

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Circular has been reviewed by KAF Investment Bank Berhad, an Adviser to EVD Berhad (“EVD”) for the Proposed Special Issue (as defined herein).

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EVD BERHAD

(Company No.: 201901045325 / 1354655-D)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED SPECIAL ISSUE OF UP TO 132,323,000 NEW ORDINARY SHARES IN EVD TO BUMIPUTERA INVESTORS TO BE IDENTIFIED AND/OR APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser



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

The Extraordinary General Meeting (“EGM”) of EVD will be conducted fully virtual through live streaming via the online meeting platform of Securities Services e-Portal at <https://sshbsb.net.my/> provided by SS E Solutions Sdn. Bhd. on Wednesday, 26 July 2023 at 10:30 a.m. or at any adjournment thereof. The Notice of EGM together with the Proxy Form are enclosed herewith.

You are entitled to attend and vote at the EGM of the Company or to appoint a proxy or proxies to attend and vote on your behalf. The Proxy Form must be completed, signed and lodged at the Share Registrar’s office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time stipulated for holding the EGM. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

IMPORTANT DATES

Date and time for the EGM : Wednesday, 26 July 2023 at 10:30 a.m.
Last date and time for lodging the Proxy Form : Monday, 24 July 2023 at 10:30 a.m.

This Circular is dated 6 July 2023

DEFINITIONS

In this Circular, unless otherwise indicated, the following words and abbreviations shall have the following meanings:-

“Act”	: Companies Act 2016
“Board”	: Board of directors of EVD
“Bumiputera Equity Condition”	: Allocation of at least 12.50% of EVD’s total enlarged number of issued Shares to Bumiputera investors to be identified and/or approved by the MITI within one (1) year after EVD registering a profit or three (3) years after the implementation of the Regularisation Plan, whichever is earlier
“Bursa Securities”	: Bursa Malaysia Securities Berhad (200301033577 / 635998-W)
“Circular”	: This circular dated 6 July 2023 to the shareholders of EVD in relation to the Proposed Special Issue
“Convertible RCPS”	: 429,291,690 RCPS comprising 282,837,998 RCPS held by the major shareholders of EVD and the PACs as well as 146,453,692 RCPS held by non-major shareholders of EVD and the non-PACs
“EGM”	: Extraordinary General Meeting
“EPS”	: Earnings per Share
“ESOS”	: The Company’s subsisting employee share option scheme involving the issuance of up to fifteen (15%) of its total number of issued Shares
“EVD” or the “Company”	: EVD Berhad (201901045325 / 1354655-D)
“EVD Group” or the “Group”	: EVD and its subsidiaries, collectively
“EVD Shares” or “Shares”	: Ordinary shares in EVD
“EVE Acquisition”	: Acquisition of EVD Engineering Sdn Bhd by EVD pursuant to the Regularisation Plan, which has been completed on 27 April 2022
“FYE”	: Financial year ended/ending 31 December
“GVSB”	: GWP Ventures Sdn Bhd (202101010680 / 1410979-D)
“ICB”	: iDimension Consolidated Bhd (201001042062 / 925990-A)
“ICT”	: Information communication technology
“Indicative Issue Price”	: The indicative Issue Price of RM0.145 per Special Issue Share
“Issue Price”	: The issue price of the Special Issue Share
“ITS”	: Intelligent transportation system
“KAF IB”	: KAF Investment Bank Berhad (197401003530 / 20657-W)
“LPD”	: 12 June 2023, being the latest practicable date prior to the printing of this Circular
“MITI”	: Ministry of Investment, Trade and Industry

DEFINITIONS (CONT'D)

“MITI Recognition”	: The recognition of the Company’s existing Bumiputera shareholders as the approved Bumiputera shareholders by the MITI for the purpose of complying with the Bumiputera Equity Condition. For information purpose, MITI has vide its letter dated 20 June 2023, approved the application for the Proposed Special Issue but did not recognise all the existing Bumiputera shareholders as the approved Bumiputera shareholders
“MRT”	: Mass rapid transit
“NA”	: Net assets
“NL”	: Net liabilities
“PACs”	: Persons acting in concert with the major shareholders of EVD, namely VSB and GVSB
“Price-Fixing Date”	: The date to be determined later by the Board, on which the relevant Issue Price for each tranche of the Special Issue Shares shall be determined and announced
“Proposed Special Issue”	: Proposed special issue of up to 132,323,000 new Shares, representing approximately 12.50% of the total enlarged number of issued Shares to Bumiputera investors to be identified and/or approved by the MITI based on the derecognition of MITI on all the existing Bumiputera shareholders as the approved Bumiputera shareholders and the assumptions that on or prior to the implementation of the Proposed Special Issue:- <ul style="list-style-type: none">(i) the entire Convertible RCPS will be converted into 429,291,690 new EVD Shares by surrendering one (1) RCPS together with RM0.075 in cash at a conversion price of RM0.10 per RCPS; and(ii) all the outstanding Warrants will be exercised into 86,474,336 new EVD Shares at an exercise price of RM0.10 per Warrant
“PROVIDENCE”	: Providence Strategic Partners Sdn. Bhd. (201701024744 / 1238910-A)
“RCPS”	: Redeemable convertible preference shares of EVD
“Regularisation Plan”	: The regularisation plan of ICB, which has resulted in the listing of EVD on the ACE Market of Bursa Securities in place of ICB
“RM” and “sen”	: Ringgit Malaysia and sen, respectively
“SC ECU”	: Equity Compliance Unit of Securities Commission Malaysia
“SEA”	: South East Asia
“Special Issue Share(s)”	: Up to 132,323,000 new EVD Shares to be issued pursuant to the Proposed Special Issue
“Undertakings”	: Irrevocable undertakings from the major shareholders of EVD for not converting or disposing an aggregate of 1,400,000,000 RCPS held by them from 10 April 2023 up to one (1) month after the completion of the Proposed Special Issue
“VSB”	: Vistacove Sdn Bhd (202101010172 / 1410471-H)
“VWAMP”	: Volume weighted average market price

DEFINITIONS (CONT'D)

“Warrants” : Warrants 2022/2029 of EVD

Words denoting the singular number only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender, neuter gender and vice versa. Reference to persons shall include a body of persons, corporate or unincorporated (including a trust). Any reference to a time of day shall be a reference to Malaysian time, unless otherwise stated. Any reference to any statute is a reference to that statute as for the time being amended or re-enacted.

