the EVD Warrants, the EVD Group has not entered into any material contract (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus.

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**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)****7. HISTORICAL FINANCIAL INFORMATION****7.1 EVD****7.1.1 Historical financial performance**

	<-----Audited----->	
	^FYE 2020 RM	FYE 2021 RM
Administrative expenses (LAT)	(21,809)	(30,740)
(LPS) (RM) *	(10,904)	(15,370)

**Notes:-**

^ From 16 December 2019 (date of incorporation) to 31 December 2020.

\* Attributable to two (2) EVD Shares

**7.1.2 Historical financial position**

	<-----Audited----->	
	^FYE 2020 RM	FYE 2021 RM
Current assets	500	500
<b>Total assets</b>	<b>500</b>	<b>500</b>
Share capital *	* -	* -
Accumulated losses	(21,809)	(52,549)
<b>Total equity</b>	<b>(21,809)</b>	<b>(52,549)</b>
Current liabilities	22,309	53,049
<b>Total liabilities</b>	<b>22,309</b>	<b>53,049</b>
<b>Total equity and liabilities</b>	<b>500</b>	<b>500</b>

**Notes:-**

^ From 16 December 2019 (date of incorporation) to 31 December 2020.

\* Represents amount of RM0.40.

**7.1.3 Historical cash flow**

	<-----Audited----->	
	^FYE 2020 RM	FYE 2021 RM
Net cash (used in) operating activities	(19,309)	(21,895)
Net cash from financing activities	19,309	21,895
<b>Net movement in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of the financial period/year	*-	*-
<b>Cash and cash equivalents at end of the financial period/year</b>	<b>*-</b>	<b>*-</b>

**Notes:-**

^ From 16 December 2019 (date of incorporation) to 31 December 2020.

\* Represents amount of RM0.40.

**7.1.4 Commentaries of Past Financial Performance****Comparison between FYE 2020 and FYE 2021**

EVD recorded an LAT of RM30,740 (FYE 2020: LAT of RM21,809), which was due mainly to the increase in the administrative expenses such as the directors' remuneration and professional fees.



**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)****7.2 EVE Group****7.2.1 Historical financial performance**

	<----- Audited ----->			
	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Revenue	14,327	42,375	64,465	150,800
Cost of sales	(13,061)	(35,974)	(55,257)	(130,901)
<b>GP</b>	<b>1,266</b>	<b>6,401</b>	<b>9,208</b>	<b>19,899</b>
Other income	65	13	6	238
	1,331	6,414	9,214	20,137
Administrative expenses	(140)	(409)	(4,018)	(6,622)
Other expenses	-	-	(294)	(496)
Finance costs	-	-	(20)	(87)
Net (impairment losses)/Reversal of impairment losses on financial assets	(269)	-	301	(642)
<b>PBT</b>	<b>922</b>	<b>6,005</b>	<b>5,183</b>	<b>12,290</b>
Income tax expenses	(154)	(1,306)	(1,187)	(3,223)
<b>PAT</b>	<b>768</b>	<b>4,699</b>	<b>3,996</b>	<b>9,067</b>
PAT attributable to:				
Owner of the company	730	4,699	3,996	9,071
Non-controlling interest	38	-	-	(4)
	768	4,699	3,996	9,067
EPS (RM)	1.02	0.94	0.80	1.81
GP margin (%)	8.84	15.11	14.28	13.20
PAT margin (%)	5.36	11.09	6.20	6.01

**7.2.2 Historical financial position**

	<----- Audited ----->			
	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Non-current assets	81	81	838	894
Current assets	19,308	31,653	53,432	107,053
<b>Total assets</b>	<b>19,389</b>	<b>31,734</b>	<b>54,270</b>	<b>107,947</b>
Share capital	750	5,000	5,000	5,000
Foreign exchange translation reserves	(87)	(87)	(215)	76
Retained profits	3,653	8,353	12,348	21,419
Non-controlling interest	-	-	-	(3)
<b>Total equity attributable to owners of our Company</b>	<b>4,316</b>	<b>13,266</b>	<b>17,133</b>	<b>26,492</b>
Non-current liabilities	-	-	284	241
Current liabilities	15,073	18,468	36,853	81,214
<b>Total liabilities</b>	<b>15,073</b>	<b>18,468</b>	<b>37,137</b>	<b>81,455</b>
<b>Total equity and liabilities</b>	<b>19,389</b>	<b>31,734</b>	<b>54,270</b>	<b>107,947</b>

**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)****7.2.3 Historical cash flow**

	←----- Audited -----→			
	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Net cash from / (used in) operating activities	2,347	(8,461)	9,572	1,964
Net cash from / (used in) investing activities	2	2,064	(1,033)	(107)
Net cash from financing activities	128	6,671	432	15,337
<b>Net increase in cash and cash equivalents</b>	<b>2,477</b>	<b>274</b>	<b>8,971</b>	<b>17,194</b>
Effects of foreign exchange translation	(38)	(6)	(139)	291
Cash and cash equivalents at beginning of the financial year	1,286	3,725	3,993	12,825
<b>Cash and cash equivalents at end of the financial year</b>	<b>3,725</b>	<b>3,993</b>	<b>12,825</b>	<b>30,310</b>

**7.2.4 Commentaries of Past Financial Performance****Comparison between FYE 2018 and FYE 2019**

The total revenue increased by RM28.05 million or 195.74% to RM42.38 million (FYE 2018 : RM14.33 million) due to:-

- (a) RM8.68 million or 87.68% increase in revenue from the provision of transportation system solutions for railways and urban rail transit to RM18.58 million (FYE 2018 : RM9.90 million) due mainly to new work orders secured for the provision of integrated control and supervisory system (“**ICSS**”) and computerised maintenance management system (“**CMMS**”) works under the MRT 2 project and higher revenue recognition for the system solutions works rendered for the MRT 2 project in line with the project progress; and
- (b) RM19.48 million or 450.93% increase in revenue from the provision of intelligent transportation system (“**ITS**”) solutions for roads and highways to RM23.80 million (FYE 2018 : RM4.32 million) due mainly to the:-
  - commencement of the newly secured traffic control and surveillance system solutions in relation to the C5 South Link Expressway, Manila-Cavite Expressway and Cavite-Laguna Expressway project in the Philippines;
  - commencement of other new ITS solutions packages for the West Coast Expressway (“**WCE**”) project; and
  - higher revenue contribution from project management, site supervision and manpower management services rendered for the WCE project as it progressed rapidly during the year.

The overall GP for the FYE 2019 increased by RM5.13 million or 403.94% to RM6.40 million (FYE 2018: RM1.27 million) due mainly to:-

- (i) RM1.17 million or 92.13% higher GP from the provision of transportation system solutions for railways and urban rail transit to RM2.44 million (FYE 2018 : RM1.27 million) in line with the higher revenue recorded during the financial year and improvement in GP margin to 13.14% (FYE 2018 : 12.85%) due mainly to the higher GP margin accorded to the provision of ICSS and CMMS works under the MRT 2 project; and
- (ii) RM3.73 million or 1,621.74% higher GP from the provision of ITS solutions for roads and highways to RM3.96 million (FYE 2018 : RM0.23 million) in line with the improvement in GP margin to 16.64% (FYE 2018 : 5.39%) due mainly to the higher GP margin accorded to the newly secured highway project in the Philippines.

**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)**

In line with a higher revenue, GP and GP margin, the EVE Group recorded an increase in PBT and PBT margin by RM5.09 million (or 553.26%) and 7.73% to RM6.01 million (FYE 2018 : RM0.92 million) and 14.17% (FYE 2018 : 6.44%), respectively. In tandem, PAT and PAT margin improved to RM4.70 million (FYE 2018 : RM0.77 million) and 11.09% (FYE 2018 : 5.36%), respectively.

EVE Group recorded a net increase in cash and cash equivalents of RM0.27 million (FYE 2018: RM2.48 million). This is mainly due to the net cash used in operating activities of RM8.46 million, repayment from holding company and related companies of RM1.64 million, withdrawal of fixed deposits with tenure more than 3 months of RM0.41 million, advances from holding company of RM2.42 million as well as proceed from issuance ordinary share of RM4.25 million.

**Comparison between FYE 2019 and FYE 2020**

The total revenue increased by RM22.09 million or 52.12% to RM64.47 million (FYE 2019 : RM42.38 million) due mainly to the net effect of the following:-

- (a) RM30.32 million or 163.19% increase in revenue from the provision of transportation system solutions for railways and urban rail transit to RM48.90 million (FYE 2019 : RM18.58 million) due mainly to:-
  - (i) higher revenue recognition for the provision of ICSS and CMMS works under the MRT 2 project as the progress at the project site was returning to pre-movement restrictions level due to the rigorous COVID-19 measures at all work fronts which include the necessary catch-up plans; and
  - (ii) commencement of work for three (3) newly secured projects, namely the Kuala Lumpur Monorail Fleet Expansion Project, MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 - Conlay Station) and MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 – KLCC East Station) projects; and
- (b) RM9.93 million or 41.72% decrease in the provision of ITS solutions for roads and highways to RM13.87 million (FYE 2019 : RM23.80 million) due mainly to the temporary suspension of work at the project sites during the MCO period which has affected the progress of the projects as well as the delay in the site possession for certain highway projects.

For the FYE 2020, EVE commenced work on the healthcare system solutions for Universiti Tunku Abdul Rahman Hospital which has contributed RM1.66 million to the total revenue and security system solutions for Universiti Teknologi Mara campus amounted to RM0.04 million.

The overall GP for the FYE 2020 increased by RM2.81 million or 43.91% to RM9.21 million (FYE 2019 : RM6.40 million) due mainly to the net effect of the following:-

- (aa) RM3.42 million or 140.16% higher GP from the provision of transportation system solutions for railways and urban rail transit to RM5.86 million (FYE 2019 : RM2.44 million) in line with the higher revenue recorded for the provision of works in respect of the new and existing packages under the MRT 2 project. The GP margin decreased to 11.99% (FYE 2019 : 13.14%) due mainly to additional manpower resources and subcontractors being directed to accelerate the project progress as well as the commencement of work for lower margin projects such as the MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 - Conlay Station) and MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 – KLCC East Station) projects;
- (bb) RM0.90 million or 22.73% lower GP from the provision of ITS solutions for roads and highways to RM3.06 million (FYE 2019: RM3.96 million) in line with lower revenue recorded for the provision of ITS solutions for the WCE project and the highway project in the Philippines. The higher GP margin of 22.09% (FYE 2019 : 16.64%) was mainly due to the higher GP contribution from the highway project in the Philippines of higher margin in proportion to the highway projects in Malaysia; and
- (cc) RM0.26 million and RM0.02 million GP contribution from the provision of healthcare system solutions and security system solutions, respectively (FYE 2019 : nil) during the financial year.

**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)**

Notwithstanding a higher revenue and GP, the EVE Group recorded a decrease in PBT and PBT margin by RM0.83 million (or 13.81%) and 6.13% to RM5.18 million (FYE 2019 : RM6.01 million) and 8.04% (FYE 2019 : 14.17%), respectively mainly due to higher administrative and other expenses arising from the streamlining of the Business where the staff of EV-Dynamic was transferred progressively to the EVE Group. In tandem, PAT and PAT margin also decreased to RM4.00 million (FYE 2019 : RM4.70 million) and 6.20% (FYE 2019 : 11.09%), respectively.

EVE Group recorded a net increase in cash and cash equivalents of RM8.97 million (FYE 2019: RM0.27 million). This is mainly due to the net cash from operating activities of RM9.57 million, increase in collateral account of RM0.90 million, purchase of equipment of RM0.12 million, repayment to holding companies of RM1.13 million, advances from related companies of RM0.13 million, drawdown of trust receipt of RM1.58 million and repayment of lease liabilities of RM0.13 million.

**Comparison between FYE 2020 and FYE 2021**

The total revenue increased by RM86.33 million or 133.91% to RM150.80 million (FYE 2020 : RM64.47 million) due mainly to the net effect of the following:-

- (a) RM85.52 million or 174.89% increase in revenue from the provision of transportation system solutions for railways and urban rail transit to RM134.42 million (FYE 2020 : RM48.90 million) due mainly to higher revenue recognition for the provision of ICSS and CMMS works under the MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 - Conlay Station) and MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 – KLCC East Station) projects;
- (b) RM1.26 million or 9.08% decrease in the provision of ITS solutions for roads and highways to RM12.61 million (FYE 2020 : RM13.87 million) due mainly to the delay in the site possession for certain highway projects;
- (c) RM1.32 million or 79.52% increase in the healthcare system solutions for Universiti Tunku Abdul Rahman Hospital to RM2.98 million (FYE 2020: RM1.66 million); and
- (d) RM0.75 million or 1,875% increase in the revenue from the provision of other services such as the provision of security system solutions and maintenance services to RM0.79 million (FYE 2020: RM0.04 million).

The overall GP for the FYE 2021 increased by RM10.69 million or 116.07% to RM19.90 million (FYE 2020 : RM9.21 million) due mainly to the net effect of the following:-

- (i) RM12.43 million or 212.12% higher GP from the provision of transportation system solutions for railways and urban rail transit to RM18.29 million (FYE 2020 : RM5.86 million) in line with the higher revenue recorded for the provision of works in respect of the ongoing packages under the MRT 2 projects. The GP margin decreased to 13.52% (FYE 2020 : 11.99%) due mainly to the revenue recognition for ICSS and CMMS works under the MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 - Conlay Station) and MRT Laluan 2: Sungai Buloh-Serdang-Putrajaya (MRT 2 – KLCC East Station) projects during the FYE 2021;
- (ii) RM1.86 million or 60.78% lower GP from the provision of ITS solutions for roads and highways to RM1.20 million (FYE 2020: RM3.06 million) in line with lower revenue recorded for the provision of ITS solutions for the highway project in the Philippines. The lower GP margin of 9.52% (FYE 2020 : 22.09%) was mainly due to the lower GP contribution from the highway project in the Philippines; and
- (iii) RM0.12 million is GP contribution from the provision of healthcare system solutions during the FYE 2021.

