



AGMO HOLDINGS BERHAD

Registration No. 201701000550 (1214700-W)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER ENDED 31 MARCH 2023**

AGMO HOLDINGS BERHAD
Registration No. 201701000550 (1214700-W)
Incorporated in Malaysia

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023 ⁽¹⁾**

	← Unaudited →		Audited	
	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.03.2023	31.03.2022 ⁽²⁾	31.03.2023	31.03.2022
	RM	RM	RM	RM
Revenue	6,376,834	N/A	26,361,782	16,525,671
Cost of sales	(4,090,112)	N/A	(14,533,437)	(9,145,079)
Gross profit	2,286,722	N/A	11,828,345	7,380,592
Other income	15,225	N/A	77,054	207,069
Net measurement of expected credit losses	-	N/A	-	192,000
Administrative expenses	(740,878)	N/A	(2,042,775)	(668,211)
Selling and marketing expenses	(91,871)	N/A	(197,414)	(12,410)
Other expenses	(893,917)	N/A	(2,529,831)	(212,706)
Operating profit	575,281	N/A	7,135,379	6,886,334
Finance income	222,191	N/A	546,440	94,271
Finance cost	(8,943)	N/A	(39,045)	(21,916)
Share of loss of an equity-accounted joint venture	-	N/A	(9,888)	(3,921)
Profit before tax	788,529	N/A	7,632,886	6,954,768
Tax expense	(137,722)	N/A	(386,806)	(216,379)
Profit for the financial period/year	650,807	N/A	7,246,080	6,738,389
Other comprehensive income	-	N/A	-	-
Total comprehensive income for the financial period/year	650,807	N/A	7,246,080	6,738,389
Profit for the financial period/year attributable to:				
- Owners of the Company	618,542	N/A	7,095,255	6,692,263
- Non-controlling interests	32,265	N/A	150,825	46,126
	650,807	N/A	7,246,080	6,738,389
Total comprehensive income for the financial period/year attributable to:				
- Owners of the Company	618,542	N/A	7,095,255	6,692,263
- Non-controlling interests	32,265	N/A	150,825	46,126
	650,807	N/A	7,246,080	6,738,389
Earnings per share attributable to owners of the Company ⁽³⁾:				
- Basic (sen)	0.19	N/A	2.14	1.67
- Diluted (sen)	0.19	N/A	2.14	1.67

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2023 ⁽¹⁾ (CONT'D)**

Notes:

- (1) The basis of preparation of the unaudited condensed consolidated statements of profit or loss and other comprehensive income is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 1 August 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the first interim financial report for the fourth quarter ended 31 March 2023 on the consolidated results announced by the Company in compliance with the ACE Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding period as the Company was listed on the ACE Market of Bursa Securities on 18 August 2022 and, as such, interim financial report for the comparative financial period concerned was not prepared.
- (3) Earnings per share is calculated based on the weighted average number of ordinary shares as disclosed in Note B11.
- (4) N/A denotes not applicable.

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AGMO HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023 ⁽¹⁾

	Unaudited As at 31.03.2023 RM	Audited As at 31.03.2022 RM
ASSETS		
Non-current assets		
Equipment	981,099	434,761
Right-of-use assets	605,376	778,318
Investment in a joint venture	196,191	206,079
Other investments	174,659	174,659
Total non-current assets	1,957,325	1,593,817
Current assets		
Trade receivables	9,996,160	4,433,851
Other receivables, deposits and prepayments	234,219	1,406,079
Fixed deposits placed with licensed banks	7,040,615	4,097,891
Tax recoverable	183,352	39,149
Cash and bank and short-term investments	23,505,738	2,418,026
Total current assets	40,960,084	12,394,996
Total assets	42,917,409	13,988,813
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	24,908,400	4,000,000
Retained earnings	14,182,232	7,086,977
	39,090,632	11,086,977
Non-controlling interests	279,751	46,426
Total equity	39,370,383	11,133,403
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	89,305	58,569
Lease liabilities	498,726	651,515
Total non-current liabilities	588,031	710,084
Current liabilities		
Trade payables	634,177	-
Other payables and accruals	1,687,842	1,422,611
Contract liabilities	464,820	512,155
Lease liabilities	152,789	153,657
Tax payables	19,367	56,903
Total current liabilities	2,958,995	2,145,326
Total liabilities	3,547,026	2,855,410
Total equity and liabilities	42,917,409	13,988,813
Net assets per share attributable to owners of the Company (sen)	12.03	2.77