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EXECUTIVE SUMMARY

This Executive Summary only highlights the key information of this Circular. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Circular before making a decision on the Proposed Special Issue.

<u>Key information</u>	<u>Description</u>	<u>Reference to the Circular</u>
Summary of the Proposed Special Issue	: Proposed special issue of up to 132,323,000 Special Issue Shares, representing approximately 12.50% of the total enlarged number of issued Shares to Bumiputera investors to be identified and/or approved by the MITI, at an Issue Price to be determined at a later date.	Section 2.1
Rationale for the Proposed Special Issue	: The Proposed Special Issue is to allow EVD to comply with the Bumiputera Equity Condition and to facilitate the equity participation of Bumiputera investors in EVD.	Section 3.0
Approvals Required	: The Proposed Special Issue is subject to the following approvals being obtained:- (i) Bursa Securities for the listing of and quotation for the Special Issue Shares on the ACE Market of Bursa Securities, which was obtained vide its letter dated 19 June 2023; (ii) SC ECU for the Proposed Special Issue, which was obtained vide its letter dated 12 June 2023; (iii) MITI, for MITI Recognition, which was obtained vide its letter dated 20 June 2023, where MITI did not recognise all the existing Bumiputera shareholders of EVD as the approved Bumiputera shareholders for the purpose of complying with the Bumiputera Equity Condition; (iv) MITI, for the identification of new Bumiputera investors to subscribe for the Special Issue Shares; (v) shareholders of EVD at an EGM to be convened; and (vi) any other relevant authorities/parties, if required.	Section 7.0
Directors' Statement and Recommendation	: The Board, having considered all aspects of the Proposed Special Issue, including but not limited to the rationale and financial effects of the Proposed Special Issue, is of the opinion that the Proposed Special Issue is in the best interest of the Company. Accordingly, on the basis above, the Board recommends you to vote in favour of the resolution to give effect to the Proposed Special Issue to be tabled at the forthcoming EGM.	Section 10.0

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EVD BERHAD

(Company No.: 201901045325 / 1354655-D)
(Incorporated 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

6 July 2023

BOARD OF DIRECTORS

Datuk Dr. Syed Muhamad Bin Syed Abdul Kadir (Independent Non-Executive Director / Chairman)
Mah Seong Huak (Executive Director)
Gan Wee Peng (Executive Director)
Chui Mee Chuen (Independent Non-Executive Director)
Hon Hin See (Independent Non-Executive Director)

To: The Shareholders of EVD

Dear Sir/Madam,

PROPOSED SPECIAL ISSUE

1.0 INTRODUCTION

- 1.1 On 27 March 2023, KAF IB had, on behalf of the Board, announced that EVD proposed to undertake a proposed special issue of up to 132,323,000 new EVD Shares to Bumiputera investors to be identified and/or approved by the MITI, at an Issue Price to be determined at a later date.
- 1.2 On 20 April 2023, KAF IB had, on behalf of the Company, announced that the Company had submitted the applications to Bursa Securities, SC ECU and MITI to comply with the Bumiputera Equity Condition by implementing the Proposed Special Issue.
- 1.3 On 19 June 2023, KAF IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 19 June 2023, approved the listing of and quotation for the Special Issue Shares on the ACE Market of Bursa Securities. Further details of the conditions imposed by Bursa Securities as well as the status of compliance in respect thereof are set out in Section 7.0(i) of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE THE SHAREHOLDERS OF EVD WITH THE DETAILS OF THE PROPOSED SPECIAL ISSUE AND TO SEEK YOUR APPROVAL ON THE RESOLUTION PERTAINING TO THE PROPOSED SPECIAL ISSUE TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED HERewith IN THIS CIRCULAR.

SHAREHOLDERS OF EVD ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SPECIAL ISSUE TO BE TABLED AT THE FORTHCOMING EGM.

2.0 PROPOSED SPECIAL ISSUE

2.1 Details of the Proposed Special Issue

EVD was listed on the ACE Market of Bursa Securities on 1 July 2022 in place of ICB subsequent to the completion of ICB's Regularisation Plan. In accordance with the approval letter from the SC ECU dated 30 November 2021, EVD is required to comply with the Bumiputera Equity Condition.

Based on the latest audited financial statements of EVD for the FYE 2022, EVD has recorded a profit after tax of RM7.45 million. Hence, EVD proposes to undertake the Proposed Special Issue in order to comply with the Bumiputera Equity Condition by 31 December 2023.

2.2 Size of the Proposed Special Issue

As at the LPD, the issued share capital of EVD is RM54,135,715 comprising 410,210,936 Shares, as well as the following convertible securities:-

- (i) 2,474,453,692 RCPS as at the LPD, out of which:-
 - (a) 2,328,000,000 RCPS are held by the major shareholders of EVD and the PACs, where:-
 - (aa) 645,162,002 RCPS are under moratorium up to 30 June 2024 and 30 June 2025, which are beyond the implementation of the Proposed Special Issue;
 - (bb) 322,580,998 RCPS are under moratorium up to 30 June 2023, which may be converted during the implementation of the Proposed Special Issue; and
 - (cc) 1,360,257,000 RCPS are not under moratorium and may be converted during the implementation of the Proposed Special Issue.

For the aggregate 1,682,837,998 RCPS tabulated in items (bb) and (cc) above, EVD had procured the Undertakings as follows:-

	(A) Item (bb)	(B) Item (cc)	(C) Undertakings	(D) = (A)+(B)-(C) Outstanding
Mah Seong Huak	149,512,666	630,462,000	700,000,000	79,974,666
Gan Wee Peng	149,512,666	630,462,000	700,000,000	79,974,666
VSB	13,579,666	57,261,000	-	70,840,666
GVSB	9,976,000	42,072,000	-	52,048,000
Total	322,580,998	1,360,257,000	1,400,000,000	282,837,998

Hence, only 282,837,998 RCPS held by the major shareholders of EVD and the PACs, which are assumed to be convertible for the purpose of the subsequent illustrations in this Circular.