The EVE Group recorded an increase in PBT and PBT margin by RM7.11 million (or 137.26%) and 0.11% to RM12.29 million (FYE 2020 : RM5.18 million) and 8.15% (FYE 2020 : 8.04%), respectively. In tandem, PAT also increased to RM9.07 million (FYE 2020 : RM4.00 million).

EVE Group recorded a net increase in cash and cash equivalents of RM17.19 million (FYE 2020: RM8.97 million). This is mainly due to the net cash from operating activities of RM1.96 million, advances from holding company of RM2.78 million, drawdown of trust receipts of RM32.22 million, repayment of trust receipts and lease liabilities of RM19.01 million.

**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)****7.3 EV-Dynamic****7.3.1 Historical financial performance**

	<-----Audited----->			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	104,458	106,309	82,906	172,409
Cost of sales	(76,330)	(86,917)	(76,533)	(163,711)
<b>GP</b>	<b>28,128</b>	<b>19,392</b>	<b>6,373</b>	<b>8,698</b>
Other income	1,252	1,657	3,373	2,532
	<b>29,380</b>	<b>21,049</b>	<b>9,746</b>	<b>11,230</b>
Selling and marketing expenses	(132)	(988)	(524)	(458)
Administrative expenses	(15,830)	(15,342)	(2,206)	(5,199)
Other expenses	(2,489)	(3,006)	(3,321)	(2,692)
Finance costs	(234)	(395)	(690)	(247)
Net reversal of impairment losses/(Impairment losses) on financial assets and contract assets	540	4,029	(432)	(1,736)
<b>PBT</b>	<b>11,235</b>	<b>5,347</b>	<b>2,573</b>	<b>898</b>
Income tax expenses	(2,194)	(1,850)	(1,702)	(328)
<b>PAT</b>	<b>9,041</b>	<b>3,497</b>	<b>871</b>	<b>570</b>
EPS(RM)	0.90	0.35	0.09	0.06
GP margin (%)	26.93	18.24	7.69	5.04
PAT margin (%)	8.66	3.29	1.05	0.33

**7.3.2 Historical financial position**

	<-----Audited----->			
	FYE 2018	FYE 2019	FYE 2020	FYE 2021
	RM'000	RM'000	RM'000	RM'000
Non-current assets	15,047	23,771	17,391	4,061
Non-current asset classified as held for sale	-	4,250	4,250	6,824
Current assets	81,713	102,487	120,472	129,626
<b>Total assets</b>	<b>96,760</b>	<b>130,508</b>	<b>142,113</b>	<b>140,511</b>
Share capital	10,000	10,000	10,000	10,000
Retained profits	16,760	18,256	19,127	19,697
<b>Total equity attributable to owners of our Company</b>	<b>26,760</b>	<b>28,256</b>	<b>29,127</b>	<b>29,697</b>
Non-current liabilities	2,871	4,664	3,437	1,948
Current liabilities	67,129	97,588	109,549	108,866
<b>Total liabilities</b>	<b>70,000</b>	<b>102,252</b>	<b>112,986</b>	<b>110,814</b>
<b>Total equity and liabilities</b>	<b>96,760</b>	<b>130,508</b>	<b>142,113</b>	<b>140,511</b>

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**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)****7.3.3 Historical cash flow**

	<----- Audited ----->			
	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FYE 2021 RM'000
Net cash (used in) / from operating activities	(15,399)	12,130	11,509	(16,678)
Net cash from / (used in) investing activities	50	(22,924)	1,810	6,637
Net cash (used in) financing activities	(61)	(3,694)	(3,022)	(1,498)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(15,410)</b>	<b>(14,488)</b>	<b>10,297</b>	<b>(11,539)</b>
Effects of foreign exchange translation	(423)	(16)	(2)	7
Cash and cash equivalents at beginning of the financial year	44,682	28,849	14,345	24,640
<b>Cash and cash equivalents at end of the financial year</b>	<b>28,849</b>	<b>14,345</b>	<b>24,640</b>	<b>13,108</b>

**7.3.4 Commentaries of Past Financial Performance****Comparison between FYE 2018 and FYE 2019**

The total revenue increased by RM1.85 million or 1.77% to RM106.31 million (FYE 2018 : RM104.46 million) due to the net effect of the following:-

- (a) RM17.49 million or 32.41% increase in revenue from the provision of transportation system solutions for railways and urban rail transit to RM71.45 million (FYE 2018 : RM53.96 million) due mainly to higher revenue recognition for system solutions works rendered for the MRT 2 project in line with the project progress;
- (b) RM16.69 million or 34.88% decrease in revenue from the provision of ITS solutions for road and highways to RM31.16 million (FYE 2018 : RM47.85 million) due mainly to the completion of the Lebuhraya Pantai Timur Phase 2 project and lower recognition from other smaller ITS projects such as Lebuhraya Shah Alam and main expressway network in Klang Valley which is divided into Kerinchi Link, Damansara Link and Penchala Link (SPRINT highways) as they near completion; and
- (c) RM1.06 million or 40.0% increase in revenue from the provision of healthcare system solutions to RM3.71 million (FYE 2018: RM2.65 million), due mainly to the completion of an extra low voltage work for the Hospital Wanita Dan Kanak-Kanak Kuala Lumpur as well as an ad-hoc project for Hospital Shah Alam.

The overall GP for the FYE 2019 decreased by RM8.74 million or 31.07% to RM19.39 million (FYE 2018 : RM28.13 million) due mainly to the net effect of the following:-

- (i) RM8.35 million or 58.07% lower GP from the provision of ITS solutions for roads and highways to RM6.03 million (FYE 2018 : RM14.38 million) in line with the decreased in the associated revenue to RM31.16 million (FYE 2018 : RM47.85 million) and GP margin decreased to 19.35% (FYE 2018 : 30.05%) due mainly to the billings from certain lower margin packages under the WCE project during the FYE 2019; and
- (ii) RM0.90 million or 7.08% lower GP from the provision of transportation system solutions for railways and urban rail transit to RM11.81 million (FYE 2018 : RM12.71 million) despite an increase in the revenue to RM71.45 million (FYE 2018 : RM53.96 million) due mainly to lower margin project packages secured and thus resulting in corresponding lower GP margin of 16.53% (FYE 2018 : 23.55%) at EV-Dynamic.

**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)**

In line with a lower GP and GP margin recorded for the FYE 2019, EV-Dynamic recorded a decrease in PBT and PBT margin by RM5.89 million or 52.40% to RM5.35 million (FYE 2018 : RM11.24 million) and 5.73% to 5.03% (FYE 2018 : 10.76%), respectively. In tandem, PAT and PAT margin dropped to RM3.50 million (FYE 2018 : RM9.04 million) and 3.29% (FYE 2018 : 8.66%), respectively.

EV-Dynamic recorded a net decrease in cash and cash equivalents of RM14.49 million (FYE 2019: decrease of RM15.41 million). This is mainly due to net cash from operating activities of RM12.13 million, acquisition of additional proportionate interest in subsidiaries of RM4.25 million, increase in escrow account of RM12.11 million, withdrawal of fixed deposits with original maturity of more than three months of RM3.34 million, advance to subsidiaries of RM10.52 million, dividends paid to the shareholders of the company of RM2.0 million, drawdown of bankers' acceptance of RM2.80 million as well as repayment of bill discounting of RM3.12 million.

**Comparison between FYE 2019 and FYE 2020**

The total revenue decreased by RM23.40 million or 22.01% to RM82.91 million (FYE 2019 : RM106.31 million) due to the net effect of the following:-

- (a) RM3.30 million or 4.62% decrease in revenue from the provision of system solutions for railways and urban rail transit to RM68.15 million (FYE 2019 : RM71.45 million) mainly due to slightly lower revenue recognition for the provision of works under the MRT 2 project during the pandemic period. Nevertheless the progress at the project site was gradually returning to pre-movement restrictions level due to the rigorous COVID-19 measures at all work fronts which include the necessary catch up plans;
- (b) RM20.56 million or 65.98% decrease in revenue from the provision of ITS solutions for roads and highways to RM10.60 million (FYE 2019 : RM31.16 million) mainly due to the slower progress for the WCE project as a result of the temporary suspension of work at project site amidst the COVID-19 pandemic during FYE 2020 and delay in the site possession;
- (c) RM2.25 million or 60.65% decrease in revenue from the provision of healthcare system solutions to RM1.46 million (FYE 2019 : RM3.71 million) due mainly to the completion of an extra low voltage work for the Hospital Wanita Dan Kanak-Kanak Kuala Lumpur as well as an ad-hoc project for Hospital Shah Alam in 2019; and
- (d) RM2.69 million increase in revenue from the provision of other services such as the provision of security system solutions and maintenance services during the FYE 2020.

The overall GP for the FYE 2020 decreased by RM13.02 million or 67.15% to RM6.37 million (FYE 2019 : RM19.39 million) due mainly to the following:-

- (i) RM4.20 million or 69.65% lower GP from the provision of ITS solutions for roads and highways to RM1.83 million (FYE 2019 : RM6.03 million) in line with the decrease in the associated revenue to RM10.60 million (FYE 2019 : RM31.16 million) and the effect of streamlining of its Business at EVE's level in accordance with the SSA and thus resulting in corresponding lower GP margin of 17.29% (FYE 2019 : 19.35%) at EV-Dynamic;
- (ii) RM7.76 million or 65.71% lower GP from the provision of transportation system solutions for railways and urban rail transit to RM4.05 million (FYE 2019 : RM11.81 million) due mainly to the streamlining of its Business at EVE's level in accordance with the SSA and thus resulting in corresponding lower GP margin of 5.94% (FYE 2019 : 16.53%) at EV-Dynamic; and
- (iii) RM1.07 million or 69.03% lower GP from the provision of healthcare system solutions to RM0.48 million (FYE 2019 : RM1.55 million) in line with the decreased in the associated revenue. The lower GP margin of 33.04% (FYE 2019 : 41.91%) was mainly due to the lower margin project secured during the FYE 2020.

**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)**

In line with a lower GP and GP margin recorded for the FYE 2020, EV-Dynamic recorded a decrease in PBT and PBT margin by RM2.78 million or 51.96% to RM2.57 million (FYE 2019 : RM5.35 million) and 1.93% to 3.10% (FYE 2019 : 5.03%), respectively. The significant decrease in the administrative expenses by RM13.13 million or 85.59% to RM2.21 million (FYE 2019: RM15.34 million) pursuant to a decrease in staff related expenses and directors' remuneration by RM8.13 million and RM0.18 million respectively during the FYE 2020 mainly due to the transfer of staff to EVE pursuant to the streamlining of Business at EVE's level in accordance with the SSA as well as the following:-

- the reversal of provision for bonus for the FYE 2019 which was previously accrued but was subsequently revised downward due to the cost control measure implemented as a result of the COVID-19 pandemic;
- lower provision of bonus for the FYE 2020;
- temporary reduction in salary of directors and key managements;
- reduction in headcounts as a result of vacancy was not being replaced due to temporary freeze of new recruitment; and
- as part of EV-Dynamic's efforts to stem the impact caused by the COVID-19 pandemic.

In tandem, the PAT and PAT margin also dropped to RM0.87 million (FYE 2019 : RM3.50 million) and 1.05% (FYE 2019 : 3.29%), respectively due to higher tax expenses.

EV-Dynamic recorded a net increase in cash and cash equivalents of RM10.30 million (FYE 2019: decrease of RM14.49 million). This is mainly due to net cash from operating activities of RM11.51 million, decrease in escrow account of RM1.96 million, increase in fixed deposits pledged to licensed banks of RM1.44 million, drawdown of bankers' acceptance of RM13.26 million as well as repayment of lease liabilities and bankers' acceptance of RM15.23 million.

**Comparison between FYE 2020 and FYE 2021**

The total revenue increased by RM89.50 million or 107.95% to RM172.41 million (FYE 2020 : RM82.91 million) due to the net effect of the following:-

- (a) RM89.20 million or 130.89% increase in revenue from the provision of system solutions for railways and urban rail transit to RM157.35 million (FYE 2020 : RM68.15 million) mainly due to revenue recognition for the provision of works under the MRT 2 rendered in accordance to the timeline;
- (b) RM1.04 million or 9.81% decrease in revenue from the provision of ITS solutions for roads and highways to RM9.56 million (FYE 2020 : RM10.60 million) mainly due to the slower progress for the WCE project and delay in the site possession;
- (c) RM2.32 million or 158.90% increase in revenue from the provision of healthcare system solutions to RM3.78 million (FYE 2020 : RM1.46 million) due mainly to the higher revenue recognition for the healthcare system solution provided to Universiti Tunku Abdul Rahman Hospital; and
- (d) RM0.98 million decrease in revenue from the provision of other services such as the provision of security system solutions and maintenance services during the FYE 2021.