Note:

(1) The basis of preparation of the unaudited condensed consolidated statement of financial position is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the

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Prospectus of the Company dated 1 August 2022 and the accompanying explanatory notes attached to this interim financial report.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 ⁽¹⁾**

	Share Capital RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM
Unaudited					
Balance as at 1 April 2022	4,000,000	7,086,977	11,086,977	46,426	11,133,403
Profit/Total comprehensive income for the financial year	-	7,095,255	7,095,255	150,825	7,246,080
Transactions with owners: -					
Issuance of ordinary shares	22,100,000	-	22,100,000	-	22,100,000
Share issuance expenses	(1,191,600)	-	(1,191,600)	-	(1,191,600)
Capital contribution from non- controlling interests	-	-	-	82,500	82,500
Balance as at 31 March 2023	<u>24,908,400</u>	<u>14,182,232</u>	<u>39,090,632</u>	<u>279,751</u>	<u>39,370,383</u>
Audited					
Balance as at 1 April 2021	4,000,000	3,394,714	7,394,714	-	7,394,714
Profit/Total comprehensive income for the financial year	-	6,692,263	6,692,263	46,126	6,738,389
Transaction with owners: -					
Dividend paid to the owners of the Company	-	(3,000,000)	(3,000,000)	-	(3,000,000)
Capital contribution from non- controlling interests	-	-	-	300	300
Balance as at 31 March 2022	<u>4,000,000</u>	<u>7,086,977</u>	<u>11,086,977</u>	<u>46,426</u>	<u>11,133,403</u>

Note:

- (1) The basis of preparation of the unaudited condensed consolidated statement of changes in equity is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 1 August 2022 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 ⁽¹⁾

	Unaudited 12 months ended 31.03.2023 RM	Audited 12 months ended 31.03.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	7,632,886	6,954,768
Adjustments for: -		
Bad debts recovered	-	(2,000)
Depreciation of equipment	202,500	90,397
Depreciation of right-of-use assets	172,942	82,793
Finance cost	39,045	21,916
Finance income	(546,440)	(94,271)
Gain on disposal of investment in an associate	-	(199,999)
Net measurement of expected credit losses	-	(192,000)
Share of loss of an equity-accounted joint venture	9,888	3,921
Unrealised loss/(gain) on foreign exchange	2,205	(2,759)
Operating profit before working capital changes	<u>7,513,026</u>	<u>6,662,766</u>
Changes in working capital:		
Receivables	(4,392,654)	(1,813,217)
Payables	852,073	1,094,338
Cash generated from operations	<u>3,972,445</u>	<u>5,943,887</u>
Tax refunded	13,012	-
Tax paid	(550,821)	(167,934)
Net cash flow from operating activities	<u>3,434,636</u>	<u>5,775,953</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	546,440	94,271
Purchase of equipment	(718,838)	(359,215)
Capital contribution from non-controlling interests	52,500	300
Proceeds from disposal of investment in an associate	-	200,000
Subscription of shares in a joint venture	-	(210,000)
Placement of fixed deposits with licensed banks	(44,058)	(20,506)
Net cash used in investing activities	<u>(163,956)</u>	<u>(295,150)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(3,000,000)
Interest paid	(39,045)	(21,916)
Repayment of lease liabilities	(153,657)	(55,939)
Net proceeds from issuance of shares	20,908,400	-
Net cash flow from/(used in) financing activities	<u>20,715,698</u>	<u>(3,077,855)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	23,986,378	2,402,948
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	4,943,457	2,540,509
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>28,929,835</u>	<u>4,943,457</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 ⁽¹⁾ (CONT'D)**

Notes to the Condensed Consolidated Statement of Cash Flows

A. Cash and cash equivalents

Cash and cash equivalents included in the Condensed Consolidated Statement of Cash Flows comprise the following:

	Unaudited 12 months ended 31.03.2023 RM	Audited 12 months ended 31.03.2022 RM
Cash and bank and short-term investments	23,505,738	2,418,026
Fixed deposits placed with licensed banks	7,040,615	4,097,891
	30,546,353	6,515,917
Less: Fixed deposit held in trust by a Director	(12,092)	(11,824)
Less: Fixed deposits with tenure more than 3 months	(1,604,426)	(1,560,636)
	28,929,835	4,943,457

- (1) The basis of preparation of the above unaudited condensed consolidated statement of cash flows is disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 1 August 2022 and the accompanying explanatory notes attached to this interim financial report.