- (b) 146,453,692 RCPS are held by non-major shareholders of EVD and the non-PACs, which may be converted during the implementation of the Proposed Special Issue.
- (ii) 86,474,336 Warrants; and
 - (iii) For information purpose, EVD has established an ESOS, but the Company has yet to grant any options under the ESOS as at the LPD. The maximum number of Shares which may be made available under the ESOS shall not exceed in aggregate fifteen (15%) of the total number of issued Shares (excluding treasury shares) at any point in time over a period of five (5) years from 29 August 2022, being the effective date of implementation of the ESOS. For clarity, the Company has undertaken not to grant any ESOS options from the LPD up to one (1) month after the completion of the Proposed Special Issue and hence, the ESOS Options will not be considered for the purpose of the subsequent illustrations in this Circular.

The Proposed Special Issue would entail the issuance of up to 132,323,000 Special Issue Shares, which would represent approximately 12.50% of the total enlarged number of the issued Shares. For the avoidance of doubt, the Company does not hold any treasury shares as at the LPD.

2.3 Special issue arrangement

The Special Issue Shares shall be placed out to third party Bumiputera investors to be identified and/or approved by the MITI. The Special Issue Shares are not intended to be placed out to the following persons:-

- (i) promoters, directors, major shareholders, chief executive of EVD or its holding company or persons connected with them; and
- (ii) nominee corporations, unless the names of the ultimate beneficiaries are disclosed.

The Bumiputera investors shall be persons who qualify under Schedules 6 or 7 of the Capital Markets and Services Act 2007 and no prospectus will be issued in respect of the Proposed Special Issue.

Depending on the prevailing market conditions and the market traded prices of EVD Shares, the Proposed Special Issue may be implemented in tranches up to 132,323,000 Special Issue Shares, representing approximately 12.50% of the total enlarged number of issued Shares and at different Issue Price for each tranche.

2.4 Basis and justification of determining the Issue Price of the Special Issue Shares

The Issue Price for each tranche of the Special Issue Shares will be determined by the Board at a later date to be determined and at a discount (if any) of not more than ten percent (10%) to the five (5)-day VWAMP of EVD Shares immediately prior to the Price-Fixing Date. The discount of up to ten percent (10%) was considered by the Board with the aim of enticing potential Bumiputera investors to subscribe for the Special Issue Shares after due consideration of the prevailing market conditions and the volatility of the market prices of EVD Shares.

For illustration purposes, the Indicative Issue Price is assumed at RM0.145 per Special Issue Share, which represents a discount of approximately RM0.0119 or 7.58% to the five (5)-day VWAMP of EVD Shares up to and including the LPD of RM0.1569 per Share.

2.5 Ranking of the Special Issue Shares

The Special Issue Shares shall, upon allotment and issuance, rank equally in all respects with the then existing EVD Shares, save and except that the Special Issue Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of such Special Issue Shares.

2.6 Listing of and quotation for the Special Issue Shares

The approval from Bursa Securities for the listing of and quotation for the Special Issue Shares on the ACE Market of Bursa Securities has been obtained vide its letter dated 19 June 2023, subject to the terms and conditions as set out in Section 7.0(i) of this Circular.

2.7 Equity fundraising exercise undertaken by the Company in the past twelve (12) months

Save as disclosed below, the Company has not undertaken any other fundraising exercise in the past twelve (12) months up to the date of this Circular.

On 1 July 2022, ICB announced the completion of the Regularisation Plan, which comprise, amongst others, a private placement, a rights issue and a management buyout, which on a collective basis, raised a total gross proceeds of RM26.64 million.

The status of the utilisation of the said gross proceeds as at the LPD is set out as below:-

Details of utilisation	Timeframe for utilisation ⁽ⁱ⁾	Proposed utilisation (RM'000)	Amount utilised as at the LPD (RM'000)	Balance to be utilised (RM'000)
Working capital of EVD Group	Within 24 months	11,343	⁽ⁱⁱ⁾ 11,343	-
EVE Acquisition	Within 12 months	12,000	⁽ⁱⁱⁱ⁾ 12,000	-
Estimated expenses relating to the Regularisation Plan	Within 3 months	3,300	^(iv) 3,300	-
Total		26,643	26,643	-

Notes:-

(i) From the date of receipt of the gross proceeds.

(ii) The breakdown of proceeds utilised for working capital requirements are as follows:-

	RM'000
Payment for staff salaries	5,000
Payment to trade creditors	6,000
General administrative expenses	343
Total	11,343

(iii) This portion of gross proceeds is earmarked for the settlement of the cash portion of the purchase consideration for the EVE Acquisition amounting to RM12.0 million ("**Cash Consideration**"). For clarity, pursuant to the share sale agreement in relation to the EVE Acquisition, EVD is given up to two (2) years from the completion date of the EVE Acquisition to settle the Cash Consideration. Nonetheless, EVD has settled such payment in July 2022 after the completion of the fundraising exercises pursuant to the Regularisation Plan.

(iv) 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, as follows:-

	RM'000
Professional fees	2,984
Fees payable to relevant authorities	180
Miscellaneous	136
Total	3,300

2.8 Pre-emptive rights to Special Issue Shares

Section 85(1) of the Act and clause 15 of the Constitution of EVD are extracted as follows:-

Section 85(1) of the Act

"Subject to the constitution, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 15 of the Constitution

"Subject to any direction to the contrary that may be given in general meeting, all new shares or other convertible securities shall, before issue be offered to Members who at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled. The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiry of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution in such manner as they think most beneficial to the Company."

In short, pursuant to the Section 85(1) of the Act and Clause 15 of the Constitution of EVD, the shareholders have the statutory pre-emptive rights to be first offered of any new Shares to be issued by EVD which rank equally with the existing Shares. Thus, in order for the Company to issue the Special Issue Shares free of pre-emptive rights, such pre-emptive rights must be waived. As such, the Company will seek for the shareholders' approval for a waiver of such pre-emptive rights at the forthcoming EGM. The resolution in relation to the Proposed Special Issue if passed, will exclude the shareholders' statutory pre-emptive rights to be first offered the Special Issue Shares pursuant to the Proposed Special Issue, the issuance of which will result in a dilution of the existing shareholders' shareholdings in the Company.