**BACKGROUND INFORMATION OF EVD GROUP (CONT'D)**

The overall GP for the FYE 2021 increased by RM2.33 million or 36.58% to RM8.70 million (FYE 2020 : RM6.37 million) due mainly to the net effect of the following:-

- (i) RM2.48 million or 61.23% higher GP from the provision of transportation system solutions for railways and urban rail transit to RM6.53 million (FYE 2020 : RM4.05 million) in line with the increase in the associated revenue to RM157.35 million (FYE 2020 : RM68.15 million). However due to the streamlining of the Business at EVE's level in accordance with the SSA, the corresponding GP margin has been reduced to 4.15% (FYE 2020 : 5.94%);
- (ii) RM0.78 million or 42.62% lower GP from the provision of ITS solutions for roads and highways to RM1.05 million (FYE 2020 : RM1.83 million) due mainly to the effect of streamlining of its Business at EVE's level in accordance with the SSA and thus resulting the GP margin reduced to 10.98% (FYE 2020 : 17.29%);
- (iii) RM0.14 million or 29.17% lower GP from the provision of healthcare system solutions to RM0.34 million (FYE 2020 : RM0.48 million) due mainly to the lower billings from a hospital system solutions project; and
- (iv) RM0.77 million GP from the provision of other services such as the provision of security system solutions and maintenance services (FYE 2020 : RM0.01 million).

EV-Dynamic recorded a decrease in PBT and PBT margin by RM1.67 million or 64.98% to RM0.90 million (FYE 2020 : RM2.57 million) and 2.58% to 0.52% (FYE 2020 : 3.10%), respectively. In tandem, the PAT and PAT margin also dropped to RM0.57 million (FYE 2020 : RM0.87 million) and 0.33% (FYE 2020 : 1.05%), respectively due to the provision for impairment losses on financial asset which is solely on trade receivables and contract asset which primarily relate to EV-Dynamic's rights to the consideration for construction work completed on construction contracts but not yet billed as at the FYE 2021.

EV-Dynamic recorded a net decrease in cash and cash equivalents of RM11.54 million (FYE 2020: increase of RM10.30 million). This is mainly due to net cash used in operating activities of RM16.68 million, decrease in escrow account of RM10.15 million, advanced to subsidiaries of RM2.67 million, drawdown of bank acceptances and trust receipts of RM19.67 million as well as repayment of lease liabilities, bankers' acceptances, term loans and trust receipts of RM20.63 million.

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**SALIENT TERMS OF EVD RCPS**

<b>Terms</b>	<b>Details</b>
Issue size	: 2,502,052,872 units of EVD RCPS
Issue price	: RM0.025 per EVD RCPS
Nominal value in issue	: RM62,551,322
Form and Denomination	: The EVD RCPS will be constituted in the constitution of EVD and issued in registered form and in multiples of RM0.025 each
Voting Rights	: The EVD RCPS shall carry no right to vote at any general meeting of EVD except where permitted under law. Subject to applicable laws, the EVD RCPS holder shall have the right to attend and vote at any general meeting convened for the purposes of sanctioning:- <ul style="list-style-type: none"> <li>(i) a proposal to reduce the capital of EVD;</li> <li>(ii) a proposal for the disposal of the whole of EVD's property, business and undertaking;</li> <li>(iii) a proposal or resolution which affects the rights and privileges attached to the EVD RCPS;</li> <li>(iv) a proposal to wind-up EVD; and</li> <li>(v) during the winding-up of EVD.</li> </ul> <p>In any such case, the EVD RCPS holder shall be entitled to vote together with the holders of ordinary shares and to one (1) vote for each EVD RCPS held</p>
Ranking	: (i) the EVD RCPS shall rank equally in all respects amongst all EVD RCPS; (ii) the EVD RCPS will not be entitled to any rights, allotments and/or other distributions that may be declared by EVD; and (iii) their rights as to voting shall be as limited to those described in "Voting Rights" above
Tenure	: Ten (10) years from the date of issue
Maturity Date	: The Market Day immediately before the tenth (10 <sup>th</sup> ) anniversary of the date of issue
Dividend Rate	: The EVD RCPS shall not be entitled to any dividend declared or paid by EVD for its ordinary shares
Conversion Period	: The EVD RCPS shall be convertible into EVD Shares at any time on any business day between Monday and Friday that is not a public holiday from the date of issue up to and including the Maturity Date. All the EVD RCPS which are yet to be converted after the conversion period shall mandatorily be converted into new EVD Shares at the "Conversion Ratio" below
Conversion Price	: RM0.10 for one (1) new EVD Share
Conversion Ratio	: The Conversion Price shall be satisfied through surrendering for cancellation:- <ul style="list-style-type: none"> <li>(i) four (4) EVD RCPS for one (1) new EVD Share; or</li> <li>(ii) a combination of such number of EVD RCPS and cash with an aggregate value equal to the Conversion Price, subject to a minimum of one (1) EVD RCPS, and paying the difference between the aggregate value of the EVD RCPS surrendered and the Conversion Price in cash for one (1) new EVD Share;</li> </ul> <p>subject to "Adjustment to Conversion Ratio" below</p>

**SALIENT TERMS OF EVD RCPS (CONT'D)**

Conversion Mode	:	The conversion shall be satisfied by surrendering the EVD RCPS for cancellation
Conversion Rights	:	The EVD RCPS holders will have the right to convert the EVD RCPS at the “Conversion Ratio” above into new EVD Shares through the surrender of the EVD RCPS from the date of issue up to and including the Maturity Date. If the conversion results in a fractional entitlement to the ordinary shares of EVD, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the EVD RCPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
Adjustment to Conversion Ratio	:	<p>The “Conversion Ratio” above will be adjusted at the determination of EVD, in all or any of the following events:-</p> <ul style="list-style-type: none"> <li>(i) an alteration to the number of EVD Shares by reason of consolidation or subdivision;</li> <li>(ii) a bonus issue of shares and/or convertible securities by EVD or any other capitalisation issue for accounting purposes;</li> <li>(iii) a capital distribution to shareholders made by EVD whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets;</li> <li>(iv) a rights issue of shares and/or convertible securities by EVD; or</li> <li>(v) any other circumstances that the board of Director of EVD deems necessary,</li> </ul> <p>subject to the computation for any such adjustment to the Conversion Ratio being certified by external auditors appointed by EVD</p>
Redemption	:	Redeemable for cash at the option of EVD at any time during the tenure of the EVD RCPS on the basis of RM0.025 for every one (1) EVD RCPS
Transferability	:	The EVD RCPS shall be transferable in the manner provided under the Rules of Bursa Depository
Listing	:	The EVD RCPS will be listed and traded on the ACE Market of Bursa Securities
Priority on liquidation	:	The right on a winding-up or other return of capital to repayment, in priority to any payment to the holders of ordinary shares but equally amongst the EVD RCPS holders then in issue
Ranking of new EVD Shares arising from conversion	:	The new EVD Shares to be issued pursuant to the conversion of the EVD RCPS shall, upon allotment and issue, rank equally in all respects with the then existing EVD Shares except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is before the date of allotment of such new EVD Shares
Governing Law	:	Laws of Malaysia

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**SALIENT TERMS OF EVD WARRANTS**

<b>Terms</b>	<b>Details</b>
Form and denomination	: The EVD Warrants will be issued in registered form and constituted by the Deed Poll for the EVD Warrants.
Number of EVD Warrants	: Up to 87,026,436 EVD Warrants to be issued pursuant to the Proposed Securities Exchange.
Exercise Price	: The exercise price of the EVD Warrants has been fixed at RM0.10 per EVD Warrant, subject to further adjustments (where applicable) in accordance with the provisions of the Deed Poll for the EVD Warrants.
Exercise Period	: Commencing from and inclusive of the date of first issue of the EVD Warrants up to the "Expiry Date" below.  Seven (7) years commencing from and inclusive of the date of first issue of the EVD Warrants.  Any EVD Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.
Method of exercise	: The EVD Warrant holders are required to lodge at EVD's registrar an exercise form, as set out in the Deed Poll, duly completed and signed, together with payment of the exercise price for the total number of new EVD Shares subscribed by cashier's order or banker's draft drawn by a bank operating in Malaysia or money order or postal order issued by a post office in Malaysia or by internet bank transfer.
Expiry Date	: The close of business at 5:00 p.m. in Kuala Lumpur on the last Market Day immediately preceding the seventh (7 <sup>th</sup> ) anniversary date of first issue of the EVD Warrants, and if such date is not a Market Day, then on the immediate preceding Market Day.
Exercise Rights	: Each EVD Warrant entitles its holder to subscribe for one (1) new EVD Share at the "Exercise Price" above at any time during the "Exercise Period" above subject to adjustments in accordance with the provisions in the Deed Poll for the EVD Warrants.
Board lot	: The EVD Warrants are tradable upon listing on Bursa Securities in board lots of 100 EVD Warrants.
Status of new EVD Shares to be issued pursuant to the exercise of the EVD Warrants	: All new EVD Shares to be issued upon the exercise of the EVD Warrants (in accordance with the provisions of the Deed Poll for the EVD Warrants) shall, upon allotment and issue, rank equally in all respects with the then existing EVD Shares, save and except that the new EVD Shares shall not be entitled to any dividends, rights, allotments and/or any other distribution which may be declared, made or paid before the date of allotment of such new EVD Shares.
Adjustment in the Exercise Price and/or the number of EVD Warrants held by EVD Warrant holders in the event of alteration to the share capital	: Subject to the provisions of the Deed Poll for the EVD Warrants, the "Exercise Price" above and/or the number of EVD Warrants held by each EVD Warrant holder shall be adjusted by the board of Directors of EVD in consultation with an approved principal advisor or an auditor in Malaysia appointed by EVD for the purposes of the Deed Poll in the event of alteration to the share capital of EVD in accordance with the provisions as set out in the Deed Poll for the EVD Warrants.

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**SALIENT TERMS OF EVD WARRANTS (CONT'D)**

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- Rights of EVD Warrants : The EVD Warrants do not entitle the registered holders thereof to any voting rights in any general meeting of EVD or to participate in any distribution and/or offer of further securities in EVD unless the EVD Warrant holder becomes a shareholder by exercising his/her EVD Warrants.
- Modification of rights of EVD Warrant holders : Save as otherwise provided in the Deed Poll for the EVD Warrants, an ordinary resolution of the EVD Warrant holders is required to sanction any modification, alteration or abrogation in respect of the rights of the EVD Warrant holders.
- Rights of EVD Warrant holders on winding-up, compromise or arrangement of EVD : Where a resolution has been passed for a members' voluntary winding-up of EVD, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of EVD or the amalgamation of EVD with one (1) or more companies, then every EVD Warrant holder shall be entitled, upon and subject to the provisions of the Deed Poll for the EVD Warrants, at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of EVD, or within six (6) weeks after (whichever is later) the court order approving the compromise or arrangement, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be) exercised the "Exercise Rights" above represented by the EVD Warrants and had on such date been the holder of the new EVD Shares arising from the exercise of the EVD Warrants. Upon the expiry of the above six (6) weeks, all "Exercise Rights" above shall lapse and cease to be valid for any purpose.
- Governing Law : Laws and regulations of Malaysia.

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## ACCOUNTANT'S REPORT OF EVE GROUP



Date: 28 April 2022

The Board of Directors  
**IDIMENSION CONSOLIDATED BHD**  
 A-1-5, Blok A,  
 Pusat Perdagangan Icon City,  
 No. 1B, Jalan SS 8/39, SS8,  
 47300 Petaling Jaya,  
 Selangor Darul Ehsan.

**Crowe Malaysia PLT**  
 201906000005 (LLP0018617-LCA) & AF 1018  
 Chartered Accountants  
 Level 16, Tower C, Megan Avenue II  
 12, Jalan Yap Kwan Seng  
 50450 Kuala Lumpur  
 Malaysia  
 Main +6 03 2788 9999  
 Fax +6 03 2788 9998  
 www.crowe.my

Dear Sirs/Madams

### REPORTING ACCOUNTANT'S OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANT'S REPORT OF EVD ENGINEERING SDN. BHD.

We have audited the accompanying historical financial statements of EVD Engineering Sdn. Bhd. ("the Company") and of its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as at 31 December 2018, 2019, 2020 and 2021, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for each of the financial years ended ("FYE") 31 December 2018, 2019, 2020 and 2021, and notes to the consolidated financial statements as set out in pages 4 to 70.

