



AGMO HOLDINGS BERHAD

Registration No. 201701000550 (1214700-W)

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED 31 DECEMBER 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2023 ⁽¹⁾**

	← Unaudited →			
	Individual Quarter		Cumulative Quarter	
	3 months ended	3 months ended	9 months ended	9 months ended
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Revenue	9,936,476	8,302,032	25,539,758	19,984,948
Cost of sales	<u>(7,295,374)</u>	<u>(4,533,587)</u>	<u>(16,456,414)</u>	<u>(10,443,325)</u>
Gross profit	2,641,102	3,768,445	9,083,344	9,541,623
Other income	40,903	16,613	85,112	61,829
Administrative expenses	(948,503)	(724,024)	(2,473,929)	(1,301,897)
Selling and marketing expenses	(148,254)	(105,543)	(422,309)	(105,543)
Other expenses	<u>(262,544)</u>	<u>(869,188)</u>	<u>(744,089)</u>	<u>(1,635,914)</u>
Operating profit	1,322,704	2,086,303	5,528,129	6,560,098
Finance income	270,112	198,559	792,632	324,249
Finance cost	(23,333)	(9,501)	(76,702)	(30,102)
Share of profit/(loss) of an equity-accounted joint venture	-	370	-	(9,888)
Profit before tax	<u>1,569,483</u>	<u>2,275,731</u>	<u>6,244,059</u>	<u>6,844,357</u>
Tax expense	<u>(243,639)</u>	<u>(73,370)</u>	<u>(1,124,769)</u>	<u>(249,084)</u>
Profit for the financial period	1,325,844	2,202,361	5,119,290	6,595,273
Other comprehensive income	<u>46</u>	<u>-</u>	<u>79</u>	<u>-</u>
Total comprehensive income for the financial period	<u>1,325,890</u>	<u>2,202,361</u>	<u>5,119,369</u>	<u>6,595,273</u>
Profit/(Loss) for the financial period attributable to:				
- Owners of the Company	1,258,529	2,191,812	5,150,525	6,476,713
- Non-controlling interests	<u>67,315</u>	<u>10,549</u>	<u>(31,235)</u>	<u>118,560</u>
	<u>1,325,844</u>	<u>2,202,361</u>	<u>5,119,290</u>	<u>6,595,273</u>
Total comprehensive income/(loss) for the financial period attributable to:				
- Owners of the Company	1,258,547	2,191,812	5,150,487	6,476,713
- Non-controlling interests	<u>67,343</u>	<u>10,549</u>	<u>(31,118)</u>	<u>118,560</u>
	<u>1,325,890</u>	<u>2,202,361</u>	<u>5,119,369</u>	<u>6,595,273</u>
Earnings per share attributable to owners of the Company ⁽²⁾:				
- Basic (sen)	<u>0.39</u>	<u>0.67</u>	<u>1.59</u>	<u>1.95</u>
- Diluted (sen)	<u>0.39</u>	<u>0.67</u>	<u>1.59</u>	<u>1.95</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR
THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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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Incorporated in Malaysia