2.9 Utilisation of proceeds

The quantum of proceeds to be received by the Company pursuant to the Proposed Special Issue would depend on the Issue Price and the actual number of Special Issue Shares issued. For illustration purposes, the Proposed Special Issue may raise gross proceeds of up to RM19.19 million assuming 132,323,000 Special Issue Shares are placed out at an indicative Issue Price of RM0.145 per Special Issue Share. The proceeds raised are proposed to be utilised as follows:-

Utilisation of proceeds	Expected timeframe for utilisation ⁽ⁱ⁾	RM'000
Working capital ⁽ⁱⁱ⁾	Within 12 months	18,887
Estimated expenses ⁽ⁱⁱⁱ⁾	Immediate	300
Total		<u>19,187</u>

Notes:-

- (i) From the date of receipt of the gross proceeds.
- (ii) Intended to be utilised to meet the Group's working capital requirements such as, payment for staff salaries, trade creditors, administrative expenses and other expenses (such as utilities, travelling expenses, rental and office supplies). The proceeds to be utilised for each component of working capital are subject to the operating requirements at the time of utilisation and therefore has not been determined at this juncture.
- (iii) Being estimated expenses incidental to the Proposed Special Issue, such as professional fees, fees to relevant authorities, placement fees and other miscellaneous expenses. Any surplus or shortfall for such expenses will be adjusted accordingly against the amount allocated for the Group's working capital purposes.

Prior to being utilised for the above purposes, the total gross proceeds received will be placed in interest-bearing deposits and/or short-term money market instruments with financial institutions as the Board in its absolute discretion deems fit and in the best interest of the EVD Group. The resulting interest income derived from such deposits and gain from such instruments will be used as additional working capital for the Group as set out in note (ii) above, the breakdown of which has not been determined at this juncture and is subject to the operating requirements at the time of utilisation.

Any difference between the illustrated proceeds above and the actual proceeds raised from the Proposed Special Issue (which is dependent on the final Issue Price of the Special Issue Shares and the final number of Special Issue Shares issued) as well as any differences in the actual expenses relating to the Proposed Special Issue shall be adjusted to the allocation for the purposes of working capital.

3.0 RATIONALE FOR THE PROPOSED SPECIAL ISSUE

The Proposed Special Issue is to allow EVD to comply with the Bumiputera Equity Condition and to facilitate the equity participation of Bumiputera investors in EVD.

4.0 INDUSTRY OUTLOOK AND FUTURE PROSPECTS

4.1 Overview and outlook of Malaysia economy

The Malaysian economy expanded by 5.6% in the first quarter of 2023 (Q1 2023), comparing favourably with regional growth such as Indonesia (5%), China (4.5%) and Vietnam (3.3%). The Q1 2023 growth performance contributed strongly towards the achievement of the 2023 whole year forecast of 4.0% to 5.0%.

The Q1 2023 growth also exceeded the 4.8% growth achieved in Q1 2022. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 0.9% in Q1 2023 compared to the contraction of 1.7% in Q4 2022.

“Malaysia’s economic performance in the first quarter of 2023 was underpinned by broad based growth across all sectors especially services and manufacturing, which grew by 7.3% and 3.2% respectively. The economic expansion was supported by sustained domestic demand reflecting confidence in the economy, given strong private expenditure and improvement in labour market conditions,” noted Yang Amat Berhormat Dato’ Seri Anwar Ibrahim, Prime Minister and Finance Minister.

The labour market continued to record a positive growth momentum in Q1 2023, maintaining its full employment level with 3.5% unemployment rate (Q4 2022: 3.6%). Meanwhile, inflation rate in Q1 2023 moderated to 3.6% (Q4 2022: 3.9%) due to, among others, the Government’s continued implementation of price control measures and consumer subsidies. Domestic inflation continues to trend downwards to 3.4% in March 2023 (Feb 2023: 3.7%), which is much lower than some advanced and regional countries such as the United Kingdom (10.1%), the Philippines (7.6%), Singapore (5.5%), the United States of America (5%) and Indonesia (5%).

In line with the recent global economic forecast by the International Monetary Fund and World Bank, the Malaysian gross domestic product growth is expected to moderate in 2023 due to slower external demand as a result of weakening global trade. Geopolitical tensions, elevated price pressures and tighter financial conditions will also continue to affect world economic outlook.

Meanwhile, on the domestic front, extreme climate occurrences such as the current heat wave phenomena and the expected El Nino season starting in June 2023 are expected to weigh on economic activities to a certain extent, especially on the agriculture and construction sectors.

“Despite these global economic challenges and uncertainty, the Government is confident of achieving our growth forecast of 4.0% – 5.0% for 2023, supported by Malaysia’s strong economic fundamentals and implementation of Belanjawan 2023 measures. The Government will continue to prioritise addressing the daily economic challenges faced by Malaysians while focusing on reducing wastage and tackling corruption,” said Yang Amat Berhormat Dato Seri Anwar Ibrahim.

(Source: Press release dated 12 May 2023, Ministry of Finance Malaysia)

Malaysia’s economy is projected to grow at a more moderate pace of 4.0 percent in 2023. Domestic private sector spending is expected to remain as the main driver of growth this year amid an expected slowdown in external demand. Private consumption is forecast to expand at a slower but still relatively robust rate of 6.7 percent in 2023 (2022e: 11.2 percent), sustained by the improvements in labor market conditions, as well as ongoing household income support from the government.

(Source: Malaysia Economic Monitor: Expanding Malaysia’s Digital Frontier, February 2023, World Bank Group)

4.2 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 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 Malaysian 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 of Malaysia to drive the development of this industry.

Through the Twelfth Malaysia Plan, the Government of Malaysia also intends to increase the provision of rural infrastructure by building and upgrading 2,800 kilometres 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.

This factor is expected to drive the growth of the transportation industry leading to more railways, urban rail transit systems and roads/highways constructed in Malaysia in the foreseeable future. This will in turn benefit the transportation system solutions industry in the country.

