

EVERGREEN MAX CASH CAPITAL BERHAD (“EMCC” OR THE “COMPANY”)

PROPOSED ISSUANCE OF ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES IN EVERGREEN CAHAYA HOLDINGS SDN BHD, A WHOLLY-OWNED SUBSIDIARY OF EMCC (“ECH” OR THE “ISSUER”) (“RCPS-I”) (“ISSUANCE OF RCPS-I”)

1. Introduction

The Board of Directors of EMCC (“**Board**”) wishes to announce that ECH had on 23 July 2025 entered into a subscription agreement with DPK Private Equity Sdn Bhd (“**DPKPE**” or the “**Subscriber**”) for the subscription of 40,000,000 RCPS-i (“**Subscription Shares**”) by DPKPE at a subscription price of RM1.00 per RCPS-i (“**Subscription Price**”) amounting to RM40.00 million (“**Subscription Sum**”) (“**Subscription Agreement**”).

The Issuance of RCPS-i is expected to raise gross cash proceeds of RM40.00 million, which shall be utilised as cash capital to fund the operations of Ar-Rahnu Tawarruq (Islamic pawnbroking) services of ECH and its identified subsidiaries (“**ECH Group**”).

2. Details of the Issuance of RCPS-i

The Issuance of RCPS-i entails the subscription of the Subscription Shares by DPKPE for a total cash consideration of RM40.00 million, subject to the terms and conditions of the Subscription Agreement, the salient terms of which are set out in **Appendix I** of this announcement.

For information purposes, the shareholding of EMCC in the Issuer may be materially diluted in the event that the Subscriber converts the RCPS-i into ordinary shares in the Issuer. Under such circumstances and subject to ECH being a principal subsidiary of the Company, the Company will make the relevant announcements and seek the approval of its shareholders at a general meeting, if required, pursuant to Rule 8.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad at the relevant point in time prior to the conversion of the RCPS-i. For avoidance of doubt, ECH is currently not a principal subsidiary of EMCC as at 22 July 2025, being the latest practicable date prior to this announcement (“**LPD**”).

2.1 Salient terms of the RCPS-i

The key salient terms of the RCPS-i are set out below:-

Issuer	:	ECH
Subscriber	:	DPKPE
Subscription Price	:	RM1.00 per RCPS-i
Tenure	:	Up to 5 years from the date of issuance of the RCPS-i, or such other extended date as may be mutually agreed by the Issuer and Subscriber in writing
Dividends	:	<p>The RCPS-i shall carry the rights to receive preferential dividends, which shall be paid out of the distributable profits of the Issuer (“Profits”) on a semi-annual or annual basis at the expected preferential dividend rate of 8.5% per annum (“Expected Preferential Dividend Rate”), subject to the availability of sufficient cashflows and in accordance with the Companies Act 2016 (“Act”) (“Expected Preferential Dividends”).</p> <p>The Subscriber shall be entitled to the cumulative Expected Preferential Dividends, which shall accrue when Profits are declared to be available in the relevant financial year (but not compounded) daily at the Expected Preferential Dividend Rate and accumulated if not paid when due. No dividends on the Issuer’s ordinary shares shall be paid until all outstanding dividends on the RCPS-i are paid</p>

Conversion rights	:	The Subscriber shall have the right to convert the RCPS-i and any accrued but unpaid Expected Preferential Dividends (" Unpaid Dividends ") or any part thereof, into such number of fully paid-up ordinary shares of the Issuer or any other entity within the Issuer's group of companies (" Conversion Shares ") at the applicable conversion prices as set out in the Subscription Agreement, upon the occurrence of the relevant conversion events set out in the Subscription Agreement
Redemption rights	:	The Subscriber shall have the rights to require the Issuer to redeem the RCPS-i and pay the Unpaid Dividends, or any part thereof, upon the maturity of the RCPS-i or upon the occurrence of an event of default
Redemption price	:	Equivalent to the market value of the RCPS-i computed at an expected rate of 1.6 times of the total subscription price of the RCPS-i, less all dividends paid on the RCPS-i up until the redemption date, which shall be settled in cash
Put option	:	The Subscriber shall have the right to require EMCC to purchase the Conversion Shares and/or RCPS-i (as the case may be) at the price equivalent to the market value of the RCPS-i computed at an expected rate of 1.6 times of the total subscription price of the RCPS-i, less all dividends paid on the RCPS-i up until the date of exercise of the right, which shall be settled in cash. The right may be exercised within 90 days from the occurrence of the identified events set out in a put option agreement entered into between EMCC and DPKPE on 23 July 2025
Ranking	:	The RCPS-i shall rank ahead in point of priority to the holders of the ordinary shares and all other classes of shares (if any) in the Issuer, in respect of payment of dividends and payment out of assets of the Issuer upon any liquidation, dissolution, or winding up of the Issuer