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023 ⁽¹⁾

	Unaudited As at 31.12.2023 RM	Audited As at 31.03.2023 RM
ASSETS		
Non-current assets		
Equipment	1,639,713	981,099
Right-of-use assets	1,406,553	605,376
Investment in a joint venture	208,441	196,191
Other investments	174,659	174,659
Development costs	884,652	-
Total non-current assets	<u>4,314,018</u>	<u>1,957,325</u>
Current assets		
Trade receivables	11,965,581	9,996,160
Other receivables, deposits and prepayments	589,446	234,219
Tax recoverable	150,140	183,352
Fixed deposits placed with licensed banks	-	7,040,615
Cash and bank and short-term investments	34,495,406	23,505,738
Total current assets	<u>47,200,573</u>	<u>40,960,084</u>
Total assets	<u>51,514,591</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	(38)	-
Retained earnings	19,332,757	14,182,232
	<u>44,241,119</u>	<u>39,090,632</u>
Non-controlling interests	344,982	279,751
Total equity	<u>44,586,101</u>	<u>39,370,383</u>
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	112,564	89,305
Lease liabilities	942,390	498,726
Total non-current liabilities	<u>1,054,954</u>	<u>588,031</u>
Current liabilities		
Trade payables	1,047,464	634,177
Other payables and accruals	3,292,066	1,687,842
Contract liabilities	394,610	464,820
Lease liabilities	534,426	152,789
Tax payables	604,970	19,367
Total current liabilities	<u>5,873,536</u>	<u>2,958,995</u>
Total liabilities	<u>6,928,490</u>	<u>3,547,026</u>
Total equity and liabilities	<u>51,514,591</u>	<u>42,917,409</u>
Net assets per share attributable to owners of the Company (sen)	<u>13.61</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 31 DECEMBER 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/(Loss) for the financial period	-	-	5,150,525	5,150,525	(31,235)	5,119,290
Other comprehensive (loss)/income for the financial period	-	(38)	-	(38)	117	79
Total comprehensive (loss)/income for the financial period	-	(38)	5,150,525	5,150,487	(31,118)	5,119,369
Transaction with owners: -						
Capital contribution from non-controlling interests	-	-	-	-	96,349	96,349
As at 31 December 2023	<u>24,908,400</u>	<u>(38)</u>	<u>19,332,757</u>	<u>44,241,119</u>	<u>344,982</u>	<u>44,586,101</u>
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	-	-	6,476,713	6,476,713	118,560	6,595,273
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 31 December 2022	<u>24,908,400</u>	<u>-</u>	<u>13,563,690</u>	<u>38,472,090</u>	<u>164,986</u>	<u>38,637,076</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 AFS 2023 and the accompanying explanatory notes attached to this interim financial report.

AGMO HOLDINGS BERHAD
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 ⁽¹⁾**

	Unaudited 9 months ended	
	31.12.2023 RM	31.12.2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,244,059	6,844,357
Adjustments for: -		
Depreciation of equipment	242,920	128,074
Depreciation of right-of-use assets	426,702	129,707
Finance cost	76,702	30,102
Finance income	(792,632)	(324,249)
Share of loss of an equity-accounted joint venture	-	9,888
Unrealised (gain)/loss on foreign exchange	(21,003)	3,500
Operating profit before working capital changes	6,176,748	6,821,379
Changes in working capital:		
Receivables	(2,304,308)	(4,086,259)
Payables	1,947,301	771,730
Cash generated from operations	5,819,741	3,506,850
Tax refunded	4,403	-
Tax paid	(487,098)	(246,957)
Net cash flow from operating activities	5,337,046	3,259,893
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	792,632	324,249
Purchase of equipment	(901,534)	(550,969)
Subscription of shares in a joint venture	(12,250)	-
Development costs paid	(884,652)	-
Capital contribution from non-controlling interests	96,349	-
Upliftment/(Placement) of fixed deposits with licensed banks	1,616,518	(32,747)
Net cash from/(used in) investing activities	707,063	(259,467)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(76,702)	(30,102)
Repayment of lease liabilities	(401,836)	(111,987)
Net proceeds from issuance of shares	-	20,908,400
Net cash (used in)/from financing activities	(478,538)	20,766,311
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,565,571	23,766,737
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	28,929,835	4,943,457
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	34,495,406	28,710,194

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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	
	9 months ended	
	31.12.2023	31.12.2022
	RM	RM
Cash and bank and short-term investments	34,495,406	13,153,132
Fixed deposits placed with licensed banks	-	17,162,269
	34,495,406	30,315,401
Less: Fixed deposit held in trust by a Director	-	(12,012)
Less: Fixed deposits with tenure more than 3 months	-	(1,593,195)
	34,495,406	28,710,194

(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 nine months ended 31 December 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 nine months ended 31 December 2023.

A6 DIVIDEND PAID

There was no dividend paid during the nine months ended 31 December 2023.

