



AGMO HOLDINGS BERHAD

Registration No. 201701000550 (1214700-W)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

	← Unaudited →			
	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM	RM	RM	RM
Revenue	8,094,269	6,032,419	15,603,282	11,682,916
Cost of sales	<u>(5,339,036)</u>	<u>(2,887,322)</u>	<u>(9,161,040)</u>	<u>(5,909,738)</u>
Gross profit	2,755,233	3,145,097	6,442,242	5,773,178
Other income	10,772	23,685	44,209	45,216
Administrative expenses	(871,679)	(305,579)	(1,525,426)	(577,873)
Selling and marketing expenses	(170,902)	-	(274,055)	-
Other expenses	<u>(358,122)</u>	<u>(690,799)</u>	<u>(481,545)</u>	<u>(766,726)</u>
Operating profit	1,365,302	2,172,404	4,205,425	4,473,795
Finance income	262,286	102,004	522,520	125,690
Finance cost	(41,351)	(10,051)	(53,369)	(20,601)
Share of loss of an equity-accounted joint venture	-	(10,218)	-	(10,258)
Profit before tax	1,586,237	2,254,139	4,674,576	4,568,626
Tax expense	<u>(292,924)</u>	<u>(53,165)</u>	<u>(881,130)</u>	<u>(175,714)</u>
Profit for the financial period	1,293,313	2,200,974	3,793,446	4,392,912
Other comprehensive (loss)/income	<u>(806)</u>	<u>-</u>	<u>33</u>	<u>-</u>
Total comprehensive income for the financial period	<u>1,292,507</u>	<u>2,200,974</u>	<u>3,793,479</u>	<u>4,392,912</u>
Profit/(Loss) for the financial period attributable to:				
- Owners of the Company	1,321,643	2,170,440	3,891,996	4,284,901
- Non-controlling interests	<u>(28,330)</u>	<u>30,534</u>	<u>(98,550)</u>	<u>108,011</u>
	<u>1,293,313</u>	<u>2,200,974</u>	<u>3,793,446</u>	<u>4,392,912</u>
Total comprehensive income/(loss) for the financial period attributable to:				
- Owners of the Company	1,320,832	2,170,440	3,891,940	4,284,901
- Non-controlling interests	<u>(28,325)</u>	<u>30,534</u>	<u>(98,461)</u>	<u>108,011</u>
	<u>1,292,507</u>	<u>2,200,974</u>	<u>3,793,479</u>	<u>4,392,912</u>
Earnings per share attributable to owners of the Company ⁽²⁾:				
- Basic (sen)	<u>0.41</u>	<u>0.77</u>	<u>1.20</u>	<u>1.27</u>
- Diluted (sen)	<u>0.41</u>	<u>0.77</u>	<u>1.20</u>	<u>1.27</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 Audited Financial Statements for the financial year ended 31 March 2023 (“AFS 2023”) and the accompanying explanatory notes attached to this interim financial report.
- (2) Earnings per share is calculated based on the weighted average number of ordinary shares as disclosed in Note B11.

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AGMO HOLDINGS BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023 ⁽¹⁾**

	Unaudited As at 30.09.2023 RM	Audited As at 31.03.2023 RM
ASSETS		
Non-current assets		
Equipment	1,354,502	981,099
Right-of-use assets	1,541,369	605,376
Investment in a joint venture	196,191	196,191
Other investments	174,659	174,659
Development costs	500,592	-
Total non-current assets	<u>3,767,313</u>	<u>1,957,325</u>
Current assets		
Trade receivables	10,840,309	9,996,160
Other receivables, deposits and prepayments	706,496	234,219
Tax recoverable	158,100	183,352
Fixed deposits placed with licensed banks	5,547,432	7,040,615
Cash and bank and short-term investments	28,016,833	23,505,738
Total current assets	<u>45,269,170</u>	<u>40,960,084</u>
Total assets	<u>49,036,483</u>	<u>42,917,409</u>
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	24,908,400	24,908,400
Foreign exchange reserve	(56)	-
Retained earnings	18,074,228	14,182,232
	<u>42,982,572</u>	<u>39,090,632</u>
Non-controlling interests	277,639	279,751
Total equity	<u>43,260,211</u>	<u>39,370,383</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	79,445	89,305
Lease liabilities	1,079,165	498,726
Total non-current liabilities	<u>1,158,610</u>	<u>588,031</u>
Current liabilities		
Trade payables	757,097	634,177
Other payables and accruals	2,248,147	1,687,842
Contract liabilities	484,043	464,820
Lease liabilities	526,089	152,789
Tax payables	602,286	19,367
Total current liabilities	<u>4,617,662</u>	<u>2,958,995</u>
Total liabilities	<u>5,776,272</u>	<u>3,547,026</u>
Total equity and liabilities	<u>49,036,483</u>	<u>42,917,409</u>
Net assets per share attributable to owners of the Company (sen)	<u>13.23</u>	<u>12.03</u>