2.2 Information of ECH

ECH (Registration No.: 202401054368 (1600212-W)) was incorporated as a private limited company in Malaysia under the Act on 23 December 2024, having its registered address at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor. ECH and its subsidiaries are principally involved in Islamic pawnbroking services.

ECH has an issued share capital of RM3,871,015, comprising 3,871,015 existing ordinary shares as at the LPD.

As at the LPD, ECH is a wholly-owned subsidiary of the Company.

As at the LPD, the directors of ECH are Dato' Low Kok Chuan, Azlan Naim bin Abdullah and M. Aminuddin bin Ismail @ Hassan.

2.3 Information of DPKPE

DPKPE (Registration No.: 202401032108 (1577957-A)) was incorporated in Malaysia as a private limited company in Malaysia under the Act on 6 August 2024, having its registered address at Level 02.02A, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Wilayah Persekutuan. DPKPE is an investment holding company.

As at the LPD, DPKPE is ultimately owned by TMF Trustees Malaysia Berhad and is managed by Muamalat Venture Sdn Bhd (Registration No.: 200601018563 (738316-M)) ("**MVSB**").

MVSB was incorporated as a private limited company in Malaysia on 20 June 2006 and a wholly owned subsidiary of Bank Muamalat Malaysia Berhad. MVSB is principally engaged in the business of Islamic venture capital through Musharakah investment concept and provisions of Islamic venture capital management. MVSB is a company registered with the Securities Commission Malaysia as an Islamic venture capital management corporation.

3. Utilisation of proceeds

The Issuance of RCPS-i is expected to raise gross cash proceeds of RM40.00 million, which shall be utilised as cash capital to fund the operations of Ar-Rahnu Tawarruq (Islamic pawnbroking) services of ECH Group. In particular, the gross proceeds raised will be channelled towards the disbursement of pawn loans through the Ar-Rahnu Tawarruq services outlets of the ECH Group as part of the ECH Group's ongoing efforts to expand and scale its Islamic pawnbroking operations in line with growing demand for Islamic pawn loans.

Pending the utilisation of proceeds arising from the Issuance of RCPS-i for the above purpose, the proceeds would be placed in Shariah approved investments in accordance with the terms of the Subscription Agreement.

4. Rationale for the Issuance of RCPS-i

The Issuance of RCPS-i will enable ECH to raise additional funds for the operations of Ar-Rahnu Tawarruq (Islamic pawnbroking) services of the ECH Group, further details of which are as set out in **Section 3** of this announcement.

Further, the Issuance of RCPS-i also allows EMCC to maintain its equity interest in ECH whilst managing the dilutive impacts (whereby an issuance of new ordinary shares in ECH would result in a direct dilution to EMCC's shareholdings in ECH). The dilution impact to EMCC's shareholding in ECH will be on a progressive basis as and when the RCPS-i are converted into new ordinary shares in ECH in accordance with the terms of the Subscription Agreement.

5. Financial effects

5.1 Issued share capital and substantial shareholders' shareholdings

The Issuance of RCPS-i will not have any effect on the issued share capital of the Company and the substantial shareholders' shareholdings in the Company as the Issuance of RCPS-i does not involve any issuance of new ordinary shares in EMCC.

5.2 Net assets ("NA") and NA per share

The Issuance of RCPS-i is not expected to have any material effect on the NA and NA per share of EMCC and its subsidiaries ("**Group**") for the financial year ending 31 December 2025.