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A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 – INTERIM FINANCIAL REPORTING

A1 BASIS OF PREPARATION

The interim financial report of Agmo Holdings Berhad and its subsidiaries (“**the Group**”) is unaudited and has been prepared in accordance with MFRS 134 - *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board (“**MASB**”) and Rule 9.22 and Appendix 9B of the Listing Requirements of Bursa Securities.

The interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 1 August 2022 and the accompanying explanatory notes are attached to this interim financial report.

The accounting policies adopted for the interim financial report are consistent with those adopted for the Accountants’ Report as disclosed in the Prospectus except for the adoption of amendments/improvements to MFRSs that are mandatory for the Group for the financial period beginning 1 April 2022:

- Amendments to MFRS 3 Business Combination - Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020

The adoption of these amendments/improvements to MFRSs did not have any material impact on the interim financial report of the Group.

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial period:

Effective for annual period beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts *
- Amendments to MFRS 17 – Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Effective for financial period beginning on or after 1 January 2024

- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements - Non-Current Liabilities with Covenants

A1 BASIS OF PREPARATION (CONT'D)

The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial period: (Cont'd)

Deferred to a date to be determined by MASB

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Group's operations.

The initial application of the above accounting standards, interpretations and amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group upon its first adoption.

A2 AUDITORS' REPORT

The audited consolidated financial statements of the Group for the financial year ended 31 March 2022 were not subject to any qualification.

A3 SEASONAL OR CYCLICAL FACTORS

The Group's performance was not subject to any significant seasonal or cyclical factors.

A4 MATERIAL UNUSUAL ITEMS

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the financial year ended 31 March 2023.

A5 CHANGES IN ESTIMATES

There were no changes in the nature and estimates of amounts reported which have a material effect on the results for the financial year ended 31 March 2023.

A6 DIVIDEND PAID

There was no dividend paid during the financial year ended 31 March 2023.

A7 DEBT AND EQUITY SECURITIES

On 27 June 2022, the Company completed a share consolidation exercise of 400,000,000 existing ordinary shares ("Shares") into 240,000,000 Shares, on the basis of 5 existing Shares into 3 Shares. The purpose of the share consolidation is to rationalise the share capital of the Company by reducing the number of Shares issued in anticipation of its listing on the ACE Market of Bursa Securities.

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A7 DEBT AND EQUITY SECURITIES (CONT'D)

On 1 August 2022, the Company launched its Prospectus in conjunction with the Company's listing on the ACE Market of Bursa Securities where it has undertaken an initial public offering ("IPO") of 85,000,000 new Shares in the Company at an issue price of RM0.26 per share.

The Company's Shares were listed successfully on the ACE Market of Bursa Securities on 18 August 2022.

Save as disclosed above, there were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial year ended 31 March 2023.

A8 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's business segments and geographical locations as follows:

Unaudited three months ended 31 March 2023

	Development of mobile and web applications	Provision of digital platform- based services	Provision of subscription, hosting, technical support and maintenance services	Provision of training and development services	Elimination	Total as per consolidated financial statements
	RM	RM	RM	RM	RM	RM
Revenue						
External revenue	7,433,135	123,931	851,688	75,600	(2,107,520)	6,376,834
Total revenue						<u>6,376,834</u>
Results						
Segment profit/(loss)	1,989,864	66,819	252,480	(22,441)	-	2,286,722
Other income						15,225
Administrative expenses						(740,878)
Selling and marketing expenses						(91,871)
Depreciation						(117,661)
Other expenses						(776,256)
Finance cost						(8,943)
Finance income						222,191
Profit before tax						<u>788,529</u>
Tax expense						(137,722)
Profit for the financial period						<u>650,807</u>