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 AFS 2023 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

	Share Capital RM	Foreign Exchange Reserve RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM
As at 1 April 2023	24,908,400	-	14,182,232	39,090,632	279,751	39,370,383
Profit for the financial period	-	-	3,891,996	3,891,996	(98,550)	3,793,446
Other comprehensive income for the financial period	-	(56)	-	(56)	89	33
Total comprehensive income for the financial period	-	(56)	3,891,996	3,891,940	(98,461)	3,793,479
Transaction with owners: -						
Capital contribution from non-controlling interests	-	-	-	-	96,349	96,349
As at 30 September 2023	24,908,400	(56)	18,074,228	42,982,572	277,639	43,260,211
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 period	-	-	4,284,901	4,284,901	108,011	4,392,912
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)
As at 30 September 2022	24,908,400	-	11,371,878	36,280,278	154,437	36,434,715

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 AFS 2023 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 PERIOD ENDED 30 SEPTEMBER 2023 ⁽¹⁾**

	Unaudited 6 months ended	
	30.09.2023 RM	30.09.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,674,576	4,568,626
Adjustments for: -		
Depreciation of equipment	136,056	75,815
Depreciation of right-of-use assets	291,886	86,471
Finance cost	53,369	20,601
Finance income	(522,520)	(125,690)
Share of loss of an equity-accounted joint venture	-	10,258
Unrealised gain on foreign exchange	(129)	(11,142)
Operating profit before working capital changes	<u>4,633,238</u>	<u>4,624,939</u>
Changes in working capital:		
Receivables	(1,316,264)	(1,492,168)
Payables	701,706	44,419
Cash generated from operations	<u>4,018,680</u>	<u>3,177,190</u>
Tax refunded	4,403	-
Tax paid	(287,222)	(177,578)
Net cash flow from operating activities	<u>3,735,861</u>	<u>2,999,612</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	522,520	125,690
Purchase of equipment	(509,459)	(308,343)
Development costs paid	(500,592)	-
Capital contribution from non-controlling interests	96,349	-
Placement/(Upliftment) of fixed deposits with licensed banks	1,604,255	(15,471,081)
Net cash from/(used in) investing activities	<u>1,213,073</u>	<u>(15,653,734)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(53,369)	(20,601)
Repayment of lease liabilities	(273,398)	(70,875)
Net proceeds from issuance of shares	-	20,908,400
Net cash (used in)/from financing activities	<u>(326,767)</u>	<u>20,816,924</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,622,167	8,162,802
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	28,929,835	4,943,457
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>33,552,002</u>	<u>13,106,259</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	
	6 months ended	
	30.09.2023	30.09.2022
	RM	RM
Cash and bank and short-term investments	28,016,833	3,261,688
Fixed deposits placed with licensed banks	5,547,432	26,888,112
	<u>33,564,265</u>	<u>30,149,800</u>
Less: Fixed deposit held in trust by a Director	(12,263)	(11,936)
Less: Fixed deposits with tenure more than 3 months	-	(17,031,605)
	<u>33,552,002</u>	<u>13,106,259</u>

(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 AFS 2023 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 Malaysia Securities Berhad (“**Bursa Securities**”).

The interim financial report should be read in conjunction with the AFS 2023 and the accompanying explanatory notes attached to this interim financial report.

