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B2C



B2B



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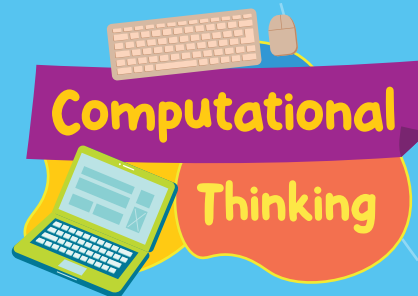
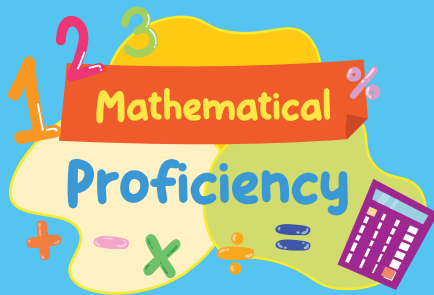


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# SUSTAINABILITY STATEMENT

Embracing sustainable best practices throughout our organisation has remained a priority at Agmo Holdings Berhad (“AGMO” or “the Group”). Since our inception in 2012, we have always held firm to the belief that sustainability is a driving force for business success. This conviction has been our guiding principle in delivering our products and services, grow our organisation, manage our employees and collaborate with our business partners.

Following our successful listing on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 18 August 2022, AGMO’s focus on sustainability is still front-and-center as we carry out our aim to deliver tangible value creation for our shareholders and stakeholders while striving to advance our nation’s digital economy.

Furthermore, as AGMO is effectively expanding our reach beyond Malaysian shores, we remain mindful of the threat posed by climate change to our global society. In view of this, we have and will continue to explore digital solutions that can support mitigation efforts and at the same time, ensure that our operation’s carbon footprint is minimised.

In this regard, AGMO is currently reviewing how we as an organisation can embrace and incorporate into our corporate strategy the recommendations put forth by the Task Force on Climate-Related Financial Disclosures (TFCD).

## SUSTAINABILITY STRATEGY

AGMO’s overall sustainability strategy has been developed based on Economic, Environmental and Social (“EES”) risks and opportunities that are related to our entire value chain, core business activities and overseas presence; while taking into consideration the values and concerns of our local and international stakeholders.

As a sustainability-oriented organisation, AGMO is also committed towards embracing high levels of corporate governance. Our strategy and focus in this area are detailed in the Corporate Governance Report that accompanies this Annual Report.

# SUSTAINABILITY STATEMENT

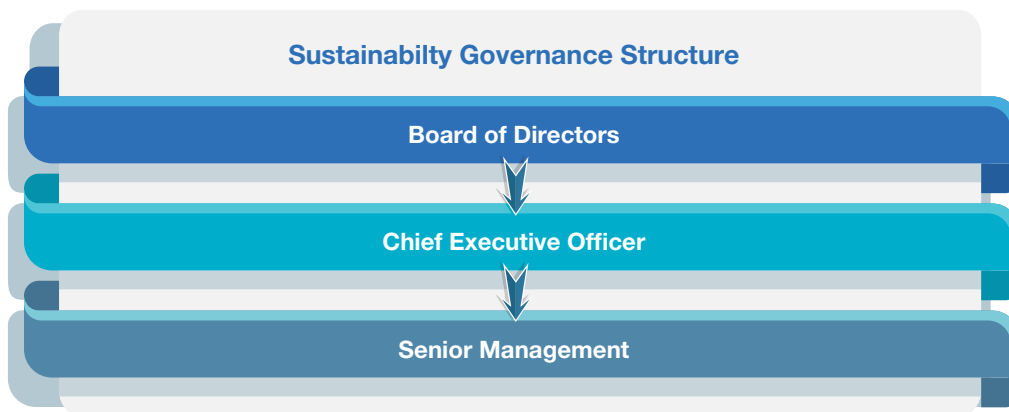
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## SUSTAINABILITY GOVERNANCE

The roles and responsibilities of those within our organisation who will be facilitating the development and implementation of sustainable policies and procedures is detailed within our three-tier Sustainability Governance Structure.