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A8 SEGMENT INFORMATION (CONT'D)

Unaudited 12 months ended 31 March 2023

	<u>Development of mobile and web applications</u> RM	<u>Provision of digital platform- based services</u> RM	<u>Provision of subscription, hosting, technical support and maintenance services</u> RM	<u>Provision of training and development services</u> RM	<u>Elimination</u> RM	<u>Total as per consolidated financial statements</u> RM
Revenue						
External revenue	24,074,815	1,048,568	4,297,850	75,600	(3,135,051)	26,361,782
Total revenue						<u>26,361,782</u>
Results						
Segment profit/(loss)	9,298,927	604,733	1,947,126	(22,441)	-	11,828,345
Other income						77,054
Administrative expenses						(2,042,775)
Selling and marketing expenses						(197,414)
Depreciation						(375,442)
Other expenses						(2,154,389)
Finance cost						(39,045)
Finance income						546,440
Share of loss of equity-accounted joint venture						(9,888)
Profit before tax						<u>7,632,886</u>
Tax expense						<u>(386,806)</u>
Profit for the financial year						<u>7,246,080</u>

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A8 SEGMENT INFORMATION (CONT'D)

Audited 12 months ended 31 March 2022

	<u>Development of mobile and web applications</u>	<u>Provision of digital platform-based services</u>	<u>Provision of subscription, hosting, technical support and maintenance services</u>	<u>Elimination</u>	<u>Total as per consolidated financial statements</u>
	RM	RM	RM	RM	RM
Revenue					
External revenue	13,753,181	1,192,012	2,637,804	(1,057,326)	<u>16,525,671</u>
Total revenue					<u>16,525,671</u>
Results					
Segment profit	5,620,978	760,178	999,436	-	7,380,592
Other income					207,069
Net measurement of expected credit losses					192,000
Administrative expenses					(668,211)
Selling and marketing expenses					(12,410)
Depreciation					(173,190)
Other expenses					(39,516)
Finance cost					(21,916)
Finance income					94,271
Share of loss of equity-accounted joint venture					(3,921)
Profit before tax					<u>6,954,768</u>
Tax expense					<u>(216,379)</u>
Profit for the financial year					<u>6,738,389</u>

Geographical Information

Revenue based on geographical location of customers are as follows:

	← Unaudited →		→ Audited ←	
	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM	RM	RM	RM
Malaysia	5,721,322	N/A	23,558,585	14,461,649
Thailand	388,984	N/A	877,745	-
Singapore	164,482	N/A	646,886	647,106
Hong Kong	93,714	N/A	1,216,220	1,350,133
Other countries	8,332	N/A	62,346	66,783
	<u>6,376,834</u>	<u>N/A</u>	<u>26,361,782</u>	<u>16,525,671</u>

A9 CHANGES IN THE COMPOSITION OF THE GROUP

- (i) On 10 November 2022, Agmo Academy Sdn. Bhd. was incorporated as a wholly-owned subsidiary of the Company and is principally involved in provision of training and development centre-related services, other information technology service activities and provision of consultancy services.
- (ii) On 16 December 2022, Agmo RedSquare Sdn. Bhd. (“Agmo RedSquare”) was incorporated as a wholly-owned subsidiary of the Company and is intended to be principally involved in application development works and asset claim management system.
- (iii) On 17 January 2023, Agmo Artisan Sdn. Bhd. (“Agmo Artisan”) was incorporated as a wholly-owned subsidiary of the Company and is intended to be principally involved in software development and related consultancy services.

Save as disclosed above, there were no other changes to the composition of the Group during the financial year ended 31 March 2023.

A10 MATERIAL EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR ENDED 31 MARCH 2023

- (i) On 1 August 2022, the Company launched its Prospectus in conjunction with the Company’s listing on the ACE Market of Bursa Securities where it has undertaken an initial public offering of 85,000,000 new Shares in the Company at an issue price of RM0.26 per share.

The Company’s Shares were listed successfully on the ACE Market of Bursa Securities on 18 August 2022.