(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 ITS 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 their existing transportation system solutions with more advanced systems 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 three (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 ITS 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 of Malaysia.

(Source: Providence)

4.3 Overview and outlook of the transportation industry in Malaysia and SEA

The transportation industries in Malaysia and SEA are expected to continue to be driven by the favourable government plans and initiatives that will boost the transportation industry. The Government of Malaysia 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 of Malaysia 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, East Coast Rail Line, Johor Bahru-Singapore Rapid Transit System 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. The Government of the Philippines also announced several infrastructure projects including the Philippine National Railways Clark Phase 1, Philippine National Railways South Commuter Line (Solis to Los Banos), Mindanao Railway and Metro Manila Subway, MRT 7, New Manila International Airport and Pasiq River Expressway. 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 projects. The transportation industries in Malaysia and SEA stand to benefit from the abovementioned initiatives driven by the respective governments.

(Source: Providence)

4.4 Overview and outlook of the healthcare industry in Malaysia

The healthcare sector can look forward to resilient earnings in 2023, particularly among players in the private hospitals, pharmaceuticals and over-the-counter drugs as well as immunotherapy.

“Growth prospects for the sector in the long-term will continue to be underpinned by an ageing population, rising affluence and growing chronic diseases across the globe such as cardiovascular, cancer and respiratory,” said Kenanga Research in its latest report.

The inelastic demand for private healthcare service would allow the group to pass on the higher cost amid rising inflation and its presence in multiple markets such as Malaysia, Singapore, Turkey and Greater China, it added.

(Source: “Robust outlook for healthcare players” dated 14 December 2022, The Star)

Private healthcare providers are expected to see a pick-up in earnings from an increase of both domestic and international patient throughputs following the reopening of economic borders.

Besides this, Kenanga Research also anticipates a recovery in medical tourism to continue throughout 2023, driven by the return of elective surgeries over the immediate term.

In a note to clients, the research firm reiterated its “overweight” call on the healthcare sector, backed by earnings catalysts from three areas of healthcare under its coverage.

“We like private healthcare providers given the inelastic demand and growing global healthcare expenditure, projected to reach US\$10 trillion (RM44 trillion) by 2026,” said Kenanga Research.

(Source: “Rise in earnings expected for healthcare sector” dated 5 April 2023, The Star)

4.5 Overview and outlook of the residential and commercial properties industry in Malaysia

More than 389,000 transactions worth RM179.07 billion were recorded, showing an increase of 29.5% in volume and 23.6% in value compared to last year. Residential sub-sector led the overall property market activity, with 62.5% contribution in volume. There were 243,190 transactions worth RM94.28 billion recorded in the review period, increased by 22.3% in volume and 22.6% in value year-on-year. The improvement was supported by the uptrend recorded in Pulau Pinang (31.1%), Johor (24.3%), Perak (18.9%), Kuala Lumpur (18.4%) and Selangor (15.9%). Commercial property segment recorded 32,809 transactions worth RM32.61 billion in 2022, increased by 46.3% in volume and 16.7% in value compared to last year. Shops formed more than half of these transactions (16,862 transactions worth RM14.2 billion); mostly were in Selangor (19.0%) and Johor (17.1%).

More than 54,000 units of new launches were recorded. The total was higher than 43,860 units recorded in 2021 but lower compared to pre-pandemic years. Sales performance was moderate at 36.0%. Selangor recorded the highest number of new launches in the country, capturing 20.7% (11,176 units) of the national total with sales performance at 26.9%. Kuala Lumpur recorded the second highest number (10,324 units, 19.1% share) with sales performance at 47.2%. Johor came third (7,718 units, 14.3% share) with sales performance at 42.6%. Condominium/apartment units dominated the new launches, capturing 45.0% (24,366 units) of the total, followed by terraced houses (42.2%) comprising single storey (9,422 units) and two to three storey (13,403 units).

Construction activity recorded an increase in housing starts, up by 13.4% to 97,804 units and new planned supply increased by 14.9% to 89,111 units compared to 2021. Contrarily, completions were down by 5.8% to 71,981 units. For serviced apartments, completion and new planned supply increased by nearly one-fold to 23,947 units and 12.3% to 14,391 units respectively whereas starts declined by 43.9% to 20,739 units.

The overall performance of purpose-built office decreased slightly to 78.5% in 2022, down from 78.9% in 2021. The occupancy rate for private office buildings declined further to 72.1%, down from 72.3% recorded in 2021. Pulau Pinang recorded an occupancy rate of 80.9%, whereas Kuala Lumpur, Selangor and Johor saw lower than national level at 72.1%, 67.3% and 59.1% respectively. Private office buildings in Putrajaya recorded the lowest occupancy rate in the country at 49.4%.

The property market performance is expected to grow in line with the moderately lower economic growth projected for 2023 given the unpredictable external environment. Notwithstanding this, the accommodative policies, continuous government support, well execution of all planned measures outlined in the revised Budget 2023 and the proper implementation of strategies and initiatives under Twelfth Malaysia Plan are expected to remain supportive of the property sector.

(Source: Press Release Property Market 2022 dated 15 March 2023, National Property Information Centre of Valuation & Property Services Department of Ministry of Finance Malaysia)

CBRE|WTW group managing director Tan Ka Leong said capital values for landed properties within the Klang Valley are expected to grow at a moderate pace this year.

“For 2023, the landed residential sector will continue to record growth of between 3% and 5%. However, we expect the high-rise residential segment to face challenges. We believe that values will be maintained,” he said during a press conference following the launch of CBRE|WTW’s “2023 Malaysia Real Estate Market Outlook” report yesterday.

(Source: “Optimistic outlook for 2023” dated 12 January 2023, The Star)

4.6 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. 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. The Group also ensures its existing personnel in its engineering department are kept abreast with the latest technological trends and advancement.

Moving forward, the EVD Group intends to leverage on the opportunities created by the upcoming railway, urban rail transit system and road/highway projects in Malaysia. As at the LPD, the EVD Group has submitted tender applications for eight (8) ICT system solutions projects in Malaysia and it is currently still in the midst of the tendering stage. Further, the Group will also secure the service and maintenance projects for its past railway and highway projects which have reached the scheduled maintenance timeline, with the aims to provide additional recurrent income to the Group.