The accounting policies adopted for the interim financial report are consistent with those adopted for the AFS 2023 except for the adoption of amendments/improvements to MFRSs that are mandatory for the Group for the financial period beginning 1 April 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 - 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
- Amendments to MFRS 112 Income Taxes - International Tax Reform: Pillar Two Model Rules

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 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
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments – Supplier Finance Arrangement

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.

A1 BASIS OF PREPARATION (CONT'D)

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 2023 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 six months ended 30 September 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 of the Group for the six months ended 30 September 2023.

A6 DIVIDEND PAID

There was no dividend paid during the six months ended 30 September 2023.

A7 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the six months ended 30 September 2023.

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A8 SEGMENTAL INFORMATION

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

Unaudited three months ended 30 September 2023

	Development of bespoke digital solutions	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	9,977,298	183,252	909,852	51,303	(3,027,436)	8,094,269
Total revenue						<u>8,094,269</u>
Results						
Segment profit/(loss)	2,267,085	105,528	401,924	(19,304)	-	2,755,233
Other income						10,772
Administrative expenses						(871,679)
Selling and marketing expenses						(170,902)
Depreciation						(309,436)
Other expenses						(48,686)
Finance cost						(41,351)
Finance income						262,286
Profit before tax						<u>1,586,237</u>
Tax expense						(292,924)
Profit for the financial period						<u>1,293,313</u>

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A8 SEGMENT INFORMATION (CONT'D)

Unaudited six months ended 30 September 2023

	Development of bespoke digital solutions	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	17,415,573	554,828	2,138,016	53,703	(4,558,838)	15,603,282
Total revenue						<u>15,603,282</u>
Results						
Segment profit/(loss)	5,231,331	358,184	918,051	(65,324)	-	6,442,242
Other income						44,209
Administrative expenses						(1,525,426)
Selling and marketing expenses						(274,055)
Depreciation						(427,942)
Other expenses						(53,603)
Finance cost						(53,369)
Finance income						522,520
Profit before tax						<u>4,674,576</u>
Tax expense						(881,130)
Profit for the financial period						<u>3,793,446</u>

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A8 SEGMENT INFORMATION (CONT'D)

Unaudited three months ended 30 September 2022

	Development of bespoke digital solutions	Provision of digital platform- based services	Provision of subscription, hosting, technical support and maintenance services	Elimination	Total as per consolidated financial statements
	RM	RM	RM	RM	RM
Revenue					
External revenue	5,209,441	202,333	913,692	(293,047)	6,032,419
Total revenue					<u>6,032,419</u>
Results					
Segment profit	2,594,727	128,165	422,205	-	3,145,097
Other income					23,685
Administrative expenses					(305,579)
Depreciation					(87,305)
Other expenses					(603,494)
Finance cost					(10,051)
Finance income					102,004
Share of loss of equity- accounted joint venture					<u>(10,218)</u>
Profit before tax					2,254,139
Tax expense					<u>(53,165)</u>
Profit for the financial period					<u>2,200,974</u>

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A8 SEGMENT INFORMATION (CONT'D)

Unaudited six months ended 30 September 2022

	Development of bespoke digital solutions	Provision of digital platform-based services	Provision of subscription, hosting, technical support and maintenance services	Elimination	Total as per consolidated financial statements
	RM	RM	RM	RM	RM
Revenue					
External revenue	9,394,348	611,113	2,469,026	(791,571)	11,682,916
Total revenue					<u>11,682,916</u>
Results					
Segment profit	4,131,142	394,310	1,247,726	-	5,773,178
Other income					45,216
Administrative expenses					(577,873)
Depreciation					(162,286)
Other expense					(604,440)
Finance cost					(20,601)
Finance income					125,690
Share of loss of equity-accounted joint venture					(10,258)
Profit before tax					<u>4,568,626</u>
Tax expense					(175,714)
Profit for the financial period					<u>4,392,912</u>

Geographical Information

Revenue based on geographical location of customers are as follows:

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM	RM	RM	RM
Malaysia	7,322,539	5,129,526	14,623,615	10,186,820
Hong Kong	229,936	299,442	360,006	721,466
Thailand	323,359	420,332	323,359	488,761
Singapore	119,294	177,679	188,527	251,839
Other countries	99,141	5,440	107,775	34,030
	<u>8,094,269</u>	<u>6,032,419</u>	<u>15,603,282</u>	<u>11,682,916</u>

A9 CHANGES IN THE COMPOSITION OF THE GROUP

- (i) 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.
- (ii) 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.
- (iii) On 7 June 2023, Agmo Ventures X Holdings Sdn. Bhd. (“Agmo Ventures X”) was incorporated as a 70% direct owned subsidiary of the Company and is intended to be principally involved in investment in ventures providing software development and related ancillary services related to sustainability projects and ventures.

Save as disclosed above, there were no other changes to the composition of the Group during the six months ended 30 September 2023.

A10 MATERIAL EVENTS DURING AND SUBSEQUENT TO THE CUMULATIVE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

- (i) On 8 May 2023, the Company entered into a shareholders’ agreement with Data PRM Sdn. Bhd. (“DPRM”), Vierge Capital Sdn. Bhd. (“VCSB”), Lai De Yan, Lee Pei Si and Lai Jie Yan (“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.

- (ii) On 5 July 2023, the Company announced the proposed establishment of an employees’ share option scheme (“ESOS”), which involves the granting of options (“ESOS Options”) to the directors (in both executive or non-executive capacity) and employees of the Group who fulfil the criteria of eligibility for participation in the ESOS (“Eligible Persons”). The ESOS Options granted under the ESOS shall entitle the Eligible Persons to subscribe for new shares of the Company at an exercise price to be determined at a later date.

On 4 August 2023, Bursa Securities had resolved to approve the listing and quotation of such number of new shares representing up to 30% of the total number of issued shares of the Company to be issued pursuant to the exercise of ESOS Options under the ESOS.

The ESOS had been approved by the shareholders of the Company at the Extraordinary General Meeting held on 5 September 2023. The effective date of implementation of the ESOS is 12 September 2023.

- (iii) On 7 July 2023, the Company entered into a shareholders’ agreement with Koomerang Ventures Inc Sdn. Bhd. (“KVI”) to jointly invest in Agmo Ventures X, whereby KVI holds 30% equity interest in Agmo Ventures X.

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A10 MATERIAL EVENTS DURING AND SUBSEQUENT TO THE CUMULATIVE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)

(iv) On 13 October 2023, Agmo EV Sdn. Bhd. (“Agmo EV”) was incorporated as an indirect 70%-owned subsidiary of the Company via its direct 70%-owned subsidiary, Agmo Ventures X. Agmo EV is intended to be principally involved in provision of software development and related ancillary services and provision of platform-based services related to electric vehicles.

Save as disclosed above, there were no other material events during and subsequent to the six months ended 30 September 2023.

A11 CAPITAL COMMITMENTS

There were no capital commitments as at 30 September 2023.

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 six months ended 30 September 2023 are as follows:

	Individual Quarter	
	3 months ended	
	30 September	30 September
	2023	2022
	RM	RM
i) Rental payable by the Group to MY E.G. Services Berhad (“MYEG”) in respect of the rental of office ⁽¹⁾	(188,816)	(39,000)
ii) Provision of live streaming services by Hurr TV Sdn Bhd, a subsidiary of MYEG to the Group ⁽¹⁾	(21,000)	(30,740)
iii) Provision of project management services by the Group to Zetrix Sdn Bhd, a subsidiary of MYEG ⁽¹⁾	11,333	15,000
iv) Provision of maintenance services by the Group to WorkGrowth Technology Sdn. Bhd., a joint venture of the Group	-	420

Note:

(1) Represents transaction value from 1 July 2023 up to 8 September 2023 as MYEG ceased to be deemed a related party of the Group with effect from 9 September 2023.