- (ii) On 20 December 2022, the Company entered into a shareholders’ agreement with RedSquare Technologies Sdn. Bhd. (“RTSB”), Vierge Capital Sdn. Bhd. (“VCSB”), Wong Zi Ning, Naven Prasad A/L Rajasegaran and Adam Ray Teh (“Agreement”) to jointly collaborate in undertaking application development works and asset claim management system to potential clients through Agmo RedSquare.

Pursuant to the Agreement, the Company, RTSB and VCSB had on 5 January 2023 subscribed for new ordinary shares in Agmo RedSquare whereby the Company holds 52.5% equity interest in Agmo RedSquare while RTSB and VCSB hold 42.5% and 5.0% equity interest in Agmo RedSquare, respectively.

- (iii) On 17 January 2023, the Company entered into a shareholders’ agreement with Chow Yao Fong (“CYF”) and VCSB (“Shareholders’ Agreement”) to jointly collaborate in undertaking software development and related consultancy services to potential clients through Agmo Artisan.

Pursuant to the Shareholders’ Agreement, the Company, CYF and VCSB had on 27 January 2023 subscribed for new ordinary shares in Agmo Artisan whereby the Company holds 65.0% equity interest in Agmo Artisan while CYF and VCSB hold 30.0% and 5.0% equity interest in Agmo Artisan, respectively.

**A10 MATERIAL EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR ENDED 31 MARCH 2023
(CONT'D)**

- (iv) On 31 January 2023, the Company entered into a collaboration agreement with Universiti Telekom Sdn. Bhd., to collaborate in the setting up of an experience centre to be known as “AGMO-SPACE”, located in Multimedia University’s Faculty of Creative Multimedia in the Cyberjaya campus.
- (v) On 28 April 2023, Agmo Primus Sdn Bhd (“Agmo Primus”) was incorporated as a wholly-owned subsidiary of the Company and is intended to be principally involved in software development and related consultancy services. On 8 May 2023, the Company entered into a shareholders’ agreement with Data PRM Sdn. Bhd. (“DPRM”), VCSB, Lai De Yan (“LDY”), Lee Pei Si (“LPS”) and Lai Jie Yan (“LJY”) (“SHA”) to jointly collaborate in undertaking provision of automated property tech-related services to potential clients through Agmo Primus.

Pursuant to the SHA, the Company, DPRM and VCSB had on 15 May 2023 subscribed for new ordinary shares in Agmo Primus whereby the Company holds 90.2% equity interest in Agmo Primus while VCSB and DPRM hold 5.4% and 4.4% equity interest in Agmo Primus, respectively.

- (vi) On 5 May 2023, Agmo SG Pte. Ltd. was incorporated as a 90% direct owned subsidiary of the Company in Singapore and is intended to be principally involved in software and applications development and provision of information technology consultancy services, as part of the Group’s plan to expand regionally into Singapore.

Save as disclosed above, there were no other material events during and subsequent to the financial year ended 31 March 2023.

A11 CAPITAL COMMITMENTS

There were no capital commitments as at 31 March 2023.

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A12 SIGNIFICANT RELATED PARTY TRANSACTIONS

In the normal course of business, the Group undertakes on agreed terms and prices, transactions with related companies and other related parties. The significant related party transactions of the Group carried out during the financial period/year ended 31 March 2023 are as follows:

	Individual Quarter	
	3 months ended	
	31 March 2023	31 March 2022 ⁽¹⁾
	RM	RM
i) Rental payable by the Group to MY E.G. Services Berhad (“MYEG”) in respect of the rental of office	(39,000)	N/A
ii) Provision of digital platform-based services for general meeting by the Group to MYEG	13,000	N/A
iii) Provision of live streaming services by Hurr TV Sdn Bhd, a subsidiary of MYEG to the Group	(11,130)	N/A
iv) Provision of project management services by the Group to Zetrix Sdn Bhd, a subsidiary of MYEG	15,000	N/A
v) Provision of maintenance services by the Group to WorkGrowth Technology Sdn. Bhd. (“WorkGrowth”), a joint venture of the Group	420	N/A
vi) Provision of outsourced training services by Accio Technologies Sdn. Bhd., an entity connected with a Director to the Group	(37,800)	N/A