A7 DEBT AND EQUITY SECURITIES

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the nine months ended 31 December 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 31 December 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	11,937,244	227,269	1,189,471	59,855	(3,477,363)	9,936,476
Total revenue						<u>9,936,476</u>
Results						
Segment profit/(loss)	1,978,637	132,355	545,130	(15,020)	-	2,641,102
Other income						40,903
Administrative expenses						(948,503)
Selling and marketing expenses						(148,254)
Depreciation						(241,680)
Other expenses						(20,864)
Finance income						270,112
Finance cost						(23,333)
Profit before tax						<u>1,569,483</u>
Tax expense						(243,639)
Profit for the financial period						<u>1,325,844</u>

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A8 SEGMENT INFORMATION (CONT'D)

Unaudited nine months ended 31 December 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	29,352,817	782,097	3,327,487	113,558	(8,036,201)	25,539,758
Total revenue						<u>25,539,758</u>
Results						
Segment profit/(loss)	7,416,977	490,539	1,256,172	(80,344)	-	9,083,344
Other income						85,112
Administrative expenses						(2,473,929)
Selling and marketing expenses						(422,309)
Depreciation						(669,622)
Other expenses						(74,467)
Finance income						792,632
Finance cost						(76,702)
Profit before tax						<u>6,244,059</u>
Tax expense						(1,124,769)
Profit for the financial period						<u>5,119,290</u>

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A8 SEGMENT INFORMATION (CONT'D)

Unaudited three months ended 31 December 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	7,247,332	313,524	977,136	(235,960)	8,302,032
Total revenue					<u>8,302,032</u>
Results					
Segment profit	3,177,921	143,604	446,920	-	3,768,445
Other income					16,613
Administrative expenses					(724,024)
Selling and marketing expenses					(105,543)
Depreciation					(95,495)
Other expenses					(773,693)
Finance income					198,559
Finance cost					(9,501)
Share of profit of an equity-accounted joint venture					370
Profit before tax					<u>2,275,731</u>
Tax expense					(73,370)
Profit for the financial period					<u>2,202,361</u>

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A8 SEGMENT INFORMATION (CONT'D)

Unaudited nine months ended 31 December 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	16,641,680	924,637	3,446,162	(1,027,531)	19,984,948
Total revenue					<u>19,984,948</u>
Results					
Segment profit	7,309,063	537,914	1,694,646	-	9,541,623
Other income					61,829
Administrative expenses					(1,301,897)
Selling and marketing expenses					(105,543)
Depreciation					(257,781)
Other expenses					(1,378,133)
Finance income					324,249
Finance cost					(30,102)
Share of loss of an equity-accounted joint venture					(9,888)
Profit before tax					<u>6,844,357</u>
Tax expense					(249,084)
Profit for the financial period					<u>6,595,273</u>

Geographical Information

Revenue based on geographical location of customers are as follows:

	Individual Quarter 3 months ended		Cumulative Quarter 9 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Malaysia	9,369,466	7,650,443	23,993,081	17,837,263
Singapore	210,260	230,565	398,787	482,404
Thailand	155,972	-	479,331	488,761
Hong Kong	106,894	401,040	466,900	1,122,506
Other countries	93,884	19,984	201,659	54,014
	<u>9,936,476</u>	<u>8,302,032</u>	<u>25,539,758</u>	<u>19,984,948</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.
- (iv) On 13 October 2023, Agmo EV Sdn. Bhd. (“Agmo EV”) was incorporated as an indirect 70%-owned subsidiary of the Company via 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.
- (v) On 1 December 2023, the Company via its wholly-owned subsidiary, Agmo Capital Sdn. Bhd. (“Agmo Capital”) subscribed for 35.0% equity interest in a joint venture company, Dah Reply Sdn. Bhd. (“Dah Reply”). Dah Reply is intended to be principally involved in the designing, building, development and commercialisation of end-to-end machine learning and Artificial Intelligence-powered solutions.

Save as disclosed above, there were no other changes to the composition of the Group during the nine months ended 31 December 2023.