Under this Structure, the Board of Directors of AGMO is responsible for the overall leadership and oversight of matters pertaining to sustainability. The Board is to review and approve the Group's sustainability strategy and initiatives while ensuring that internal controls are aligned to the Group business processes.

The Board is supported by a Working Committee ("WC"), chaired by the Chief Executive Officer ("CEO") and backed by the Senior Management team. The WC's role is to develop and monitor sustainability goals, targets, and strategies as well as to supervise all sustainability-related operations and projects. From a day-to-day operational perspective, the WC is supported by a team of key executives across departments who are tasked to implement our sustainability initiatives and report the progress to the WC and the Board.



## REPORTING SCOPE AND GUIDELINES

This Sustainability Statement draws inspiration from the United Nation's Sustainable Development Goals ("UNSDG") and is presented in accordance with the Sustainability Reporting Guide 3rd Edition issued by Bursa Malaysia.

This Statement covers AGMO's sustainability disclosure for its operations for the period of 1 April 2022 to 31 March 2023 ("FYE 2023").

In this Statement, we have outlined our overall approach to sustainability, taking into account EES risks and opportunities.

In terms of sustainability initiatives carried out across our operations during the year under review, we have categorised them into four key pillars based on the EES principles, namely Economic (Marketplace), Environment, Social (Workplace) and Social (Community).



# SUSTAINABILITY STATEMENT

Cont'd

## STAKEHOLDER ENGAGEMENT

In order to help us determine EES risks and opportunities applicable to our organisation, we have conducted a series of engagements with relevant external and internal stakeholders to identify their interest, aspirations and concerns in relation to our business operations. We are mindful of the need to strike a balance between their requirements and those of the Group.

The table below describes in detail our stakeholders, relevant focused areas, our engagement approach, and frequency of engagement with the stakeholders.

| Stakeholder                  | Focus Areas  | Engagement Approach  | Frequency of Engagement  |
|------------------------------|--|--|--|
| <b>Shareholders</b>          | <ul style="list-style-type: none"> <li>- Annual General Meeting (upcoming)</li> <li>- Bursa announcements</li> <li>- Quarterly reports</li> <li>- Annual report</li> <li>- Timely update on corporate website</li> </ul> | <ul style="list-style-type: none"> <li>- Financial and operational performance</li> <li>- Return on investments</li> </ul>                       | <ul style="list-style-type: none"> <li>- Quarterly</li> <li>- Annually</li> <li>- Periodically</li> <li>- As required</li> </ul> |
| <b>Government Regulators</b> | <ul style="list-style-type: none"> <li>- Personal Data Protection Act</li> <li>- Bursa Listing Requirements</li> <li>- Companies Act</li> <li>- Labour law</li> <li>- Taxations</li> </ul>                               | <ul style="list-style-type: none"> <li>- Compliance with laws and regulations</li> <li>- Compliance with standards and specifications</li> </ul> | <ul style="list-style-type: none"> <li>- Regularly</li> <li>- As required</li> </ul>   |
| <b>Board of Directors</b>    | <ul style="list-style-type: none"> <li>- Corporate strategy</li> <li>- Corporate governance</li> </ul>   | <ul style="list-style-type: none"> <li>- Board meetings</li> </ul>   | <ul style="list-style-type: none"> <li>- Quarterly</li> </ul>  |
| <b>Customers</b>             | <ul style="list-style-type: none"> <li>- Customer satisfaction</li> <li>- Post implementation support</li> <li>- Quality assurance</li> <li>- Innovative solutions</li> </ul>  | <ul style="list-style-type: none"> <li>- Regular meetings</li> <li>- Customer survey</li> </ul>  | <ul style="list-style-type: none"> <li>- Periodically</li> </ul>   |
| <b>Employees</b>             | <ul style="list-style-type: none"> <li>- Occupational safety &amp; health</li> <li>- Remuneration policy</li> <li>- Career development</li> <li>- Performance review</li> </ul>  | <ul style="list-style-type: none"> <li>- Trainings</li> <li>- Performance appraisal</li> <li>- Team building activities</li> </ul>               | <ul style="list-style-type: none"> <li>- Annually</li> <li>- As required</li> </ul>  |

# SUSTAINABILITY STATEMENT

Cont'd

## ECONOMIC (MARKETPLACE)

AGMO aims to embrace corporate best practices within our organisation as well as across external stakeholders in our value chain. In addition to cultivating ethical and professional conduct, we also strive to set new benchmarks in innovation and quality within our marketplace in order to propel our industry forward.