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A12 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

In the normal course of business, the Group undertakes on agreed terms and prices, transactions with related companies and other related parties. The significant related party transactions of the Group carried out during the financial period/year ended 31 March 2023 are as follows: (Cont'd)

	Cumulative Quarter	
	31 March 2023	31 March 2022
	RM	RM
i) Provision of development of mobile and web application services by the Group to MYEG	88,500	452,300
ii) Rental payable by the Group to MYEG in respect of the rental of office	(146,250)	(58,500)
iii) Provision of digital platform-based services for general meeting by the Group to MYEG	26,000	65,500
iv) Provision of live streaming services by Hurr TV Sdn Bhd	(181,790)	(195,056)
v) Provision of project management services by the Group to Zetrix Sdn Bhd	60,000	30,000
vi) Provision of maintenance services by the Group to WorkGrowth	1,680	980
vii) Provision of development of mobile application services by the Group to WorkGrowth	-	350,000
viii) Provision of development of web application services by the Group to NFT Pangolin Technologies Sdn. Bhd., a subsidiary of MYEG	-	195,000
ix) Provision of outsourced training services by Accio Technologies Sdn. Bhd., an entity connected with a Director to the Group	(37,800)	-

Note:

- (1) This is the first interim financial report for the fourth quarter ended 31 March 2023 on the consolidated results announced by the Company in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as the Company was listed on the ACE Market of Bursa Securities on 18 August 2022 and, as such, interim financial report for the comparative financial period concerned was not prepared.

B ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES FOR THE ACE MARKET

B1 REVIEW OF PERFORMANCE

Current Quarter ended 31 March 2023 (“Q4 FY 2023”)

The Group recorded revenue of RM6.38 million in Q4 FY 2023, mainly derived from the development of mobile and web applications segment which contributed approximately 86.6% to the total revenue, followed by the provision of subscription, hosting, technical support and maintenance services segment (10.3%). During Q4 FY 2023, the Group commenced its new business segment, i.e. provision of training and development services which contributed RM0.08 million to the Group’s revenue.

Geographically, the Malaysian market remains as the Group’s primary revenue contributor, which recorded RM5.72 million or 89.7% of the total revenue for Q4 FY 2023, while Thailand and Singapore were the major revenue contributors from our overseas market in Q4 FY 2023, contributing revenues of approximately RM0.39 million and RM0.16 million, respectively.

The Group’s cost of sales in Q4 FY 2023 comprised mainly of payroll and related costs, and outsource development services costs.

The Group registered profit before tax (“PBT”) and profit after tax (“PAT”) of RM0.79 million and RM0.65 million, respectively in Q4 FY 2023.

Cumulative Quarter ended 31 March 2023 (“FY 2023”) compared with Cumulative Quarter ended 31 Mar 2022 (“FY 2022”)

The Group’s total revenue increased by approximately RM9.83 million or 59.5% from RM16.53 million in FY 2022 to RM26.36 million in FY 2023, mainly contributed by the growth in revenue from the development of mobile and web applications segment of RM8.38 million and provision of subscription, hosting, technical support and maintenance services segment of RM1.52 million following new projects secured in FY 2023.

Revenues from the development of mobile and web applications segment has remained as our main revenue contributor, contributing RM21.34 million (81.0%) of our total revenue for FY 2023, as compared with approximately RM12.96 million (78.4%) of our total revenue for FY 2022.

The Malaysian market remained as the Group’s primary revenue contributor, which recorded an increase in revenue of RM9.10 million, followed by Thailand which achieved an increase in revenue of RM0.88 million.

The Group’s PBT for FY 2023 was RM7.63 million as compared to RM6.95 million for FY 2022, an increase of RM0.68 million, mainly contributed by:

- (i) higher revenue of RM9.83 million as mentioned above, offset by;
- (ii) higher payroll and related costs of RM3.66 million following expansion of the Group’s manpower in line with the Group’s IPO plans;
- (iii) higher outsource development service costs of RM2.73 million; and
- (iv) one-off listing expenses of RM2.14 million in FY 2023.