The consolidated financial information has been prepared for inclusion in the Abridged Prospectus.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, 2019, 2020 and 2021, and of their financial performance and cash flows for each of the FYE 31 December 2018, 2019, 2020 and 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Reporting Accountant's Responsibilities for the Audit of the financial information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### *Independence And Other Ethical Responsibilities*

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**REPORTING ACCOUNTANT'S OPINION ON THE FINANCIAL INFORMATION CONTAINED  
IN THE ACCOUNTANT'S REPORT OF EVD ENGINEERING SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200801036987 (838328-V)

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION**

The Directors of the Company are responsible for the preparation of the financial information of the Group that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**REPORTING ACCOUNTANT'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION**

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**REPORTING ACCOUNTANT'S OPINION ON THE FINANCIAL INFORMATION CONTAINED  
IN THE ACCOUNTANT'S REPORT OF EVD ENGINEERING SDN BHD (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200801036987 (838328-V)

**REPORTING ACCOUNTANT'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION  
(CONT'D)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information of the Group, including the disclosures, and whether the financial information of the Group represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial information of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**RESTRICTION ON DISTRIBUTION AND USE**

We understand that this report will be used solely for the purpose of inclusion in the Abridged Prospectus. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

**Chua Wai Hong**  
02974/09/2023 J  
Chartered Accountant

Kuala Lumpur

28 APR 2022

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## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	2018 RM	As at 31 December 2019 RM	2020 RM	2021 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Equipment	6	-	-	101,797	193,635
Right-of-use assets	7	-	-	655,246	619,882
Deferred tax assets	8	80,547	80,547	80,547	80,547
		80,547	80,547	837,590	894,064
<b>CURRENT ASSETS</b>					
Inventories	9	-	2,281,125	-	-
Contract cost assets	10	-	-	-	229,001
Trade receivables	11	5,521,200	2,702,539	3,806,717	4,459,984
Other receivables, deposits and prepayments	12	38,364	265,519	1,065,563	1,042,659
Contract assets	13	175,518	11,625,959	34,827,959	36,387,243
Amount owing by holding company	14	8,118,928	10,785,222	-	33,708,130
Amount owing by related companies	15	1,322,301	-	6,769	-
Cash and cash equivalents	16	4,131,965	3,993,374	13,725,222	31,225,974
		19,308,276	31,653,738	53,432,230	107,052,991
<b>TOTAL ASSETS</b>		19,388,823	31,734,285	54,269,820	107,947,055

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	As at 31 December		
		2018 RM	2019 RM	2020 RM
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	17	750,000	5,000,000	5,000,000
Foreign exchange translation reserve	18	(87,282)	(86,650)	76,151
Retained profits		3,653,001	8,352,594	21,419,346
Equity attributable to owners of the Company		4,315,719	13,265,944	26,495,497
Non-controlling interest		-	-	(3,456)
<b>TOTAL EQUITY</b>		4,315,719	13,265,944	26,492,041
<b>NON-CURRENT LIABILITY</b>				
Lease liabilities	20	-	-	284,202
<b>CURRENT LIABILITIES</b>				
Trade payables	21	7,843,756	8,838,718	18,604,309
Other payables and accruals	22	567,590	1,188,219	2,028,480
Contract liabilities	13	2,070,396	1,357,365	7,166,982
Amount owing to holding company	14	4,252,449	6,673,124	6,393,786
Amount owing to related companies	15	-	-	130,380
Current tax liabilities		338,913	410,915	545,321
Lease liabilities	20	-	-	401,893
Trust receipt	23	-	-	1,581,131
<b>TOTAL LIABILITIES</b>		15,073,104	18,468,341	36,852,282
<b>TOTAL EQUITY AND LIABILITIES</b>		15,073,104	18,468,341	37,136,484
		19,388,823	31,734,285	54,269,820
				107,947,055

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	FYE 31 December		
		2018 RM	2019 RM	2020 RM
REVENUE	24	14,326,727	42,375,071	64,465,271
COST OF SALES		(13,061,295)	(35,974,134)	(55,257,154)
GROSS PROFIT		1,265,432	6,400,937	9,208,117
OTHER INCOME		65,847	13,107	5,753
ADMINISTRATIVE EXPENSES		1,331,279	6,414,044	9,213,870
OTHER EXPENSES		(140,335)	(408,656)	(4,018,314)
FINANCE COSTS		-	-	(293,955)
		-	-	(20,390)
NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	25	(269,210)	-	301,461
PROFIT BEFORE TAXATION	26	921,734	6,005,388	5,182,672
INCOME TAX EXPENSE	27	(154,071)	(1,305,795)	(1,186,815)
PROFIT AFTER TAXATION		767,663	4,699,593	3,995,857
OTHER COMPREHENSIVE (EXPENSES)/INCOME <i>Item that will be Reclassified Subsequently to Profit or Loss</i> Foreign currency translation differences		(26,588)	632	(128,465)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		741,075	4,700,225	3,867,392
				9,066,949
				150,799,885
				(130,900,849)
				19,899,036
				238,172
				20,137,208
				(6,622,164)
				(495,736)
				(86,894)
				(642,283)
				12,290,131
				(3,223,182)
				9,066,949
				291,266
				9,358,215

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	2018 RM	FYE 31 December 2019 RM	2020 RM	2021 RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company	729,547	4,699,593	3,995,857	9,070,895
Non-controlling Interest	38,116	-	-	(3,946)
	<u>767,663</u>	<u>4,699,593</u>	<u>3,995,857</u>	<u>9,066,949</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company	702,959	4,700,225	3,867,392	9,362,161
Non-controlling Interest	38,116	-	-	(3,946)
	<u>741,075</u>	<u>4,700,225</u>	<u>3,867,392</u>	<u>9,358,215</u>

ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

EVD ENGINEERING SDN. BHD.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share Capital RM	Non- Distributable Foreign Exchange Translation Reserve RM	Distributable Retained Profits RM	Attributable To Owners of the Company RM	Non- controlling Interest RM	Total Equity RM
Balance as at 1 January 2018		2	(55,751)	3,589,678	3,533,929	143,633	3,677,562
Profit after taxation for the financial year		-	-	729,547	729,547	38,116	767,663
Foreign currency translation differences		-	(26,588)	-	(26,588)	-	(26,588)
Total comprehensive income for the financial year		-	(26,588)	729,547	702,959	38,116	741,075
Contributions by and distributions to owners of the Company:		2	(82,339)	4,319,225	4,236,888	181,749	4,418,637
Issuance of new shares	17	749,998	-	(749,998)	-	-	-
Dividend paid by subsidiary to non-controlling interest		-	-	-	-	(102,918)	(102,918)
Changes in a subsidiary's ownership interests that do not result in a loss of control		-	(4,943)	83,774	78,831	(78,831)	-
Total transactions with owners		749,998	(4,943)	(666,224)	78,831	(181,749)	(102,918)
Balance at 31 December 2018		750,000	(87,282)	3,653,001	4,315,719	-	4,315,719

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share Capital RM	Non-Distributable Foreign Exchange Translation Reserve RM	Distributable Retained Profits RM	Attributable To Owners of the Company/ Total Equity RM
Balance as at 31 December 2018/1 January 2019		750,000	(87,282)	3,653,001	4,315,719
Profit after taxation for the financial year		-	-	4,699,593	4,699,593
Foreign currency translation differences		-	632	-	632
Total comprehensive income for the financial year		-	632	4,699,593	4,700,225
		750,000	(86,650)	8,352,594	9,015,944
Total transaction with owners:					
Issuance of new shares	17	4,250,000	-	-	4,250,000
Balance as at 31 December 2019/1 January 2020		5,000,000	(86,650)	8,352,594	13,265,944
Profit after taxation for the financial year		-	-	3,995,857	3,995,857
Foreign currency translation differences		-	(128,465)	-	(128,465)
Total comprehensive income for the financial year		-	(128,465)	3,995,857	3,867,392
Balance at 31 December 2020		5,000,000	(215,115)	12,348,451	17,133,336

ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

**EVD ENGINEERING SDN. BHD.**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	Share Capital RM	Non- Distributable Foreign Exchange Translation Reserve RM	Distributable Retained Profits RM	Attributable To Owners of the Company RM	Non- controlling Interests	Total Equity
Balance as at 31 December 2020/1 January 2021	5,000,000	(215,115)	12,348,451	17,133,336	-	17,133,336
Profit after taxation for the financial year	-	-	9,070,895	9,070,895	(3,946)	9,066,949
Foreign currency translation differences	-	291,266	-	291,266	-	291,266
Total comprehensive income for the financial year	-	291,266	9,070,895	9,362,161	(3,946)	9,358,215
Total transactions with owners: - Incorporation of a subsidiary	-	-	-	-	490	490
Balance at 31 December 2021	5,000,000	76,151	21,419,346	26,495,497	(3,456)	26,492,041

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	2018	FYE 31 December	2021
	RM	2019	RM
		RM	RM
		2020	
		RM	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation	921,734	6,005,388	5,182,672
Adjustments for:-			
Depreciation:			
- equipment	-	-	16,257
- right-of-use assets	-	-	170,238
Interest expense on lease liabilities	-	-	20,390
Finance costs	-	-	-
Net impairment losses/(reversal of impairment losses) on financial assets	269,210	-	(301,461)
Unrealised loss/(gain) on foreign exchange	11,024	6,328	65,613
Interest income	(18,003)	(13,090)	(5,752)
Operating profit before working capital changes	1,183,965	5,998,626	5,147,957
(Increase)/Decrease in inventories	-	(2,281,125)	2,281,125
Increase in contract cost assets	-	-	-
Decrease/(Increase) in receivables	138,723	2,591,506	(1,936,466)
Decrease/(Increase) in contract assets	6,698	(11,450,441)	(23,202,000)
Increase in payables	4,294,552	1,615,591	10,692,025
Increase/(Decrease) in contract liabilities	1,424,358	(713,031)	5,565,288
Net movement in amount owing to holding company	(4,626,443)	(2,988,648)	12,076,598
<b>CASH FROM/(FOR) OPERATIONS</b>	2,421,853	(7,227,522)	10,624,527
Interest received	3,244	-	-
Net income tax paid	(78,690)	(1,233,793)	(1,052,409)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	2,346,407	(8,461,315)	9,572,118
			12,290,131



## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	2018 RM	FYE 31 December 2019 RM	2020 RM	2021 RM
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>					
Additions to right-of-use assets	28(a)	-	-	(14,400)	-
Interest received		14,759	13,090	5,752	38,760
Placement in collateral account (Placement)/Withdrawal of fixed deposits with tenure more than 3 months	16	-	-	(900,000)	(15,738)
Purchase of equipment	16	(12,518)	406,944	-	-
Repayment from holding company		-	322,354	(118,054)	(136,915)
Repayment from/(Advances to) related companies		-	1,322,301	(6,769)	6,769
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		<b>2,241</b>	<b>2,064,689</b>	<b>(1,033,471)</b>	<b>(107,124)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Advances from/(Repayment to) holding company	28(b)	231,144	2,420,675	(1,134,319)	2,784,048
Dividend received	28(b)	-	-	130,380	(122,380)
Dividend paid to non-controlling interest	28(b)	(102,918)	-	-	-
Drawdown of trust receipt	28(b)	-	-	1,581,131	32,217,172
Interest paid	28(b)	-	4,250,000	(17,681)	(536,887)
Proceed from issuance of ordinary share		-	-	-	-
Proceeds on disposal of a partial interest in a subsidiary that does not involve loss of control	28(b)	-	-	-	490
Repayment of trust receipt	28(b)	-	-	-	(18,546,395)
Repayment of lease liabilities	28(b)	-	-	(127,698)	(458,789)
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>128,226</b>	<b>6,670,675</b>	<b>431,813</b>	<b>15,337,259</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>2,476,874</b>	<b>274,049</b>	<b>8,970,460</b>	<b>17,193,748</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>1,285,759</b>	<b>3,725,021</b>	<b>3,993,374</b>	<b>12,825,222</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>		<b>(37,612)</b>	<b>(5,696)</b>	<b>(138,612)</b>	<b>291,266</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>16</b>	<b>3,725,021</b>	<b>3,993,374</b>	<b>12,825,222</b>	<b>30,310,236</b>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

Registered office : Unit 30-01, Level 30, Tower A,  
Vertical Business Suite, Avenue 3,  
Bangsar South, No.8,  
Jalan Kerinchi,  
59200 Kuala Lumpur.

Principal place of business : No. 39, Jalan Putra Mahkota 7/7B,  
Putra Heights,  
47650 Subang Jaya, Selangor.

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/Country of Incorporation	Percentage of Issued Share Capital Held by Parent				Principal Activities
		2018 %	2019 %	2020 %	2021 %	
EVD Global Pte. Ltd.	Singapore	100	100	100	100	A turnkey and procurement centre for engineering equipment and products including software and hardware used in surveillance system and integrated security system.
EVD Technology Sdn. Bhd. ("EVDT")	Malaysia	-	-	-	51	Dormant company and it is intended to engage in big data analytics services, including operation, monitoring, services and maintenance, research and development and aviation information system.

(a) On 24 May 2021, the Company has incorporated EVDT and allotted 510 ordinary shares for cash consideration of RM510. Following the completion of the allotment, EVDT became a partly-owned subsidiary of the Company.

(b) The non-controlling interest at the end of the reporting period comprise the following:-

Name of Subsidiary	Effective Equity Interest				The Group			
	2018 %	2019 %	2020 %	2021 %	2018 RM	2019 RM	2020 RM	2021 RM
EVDT	-	-	-	49	-	-	-	(3,456)

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. GENERAL INFORMATION (CONT'D)**

- (c) Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiary are not individually material to the Group.

**2. PRINCIPAL ACTIVITIES**

The Company is principally engaged in business as an information and communications technology ("ICT") system solutions provider, which focuses primarily on the transportation system solutions. It also offers healthcare and security system solutions. The principal activities of the subsidiaries are set out in Note 1 to the financial statements.

**3. HOLDING COMPANY**

The holding company is EV-Dynamic Sdn. Bhd., a company incorporated in Malaysia.

**4. BASIS OF PREPARATION**

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 4.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretation (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standards and/or interpretation (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. BASIS OF PREPARATION (CONT'D)**

- 4.2 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 year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

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

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES****5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Group operates. While the Group has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Group remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Group's assets and liabilities at the reporting date.

*Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

**(a) Income Taxes**

There are certain transactions and computations for which the tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

**(b) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 11 and 13 to the financial statements.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(c) Revenue Recognition for Construction Contracts**

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 13 to the financial statements.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

**(a) Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancelable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**(b) Contingent Liabilities**

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group are remote.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.2 BASIS OF CONSOLIDATION**

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

**(a) Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

**(b) Non-controlling Interests**

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.2 BASIS OF CONSOLIDATION (CONT'D)****(c) Changes in Ownership Interests in Subsidiaries Without Change of Control**

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in the equity of the Group.