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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 six months ended 30 September 2023 are as follows (cont'd):

	Cumulative Quarter	
	6 months ended	
	30 September	30 September
	2023	2022
	RM	RM
i) Provision of development of bespoke digital solutions services by the Group to MYEG ⁽¹⁾	-	88,500
ii) Rental payable by the Group to MYEG in respect of the rental of office ⁽¹⁾	(227,816)	(68,250)
iii) Provision of digital platform-based services for general meeting by the Group to MYEG ⁽¹⁾	13,000	13,000
iv) Provision of live streaming services by Hurr TV Sdn Bhd, a subsidiary of MYEG to the Group ⁽¹⁾	(90,000)	(127,730)
v) Provision of project management services by the Group to Zetrix Sdn Bhd, a subsidiary of MYEG ⁽¹⁾	26,333	30,000
vi) Provision of maintenance services by the Group to WorkGrowth Technology Sdn. Bhd., a joint venture of the Group	-	840

Note:

- (1) Represents transaction value from 1 April 2023 up to 8 September 2023 as MYEG ceased to be deemed a related party of the Group with effect from 9 September 2023.

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 30 September 2023 ("Q2 FY 2024") compared with preceding year corresponding quarter ended 30 September 2022 ("Q2 FY 2023")

The Group's total revenue increased by approximately RM2.06 million or 34.2% from RM6.03 million in Q2 FY 2023 to RM8.09 million in Q2 FY 2024, mainly contributed by the growth in revenue from the development of bespoke digital solutions segment following new projects secured.

Revenues from the development of bespoke digital solutions segment has remained as our main revenue contributor, contributing RM7.16 million (88.5%) of our total revenue for Q2 FY 2024, as compared with approximately RM4.98 million (82.6%) of our total revenue for Q2 FY 2023.

Geographically, the Malaysian market remains as the Group's primary revenue contributor, which recorded an increase in revenue of RM2.19 million. Thailand, Hong Kong and Singapore were the major revenue contributors from our overseas market in Q2 FY 2024, contributing revenues of approximately RM0.32 million, RM0.23 million and RM0.12 million, respectively.

The Group registered profit before tax ("PBT") of RM1.59 million in Q2 FY 2024, as compared to RM2.25 million in Q2 FY 2023. The decrease in PBT is mainly due to higher outsource development services costs and payroll and related costs, mitigated by higher revenue as mentioned above.

The Group's profit after tax ("PAT") was RM1.29 million in Q2 FY 2024, a decrease of RM0.91 million as compared to RM2.20 million in Q2 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 Malaysia Digital ("MD") Status on 10 December 2022.

Cumulative quarter ended 30 September 2023 ("YTD FY 2024") compared with preceding year corresponding cumulative quarter ended 30 September 2022 ("YTD FY 2023")

The Group's total revenue increased by approximately RM3.92 million or 33.6% from RM11.68 million in YTD FY 2023 to RM15.60 million in YTD FY 2024, mainly contributed by the growth in revenue from the development of bespoke digital solutions segment following new projects secured in YTD FY 2024.

Revenues from the development of bespoke digital solutions segment has remained as our main revenue contributor, contributing RM13.18 million (84.5%) of our total revenue for YTD FY 2024, as compared with approximately RM8.73 million (74.8%) of our total revenue for YTD FY 2023.

Geographically, the Malaysian market remains as the Group's primary revenue contributor, which recorded an increase in revenue of RM4.44 million. Hong Kong, Thailand and Singapore were the major revenue contributors from our overseas market in YTD FY 2024, contributing revenues of approximately RM0.36 million, RM0.32 million and RM0.19 million, respectively.

The Group's PBT increased marginally by RM0.10 million from RM4.57 million for YTD FY 2023 to RM4.67 million for YTD FY 2024. The marginal increase was mainly contributed by higher revenue of RM3.92 million as mentioned above, offset by higher outsource development services cost and higher payroll and related costs following expansion of the Group's manpower in line with the Group's IPO plans.

The Group's PAT for YTD FY 2024 was RM3.79 million as compared to RM4.39 million for YTD FY 2023, a decrease of RM0.60 million, mainly due to higher tax expenses following expiration of the tax incentive granted to a subsidiary of the Group under the MD Status on 10 December 2022.