Consequently, the Group achieved a PAT of RM7.25 million for FY 2023, an increase of RM0.51 million as compared to RM6.74 million for FY 2022, primarily due to higher tax expenses following expiration of the tax incentive granted to a subsidiary of the Group under the Malaysia Digital (“MD”) Status on 10 December 2022.

B2 COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Quarter ended 31.03.2023	Preceding Quarter Ended 31.12.2022	Variance	
	RM	RM	RM	%
Revenue	6,376,834	8,302,032	(1,925,198)	(23.2)
Profit before tax	788,529	2,275,731	(1,487,202)	(65.4)
Profit after tax	650,807	2,202,361	(1,551,554)	(70.4)

Current quarter ended 31 March 2023 ("Q4 FY 2023") compared with the immediate preceding quarter ended 31 December 2022 ("Q3 FY 2023")

The Group achieved a revenue of RM6.38 million in Q4 FY 2023, a decrease of RM1.93 million as compared to RM8.30 million in Q3 FY 2023, mainly attributable to the decrease in revenues from the development of mobile and web applications segment of RM1.56 million.

The Group's PBT for Q4 FY 2023 was RM0.79 million as compared to RM2.28 million for Q3 FY 2023, a decrease RM1.49 million, mainly due to:

- (i) lower revenue by RM1.93 million as mentioned above; and
- (ii) higher payroll and related costs of RM0.21 million; mitigated by
- (iii) lower outsource development services costs of RM0.75 million.

Consequently, the Group recorded a PAT of RM0.65 million in Q4 FY 2023, a decrease of RM1.55 million as compared to RM2.20 million in Q3 FY 2023, mainly due to lower PBT as mentioned above and higher tax expenses following expiration of the tax incentive granted to a subsidiary of the Group under the MD Status which expired on 10 December 2022.

B3 PROSPECTS

For the financial year ending 31 March 2024 ("FY 2024"), the Group expects to continue introducing new products and services by leveraging emerging technologies at the forefront of the industry with a focus on Environmental, Social and Governance ("ESG") principles.

The Group will continue to ride on both new and existing initiatives by the Government of Malaysia aimed at promoting digital investments in Malaysia and to accelerate the growth of the country's digital economy, where we look to actively engage in partnerships with government agencies and industry associations to harness synergies, foster innovation and propel collective progress. The above is further boosted by the strong growth trajectory of the mobile and web applications development industry in Malaysia and Southeast Asia.

In addition, the Group's business is also expected to be strengthened by our expansion plans with the utilisation of IPO proceeds (which includes its newly incorporated subsidiaries with our strategic partners) and its existing order book which is expected to be fulfilled in the near to medium term.

Based on the factors above, the Group is cautiously optimistic of its financial performance for FY 2024.

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B4 PROFIT FORECAST / PROFIT GUARANTEE

The Group did not issue any profit forecast or profit guarantee in any public documents.

B5 TAXATION

	← Unaudited →		→ Audited ←	
	Individual Quarter 3 months ended 31.03.2023 RM	31.03.2022 ⁽¹⁾ RM	Cumulative Quarter 12 months ended 31.03.2023 RM	31.03.2022 RM
Current income tax				
Current income tax charge	102,753	N/A	356,070	183,319
Deferred tax				
Deferred tax charge	34,969	N/A	30,736	33,060
Total tax expense	137,722	N/A	386,806	216,379
Effective tax rate	17.5%	N/A	5.1%	3.1%

(1) This is the first interim financial report for the fourth quarter ended 31 March 2023 on the consolidated results announced by the Company in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as the Company was listed on the ACE Market of Bursa Securities on 18 August 2022 and, as such, interim financial report for the comparative financial period concerned was not prepared.

The Group's effective tax rate for the cumulative quarter were lower than the statutory income tax rate of 24.0%. The lower effective tax rate is primarily because a significant portion of the Group's revenue and PBT were mainly contributed by a subsidiary of the Group which was granted full tax exemption under the MD Status on its statutory income from pioneer activities until 10 December 2022.

B6 STATUS OF CORPORATE PROPOSAL AND UTILISATION OF PROCEEDS

There were no corporate proposals announced but not completed as at the date of this interim financial report.