**(d) Loss of Control**

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

**5.3 FUNCTIONAL AND FOREIGN CURRENCIES****(a) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

**(b) Foreign Currency Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.



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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)****(c) Foreign Operations**

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when the settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.4 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

**(a) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments***(i) Amortised Cost**

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**5.4 **FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Assets (Cont'd)***Debt Instruments (Cont'd)***(i) Amortised Cost (Cont'd)**

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

**(ii) Fair Value through Other Comprehensive Income**

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

**(iii) Fair Value through Profit or Loss**

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**5.4 **FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Assets (Cont'd)***Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

**(b) Financial Liabilities****(i) Financial Liabilities at Fair Value through Profit or Loss**

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

**(ii) Other Financial Liabilities**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.4 FINANCIAL INSTRUMENTS (CONT'D)****(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

**(i) Ordinary Shares**

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

**(d) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**5.5 INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.6 EQUIPMENT**

All items of equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to the initial recognition, all equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

Depreciation on equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer	50%
Furniture, fittings and equipment	10%
Renovation	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.7 LEASES**

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.8 INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

**5.9 CONTRACT COST ASSETS****(a) Incremental Costs of Obtaining Contracts**

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

**(b) Costs to Fulfil A Contract**

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract cost assets are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost assets exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost assets does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

**5.10 CONTRACT ASSET AND CONTRACT LIABILITY**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

**5.11 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.



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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.12 BORROWING COST**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

**5.13 IMPAIRMENT****(a) Impairment of Financial Assets**

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.13 IMPAIRMENT (CONT'D)****(b) Impairment of Non-financial Assets**

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

**5.14 EMPLOYEE BENEFITS****(a) Short-term Benefits**

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss and included in the contract costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

**(b) Defined Contribution Plans**

The Group's contributions to defined contribution plans are recognised in profit or loss included in the contract costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.15 INCOME TAXES****(a) Current Tax**

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

**(b) Deferred Tax**

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.16 CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

**5.17 FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****5.18 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

**(a) Construction services**

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

**(b) Services rendered**

Revenue from services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customer and coincide with the delivery of products and services and acceptance by customers.

There is no right of return and warranty provided to the customers on the sales of products and services rendered.

There is no significant financing component in the revenue arising from services rendered as the services is made on the normal credit terms not exceeding twelve months.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## 5.18 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

## (c) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

## 5.19 OTHER INCOME

## (a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

## 6. EQUIPMENT

	At 1.1.2020 RM	Additions RM	Depreciation Charges RM	At 31.12.2020 RM
<b>2020</b>				
<i>Carrying Amount</i>				
Computer	-	53,250	(11,094)	42,156
Furniture, fittings and equipment	-	44,104	(2,879)	41,225
Renovation	-	20,700	(2,284)	18,416
	-	118,054	(16,257)	101,797
	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	At 31.12.2021 RM
<b>2021</b>				
<i>Carrying Amount</i>				
Computer	42,156	129,914	(36,281)	135,789
Furniture, fittings and equipment	41,225	7,001	(4,656)	43,570
Renovation	18,416	-	(4,140)	14,276
	101,797	136,915	(45,077)	193,635

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 6. EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2020</b>			
Computer	53,250	(11,094)	42,156
Furniture, fittings and equipment	44,104	(2,879)	41,225
Renovation	20,700	(2,284)	18,416
	<b>118,054</b>	<b>(16,257)</b>	<b>101,797</b>
<b>2021</b>			
Computer	183,164	(47,375)	135,789
Furniture, fittings and equipment	51,105	(7,535)	43,570
Renovation	20,700	(6,424)	14,276
	<b>254,969</b>	<b>(61,334)</b>	<b>193,635</b>

## 7. RIGHT-OF-USE ASSETS

	At 1.1.2020 RM	Additions RM	Depreciation Charges RM	At 31.12.2020 RM
<b>2020</b>				
<i>Carrying Amount</i>				
Buildings	-	753,484	(159,438)	594,046
Motor vehicle	-	72,000	(10,800)	61,200
	-	<b>825,484</b>	<b>(170,238)</b>	<b>655,246</b>
<b>2021</b>				
<i>Carrying Amount</i>				
Buildings	594,046	133,489	(422,884)	573,082
Motor vehicle	61,200	-	(14,400)	46,800
	<b>655,246</b>	<b>133,489</b>	<b>(437,284)</b>	<b>619,882</b>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 7. RIGHT-OF-USE ASSETS (CONT'D)

- a) The Group leases certain unit of buildings and motor vehicle of which the leasing activities are summarised below:-

## (i) Buildings

The Group has leased a number of buildings that run between 1 to 2 (2020: 1 to 2, 2019: Nil, 2018: Nil) years with an option to renew the lease after that date.

## (ii) Motor vehicle

The Group has leased its motor vehicle under hire purchase arrangement. The Group has an option to purchase the asset at the expiry of the lease period at an insignificant amount.

## 8. DEFERRED TAX ASSETS/(LIABILITIES)

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Balance at 1 January	94,052	80,547	80,547	80,547
Recognised in profit or loss (Note 27)	(13,505)	-	-	-
Balance at 31 December	<u>80,547</u>	<u>80,547</u>	<u>80,547</u>	<u>80,547</u>

The deferred tax assets were in respect of taxable temporary differences arising from the provision made.

## 9. INVENTORIES

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Finished goods	<u>-</u>	<u>2,281,125</u>	<u>-</u>	<u>-</u>
Recognised in profit or loss:- Inventories recognised as cost of sales	<u>4,647,527</u>	<u>452,758</u>	<u>2,786,523</u>	<u>-</u>



## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10. CONTRACT COST ASSETS

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Costs to fulfil a contract	-	-	-	229,001

The costs to fulfil a contract represent cost incurred that is used to fulfil the contract in future.

## 11. TRADE RECEIVABLES

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Third parties	5,521,200	2,702,539	3,941,651	5,237,201
Allowance for impairment losses	-	-	(134,934)	(777,217)
Balance at 31 December	5,521,200	2,702,539	3,806,717	4,459,984

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Allowance for impairment losses:-				
Balance at 1 January	-	-	-	134,934
Addition during the financial year	-	-	134,934	642,283
Balance at 31 December	-	-	134,934	777,217

The Group's normal trade credit terms range from 30 to 60 (2020: 30 to 60, 2019: 60, 2018: 60) days. Other credit terms are assessed and approved on a case-by-case basis.

## 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Other receivables	22,925	238,719	27,900	101,377
Deposits	15,179	26,540	935,569	207,798
Prepayments	260	260	102,094	733,484
	38,364	265,519	1,065,563	1,042,659

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13. CONTRACT ASSETS/(LIABILITIES)

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Contract Assets</b>				
Contract assets relating to construction contracts	175,518	11,625,959	34,827,959	36,387,243
<b>Contract Liabilities</b>				
Contract liabilities relating to construction contracts	(2,070,396)	(1,357,365)	(7,166,982)	(8,346,257)

- (a) The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed as at the reporting date.
- (b) The contract liabilities primarily relate to advance considerations received from contracts services of which the revenue will be recognised over the remaining contract term of the specific contract it relates to.
- (c) The changes to contract asset and contract liability balances during the financial year are summarised below:-

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
At 1 January	(463,822)	(1,894,878)	10,268,594	27,660,977
Revenue recognised in profit or loss during the financial year*	4,430,945	41,851,399	63,899,163	150,011,494
Billings to customers during the financial year	(5,862,001)	(29,687,927)	(46,506,780)	(149,631,485)
At 31 December	(1,894,878)	10,268,594	27,660,977	28,040,986
Represented by:-				
Contract assets	175,518	11,625,959	34,827,959	36,387,243
Contract liabilities	(2,070,396)	(1,357,365)	(7,166,982)	(8,346,257)
	(1,894,878)	10,268,594	27,660,977	28,040,986

## Note:

- # Included an amount of RM3,496,401 (2020: RM1,357,365, 2019: RM2,070,396, 2018: RM646,039) that was included in contract liabilities at the beginning of the financial year.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 13. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(d) The following table shows revenue expected to be recognised in the future related to performance obligation that are unsatisfied (or partially satisfied) at the reporting date:-

	2018 RM	2019 RM	2020 RM	2021 RM
Within 1 year	4,908,438	23,233,383	107,505,342	83,205,957
Between 1 and 5 years	1,282,458	72,772,277	133,916,217	11,226,444
At 31 December	6,190,896	96,005,660	241,421,559	94,432,401

## 14. AMOUNTS OWING BY/(TO) HOLDING COMPANY

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Amount owing by:-</b>				
Trade balance	8,232,969	11,221,617	-	33,708,130
Non-trade balance	365,082	-	-	-
	8,598,051	11,221,617	-	33,708,130
Allowance for impairment losses	(479,123)	(436,395)	-	-
	8,118,928	10,785,222	-	33,708,130
Allowance for impairment losses:-				
At 1 January	131,800	479,123	436,395	-
Addition during the financial year	366,684	-	-	-
Reversal during the financial year	(19,361)	-	(436,395)	-
Written off during the financial year	-	(42,728)	-	-
At 31 December	479,123	436,395	-	-

The Group's normal trade credit term of 30 (2020: Nil, 2019: 30, 2018: 30 to 90) days.

The non-trade amount was unsecured, interest-free and was settled in cash during the financial year ended 2019.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 14. AMOUNTS OWING BY/(TO) HOLDING COMPANY (CONT'D)

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Amount owing to:-</b>				
Trade balance	-	-	(854,981)	-
Non-trade balance	(4,252,449)	(6,673,124)	(5,538,805)	(8,322,853)
	<u>(4,252,449)</u>	<u>(6,673,124)</u>	<u>(6,393,786)</u>	<u>(8,322,853)</u>

The Group's normal trade credit term range of Nil (2020: 30, 2019: Nil, 2018: Nil) days.

The non-trade amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

## 15. AMOUNTS OWING BY/(TO) RELATED COMPANIES

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Amount owing by:-</b>				
Non-trade balance	2,090,000	-	6,769	-
Allowance for impairment losses	(767,699)	-	-	-
	<u>1,322,301</u>	<u>-</u>	<u>6,769</u>	<u>-</u>
<b>Allowance for impairment losses:-</b>				
At 1 January	845,812	767,699	-	-
Addition during the financial year	-	-	-	-
Reversal during the financial year	(78,113)	-	-	-
Written off during the financial year	-	(767,699)	-	-
	<u>767,699</u>	<u>-</u>	<u>-</u>	<u>-</u>

The amount owing was unsecured, interest-free and repayable on demand. The amount owing was settled in cash.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 15. AMOUNTS OWING BY/(TO) RELATED COMPANIES (CONT'D)

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Amount owing to:-</b>				
Non-trade balance	-	-	(130,380)	(8,000)

The related companies are EVD Land Sdn. Bhd., EVD Communication Sdn. Bhd. and TP Works Engineering Sdn. Bhd.. All the companies are incorporated in Malaysia.

The amount owing is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

## 16. CASH AND CASH EQUIVALENTS

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Cash and bank balances	3,725,021	3,654,097	13,379,339	30,873,952
Fixed deposits with a licensed bank	406,944	339,277	345,883	352,022
As stated in statements of financial position	4,131,965	3,993,374	13,725,222	31,225,974
Less: Fixed deposits with maturity period of more than 3 months	(406,944)	-	-	-
Less: Collateral account	-	-	(900,000)	(915,738)
As stated in statements of cash flows	3,725,021	3,993,374	12,825,222	30,310,236

The fixed deposits with a licensed bank of the Group at the end of the reporting period were subject to a weighted average effective interest rate of 1.55% (2020: 1.65% 2019: 3.10%, 2018: 3.75%) per annum. The fixed deposits have maturity periods of 30 (2020: 30, 2019: 30, 2018: 365) days for the Group.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 17. SHARE CAPITAL

	2018	As at 31 December		2021
		2019	2020	
		Number Of Shares		
Issued And Fully Paid-Up At 1 January	2	750,000	5,000,000	5,000,000
Issuance of new shares	749,998	4,250,000	-	-
At 31 December	750,000	5,000,000	5,000,000	5,000,000

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Issued And Fully Paid-Up At 1 January	2	750,000	5,000,000	5,000,000
Issuance of new shares	749,998	4,250,000	-	-
At 31 December	750,000	5,000,000	5,000,000	5,000,000

**2018**

The Company obtained shareholders' approval at its Annual General Meeting on 23 April 2018 for a bonus issue of 749,998 new ordinary shares of RM1 each in the Company through the capitalisation of the Company's available retained earnings of RM749,998.

**2019**

On 26 November 2019, the Company issued 4,250,000 new ordinary shares for a cash consideration of RM4,250,000 for working capital purposes.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

## 18. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****19. NON-CONTROLLING INTERESTS**

(a) On 5 October 2018, EVD Engineering Sdn. Bhd. acquired the remaining 10% equity interest in EVD Global Pte. Ltd., representing 10 ordinary shares from the Directors of the Company for a cash consideration of SGD 2 (equivalent to RM6). EVD Global Pte. Ltd. became a wholly-owned subsidiary of the Company.

(b) The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interest and is material to the Group is as follows:-

	<b>As at 31 December 2018 RM</b>
Revenue	5,049,622
Profit after tax	296,051
Total comprehensive income	268,352
Total comprehensive income attributable to non-controlling interest	38,116
Net cash flows from operating activities	3,060,799
Net cash flows for financing activities	<u>(796,915)</u>

(c) On 24 May 2021, the Company has incorporated EVDT and allotted 510 ordinary shares for cash consideration of RM510. Following the completion of the allotment, EVDT became a partly-owned subsidiary of the Company.