5.3 Gearing

The pro forma effects of the Issuance of RCPS-i on the gearing of the Group based on the audited consolidated NA of the Group as at 31 December 2024 are set out below:-

	Audited as at 31 December 2024	Pro forma I
		Upon completion of the Issuance of RCPS-i
	RM'000	RM'000
Share capital	150,960	150,960
Retained earnings	86,059	86,059
Total equity	237,019	237,019
Total borrowings ('000)	112,842	152,842
Gearing ratio (times)	0.48	0.64

5.4 Earnings and earnings per share (“EPS”)

Notwithstanding the one-off expense amounting to approximately RM0.20 million incurred in relation to the Issuance of the RCPS-i, the Issuance of RCPS-i is expected to contribute positively to the future earnings and EPS of the Group when the benefits arising from the utilisation of proceeds as set out in **Section 3** of this announcement are realised.

6. Interests of directors, major shareholders, chief executive and/or persons connected with them

None of the directors, major shareholders, chief executive of EMCC and/or persons connected with them have any interest, whether direct or indirect, in the Issuance of RCPS-i.

7. Approvals required

The Issuance of RCPS-i is not subject to the approval of the shareholders of EMCC and/or any regulatory authorities.

8. Directors’ statements

The Board, having considered all aspects of the Issuance of RCPS-i, is of the opinion that the Issuance of RCPS-i is in the ordinary course of business and is in the best interest of the Group.

This announcement is dated 23 July 2025.

SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

The salient terms of the Subscription Agreement are set out as follows:-

1. Subscription of the RCPS-i

In reliance upon the representations and warranties of the Issuer to the Subscriber and subject to the fulfilment and satisfaction or waiver (as the case may be) of the Conditions Precedent (as defined herein), the Subscriber agrees to subscribe for the Subscription Shares at the Subscription Price and the Issuer agrees to allot and issue the Subscription Shares to the Subscriber in accordance with the terms and conditions as set out in the Subscription Agreement ("**Subscription**").

2. Completion and Payment

(i) Completion

Subject to fulfilment and satisfaction or waiver (as the case may be) of the Conditions Precedent, completion for the Subscription shall take place within a period of 14 business days from the date of the Subscriber's receipt of written confirmation from its solicitors that all of the Conditions Precedent have been duly fulfilled or waived in accordance with the Subscription Agreement ("**Unconditional Date**") or such other period to be agreed in writing between the Subscriber and Issuer.

(ii) Manner of Payment

The Subscription Sum shall be disbursed by the Subscriber on a lump sum basis into the designated bank account upon fulfilment of the following conditions:-

- (a) the Subscriber's receipt of the latest audited accounts for the Issuer and each of its identified subsidiaries (namely Evergreen Ar Rahnu Sdn Bhd, Cahaya Gold & Jewellery Sdn Bhd and Ar Rahnu Cahaya Sdn Bhd) ("**Subsidiaries**") from the Issuer and the pro-forma consolidated Ar-Rahnu financing assets of the Subsidiaries for the financial year ended 31 December 2024, which are valued at least RM60.00 million; and
- (b) the Subscriber's receipt of the disbursement notice from the Issuer within 7 days from the Unconditional Date together with documentary evidence (which shall amongst others, include a listing of the Ar-Rahnu financing assets of the Subsidiaries amounting to at least RM40.00 million, including customers' personal data (name, identification card/passport numbers, *Marhun* (collateral) value, financing amount and period of financing)) satisfactory to the Subscriber in relation to the disbursement for the utilisation of proceeds as set out in **Section 3** of this announcement.