The IPO proceeds from the public issue amounting to RM22.10 million was utilised in the following manner:

Purpose	Proposed Utilisation RM'000	Actual Utilised RM'000	Deviation RM'000	Estimated timeframe for utilisation from Listing ⁽¹⁾
Investment in a dedicated R&D team	3,449	1,209	2,240	Within 24 months
Investment in a dedicated sales, marketing and business development team	2,456	302	2,154	Within 36 months
Investment in a dedicated technical support and maintenance services division	3,564	478	3,086	Within 36 months
Establishment of a training and development centre	2,541	154	2,387	Within 36 months
Regional expansion to Singapore	686	25	661	Within 36 months
Working capital and related capital expenditure:				
(i) Expansion of our mobile and web application development and digital platform-based services	5,917	1,648	4,269	Within 30 months
(ii) Setting up of new office	305	89	216	Within 12 months
Estimated listing expenses	3,182	3,182	-	Immediate
	<u>22,100</u>	<u>7,087</u>	<u>15,013</u>	

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities of 18 August 2022. The utilisation of proceeds as disclosed above should be read in conjunction with the Company's Prospectus dated 1 August 2022.

B7 BORROWINGS

The Group does not have any borrowings as at 31 March 2023.

B8 DERIVATIVES

The Group did not enter into any derivatives during the financial year ended 31 March 2023.

B9 MATERIAL LITIGATION

The Group has no outstanding material litigation as at the date of this interim financial report.

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B10 DIVIDEND PROPOSED OR DECLARED

No dividend has been proposed or declared by the Board of Directors of the Company during the financial year ended 31 March 2023.

B11 EARNINGS PER SHARE

The basic and diluted earnings per share for the current and cumulative quarter is calculated as follows:

	← Unaudited →		→ Audited ←	
	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.03.2023	31.03.2022 ⁽³⁾	31.03.2023	31.03.2022
Profit attributable to owners of the Company (RM)	618,542	N/A	7,095,255	6,692,263
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	325,000	N/A	331,000	400,000
Basic earnings per share (sen)	0.19	N/A	2.14	1.67
Diluted earnings per share ⁽²⁾ (sen)	0.19	N/A	2.14	1.67

Notes:

(1) On 27 June 2022, the Company completed a share consolidation exercise of 400,000,000 existing Shares into 240,000,000 Shares, on the basis of 5 existing Shares into 3 Shares.

On 17 August 2022, the Company issued 85,000,000 new Shares pursuant to its IPO exercise.

(2) Diluted earnings per share for the current and cumulative quarter are equivalent to the basic earnings per share for the current and cumulative quarter as the Company does not have any dilutive instruments as at 31 March 2023.

(3) This is the first interim financial report for the fourth quarter ended 31 March 2023 on the consolidated results announced by the Company in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as the Company was listed on the ACE Market of Bursa Securities on 18 August 2022 and, as such, interim financial report for the comparative financial period concerned was not prepared.

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B12 DISCLOSURE ON SELECTED EXPENSE/(INCOME) ITEMS AS REQUIRED BY THE LISTING REQUIREMENTS

	← Unaudited →		← Audited →	
	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	12 months ended	12 months ended
	31.03.2023	31.03.2022 ⁽¹⁾	31.03.2023	31.03.2022
	RM	RM	RM	RM
Profit before tax is arrived at after charging/(crediting):				
Auditor's remuneration				
- current period	42,868	N/A	87,166	55,000
Depreciation of equipment	74,426	N/A	202,500	90,397
Depreciation of right-of-use assets	43,235	N/A	172,942	82,793
Finance cost	8,943	N/A	39,045	21,916
Finance income	(222,191)	N/A	(546,440)	(94,271)
Net loss/(gain) on foreign currency exchange	972	N/A	(25,988)	16,089

Note:

- (1) This is the first interim financial report for the fourth quarter ended 31 March 2023 on the consolidated results announced by the Company in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as the Company was listed on the ACE Market of Bursa Securities on 18 August 2022 and, as such, interim financial report for the comparative financial period concerned was not prepared.

B13 APPROVAL OF INTERIM FINANCIAL REPORT

The interim financial report as set out above was approved by the Board of Directors in accordance with a resolution dated 24 May 2023.