### Recognition for quality and innovation

AGMO is a dynamic and progressive digital solutions specialist. As such, it is important to our stakeholders that we stay abreast with the latest technologies used in the industry, and adopt these technologies in the digital solutions developed by our Group.

In order to stay ahead of the technology curve and inspire us to set new innovative benchmarks that can advance Malaysia's digital technology capabilities, we consistently enter and compete for distinguished industry accolades.

Since the inception of our business, the key awards which we have received are as follows:

| Year | Name of award  | Presented by   |
|------|--|--|
| 2012 | Winner Award of Best of Media and Entertainment (for application named Masatu)         | MSC Malaysia APICTA 2012 Awards                              |
|      | Silver Award of Digital Content Category   | ASEAN ICT Awards 2012  |
| 2014 | Merit Award of Best of Startup Companies   | MSC Malaysia APICTA 2014 Awards                              |
| 2017 | Winner Award of Best of E-inclusion and E-community (for application named SyokDriver) | MSC Malaysia APICTA 2017 Awards                              |
|      | Certificate of Merit (for application named SyokDriver)                                | Asia Smart App Awards 2017                                   |
| 2019 | Industry Excellence Award 2019 - Gold Award of Mobile App Category                     | The Institution of Engineering and Technology (IET) Malaysia |
| 2020 | Winner Award of Community Services (for application name Vote2U)                       | MSC Malaysia APICTA 2020 Awards                              |
|      | Certificate of Merit (for application named DOC2US)                                    | Asia Smart App Awards 2020                                   |
| 2022 | Industry Excellence Award 2022 - Platinum Award  | The Institution of Engineering and Technology (IET) Malaysia |
|      | Certificate of Merit under the category of Best Employer                               | STAR Outstanding Business Awards (SOBA) 2022                 |
|      | Microsoft Managed Partner Global Partner Solutions 2022                                | Microsoft Malaysia   |
|      | Superbrands Malaysia 2022  | Superbrands Malaysia   |

These awards serve as a recognition of our Group's achievement in the industry that we operate in, and demonstrate our capabilities in developing digital solutions that are innovative and useful for businesses and companies as well as consumers.

### Data Protection – Customer/Business Owner Privacy

AGMO's core business activities are highly dependent on the security and integrity of our digital infrastructure. As our services store confidential and personal data electronically, our database may be exposed to external security threats such as malware attacks, hacking, espionage or cyber intrusions. There is also a risk of internal security breaches, which include unauthorised access to restricted information by our employees.

In safeguarding data, AGMO maintains a privacy policy as well as a mutual Non-Disclosure Agreement (NDA) between the Group and our own employees and third parties. This is to ensure that the sharing of sensitive information remains secured and confidential. In addition, external parties including agents, suppliers, business partners, resellers, distributors and contractors are also obliged to maintain an efficient information security management system prior to carrying out any business activities with AGMO.

# SUSTAINABILITY STATEMENT

Cont'd

Our customers' data is protected under the Personal Data Protection Act ("PDPA") 2010, which outlines our pledge to protect any personal information held in trust by our customers, and it stipulates that we must obtain their consent before acting on their data.

We are pleased to report that there were no instances of data misuse or breaches of consumer privacy, including those related to PDPA 2010 during the year under review.

## Customer Satisfaction/Customer Complaint Management

AGMO's business is primarily based on the B2B (business-to-business) model, where our digital solutions are developed for or catered to corporations, businesses as well as public and private organisations.

Given that we are operating in a highly competitive environment, where digital technology is consistently evolving and new digital solutions players enter the market, customer satisfaction is a critical factor in securing the Group's continued growth and success.

We have always endeavored to ensure positive customer experience from first contact to after-sales. We place significant emphasis on ensuring that the solutions we provide are delivered on time, meet our customers' need and in tandem with the budget parameters provided.