B2 COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER’S RESULTS

	Current Quarter ended 30.09.2023 RM	Preceding Quarter Ended 30.06.2023 RM	Variance	
			RM	%
Revenue	8,094,269	7,509,013	585,256	7.8
Profit before tax	1,586,237	3,088,339	(1,502,102)	(48.6)
Profit after tax	1,293,313	2,500,133	(1,206,820)	(48.3)

Current quarter ended 30 September 2023 compared with the immediate preceding quarter ended 30 June 2023 (“Q1 FY 2024”)

The Group achieved a revenue of RM8.09 million in Q2 FY 2024, an increase of RM0.58 million as compared to RM7.51 million in Q1 FY 2024, mainly contributed by the increase in revenues from the development of bespoke digital solutions segment.

The Group's PBT for Q2 FY 2024 was RM1.59 million as compared to RM3.09 million for Q1 FY 2024, a decrease of RM1.50 million, mainly due to higher outsource development services costs and payroll and related costs, mitigated by higher revenue as mentioned above.

Consequently, the Group recorded a PAT of RM1.29 million in Q2 FY 2024, a decrease of RM1.21 million as compared to RM2.50 million in Q1 FY 2024, mainly due to lower PBT as mentioned above.

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 also expects to record growth in its new business segment, i.e. provision of training and development services following the launch of *Agmo Space*, an experience centre incorporating an ESG theme as well as cutting-edge technologies such as Virtual Reality for interactive games in October 2023.

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 →			
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.09.2023 RM	30.09.2022 RM	30.09.2023 RM	30.09.2022 RM
Current income tax				
Current income tax charge	300,795	51,164	890,990	172,205
Deferred tax				
Deferred tax charge	(7,871)	2,001	(9,860)	3,509
Total tax expense	292,924	53,165	881,130	175,714
Effective tax rate	18.5%	2.4%	18.8%	3.8%

The Group's effective tax rate for the current quarter was lower than the statutory income tax rate of 24.0%, primarily due to recognition of unutilised tax losses arising from certain subsidiaries of the Group.

B6 STATUS OF CORPORATE PROPOSAL AND UTILISATION OF PROCEEDS

Save as disclosed in Note A10, 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	1,992	1,457	Within 24 months
Investment in a dedicated sales, marketing and business development team	2,456	578	1,878	Within 36 months
Investment in a dedicated technical support and maintenance services division	3,564	854	2,710	Within 36 months
Establishment of a training and development centre	2,541	307	2,234	Within 36 months
Regional expansion to Singapore	686	39	647	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	4,478	1,439	Within 30 months
(ii) Setting up of new office	305	305	-	Within 12 months
Estimated listing expenses	3,182	3,182	-	Immediate
	<u>22,100</u>	<u>11,735</u>	<u>10,365</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 30 September 2023.

B8 DERIVATIVES

The Group did not enter into any derivatives during the six months ended 30 September 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 six months ended 30 September 2023.

B11 EARNINGS PER SHARE

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

	← Unaudited →			
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
Profit attributable to owners of the Company (RM)	1,321,643	2,170,440	3,891,996	4,284,901
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	325,000	281,576	325,000	336,967
Basic earnings per share (sen)	<u>0.41</u>	<u>0.77</u>	<u>1.20</u>	<u>1.27</u>
Diluted earnings per share ⁽¹⁾ (sen)	<u>0.41</u>	<u>0.77</u>	<u>1.20</u>	<u>1.27</u>

Note:

- (1) 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 30 September 2023.

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

	← Unaudited →			
	Individual Quarter 3 months ended		Cumulative Quarter 6 months ended	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM	RM	RM	RM
Profit before tax is arrived at after charging/(crediting):				
Auditor's remuneration				
- current period	26,305	14,575	50,094	29,150
Depreciation of equipment	80,862	44,070	136,056	75,815
Depreciation of right-of-use assets	228,574	43,235	291,886	86,471
Finance cost	41,351	10,051	53,369	20,601
Finance income	(262,286)	(102,004)	(522,520)	(125,690)
Net loss/(gain) on foreign currency exchange	23,749	(12,793)	4,468	(31,871)

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 22 November 2023.