A10 MATERIAL EVENTS DURING AND SUBSEQUENT TO THE CUMULATIVE FINANCIAL PERIOD ENDED 31 DECEMBER 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

A10 MATERIAL EVENTS DURING AND SUBSEQUENT TO THE CUMULATIVE FINANCIAL PERIOD ENDED 31 DECEMBER 2023 (CONT'D)

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.
- (iv) On 22 January 2024, Jom eInvoice Sdn. Bhd. ("Jom eInvoice") was incorporated as an indirect 52.5%-owned subsidiary of the Company via its direct 52.5%-owned subsidiary, Agmo RedSquare Sdn. Bhd.. Jom eInvoice is intended to be principally involved in provision of software development and related ancillary services in relation to e-Invoicing.
- (v) On 23 January 2024, Agmo Capital entered into a Joint Venture cum Shareholders' Agreement with Wong Zhi Heng ("WZH") and Ong Yong Seng ("OYS") to jointly collaborate via Dah Reply, whereby WZH and OYS hold 40.0% and 25.0% equity interest in Dah Reply, respectively.
- (vi) On 31 January 2024, AFintech Sdn. Bhd. ("AFintech") was incorporated as a direct 51%-owned subsidiary of the Company. AFintech is intended to be principally involved in provision of software development related to systems used by financial institutions.

On 13 February 2024, the Company entered into a shareholders' agreement with Teh Yu Nen ("TYN") to jointly collaborate via AFintech, whereby TYN holds 49% equity interest in AFintech.

Save as disclosed above, there were no other material events during and subsequent to the nine months ended 31 December 2023.

A11 CAPITAL COMMITMENTS

There were no capital commitments as at 31 December 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 nine months ended 31 December 2023 are as follows:

	Individual Quarter	
	3 months ended	
	31 December	31 December
	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⁾	-	(39,000)
ii) Provision of live streaming services by Hurr TV Sdn Bhd, a subsidiary of MYEG to the Group ⁽¹⁾	-	(42,930)
iii) Provision of project management services by the Group to Zetrix Sdn Bhd, a subsidiary of MYEG ⁽¹⁾	-	15,000
iv) Provision of maintenance services by the Group to WorkGrowth Technology Sdn. Bhd., a joint venture of the Group	6,000	420
v) Provision of taxation services by YYC Tax Consultants Sdn. Bhd., an entity connected with a Director to the Group	(19,716)	-

	Cumulative Quarter	
	9 months ended	
	31 December	31 December
	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)	(107,250)
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)	(170,660)
v) Provision of project management services by the Group to Zetrix Sdn Bhd, a subsidiary of MYEG ⁽¹⁾	26,333	45,000
vi) Provision of maintenance services by the Group to WorkGrowth Technology Sdn. Bhd., a joint venture of the Group	6,000	1,260
vii) Provision of taxation services by YYC Tax Consultants Sdn. Bhd., an entity connected with a Director to the Group	(19,716)	-

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 31 December 2023 (“Q3 FY 2024”) compared with preceding year corresponding quarter ended 31 December 2022 (“Q3 FY 2023”)

The Group’s total revenue increased by approximately RM1.63 million or 19.8% from RM8.30 million in Q3 FY 2023 to RM9.93 million in Q3 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 RM8.52 million (85.7%) of our total revenue for Q3 FY 2024, as compared with approximately RM7.08 million (85.3%) of our total revenue for Q3 FY 2023.

Geographically, the Malaysian market remains as the Group’s primary revenue contributor, which recorded an increase in revenue of RM1.74 million. Singapore, Thailand and Hong Kong were the major revenue contributors from our overseas market in Q3 FY 2024, contributing revenues of approximately RM0.19 million, RM0.16 million and RM0.11 million, respectively.

The Group registered profit before tax (“PBT”) of RM1.57 million in Q3 FY 2024, as compared to RM2.28 million in Q3 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 RM1.33 million in Q3 FY 2024, a decrease of RM0.87 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 Malaysia Digital (“MD”) Status on 10 December 2022.

Cumulative quarter ended 31 December 2023 (“YTD FY 2024”) compared with preceding year corresponding cumulative quarter ended 31 December 2022 (“YTD FY 2023”)

The Group’s total revenue increased by approximately RM5.56 million or 27.8% from RM19.98 million in YTD FY 2023 to RM25.54 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 RM21.70 million (85.0%) of our total revenue for YTD FY 2024, as compared with approximately RM15.82 million (79.2%) 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 RM6.18 million. Thailand, Hong Kong and Singapore were the major revenue contributors from our overseas market in YTD FY 2024, contributing revenues of approximately RM0.48 million, RM0.47 million and RM0.38 million, respectively.