AGMO has put in place a formal as well as informal feedback process to garner insights on our customer service. In the near future, we aim to embark on a structured Customer Satisfaction Score Card to strengthen our customer engagement and satisfaction monitoring process.

## Whistleblowing Policy

AGMO has an existing whistleblowing policy that will enable our employees as well as our stakeholders to raise concerns in relation to any wrongdoing.

This policy also includes safeguards to ensure whistleblowers are free from any forms of reprisal. Whistleblowers are encouraged to bring up any concerns directly to the members of the Audit and Risk Management Committee, that is comprised solely of independent non-executive directors.

## Anti-Bribery and Corruption Policy

AGMO adopts a zero-tolerance policy against all forms of graft and corruption. We have put in place an Anti-Bribery and Corruption Policy that clearly stipulates our stance against graft and provides guidance for the detection and prevention of corrupt practices.

Measures proposed in Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 and incorporated through Section 4 of the MACC (Amendment) Act 2018 have also been included in this policy.

During FYE 2023, there were no reported breaches of AGMO's Anti-Bribery and Corruption Policy.

## Code of Conduct and Ethics

All employees at AGMO are required to adhere to the Group's Code of Conduct and Ethics ("Code"). This Code aims to instill professional conduct, good moral behaviour and a strong sense of integrity and ethics across all levels of our organisation. Newly hired employees to the Group are to familiarise themselves with the Code during their onboarding process while current employees are provided reminders and updates on the Code on a periodic basis.

# SUSTAINABILITY STATEMENT

Cont'd

## ENVIRONMENT

AGMO aims to be part of the solution in climate change action and this is achieved by identifying key areas within our value chain where we can put in place measures, processes and innovations that can mitigate our operational footprint on the environment. We also plan to focus on Environmental, Social and Governance (ESG)-centric digital solutions in order to help our customers enhance value creation for their stakeholders through improved productivity, efficiency, governance and environment conservatism.

### Managing Electricity Consumption

Electricity usage is one of the key contributors to our operational impact on the environment as we require it to power our offices, servers, computers and other IT assets. As part of our standard operating procedure, we have promoted the responsible use of electricity such as turning work-related equipment or appliances off when not in use and take advantage of natural lighting, ventilation, and cooling where possible within working areas.

### Managing Paper Consumption

The essence of AGMO's business model as a digital solutions provider would facilitate the reduction of physical paper usage across industries and end-users. In our day-to-day operations, the use of paper is kept to a minimum and only for regulatory, legal and security factors.

We continue to be conscious on the need to minimise the use of paper within our organisation and have put in place guidelines and initiatives to encourage our employees to reduce paper consumption. These initiatives include the use of digital forms for administrative purposes, utilising more recycled materials within our workspace and leveraging cloud services for communications and information sharing.

## SOCIAL (EMPLOYEES)

At AGMO, we believe that our talent is a key factor to our success and a core driver of growth. We are committed towards attracting, developing and retaining talent who has both the aptitude and attitude to excel in his or her job. We also invest in creating a conducive and safe working environment that can inspire creativity and innovation within our pool of extraordinary talent.

### Human Rights and Labour Standards

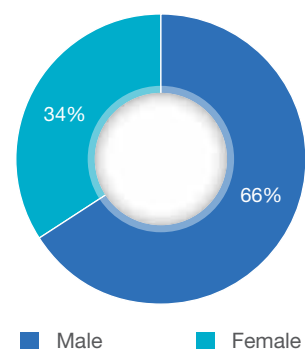
Human and labour rights are fundamental to our human resources practices and we are guided by both the basic human rights principles and the Malaysian Employment Act (1955). Our human resources policies are also based on relevant labour laws including the International Labour Organisation (ILO) and the Universal Declaration of Human Rights.

### Diversity and Inclusion

When it comes to operating within a highly technical and competitive environment, AGMO believes that there is strength in diversity. From the onset, we have been focused on ensuring that our talent recruitment process facilitates the creation of a diverse and inclusive workforce, where people from all walks of life come together to deliver technology solutions that make lives better.

In terms of gender, the male employees make up 66% while female accounts for 34%.

