

EVERGREEN MAX CASH CAPITAL BERHAD ("EMCC" OR THE "COMPANY")

VARIATION OF THE UTILISATION OF PROCEEDS RAISED FROM THE INITIAL PUBLIC OFFERING

1. INTRODUCTION

The Board of Directors of EMCC (the "**Board**") wishes to announce that it has deliberated and resolved to vary the utilisation of proceeds raised from the initial public offering ("**IPO**") exercise in conjunction with the listing of and the quotation of its entire share capital on the ACE Market of Bursa Malaysia Securities Berhad on 26 September 2023 ("**Variation**"). The Company has raised gross proceeds of RM64.224 million from its IPO ("**IPO Proceeds**").

2. DETAILS OF THE VARIATION OF THE UTILISATION OF PROCEEDS

The details of the variation of the IPO Proceeds are as set out below:

Note	Purpose	Proposed utilisation	Utilised amount	Balance unutilised	Variations of the IPO proceeds utilisation	After variations of the IPO proceeds utilisation	Estimated timeframe for utilisation from the listing date
		RM'000	RM'000	RM'000	RM'000	RM'000	
(1)	Expansion of pawnshops	20,000	13,912	6,088	(6,088)	-	Within 24 months
(2)	Cash capital for our pawnbroking business	30,000	30,000	-	6,088	6,088	Within 24 months
(3)	Repayment of bank borrowings	4,000	4,000	-	-	-	Within 1 month
(4)	Working capital	5,624	5,624	-	-	-	Within 12 months
(5)	Estimated listing expenses	4,600	4,600	-	-	-	Within 1 month
	Total	64,224	58,136	6,088	-	6,088	

The Board will continue to disclose the status of the utilisation of proceeds in its quarterly results and annual reports until its full utilisation.

3. RATIONALE

Subsequent to the listing of EMCC on 26 September 2023, EMCC and its subsidiaries ("**the Group**") has managed to expand the number of "Pajaking" pawnshops from 22 to 28 outlets by way of acquiring a total of 6 existing pawnshops in Kuala Lumpur, Selangor and Pahang, and converting them into the Group's "Pajaking" brand as compared to the Group's initial expansion plan of 5 pawnshops stated in the prospectus dated 29 August 2023.

As the Group has fully utilised the IPO Proceeds earmarked as cash capital to be disbursed out as pawn loans in the pawnbroking business. After careful deliberation of the cash capital requirements of the Group and taking into consideration that the goal of expanding to at least 5

outlets is achieved, the Board has decided to re-allocate the utilisation of IPO Proceeds from expansion of pawnshops to fund the cash capital requirements of the Group in order to grow the pawnbroking business.

Arising from the Variation, the Group would have more funds to be lent out to its customers and the Group is expected to benefit from the pawn interest received.

4. EFFECTS OF THE VARIATION

(a) Share Capital and Substantial Shareholders' Shareholdings

The Variation will not have any effect on the issued share capital of the Company and the substantial shareholders' shareholdings in the Company.

(b) Net Assets and gearing

The Variation is not expected to have any effect on the net assets and gearing of the Group for the financial year ending 31 December 2024.

(c) Earnings and Earnings per share ("EPS")

The Board is of the opinion that the Variation is expected to contribute positively to the earnings and EPS of the Group for the financial year ending 31 December 2025 when the cash capital is lent out to its customers.

5. APPROVALS REQUIRED

The Variation of RM6.09 million is approximately 9.5% of the IPO Proceeds raised by EMCC and thus, is not subjected to any regulatory authorities' or shareholders' approval.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of the Directors, major shareholders and/or chief executive of EMCC and/or persons connected with them has any interest, whether direct or indirect, in the Variation.

7. DIRECTORS' STATEMENT

The Board, after taking into consideration all aspects of the Variation, including the rationale and effects of the Variation and after careful deliberation, is of the opinion that the Variation is in the best interest of the Group.

This announcement is dated 23 December 2024.