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. To-date, EVD Group has, through its wholly-owned subsidiary, namely EVD Global Pte. Ltd., 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.

With the Group's track record and experience in providing transportation system solutions for railway, urban rail transit systems, road and highway projects, the Group is confident to increase its overall share of the domestic market and the ability to capture market opportunities in SEA countries.

(Source: The management of EVD)

5.0 EFFECTS OF THE PROPOSED SPECIAL ISSUE

Solely for the purpose of illustrating the effects of the Proposed Special Issue, the Issue Price is assumed to be at the Indicative Issue Price. For avoidance of doubt, the assumption for the Issue Price is strictly for illustration purpose only and should not be regarded as an indication or reference to the eventual Issue Price to be determined by the Board at the relevant Price-Fixing Date.

5.1 Convertible securities

Save for the outstanding 2,474,453,692 RCPS and 86,474,336 Warrants, the Company does not have any other convertible securities as at the LPD. The Proposed Special Issue will not result in any adjustment to the conversion price, exercise price and number of RCPS and Warrants.

5.2 Earnings and EPS

The Proposed Special Issue is anticipated to be completed by the 4th quarter of 2023, is not expected to have any material effect on the earnings of the Group for the FYE 2023. However, the EPS of the Group is expected to be diluted immediately upon the completion of the Proposed Special Issue pursuant to the increase in the number of Shares in issue.

5.3 Share capital

The pro forma effects of the Proposed Special Issue on the share capital of EVD are as follows:-

	As at the LPD		After the Proposed Special Issue	
	No. of Shares	RM	No. of Shares	RM
As at the LPD	410,210,936	54,135,715	410,210,936	54,135,715
To be issued pursuant to full conversion of Convertible RCPS	-	-	429,291,690	42,929,169
To be issued upon full exercise of Warrants	-	-	86,474,336	8,647,434
	410,210,936	54,135,715	925,976,962	105,712,318
To be issued pursuant to the Proposed Special Issue	-	-	132,323,000	19,186,835
Enlarged issued share capital	410,210,936	54,135,715	1,058,299,962	124,899,153

5.4 NA per Share and gearing

The pro forma effects of the Proposed Special Issue on the NA per Share and gearing of EVD based on the audited financial statement of EVD as at 31 December 2022 are as follows:-

	Audited as at 31 December 2022 RM'000	(I) Subsequent events up to the LPD RM'000	(II) After (I) and full conversion / exercise of the Convertible RCPS and Warrants RM'000	(III) After (II) and the Proposed Special Issue RM'000
Share capital	53,780	⁽¹⁾ 54,136	105,712	124,899
RCPS	61,950	⁽²⁾ 61,861	⁽³⁾ 51,129	51,129
Warrant reserves	4,272	4,272	⁽⁴⁾ -	-
Foreign exchange translation reserve (Accumulated losses)	685	685	685	685
(NL) / Shareholders' equity / NA	7,401	7,401	7,401	⁽⁵⁾7,101
	128,088	128,355	164,927	183,814
No. of Shares ('000)	406,651	410,211	925,977	1,058,300
(NL) / NA per Share (RM)	0.31	0.31	0.18	0.17
Borrowings	13,777	13,777	13,777	13,777
Gearing (times)	0.11	0.11	0.08	0.07

Notes:-

- (1) After adjusted for the conversion of 3,559,600 RCPS to 3,559,600 Shares at a conversion price of RM0.10 per RCPS by surrendering one (1) RCPS together with RM0.075 in cash for one (1) Share.
- (2) After the reversal of RM88,990 pertaining to the conversion of 3,559,600 RCPS.
- (3) After the reversal of RM10,732,292 pertaining to the conversion of 429,291,690 Convertible RCPS.
- (4) After the reversal of RM4,271,832 pertaining to the exercise of all 86,474,336 outstanding Warrants.
- (5) After deducting estimated expenses of RM300,000 in relation to the Proposed Special Issue.

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5.5 Substantial shareholders' shareholdings

The pro forma effects of the Proposed Special Issue on the substantial shareholders' shareholdings of EVD are as follows:-

	As at the LPD				(I) After full conversion / exercise of the Convertible RCPS and Warrants				(II) After (I) and the Proposed Special 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	%
Gan Wee Peng	113,500,001	27.67	⁽¹⁾ 8,000,000	1.95	⁽³⁾ 193,474,667	20.89	⁽¹⁾ 60,048,000	6.48	193,474,667	18.28	⁽¹⁾ 60,048,000	5.67
Mah Seong Huak	113,500,001	27.67	⁽²⁾ 17,000,000	4.14	⁽³⁾ 193,474,667	20.89	⁽²⁾ 87,840,666	9.49	193,474,667	18.28	⁽²⁾ 87,840,666	8.30
VSB	17,000,000	4.14	-	-	⁽⁴⁾ 87,840,666	9.49	-	-	87,840,666	8.30	-	-
GVSBS	8,000,000	1.95	-	-	⁽⁵⁾ 60,048,000	6.48	-	-	60,048,000	5.67	-	-

Notes:-

- (1) Deemed interested by virtue of his shareholding in GVSBS in accordance with Section 8(4)(c) of the Act.
- (2) Deemed interested by virtue of his shareholding in VSB in accordance with Section 8(4)(c) of the Act.
- (3) Upon full exercise of his holdings of 79,974,666 Convertible RCPS.
- (4) Upon full exercise of VSB's holdings of 70,840,666 Convertible RCPS.
- (5) Upon full exercise of GVSBS's holdings of 52,048,000 Convertible RCPS.

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6.0 HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of EVD Shares as traded on Bursa Securities for the past twelve (12) months up to the LPD are as follows:-

	Highest (RM)	Lowest (RM)
<u>2022</u>		
June*	-	-
July	0.275	0.165
August	0.250	0.185
September	0.250	0.195
October	0.210	0.195
November	0.205	0.190
December	0.205	0.190
<u>2023</u>		
January	0.200	0.190
February	0.195	0.180
March	0.210	0.165
April	0.190	0.170
May	0.180	0.150
Last transacted market price on 24 March 2023 (being the latest Market Day preceding the announcement of the Proposed Special Issue)		0.180
Last transacted market price as at the LPD		0.155

(Source: Bloomberg)

Note *:- Not available as EVD was only listed on ACE Market of Bursa Securities on 1 July 2022 after the completion of the Regularisation Plan.