3. Conditions Precedent

(i) Conditions Precedent

The Subscription is subject to the fulfilment and satisfaction or waiver (as the case may be) of the following conditions precedent ("**Conditions Precedent**") within 30 days from the date of the Subscription Agreement or other period as may be mutually agreed in writing by the Subscriber and Issuer ("**Conditional Period**"):-

- (a) the Subscription Agreement has been duly executed by the Subscriber and the Issuer and duly stamped;

SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

- (b) the Subscriber's receipt of the certified true copy each of the following:-
 - (aa) the Issuer's latest copy of the prescribed forms under Section 78 of the Act (Allotment of Shares), Section 51 of the Act (Register of Member), Section 46(3) of the Act (Notification of Change in the Registered Address) and Section 58 of the Act (Notification of Change in the Register of Directors, Managers and Secretaries); and
 - (bb) the Constitution of the Issuer, incorporating, among others, the rights attaching to the RCPS-i, including the establishment of a joint management committee ("**JMC**");
- (c) the Subscriber's receipt of the certified true copy of the Issuer's board resolution authorising, amongst others:-
 - (aa) the acceptance of the terms of the Subscription and the entry into the Subscription Agreement;
 - (bb) the execution of the Subscription Agreement and any other documents required to be executed in relation to the Subscription, by its authorised signatory(ies) or by affixing its common seal thereto in accordance with the Act or its Constitution;
 - (cc) issuance of the Issuer's certificate, signed by the authorised signatory(ies) of the Issuer, together with a list of the authorised signatories of the Issuer and each of their respective specimen signatures; and
 - (dd) the opening and maintenance of the designated bank account and the mandate to operate the designated bank account;
- (d) the Subscriber's receipt of the certified true copy of the Issuer's member's resolution authorising, amongst others:-
 - (aa) the adoption of the Constitution by the Issuer which contains, inter alia, the rights attaching to the RCPS-i, including the establishment of the JMC; and
 - (bb) the establishment of the JMC to take effect on completion;
- (e) the Subscriber's receipt of the statutory declaration of the Issuer and each of the Subsidiaries signed by their respective directors, declaring that each of the Issuer and the Subsidiaries is not wound up and that no winding up petition has been presented against any of them as at the date of such statutory declaration;
- (f) the written confirmation from the shareholder of the Issuer and/or the relevant governmental and judicial authority to waive any and all existing rights of pre-emption, rights of first refusal or other restrictions, and to provide its consent required for the Subscription, as may be applicable;
- (g) the Subscriber's receipt of the certified true copy of each audited accounts for the Subsidiaries from the Issuer;

SALIENT TERMS OF THE SUBSCRIPTION AGREEMENT

- (h) the Subscriber's receipt of the agreed business plan which shall include but not limited to the following:-
 - (aa) at least 5 years financial forecast and projections for the ECH Group;
 - (bb) planned injection of Shariah-compliant financing and licensed money lending activities;
 - (cc) capital expenditure and/or working capital requirements for the operations of the ECH Group; and
 - (dd) manner of any further financing required by the Issuer or the Subsidiaries to be obtained by the Issuer or the Subsidiaries;
 - (i) the completion of financial, taxation, technical and/or legal due diligence on the affairs and business of the ECH Group by the Subscriber on the ECH Group and relevant and/or customary due diligence on the ECH Group, and the results thereof being satisfactory to the Subscriber;
 - (j) the Subscriber's receipt of evidence satisfactory to the Subscriber that the designated bank account has been duly opened by the Issuer; and
 - (k) the Subscriber's receipt of a Shariah compliance certificate and/or annual confirmation from the appointed Shariah adviser of each of the Issuer and the Subsidiaries that the business of Ar-Rahnu (Islamic pawnbroking) undertaken by the Subsidiaries are Shariah-compliant.
- (ii) Rescission when Conditions Precedent not Satisfied**
- (a) In the event that any of the Conditions Precedent is not fulfilled and satisfied by the Issuer or waived by the Subscriber in writing at its sole and absolute discretion on or before the expiry of the Conditional Period, or such other date as may be mutually agreed upon by the Subscriber and Issuer in writing (as the case may be), the Subscriber shall be entitled to rescind the Subscription Agreement by way of written notice to the Issuer.
 - (b) Upon the rescission of the Subscription Agreement, each party shall within 14 business days return to the other all documents delivered to them or their respective solicitors and thereafter the Subscription Agreement shall cease to have any effect and none of the parties shall have any claim for cost, damages or compensation whatsoever against the other party under the Subscription Agreement, save and except for any antecedent breach.

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