The summarised financial information of remaining non-controlling interests of EVDT has not been presented as they are not individually material to the Group.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 20. LEASE LIABILITIES

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
At 1 January	-	-	-	686,095
Additions	-	-	811,084	133,489
Lease modification	-	-	-	268,431
Interest expense recognised in profit or loss	-	-	20,390	42,780
Repayment of principal	-	-	(127,698)	(458,789)
Repayment of interest expense	-	-	(17,681)	(42,780)
At 31 December	-	-	686,095	629,226
Analysed by:-				
Current liabilities	-	-	401,893	387,905
Non-current liability	-	-	284,202	241,321
	-	-	686,095	629,226
Represented by:-				
Finance lease	-	-	52,935	41,675
Operating lease	-	-	633,160	587,551
	-	-	686,095	629,226

## 21. TRADE PAYABLES

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Third parties	7,843,756	8,838,718	18,604,309	44,517,371

The normal trade credit terms granted:-

	2018	As at 31 December		2021
		2019	2020	
Credit terms (days)	30 to 90	30 to 90	30 to 90	30 to 90



## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 22. OTHER PAYABLES AND ACCRUALS

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Other payables	6	-	-	373
Accruals	567,584	1,188,219	2,028,480	2,566,309
	<u>567,590</u>	<u>1,188,219</u>	<u>2,028,480</u>	<u>2,566,682</u>

## 23. TRUST RECEIPT

- (a) The trust receipt at the end of the reporting period bore an effective interest rate of 6.67% (2020: 6.67%, 2019: Nil, 2018: Nil) per annum.
- (b) The trust receipt is secured by:-
- (i) first party collateral account together with memorandum of charge/assignment as disclosed in Note 16 to the financial statements;
  - (ii) joint and several guarantee of directors of the Company;
  - (iii) corporate guarantee of holding company; and
  - (iv) blanket deed of assignment of contract proceeds.
- (c) The trust receipt stipulated that the Company shall maintain tangible net worth of not less than RM20,000,000 for financial year ended 31 December 2021 (2020: RM10,000,000, 2019: Nil, 2018: Nil).

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 24. REVENUE

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Revenue from Contracts with Customers	4,430,945	41,851,399	63,899,163	150,011,494
Service rendered	4,846,160	-	-	-
Sale of goods	5,049,622	523,672	566,108	788,391
	<u>14,326,727</u>	<u>42,375,071</u>	<u>64,465,271</u>	<u>150,799,885</u>
Timing of revenue recognised:-				
Over time	4,430,945	41,851,399	63,899,163	150,011,494
At a point in time	9,895,782	523,672	566,108	788,391
	<u>14,326,727</u>	<u>42,375,071</u>	<u>64,465,271</u>	<u>150,799,885</u>

## 25. NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Impairment losses:				
- amount owing by holding company	(366,684)	-	-	-
- trade receivables	-	-	(134,934)	(642,283)
Reversal of impairment losses:				
- amount owing by holding company	19,361	-	436,395	-
- amount owing by a related company	78,113	-	-	-
	<u>(269,210)</u>	<u>-</u>	<u>301,461</u>	<u>(642,283)</u>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26. PROFIT BEFORE TAXATION

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- current year	23,381	37,887	52,256	70,535
- under provision in prior year	500	-	11,000	-
Director's fee in a subsidiary	29,971	30,322	30,429	31,188
<b>Material Expenses/ (Income)</b>				
Depreciation:				
- equipment	-	-	16,257	45,077
- right-of-use assets	-	-	170,238	437,284
Interest expense on lease liabilities	-	-	20,390	42,780
Realised loss/(gain) on foreign exchange	-	2,115	41,847	(35,457)
Staff costs:				
- salaries, bonuses and allowances	3,416,345	5,502,324	13,425,762	24,104,929
- contributions to defined contribution plan	412,662	673,017	1,360,358	2,806,121
- other employee benefits	48,121	131,730	193,438	431,199
Total interest expenses on financial liabilities that are not fair value through profit or loss				
- trust receipt	-	-	-	494,107
Unrealised loss/(gain) on foreign exchange	11,024	6,328	65,613	(150,579)
Interest income	(18,003)	(13,090)	(5,752)	(38,760)
Realised gain on foreign exchange	(47,844)	-	-	-

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 27. INCOME TAX EXPENSE

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Current tax:				
- for the financial year	229,163	1,322,577	1,142,721	3,115,276
- (over)/underprovision in the previous financial year	(88,597)	(16,782)	44,094	107,906
	<u>140,566</u>	<u>1,305,795</u>	<u>1,186,815</u>	<u>3,223,182</u>
Deferred tax (Note 8):				
- originating and recognition of temporary differences	13,505	-	-	-
	<u>154,071</u>	<u>1,305,795</u>	<u>1,186,815</u>	<u>3,223,182</u>

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group is as follows:-

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
Profit before taxation	921,734	6,005,388	5,182,672	12,290,131
Tax at the statutory tax rate	197,482	1,324,288	1,099,530	2,761,044
Tax effects of:-				
Non-deductible expenses	89,197	3,218	53,511	407,956
Statutory stepped income exemption	(28,207)	(52,920)	(55,390)	(53,724)
Tax incentive for corporate tax rebate	(5,138)	(45,560)	-	-
(Over)/Under provision of tax expense in prior years	(88,597)	(16,782)	44,094	107,906
Non-taxable income	(24,048)	-	(105,000)	-
Deferred tax assets not recognised during the financial year	-	74,299	150,070	-
Others	13,382	19,252	-	-
Income tax expense for the financial year	<u>154,071</u>	<u>1,305,795</u>	<u>1,186,815</u>	<u>3,223,182</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%, 2019: 24%, 2018: 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 28. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase the additions of right-of-use assets is as follows:-

	2018 RM	FYE 31 December 2019 RM	2020 RM	2021 RM
<b>Equipment</b>				
Cost of equipments purchased	-	-	118,054	136,915
<b>Right-of-use assets</b>				
Cost of right-of-use assets acquired	-	-	825,484	401,920
Less: Addition of new lease liabilities	-	-	(811,084)	(133,489)
Less: Lease modification	-	-	-	(268,431)
	-	-	14,400	-

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Amount Owing to Holding Company 2018	Amount Owing to Holding Company 2019
At 1 Jan	4,021,305	4,252,449
<u>Changes in Financing Cash Flows</u>		
Advances from	231,144	2,420,675
At 31 December	4,252,449	6,673,124

ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

EVD ENGINEERING SDN. BHD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Amount Owing To Holding Company RM	Amount Owing To Related Companies RM	Lease Liabilities RM	Trust Receipt RM	Total RM
<b>2020</b>					
At 1 January	6,673,124	-	-	-	6,673,124
<b>Changes in Financing Cash Flows</b>					
Lease expenses paid/payable	-	118,000	-	-	118,000
Payment on behalf by	497,112	83,880	-	-	580,992
Proceeds from drawdown	-	-	-	1,581,131	1,581,131
Repayment of principal	-	-	(127,698)	-	(127,698)
Repayment of interests	-	-	(17,681)	-	(17,681)
Repayment to	(1,631,431)	(71,500)	-	-	(1,702,931)
	(1,134,319)	130,380	(145,379)	1,581,131	431,813
<b>Non-cash Changes</b>					
Acquisition of new leases	-	-	811,084	-	811,084
Interest expense recognised in profit or loss	-	-	20,390	-	20,390
	-	-	831,474	-	831,474
At 31 December	5,538,805	130,380	686,095	1,581,131	7,936,411

ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

EVD ENGINEERING SDN. BHD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

28. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

2021	Amount Owing To Holding Company RM	Amount Owing To Related Companies RM	Lease Liabilities RM	Trust Receipt RM	Total RM
At 1 January	5,538,805	130,380	686,095	1,581,131	7,936,411
<u>Changes in Financing Cash Flows</u>					
Advances from	2,500,000	-	-	-	2,500,000
Expenses backcharged	284,048	-	-	-	284,048
Lease expenses paid/payable	-	96,000	-	-	96,000
Proceeds from drawdown	-	-	-	32,217,172	32,217,172
Repayment of principal	-	-	(458,789)	(18,546,395)	(19,005,184)
Repayment of interests	-	-	(42,780)	(494,107)	(536,887)
Repayment to	-	(218,380)	-	-	(218,380)
	2,784,048	(122,380)	(501,569)	13,176,670	15,336,769
<u>Non-cash Changes</u>					
Acquisition of new leases	-	-	133,489	-	133,489
Modification of leases	-	-	268,431	-	268,431
Interest expense recognised in profit or loss	-	-	42,780	494,107	536,887
	-	-	444,700	494,107	938,807
At 31 December	8,322,853	8,000	629,226	15,251,908	24,211,987

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 29. RELATED PARTY DISCLOSURES

## (a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, holding company, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year:-

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Holding company</b>				
Contract expenditure charged to holding company	10,708,160	28,634,430	29,048,686	139,750,530
Contract expenditure charged by holding company	-	16,702,669	14,399,781	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.



## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 30. CONTINGENT LIABILITY

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	As at 31 December			
	2018	2019	2020	2021
	RM	RM	RM	RM
<b>Guarantee given in respect of contracts and trade performance</b>				
- Limit of trade performance	-	-	3,000,000	3,000,000
- Amount utilised	-	-	306,500	306,500
- Limit of letter of credit	-	-	3,000,000	3,000,000
	<u>-</u>	<u>-</u>	<u>3,000,000</u>	<u>3,000,000</u>

The trade performance of the Company are secured by:

- (i) first party collateral account together with memorandum of charge/assignment as disclosed in Note 16 to the financial statements;
- (ii) joint and several guarantee of directors of the Company;
- (iii) corporate guarantee of holding company; and
- (iv) blanket deed of assignment of contract proceeds.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

## (a) Market Risk

## (i) Foreign Currency Risk

The Group does not have material transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

## (ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed deposits with a licensed bank and finance lease are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was as follows:-

	2018	As at 31 December		2021
	RM	2019	2020	RM
		RM	RM	
<b>Fixed Rate Instruments</b>				
Fixed deposits with a licensed bank	406,944	339,277	345,883	352,022
Lease liabilities - finance lease	-	-	(52,935)	(41,675)
	<u>406,944</u>	<u>339,277</u>	<u>292,948</u>	<u>310,347</u>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (a) Market Risk (Cont'd)

## (ii) Interest Rate Risk (Cont'd)

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Floating Rate Instrument</b>				
Trust receipt	-	-	1,581,131	15,251,908

*Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Effects on Profit After Taxation</b>				
Increase of 100 basis point	-	-	(12,017)	(115,915)
Decrease of 100 basis point	-	-	12,017	115,915

## (iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. FINANCIAL INSTRUMENTS (CONT'D)****31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

**(i) Credit Risk Concentration Profile**

The Group's major concentration of credit risk relates to the amount owing by two (2020: two, 2019: two, 2018: one) customers which constituted approximately 96% (2020: 95%, 2019: 79%, 2018: 67%) of its trade receivables at the end of the reporting period.

**(ii) Exposure to Credit Risk**

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment losses (where applicable).

**(iii) Assessment of Impairment Losses**

At each reporting date, the Group assesses whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 to 365 days past due.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. FINANCIAL INSTRUMENTS (CONT'D)**

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)**Trade Receivables and Contract Assets

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivables (including amount owing by holding company) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2020: 12 months, 2019: 12 months, 2018: 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers trade receivables to settle their debts using the linear regressive analysis. The Group has identified the Gross Domestic Product (GDP) as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have a low risk of default as they have a strong capacity to meet their debts.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses*

<b>The Group</b>	<b>Gross Amount RM</b>	<b>Individual Impairment RM</b>	<b>Collective Impairment RM</b>	<b>Carrying Amount RM</b>
<b>2018</b>				
Current (not past due)	5,870,288	-	(173,196)	5,697,092
1 to 30 days past due	3,670,160	-	(194,540)	3,475,620
31 to 60 days past due	236,166	-	-	236,166
61 to 90 days past due	-	-	-	-
More than 90 days past due	3,977,555	-	(68,659)	3,908,896
Trade receivables	13,754,169	-	(436,395)	13,317,774
Contract assets	175,518	-	-	175,518
	<b>13,929,687</b>	<b>-</b>	<b>(436,395)</b>	<b>13,493,292</b>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses (Cont'd)*

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
<b>2019</b>				
Current (not past due)	11,795,319	-	(436,395)	11,358,924
1 to 30 days past due	-	-	-	-
31 to 60 days past due	-	-	-	-
61 to 90 days past due	-	-	-	-
More than 90 days past due	2,128,837	-	-	2,128,837
Trade receivables	13,924,156	-	(436,395)	13,487,761
Contract assets	11,625,959	-	-	11,625,959
	25,550,115	-	(436,395)	25,113,720

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses (Cont'd)*

<b>The Group</b>	<b>Gross Amount RM</b>	<b>Individual Impairment RM</b>	<b>Collective Impairment RM</b>	<b>Carrying Amount RM</b>
<b>2020</b>				
Current (not past due)	784,428	-	-	784,428
1 to 30 days past due	115,429	-	-	115,429
31 to 60 days past due	1,000	-	-	1,000
61 to 90 days past due	-	-	-	-
More than 90 days past due	3,040,794	-	(134,934)	2,905,860
Trade receivables	3,941,651	-	(134,934)	3,806,717
Contract assets	34,827,959	-	-	34,827,959
	<b>38,769,610</b>	<b>-</b>	<b>(134,934)</b>	<b>38,634,676</b>



## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)*Allowance for Impairment Losses (Cont'd)*

<b>The Group</b>	<b>Gross Amount RM</b>	<b>Individual Impairment RM</b>	<b>Collective Impairment RM</b>	<b>Carrying Amount RM</b>
<b>2021</b>				
Current (not past due)	32,039,543	-	(205,510)	31,834,033
1 to 30 days past due	336,344	-	-	336,344
31 to 60 days past due	2,280	-	-	2,280
61 to 90 days past due	1,185,673	-	-	1,185,673
More than 90 days past due	5,381,491	-	(571,707)	4,809,784
Trade receivables	38,945,331	-	(777,217)	38,168,114
Contract assets	36,387,243	-	-	36,387,243
	<b>75,332,574</b>	<b>-</b>	<b>(777,217)</b>	<b>74,555,357</b>

The movements in the loss allowances in respect of trade receivables and amount owing by holding company are disclosed in Notes 11 and 14 to the financial statements respectively.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. FINANCIAL INSTRUMENTS (CONT'D)**

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

*Allowance for Impairment Losses*

No expected credit loss is recognised on other receivables as it is negligible.