7.0 APPROVALS REQUIRED

The Proposed Special Issue is subject to the following approvals being obtained:-

- (i) Bursa Securities, for the listing of and quotation for the Special Issue Shares on the ACE Market of Bursa Securities, which was obtained vide its letter dated 19 June 2023, subject to the following conditions:-

Conditions imposed	Status of compliance
EVD and KAF IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Special Issue.	Noted
EVD and KAF IB to inform Bursa Securities upon the completion of the Proposed Special Issue.	To be complied
EVD to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Special Issue is completed.	To be complied
EVD to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders of the Company in general meeting approving the Proposed Special Issue.	To be complied

- (ii) SC ECU for the Proposed Special Issue, which was obtained vide its letter dated 12 June 2023;
- (iii) MITI, for MITI Recognition, which was obtained vide its letter dated 20 June 2023, where MITI did not recognise all the existing Bumiputera shareholders of EVD as the approved Bumiputera shareholders for the purpose of complying with the Bumiputera Equity Condition;
- (iv) MITI, for the identification of new Bumiputera investors to subscribe for the Special Issue Shares;
- (v) shareholders of EVD at an EGM to be convened; and
- (vi) any other relevant authorities/parties, if required.

8.0 CONDITIONALITY

The Proposed Special Issue is not conditional upon any other corporate proposals undertaken or to be undertaken by EVD.

9.0 INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSONS CONNECTED

None of the Directors, major shareholders, chief executive and/or persons connected with them have any interest, direct or indirect, in the Proposed Special Issue in view that the Special Issue Shares to be issued will be placed out to third party investor(s) as disclosed in Section 2.3 of this Circular.

10.0 DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposed Special Issue, including but not limited to the rationale and financial effects of the Proposed Special Issue, is of the opinion that the Proposed Special Issue is in the best interest of the Company. Accordingly, on the basis above, the Board recommends you to vote in favour of the resolution to give effect to the Proposed Special Issue to be tabled at the forthcoming EGM.

11.0 OUTSTANDING CORPORATE EXERCISES

There are no other intended corporate exercises/schemes which have been announced but yet to be completed by the Group prior to the printing of this Circular, save for the Proposed Special Issue and the proposal disclosed below.

- (i) On 17 January 2022, the shareholders approved the establishment of an ESOS of up to 15% of the total number of issued Shares, at any point in time during the duration of the ESOS for the eligible employees and directors of the Group. On 29 August 2022, the Company implemented the ESOS but has yet to grant any ESOS options to the eligible employees and directors of the Group.

12.0 ESTIMATED TIME FRAME FOR COMPLETION OF THE PROPOSED SPECIAL ISSUE

Subject to the approvals as stated in Section 7.0 of this Circular being obtained and barring any unforeseen circumstances, the Proposed Special Issue is expected to be completed by the 4th quarter of 2023.

13.0 EGM

The EGM will be conducted fully virtual through live streaming via the online meeting platform of Securities Services e-Portal at <https://sshsb.net.my/> provided by SS E Solutions Sdn. Bhd. on Wednesday, 26 July 2023 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the resolution pertaining to the Proposed Special Issue as set out in the Notice of EGM which is enclosed in this Circular.

You are entitled to attend and vote at the EGM of the Company or to appoint a proxy or proxies to attend and vote on your behalf. The Proxy Form must be completed, signed and lodged at the Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than forty-eight (48) hours before the time stipulated for holding the EGM. The lodgement of the Proxy Form will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14.0 FURTHER INFORMATION

Shareholders are advised to refer to the Appendix I of this Circular for further information.

Yours faithfully,
For and on behalf of the Board
EVD BERHAD

DATUK DR. SYED MUHAMAD BIN SYED ABDUL KADIR
Independent Non-Executive Director / Chairman

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board and the Directors of EVD collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief there are no other facts the omission of which would make any statement in the Circular misleading.

2. CONSENT

KAF IB, as the adviser to EVD in relation to the Proposed Special Issue, has given and has not withdrawn its written consent to the inclusion of its name in this Circular in the form and context in which they appear.

3. CONFLICT OF INTEREST

KAF IB has confirmed that it is not aware of any conflict of interest situation that exists or likely to exist that affect or may affect its ability to act independently and objectively as the adviser in connection with the Proposed Special Issue.

4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

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

5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, EVD Group is not engaged in any other material litigation, claim or arbitration either as plaintiff or defendant or otherwise and the Directors of EVD are not aware of any proceeding pending or threatened against EVD and/or its subsidiaries, or of any fact likely to give rise to any proceeding which might materially or adversely affect the financial position or business of the EVD Group.

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of EVD at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, W.P. Kuala Lumpur, during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (i) the Constitution of EVD;
- (ii) the letters of consent and conflict of interest referred to in Section 2 and Section 3 respectively of this Appendix I;
- (iii) the audited financial statements of EVD for the FYE 2021 and audited consolidated financial statements of EVD for the FYE 2022.