The Group registered PBT of RM6.24 million for YTD FY 2024 as compared with RM6.84 million for YTD FY 2023. The decrease was mainly attributable to 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, mitigated by higher revenue as mentioned above.

The Group’s PAT for YTD FY 2024 was RM5.12 million as compared to RM6.60 million for YTD FY 2023, a decrease of RM1.48 million, 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 on 10 December 2022.

B2 COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER’S RESULTS

	Current Quarter ended 31.12.2023 RM	Preceding Quarter Ended 30.9.2023 RM	Variance	
			RM	%
Revenue	9,936,476	8,094,269	1,842,207	22.8
Profit before tax	1,569,483	1,586,237	(16,754)	(1.1)
Profit after tax	1,325,844	1,293,313	32,531	2.5

Current quarter ended 31 December 2023 compared with the immediate preceding quarter ended 30 September 2023 (“Q2 FY 2024”)

The Group achieved a revenue of RM9.93 million in Q3 FY 2024, an increase of RM1.84 million as compared to RM8.09 million in Q2 FY 2024, mainly contributed by the increase in revenues from the development of bespoke digital solutions segment.

The Group's PBT for Q3 FY 2024 remained largely consistent with Q2 FY 2024, mainly due to increased outsource development services costs and payroll and related costs recorded in the current quarter, offsetting the gains from higher revenues achieved.

The Group recorded a PAT of RM1.32 million in Q3 FY 2024, a marginal decrease of RM0.03 million as compared to RM1.29 million in Q2 FY 2024, mainly due to lower tax expense.

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 positive contribution from the launch of its latest solution, JomeInvoice in February 2024, a middleware solution aimed at helping businesses to mitigate the challenges associated with the adoption of e-Invoicing.

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		Cumulative Quarter	
	3 months ended		9 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM	RM	RM	RM
Current income tax				
Current income tax charge	210,520	81,112	1,101,510	253,317
Deferred tax				
Deferred tax charge/(credit)	33,119	(7,742)	23,259	(4,233)
Total tax expense	243,639	73,370	1,124,769	249,084
Effective tax rate	15.5%	3.2%	18.0%	3.6%

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	2,464	985	Within 24 months
Investment in a dedicated sales, marketing and business development team	2,456	722	1,734	Within 36 months
Investment in a dedicated technical support and maintenance services division	3,564	1,041	2,523	Within 36 months
Establishment of a training and development centre	2,541	376	2,165	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	5,917	-	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>14,046</u>	<u>8,054</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 December 2023.

B8 DERIVATIVES

The Group did not enter into any derivatives during the nine months ended 31 December 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 nine months ended 31 December 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 9 months ended	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to owners of the Company (RM)	1,258,529	2,191,812	5,150,525	6,476,713
Weighted average number of ordinary shares in issue ⁽¹⁾ ('000)	325,000	325,000	325,000	332,964
Basic earnings per share (sen)	<u>0.39</u>	<u>0.67</u>	<u>1.59</u>	<u>1.95</u>
Diluted earnings per share ⁽¹⁾ (sen)	<u>0.39</u>	<u>0.67</u>	<u>1.59</u>	<u>1.95</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 31 December 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 9 months ended	
	31.12.2023 RM	31.12.2022 RM	31.12.2023 RM	31.12.2022 RM
Profit before tax is arrived at after charging/(crediting):				
Auditor's remuneration				
- current period	26,138	15,148	76,232	44,298
Depreciation of equipment	106,864	52,259	242,920	128,074
Depreciation of right-of-use assets	134,816	43,236	426,702	129,707
Finance cost	23,333	9,501	76,702	30,102
Finance income	(270,112)	(198,559)	(792,632)	(324,249)
Net (gain)/loss on foreign currency exchange	(34,314)	4,911	(29,846)	(26,960)

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 21 February 2024.