Cash and cash equivalents

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**


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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. FINANCIAL INSTRUMENTS (CONT'D)**

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Holding Company (Non-trade)

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Group measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Group considers loans and advances to holding company have low credit risks. The Group assumes that there is a significant increase in credit risk when the holding company's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the holding company does not have sufficient highly liquid resources when the loans and advances are demanded, the Group will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the holding company.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Holding Company (Non-trade) (Cont'd)*Allowance for Impairment Losses*

The Group	Gross Amount RM	12-month Loss Allowance RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>2018</b>				
Low credit risk	365,082	(42,728)	-	322,354

The movements in the loss allowances are disclosed in Note 14 to the financial statements.

Amount Owing By Related Companies

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Group measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Group considers loans and advances to related companies have low credit risks. The Group assumes that there is a significant increase in credit risk when the related company's financial position deteriorates significantly.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the related company does not have sufficient highly liquid resources when the loans and advances are demanded, the Group will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the related company.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (b) Credit Risk (Cont'd)

## (iii) Assessment of Impairment Losses (Cont'd)

Amount Owing By Related Companies (Cont'd)

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

The information about the exposure to credit risk and the loss allowances calculated for the amount owing by related companies is summarised below:-

<b>The Group</b>	<b>Gross Amount RM</b>	<b>12-month Loss Allowance RM</b>	<b>Lifetime Loss Allowance RM</b>	<b>Carrying Amount RM</b>
<b>2018</b>				
Low credit risk	2,090,000	(767,699)	-	1,322,301
<b>2020</b>				
Low credit risk	6,769	-	-	6,769

The movements in the loss allowances are disclosed in Note 15 to the financial statements.

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2018</b>						
Trade payables	-	7,843,756	7,843,756	7,843,756	-	-
Other payables and accruals	-	567,590	567,590	567,590	-	-
Amount owing to holding company	-	4,252,449	4,252,449	4,252,449	-	-
		<b>12,663,795</b>	<b>12,663,795</b>	<b>12,663,795</b>	<b>-</b>	<b>-</b>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2019</b>						
Trade payables	-	8,838,718	8,838,718	8,838,718	-	-
Other payables and accruals	-	1,188,219	1,188,219	1,188,219	-	-
Amount owing to holding company	-	6,673,124	6,673,124	6,673,124	-	-
		<b>16,700,061</b>	<b>16,700,061</b>	<b>16,700,061</b>	<b>-</b>	<b>-</b>
<b>2020</b>						
Trade payables	-	18,604,309	18,604,309	18,604,309	-	-
Other payables and accruals	-	2,028,480	2,028,480	2,028,480	-	-
Amount owing to holding company	-	6,393,786	6,393,786	6,393,786	-	-
Amount owing to related companies	-	130,380	130,380	130,380	-	-
Lease liabilities	3.50 - 6.67	686,095	698,801	402,336	296,465	-
Borrowing	6.67	1,581,131	1,610,968	1,610,968	-	-
		<b>29,424,181</b>	<b>29,466,724</b>	<b>29,170,259</b>	<b>296,465</b>	<b>-</b>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
<b>2021</b>						
Trade payables	-	44,517,371	44,517,371	44,517,371	-	-
Other payables and accruals	-	2,566,682	2,566,682	2,566,682	-	-
Amount owing to holding company	-	8,322,853	8,322,853	8,322,853	-	-
Amount owing to related companies	-	8,000	8,000	8,000	-	-
Lease liabilities	3.50 - 6.67	629,226	670,037	417,997	252,040	-
Borrowing	6.67	15,251,908	15,477,815	15,477,815	-	-
		<b>71,296,040</b>	<b>71,562,758</b>	<b>71,310,718</b>	<b>252,040</b>	<b>-</b>



## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.2 CAPITAL RISK MANAGEMENT

The Group defines capital as the total equity and debt of the Group. The objective of the Group's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its businesses and related shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group monitors and maintains a prudent level of total debt to total equity ratio to optimise shareholders value and to ensure compliance with debt covenants and regulatory, if any.

There was no change in the Group's approach to capital management during the financial year.

The Group is also required to comply with loan covenant as disclosed in Note 23 to the financial statements, failing which, the banks may call an event of default. The Group has complied with this requirement.

## 31.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Financial assets</b>				
<u>At Cost</u>				
Trade receivables	5,521,200	2,702,539	3,806,717	4,459,984
Other receivables	22,925	238,719	27,900	101,377
Amount owing by holding company	8,118,928	10,785,222	-	33,708,130
Amount owing by related companies	1,322,301	-	6,769	-
Cash and cash equivalents	4,131,965	3,993,374	13,725,222	31,225,974
	<u>19,117,319</u>	<u>17,719,854</u>	<u>17,566,608</u>	<u>69,495,465</u>

## ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

## EVD ENGINEERING SDN. BHD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 31. FINANCIAL INSTRUMENTS (CONT'D)

## 31.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Financial liabilities</b>				
<u>At Cost</u>				
Trade payables	7,843,756	8,838,718	18,604,309	44,517,371
Other payables and accruals	567,590	1,188,219	2,028,480	2,566,682
Amount owing to holding company	4,252,449	6,673,124	6,393,786	8,322,853
Amount owing to related companies	-	-	130,380	8,000
Lease liabilities	-	-	686,095	629,226
Trust receipt	-	-	1,581,131	15,251,908
	<u>12,663,795</u>	<u>16,700,061</u>	<u>29,424,181</u>	<u>71,296,040</u>

## 31.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	2018 RM	As at 31 December		2021 RM
		2019 RM	2020 RM	
<b>Financial assets</b>				
<u>At Cost</u>				
Net (losses)/gains recognised in profit or loss:	<u>(214,387)</u>	<u>4,647</u>	<u>199,753</u>	<u>(656,764)</u>
<b>Financial liabilities</b>				
<u>At Cost</u>				
Net losses recognised in profit or loss:	<u>-</u>	<u>-</u>	<u>(20,390)</u>	<u>(297,610)</u>

## 31.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statement of financial position.

The fair value of the financial assets and financial liabilities of the Group that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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**ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)**

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**EVD ENGINEERING SDN. BHD.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) On 19 December 2019, the holding company, EV-Dynamic Sdn. Bhd. ("EV-Dynamic") entered into a conditional Share Sale Agreement with ICB and EVD Berhad ("SSA") pertaining to the disposal of entire ordinary shares in the Company representing 100% of the issued share capital of the Company for a purchase consideration of RM108 million ("EVE Disposal").
- (b) On 20 May 2020, EV-Dynamic has entered into a supplemental SSA with ICB and EVD Berhad to vary, amongst others:-
- (i) The proposed issue price of the new shares of EVD Berhad to be issued pursuant to the EVE Disposal ("Consideration Shares") and value of the redeemable convertible preference shares of EVD Berhad to be issued pursuant to the EVE Disposal ("Consideration RCPS") as well as the number of Consideration Shares and Consideration RCPS; and
  - (ii) The fulfilment of the two (2)-year profit guarantee to be revised from financial year ended ("FYE") 31 December 2020 and 31 December 2021 to FYE 31 December 2021 and 31 December 2022 and the party of which the profitability shall be based on to be revised from the Company to the Company and its subsidiaries.

**33. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

On 27 April 2022, the EVE Disposal has been completed.

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ACCOUNTANT'S REPORT OF EVE GROUP (CONT'D)

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**EVD ENGINEERING SDN. BHD.**

**STATEMENT BY DIRECTORS**

We, Gan Wee Peng and Mah Seong Huak, being the two directors of EVD Engineering Sdn. Bhd., state that, in our opinion, the consolidated financial statements set out on pages 4 to 70 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at 31 December 2018, 2019, 2020 and 2021 and of their financial performance and cash flows for the financial years ended on those dates.

Signed in accordance with a resolution of the directors dated 28 APR 2022

  
Gan Wee Peng

  
Mah Seong Huak

## ACCOUNTANT'S REPORT OF EV-DYNAMIC



Date: 28 April 2022

The Board of Directors  
**IDIMENSION CONSOLIDATED BHD**  
 A-1-5, Blok A,  
 Pusat Perdagangan Icon City,  
 No. 1B, Jalan SS 8/39, SS8,  
 47300 Petaling Jaya,  
 Selangor Darul Ehsan.

**Crowe Malaysia PLT**  
 20190600005 (LLP0018817-LCA) & AF 1018  
 Chartered Accountants  
 Level 16, Tower C, Megan Avenue II  
 12, Jalan Yap Kwan Seng  
 50450 Kuala Lumpur  
 Malaysia  
 Main +6 03 2788 9999  
 Fax +6 03 2788 9998  
 www.crowe.my

Dear Sirs/Madams

### REPORTING ACCOUNTANT'S OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANT'S REPORT OF EV-DYNAMIC SDN. BHD.

We have audited the accompanying historical financial statements of EV-Dynamic Sdn. Bhd. ("the Company"), which comprise the statement of financial position as at 31 December 2018, 2019, 2020 and 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for each of the financial years ended ("FYE") 31 December 2018, 2019, 2020 and 2021, and notes to the financial statements as set out in pages 4 to 84.

The financial information has been prepared for inclusion in the Abridged Prospectus.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, 2019, 2020 and 2021, and of its financial performance and its cash flows for each of the FYE 31 December 2018, 2019, 2020 and 2021 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

#### BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Reporting Accountant's Responsibilities for the Audit of the financial information section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### *Independence And Other Ethical Responsibilities*

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**

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**REPORTING ACCOUNTANT'S OPINION ON THE FINANCIAL INFORMATION CONTAINED  
IN THE ACCOUNTANT'S REPORT OF EV-DYNAMIC SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200601028126 (747882-U)

**DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION**

The Directors of the Company are responsible for the preparation of the financial information of the Company that gives a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**REPORTING ACCOUNTANT'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION**

Our objectives are to obtain reasonable assurance about whether the financial information of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**


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**REPORTING ACCOUNTANT'S OPINION ON THE FINANCIAL INFORMATION CONTAINED  
IN THE ACCOUNTANT'S REPORT OF EV-DYNAMIC SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)

Registration No: 200601028126 (747882 - U)

**REPORTING ACCOUNTANT'S RESPONSIBILITY FOR THE AUDIT OF FINANCIAL INFORMATION  
(CONT'D)**

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial information of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information of the Company, including the disclosures, and whether the financial information of the Company represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial information of the Company. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**RESTRICTION ON DISTRIBUTION AND USE**

We understand that this report will be used solely for the purpose of inclusion in the Abridged Prospectus. As such, this report should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

28 APR 2022

**Chua Wai Hong**  
02974/09/2023 J  
Chartered Accountant

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## ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

## EV-DYNAMIC SDN. BHD.

## STATEMENT OF FINANCIAL POSITION

	Note	2018 RM	As at 31 December		2021 RM
			2019 RM	2020 RM	
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiaries	5	5,905,002	1,905,000	1,905,000	-
Property and equipment	6	5,020,719	4,840,937	4,081,439	1,425,898
Right-of-use assets	7	2,698,986	5,641,959	3,875,311	2,514,742
Other investments	8	709,860	-	-	-
Deferred tax assets	9	712,846	1,229,520	298,914	119,906
Amount owing by subsidiaries	10	-	10,154,042	7,230,718	-
		15,047,413	23,771,458	17,391,382	4,060,546
<b>CURRENT ASSETS</b>					
Trade receivables	11	11,144,251	26,510,432	28,051,603	44,774,367
Other receivables, deposits and prepayments	12	1,740,725	1,167,713	1,422,225	971,505
Contract cost assets	13	-	-	-	698,300
Contract assets	14	12,509,975	16,224,251	18,590,506	18,109,694
Current tax assets		42,827	2,002,009	2,414,033	3,197,866
Amount owing by subsidiaries	10	3,953,865	9,157,936	13,139,806	25,805,009
Amount owing by a related party	15	19,564	22,681	-	-
Cash and cash equivalents	16	52,301,366	47,401,797	56,853,490	36,069,740
		81,712,573	102,486,819	120,471,663	129,626,481
Non-current asset classified as held for sale	17	-	4,250,002	4,250,002	6,824,108
<b>TOTAL ASSETS</b>		96,759,986	130,508,279	142,113,047	140,511,135



## ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

## EV-DYNAMIC SDN. BHD.

## STATEMENT OF FINANCIAL POSITION (CONT'D)

	Note	2018 RM	As at 31 December		2021 RM
			2019 RM	2020 RM	
<b>EQUITY AND LIABILITIES</b>					
Share capital	18	10,000,000	10,000,000	10,000,000	10,000,000
Retained profits		16,759,761	18,256,367	19,127,035	19,697,242
<b>TOTAL EQUITY</b>		<b>26,759,761</b>	<b>28,256,367</b>	<b>29,127,035</b>	<b>29,697,242</b>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	19	1,325,078	1,198,979	1,118,296	995,668
Lease liabilities	25	1,546,412	3,464,933	2,318,486	951,829
		2,871,490	4,663,912	3,436,782	1,947,497
<b>CURRENT LIABILITIES</b>					
Trade payables	26	26,842,494	15,056,807	25,779,390	15,093,304
Other payables and accruals	27	4,945,281	4,649,314	3,524,136	2,413,793
Amount owing to subsidiaries	10	8,994,051	11,131,118	317,100	34,054,278
Contract liabilities	14	22,120,422	60,725,512	74,949,868	51,398,560
Borrowings	19	3,228,398	4,041,665	3,323,122	4,202,680
Lease liabilities	25	998,089	1,983,584	1,655,614	1,703,781
		67,128,735	97,588,000	109,549,230	108,866,396
<b>TOTAL LIABILITIES</b>		<b>70,000,225</b>	<b>102,251,912</b>	<b>112,986,012</b>	<b>110,813,893</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>96,759,986</b>	<b>130,508,279</b>	<b>142,113,047</b>	<b>140,511,135</b>

## ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

**EV-DYNAMIC SDN. BHD.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	FYE 31 December		
		2018 RM	2019 RM	2020 RM
REVENUE	28	104,458,564	106,308,834	82,906,448
COST OF SALES		(76,330,175)	(86,916,848)	(76,533,279)
GROSS PROFIT		28,128,389	19,391,986	6,373,169
OTHER INCOME		1,252,095	1,656,776	3,373,076
		29,380,484	21,048,762	9,746,245
SELLING AND MARKETING EXPENSES		(131,688)	(987,661)	(524,659)
ADMINISTRATIVE EXPENSES		(15,830,284)	(15,342,068)	(2,206,270)
OTHER EXPENSES		(2,489,404)	(3,006,263)	(3,320,789)
FINANCE COSTS		(233,890)	(395,016)	(689,670)
NET REVERSAL OF IMPAIRMENT LOSSES/(IMPAIRMENT LOSSES) ON FINANCIAL ASSETS AND CONTRACT ASSETS	29	540,371	4,029,665	(432,357)
PROFIT BEFORE TAXATION	30	11,235,589	5,347,419	2,572,500
INCOME TAX EXPENSE	31	(2,194,226)	(1,850,813)	(1,701,832)
PROFIT AFTER TAXATION		9,041,363	3,496,606	870,668
OTHER COMPREHENSIVE INCOME		-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		9,041,363	3,496,606	870,668
PROFIT AFTER TAXATION/TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO		9,041,363	3,496,606	870,668
				570,207
				(163,710,727)
				8,697,880
				2,532,338
				11,230,218
				(458,380)
				(5,198,606)
				(2,692,054)
				(246,908)
				(1,736,140)
				898,130
				(327,923)
				570,207
				570,207

ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

**EV-DYNAMIC SDN. BHD.**

**STATEMENT OF CHANGES IN EQUITY**

	Note	Share Capital RM	Retained Profits RM	Total RM
Balance as at 1 January 2018		10,000,000	9,718,398	19,718,398
Profit after taxation/Total comprehensive income for the financial year		-	9,041,363	9,041,363
Total transaction with owners:				
Dividends paid	32	-	(2,000,000)	(2,000,000)
Balance as at 31 December 2018/1 January 2019		10,000,000	16,759,761	26,759,761
Profit after taxation/Total comprehensive income for the financial year			3,496,606	3,496,606
Total transaction with owners:				
Dividends paid	32	-	(2,000,000)	(2,000,000)
Balance at 31 December 2019/1 January 2020		10,000,000	18,256,367	28,256,367
Profit after taxation/Total comprehensive income for the financial year			870,668	870,668
Balance at 31 December 2020/1 January 2021		10,000,000	19,127,035	29,127,035
Profit after taxation/Total comprehensive income for the financial year			570,207	570,207
Balance at 31 December 2021		10,000,000	19,697,242	29,697,242

## ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

EV-DYNAMIC SDN. BHD.  
STATEMENT OF CASH FLOWS

	Note	FYE 31 December		
		2018 RM	2019 RM	2020 RM
<b>CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES</b>				
Profit before taxation		11,235,589	5,347,419	2,572,500
Adjustments for:-				
Accretion/(Decretion) of interest on amounts owing by subsidiaries		-	2,788,040	(868,470)
Bad debts written off		-	-	22,681
Depreciation of property and equipment		1,179,627	1,240,452	1,109,391
Depreciation of right-of-use assets		886,422	1,747,782	2,201,025
Dividend income		(36,000)	(18,000)	-
Fair value loss/(gain) on other investments		839,972	(165,930)	-
Gain on disposal of other investments		-	(110,807)	-
Gain on disposal of property and equipment		-	(7,988)	-
Gain on lease modification		-	-	(37,636)
Interest expense on lease liabilities		158,668	297,515	319,265
Total interest expense on financial liabilities that are not at fair value through profit or loss:				
- bankers' acceptances		-	21,028	321,053
- bank guarantee		6,220	1,715	578
- bank overdraft		6,684	7,414	7,893
- bill discounting		10,000	7,753	-
- term loans		52,318	50,368	39,212
- trust receipts		-	9,223	1,669
Interest income		(1,206,373)	(1,302,743)	(712,019)
Net impairment losses/(reversal of impairment losses) on:				
- amount owing by subsidiaries		97,124	(3,987,773)	(278,133)
- trade receivables		(637,495)	(41,892)	586,604
- contract assets		-	-	123,886
Unrealised loss/(gain) on foreign exchange		422,893	16,293	1,610
Waiver of amount owing to a subsidiary		-	(42,728)	-
Operating profit before working capital changes		13,015,649	5,857,131	5,411,109
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES CARRIED FORWARD</b>		13,015,649	5,857,131	5,411,109
				898,130
				(1,919,570)
				113,528
				811,813
				1,766,453
				-
				-
				(195,234)
				-
				208,638
				269,019
				1,833
				-
				-
				35,918
				14,780
				(385,020)
				-
				1,577,142
				158,998
				(7,240)
				-
				3,349,188

ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

EV-DYNAMIC SDN. BHD.

STATEMENT OF CASH FLOWS (CONT'D)

	Note	2018 RM	2019 RM	FYE 31 December 2020 RM	2021 RM
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>					
<b>BROUGHT FORWARD</b>					
Decrease/(Increase) in trade and other receivables		13,015,649	5,857,131	5,411,109	3,349,188
Increase in contract cost assets		911,838	(14,751,277)	(2,382,287)	(17,962,714)
(Increase)/Decrease in contract assets		(6,173,557)	(3,714,276)	(2,490,141)	(698,300)
Increase/(Decrease) in trade and other payables		5,316,526	(9,539,505)	9,597,405	(11,796,429)
(Decrease)/Increase in contract liabilities		(30,291,506)	38,605,090	14,224,356	(23,551,308)
Net movement in amount owing to subsidiaries		4,982,443	-	(11,668,999)	34,592,159
<b>CASH (FOR)/FROM OPERATIONS</b>		<b>(12,238,607)</b>	<b>16,457,163</b>	<b>12,691,443</b>	<b>(15,745,590)</b>
Net income tax paid		(3,160,486)	(4,326,669)	(1,183,250)	(932,748)
<b>NET CASH (FOR)/FROM OPERATING ACTIVITIES</b>		<b>(15,399,093)</b>	<b>12,130,494</b>	<b>11,508,193</b>	<b>(16,678,338)</b>
<b>CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES</b>					
Acquisition of addition proportionate interest in subsidiaries	33(a)	(5,000)	(4,250,000)	-	-
Additions to right-of-use assets		(145,167)	(139,092)	-	-
Dividend received		36,000	18,000	-	-
Interest received		1,206,373	1,302,743	712,019	385,020
(Increase)/Decrease in escrow account	16	(10)	(12,108,351)	1,958,298	10,150,053
Placement of fixed deposits pledged to licensed banks	16	(3,754,413)	(496,490)	(1,438,612)	(190,259)
(Placement)/Withdrawal of fixed deposits with original maturity of more than three months	16	(3,407,060)	3,337,881	(14,456)	(707,551)
Proceeds from disposal of other investments		-	986,597	-	-
Proceeds from disposal of property and equipment		-	8,000	-	195,700
Purchase of property and equipment	33(a)	(1,777,542)	(1,060,672)	(349,893)	(525,844)
Advances to a related party		(7,251)	(3,117)	-	-
Repayment from/(Advance to) subsidiaries		7,903,803	(10,520,734)	943,038	(2,669,896)
<b>NET CASH FROM/(FOR) INVESTING ACTIVITIES</b>		<b>49,733</b>	<b>(22,925,235)</b>	<b>1,810,392</b>	<b>6,637,223</b>

## ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

## EV-DYNAMIC SDN. BHD.

## STATEMENT OF CASH FLOWS (CONT'D)

	Note	2018 RM	2019 RM	FYE 31 December 2020 RM	2021 RM
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>					
Dividends paid to shareholders of the Company	32	(2,000,000)	(2,000,000)	-	-
Interest paid		(233,890)	(395,016)	(689,670)	(530,188)
Drawdown of bankers' acceptances	33(b)	-	2,802,634	2,703,464	17,670,619
Drawdown of bill discounting	33(b)	3,118,112	-	-	-
Drawdown of trust receipts	33(b)	-	775,799	489,400	1,996,457
Repayment on lease liabilities	33(b)	(835,850)	(1,647,647)	(1,871,158)	(1,724,374)
Repayment of bankers' acceptances	33(b)	-	-	(2,802,634)	(16,324,306)
Repayment of bill discounting	33(b)	-	(3,118,112)	-	-
Repayment of term loans	33(b)	(108,439)	(111,395)	(75,415)	(119,519)
Repayment of trust receipts	33(b)	-	-	(775,799)	(2,466,321)
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(61,067)</b>	<b>(3,693,737)</b>	<b>(3,021,812)</b>	<b>(1,497,632)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(15,410,427)</b>	<b>(14,488,478)</b>	<b>10,296,773</b>	<b>(11,538,747)</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>		<b>(422,893)</b>	<b>(16,293)</b>	<b>(1,610)</b>	<b>7,240</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>		<b>44,682,720</b>	<b>28,849,400</b>	<b>14,344,629</b>	<b>24,639,792</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>16</b>	<b>28,849,400</b>	<b>14,344,629</b>	<b>24,639,792</b>	<b>13,108,285</b>

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**


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**EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

Registered office : Unit 30-01, Level 30, Tower A,  
Vertical Business Suite, Avenue 3,  
Bangsar South, No.8,  
Jalan Kerinchi,  
59200 Kuala Lumpur.

Principal place of business : No. 39, Jalan Putra Mahkota 7/7B,  
Putra Heights,  
47650 Subang Jaya, Selangor.

**2. PRINCIPAL ACTIVITIES**

The Company is principally involved in the provision of ICT system solutions for transportation infrastructure, integrated security system and engineering services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

**3. BASIS OF PREPARATION**

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Company has adopted the following new accounting standard and/or interpretation (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

The adoption of the above accounting standard and/or interpretation (including the consequential amendments, if any) did not have any material impact on the Company's financial statements.

## ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

## EV-DYNAMIC SDN. BHD.

## NOTES TO THE FINANCIAL STATEMENTS

## 3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Company 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 year:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon its initial application.



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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**

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**EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The outbreak of the COVID-19 has brought unprecedented challenges and added economic uncertainties in Malaysia and markets in which the Company operates. While the Company has considered the potential financial impact of the COVID-19 pandemic in the preparation of these financial statements, the full financial impact to the Company remains uncertain. Accordingly, there is a possibility that factors not currently anticipated by management could occur in the future and therefore affect the recognition and measurement of the Company's assets and liabilities at the reporting date.

*Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

**(a) Income Taxes**

There are certain transactions and computations for which the tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

**(b) Impairment of Trade Receivables and Contract Assets**

The Company uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company develops the expected loss rates based on the payment profiles of past sales (including changes in the customer payment profile in response to the COVID-19 pandemic) and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 11 and 14 to the financial statements.

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**


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**EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(c) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Company uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information incorporating the impact of COVID-19 pandemic. The carrying amount of amount owing by subsidiaries as at the reporting date are disclosed in Note 11 to the financial statements.

**(d) Revenue Recognition for Construction Contracts**

The Company recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 14 to the financial statements.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

**(a) Lease Terms**

Some leases contain extension options exercisable by the Company before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

**(b) Contingent Liabilities**

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Company are remote.

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**

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**EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.2 FUNCTIONAL AND FOREIGN CURRENCIES****(a) Functional and Presentation Currency**

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

**(b) Foreign Currency Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

**4.3 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised in the statements of financial position when the Company has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**


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**EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments***(i) Amortised Cost**

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

**(ii) Fair Value through Other Comprehensive Income**

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

**(iii) Fair Value through Profit or Loss**

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Company reclassifies debt instruments when and only when its business model for managing those assets change.

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**

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**EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Assets (Cont'd)***Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Company has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

**(b) Financial Liabilities****(i) Financial Liabilities at Fair Value through Profit or Loss**

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (including interest expense) of these financial liabilities are recognised in profit or loss.

**(ii) Other Financial Liabilities**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

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**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)**

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**EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 FINANCIAL INSTRUMENTS (CONT'D)****(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

**(i) Ordinary Shares**

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

**(d) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

**ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)****EV-DYNAMIC SDN. BHD.****NOTES TO THE FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.4 INVESTMENTS IN SUBSIDIARIES**

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

**4.5 PROPERTY AND EQUIPMENT**

All items of property and equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all equipment, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Freehold buildings	2%
Furniture, fittings and equipment	10%
Computer	50%
Motor vehicles	20%
Renovation	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

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ACCOUNTANT'S REPORT OF EV-DYNAMIC (CONT'D)

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**EV-DYNAMIC SDN. BHD.**

**NOTES TO THE FINANCIAL STATEMENTS**

**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**4.6 LEASES**

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Company recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Company or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.