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EVD BERHAD

(Company No.: 201901045325 / 1354655-D)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of EVD Berhad (“EVD” or the “Company”) will be conducted fully virtual through live streaming via the online meeting platform of Securities Services e-Portal at <https://sshsb.net.my/> provided by SS E Solutions Sdn. Bhd. on Wednesday, 26 July 2023 at 10:30 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the following ordinary resolution, with or without any modifications:-

ORDINARY RESOLUTION

PROPOSED SPECIAL ISSUE OF UP TO 132,323,000 NEW ORDINARY SHARES IN EVD TO BUMIPUTERA INVESTORS TO BE IDENTIFIED AND/OR APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY (“MITI”) (“PROPOSED SPECIAL ISSUE”)

“**THAT** subject to the approvals of all relevant authorities and/or parties (if required) being obtained for the Proposed Special Issue, approval be and is hereby given to the Board of Directors of EVD (“**Board**”) to allot and issue up to 132,323,000 new ordinary shares in EVD (“**EVD Shares**”) (“**Special Issue Shares**”), to Bumiputera investors to be identified and/or approved by the MITI, where such investor(s) shall be person(s) qualified under Schedules 6 and 7 of the Capital Market and Services Act 2007;

THAT pursuant to Section 85(1) of the Companies Act 2016 and clause 15 of the Constitution of the Company, approval be and is hereby given to waive the pre-emptive rights of the shareholders of the Company on the Special Issue Shares to be allotted and issued under the Proposed Special Issue;

THAT approval is given to the Board to determine the issue price for each tranche of the Special Issue Shares at a later date subject to a discount of not more than 10% to the five (5)-day volume weighted average market price of EVD Shares immediately prior to the price-fixing date for each tranche of the Special Issue Shares;

THAT the Board be and is hereby authorised to utilise the proceeds of the Proposed Special Issue for such purposes and in such manner as set out in the circular to the shareholders of EVD dated 6 July 2023 and the Board be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient subject to the approval of the relevant authorities (where required) and in the best interest of the Company;

THAT such Special Issue Shares shall, upon allotment and issuance, rank equally in all respects with the then existing EVD Shares, save and except that the Special Issue Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions which may be declared, made or paid, the entitlement date of which is prior to the date of allotment of such Special Issue Shares;

AND THAT the Directors of EVD be and are hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Special Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or as the Board may deem necessary in the best interest of the Company, and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Special Issue.”

BY ORDER OF THE BOARD

WONG SIEW YEEN (MAICSA 7018749) (SSM PC NO. 202008001471)
CHONG LAY KIM (LS 0008373) (SSM PC NO. 202008001920)

Company Secretaries
Kuala Lumpur
6 July 2023

NOTES:

(i) APPOINTMENT OF PROXY

1. The EGM will be conducted fully virtual through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal (“SS e-Portal”) at <https://sshbsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV facilities.
2. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 18 July 2023 shall be eligible to participate in the EGM.
3. A member entitled to participate and vote at the EGM is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead. A proxy may but does not need to be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate and vote at the EGM shall have the same rights as the member to participate, speak and vote at the EGM. Notwithstanding this, a member entitled to participate and vote at the EGM is entitled to appoint any person as his/her proxy to participate and vote instead of the member at the EGM. There shall be no restriction as to the qualifications of the proxy.

The members, proxies or corporate representatives may submit questions before the EGM to the Chairman or the Board electronically by email to eservices@sshbsb.com.my no later than Monday, 24 July 2023 at 10:30 a.m. or via real time submission of typed texts through a text box within SS e-Portal at <https://sshbsb.net.my/> before the start or during live streaming of the EGM as the primary mode of communication.

4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy to participate and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it shall not be entitled to appoint more than two (2) proxies to participate and vote at a general meeting instead of him/her. Where an authorised nominee appoints two (2) proxies to participate and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.
7. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company no later than Monday, 24 July 2023 at 10:30 a.m. or at any adjournment thereof:

(i) In Hardcopy Form

The Form of Proxy must be deposited at the Company’s Share Registrar office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(ii) By Electronic Means

The Form of Proxy must be electronically lodged via SS e-Portal at <https://sshbsb.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshbsb.com.my.



EVD BERHAD

(Company No.: 201901045325 / 1354655-D)
(Incorporated in Malaysia)

PROXY FORM

CDS Account No.

No. of Shares held

I/We _____ Tel: _____

[Full name in block, NRIC/Passport/Company No.]

of _____

being member(s) of EVD BERHAD ("EVD"), hereby appoint:

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address: and/ or*(delete as appropriate)			

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address:			

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company that will be conducted fully virtual through live streaming via the online meeting platform of Securities Services e-Portal at <https://sshshb.net.my/> provided by SS E Solutions Sdn. Bhd on **Wednesday, 26 July 2023 at 10:30 a.m.** or at any adjournment thereof, and to vote as indicated below:

Item	Agenda	Resolutions	For	Against
1.	Ordinary Resolution – Proposed Special Issue	Ordinary Resolution		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this _____ day of _____

Signature(s) of Member(s) /Common Seal

NOTES: -

APPOINTMENT OF PROXY

- The EGM will be conducted fully virtual through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal ("SS e-Portal") at <https://sshshb.net.my/>. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV facilities.
- In respect of deposited securities, only members whose names appear in the Record of Depositors as at 18 July 2023 shall be eligible to participate in the EGM.
- A member entitled to participate and vote at the EGM is entitled to appoint not more than two (2) proxies to participate and vote in his/her stead. A proxy may but does not need to be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy. A proxy appointed to participate and vote at the EGM shall have the same rights as the member to participate, speak and vote at the EGM. Notwithstanding this, a member entitled to participate and vote at the EGM is entitled to appoint any person as his/her proxy to participate and vote instead of the member at the EGM. There shall be no restriction as to the qualifications of the proxy.

The members, proxies or corporate representatives may submit questions before the EGM to the Chairman or the Board electronically by email to eservices@sshshb.com.my no later Monday, 24 July 2023 at 10:30 a.m. or via real time submission of typed texts through a text box within SS e-Portal at <https://sshshb.net.my/> before the start or during live streaming of the EGM as the primary mode of communication.

- In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.



5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. Where an exempt authorised nominee appoints more than one (1) proxy to participate and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it shall not be entitled to appoint more than two (2) proxies to participate and vote at a general meeting instead of him/her. Where an authorised nominee appoints two (2) proxies to participate and vote at the EGM, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing of the proxies, failing which, the appointment shall be invalid.
7. The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company no later than Monday, 24 July 2023 at 10:30 a.m. or at any adjournment thereof:
 - (i) In Hardcopy Form
The Form of Proxy must be deposited at the Company's Share Registrar office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.
 - (ii) By Electronic Means
The Form of Proxy must be electronically lodged via SS e-Portal at <https://sshsb.net.my/> or by fax to +603-2094 9940 or by email to eservices@sshsb.com.my.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
EVD BERHAD
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan

1st fold here