Group by Gender





# SUSTAINABILITY STATEMENT

Cont'd

## Occupational Health and Safety

Employees of technology companies like AGMO, especially software developers, are likely to face issues relating to prolonged exposure to display screen equipment ("DSE") such as laptops and mobile equipment. Common health risks associated with DSE include musculoskeletal disorders, visual fatigue and stress.

In an effort to safeguard the health of our employees, we conduct health and safety briefings for our employees to mitigate these risks, schedule regular breaks, provide additional or better equipment and ensure sufficient lighting at key workstations.

Moving forward, the Group intends to conduct a thorough risk assessment of each workstation so that we can put in place new processes and tangible improvement targets to further safeguard our employees' health and welfare.

## Training and Career Development

Developing our employees' skill set is critical towards achieving our corporate goals and creating value for our stakeholders. Throughout the year, we have continuously strived to provide our employees at all levels with the right tools, knowledge and on-the-job training to enable them to carry out their respective tasks effectively and efficiently.

## Employee Engagement

At AGMO, we understand that a motivated workforce is fundamental to achieving success, and we remain dedicated to cultivating an environment where our employees thrive both professionally and personally.

By providing opportunities for employees to unwind, bond, and engage in recreational activities, we strive to create a workplace that not only promotes professional growth but also nurtures personal well-being and happiness.



September 2022 - Paintball session at Petaling Jaya, Selangor



December 2022 - Badminton session at Petaling Jaya, Selangor



November 2022 - Team building at Hulu Langat , Selangor

# SUSTAINABILITY STATEMENT

Cont'd

## SOCIAL (COMMUNITY)

AGMO is a socially responsible corporate citizen that has and will continue to enrich the lives of people in and around the areas where we conduct business. We also strive to accelerate Malaysia's digital economy aspirations by inspiring and empowering the next generation of technology talent to push the envelope in innovation.

### Creating A Special Space to Inspire



*Agmo Space*

Earlier this year, AGMO sealed a collaborative agreement with Universiti Telekom Sdn. Bhd. to set up a state-of-the-art experience centre called *Agmo Space* at Multimedia University's (MMU) Faculty of Creative Multimedia.

*Agmo Space* is designed to be an interactive platform that showcases a variety of emerging technologies, aimed to inspire an innovative mindset in the hearts and minds of our next generation technology talent.

As we look forward to its upcoming launch in the third quarter of 2023, this experience centre will incorporate an ESG theme as well as cutting-edge technologies such as Virtual Reality ("VR") for interactive games. For example, our self-developed Trash Thrower, an arcade-style VR game, aimed at educating students and the public on the 3R initiative - Reuse, Reduce and Recycle.



*Scam Video*

As cyber-crimes and scams have become a national issue impacting Malaysians from all walks of life, AGMO had developed and published an educational video aimed at enhancing the public's awareness on cyber security. In addition to instilling the importance of being vigilant against scams, the video provided strategies, tips and advice on how to detect and counter scams related to the digital space.

### Internship

AGMO is also actively engaged in collaborating with both public and private institutions of higher learning in Malaysia, providing opportunities for their students to participate in internships at our organisation. Through these partnerships, we aim to nurture young talent and offer them valuable hands-on experience within our industry, facilitating their professional development and enhancing their skills. This initiative demonstrates our commitment to supporting education and fostering a mutually beneficial relationship with academic institutions. During FYE 2023, the Group recruited seventeen (17) interns.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of Agmo Holdings Berhad (“**Agmo**” or the “**Company**”) recognises the importance of good corporate governance practices within the Company and its subsidiaries (“**Group**”) as a fundamental part of discharging its responsibilities to safeguard shareholders’ investments and to protect the interests of all stakeholders.

The Board is pleased to set out below the manner in which the Group has applied the three main principles in the Malaysian Code on Corporate Governance 2021 (“**MCCG**”) during the financial year ended 31 March 2023 (“**FYE 2023**”), which are as follows:-

Principle A: Board Leadership and Effectiveness;

Principle B: Effective Audit and Risk Management; and

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This statement is prepared in compliance with the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and it is to be read together with the Corporate Governance Report 2023 of the Company (“**CG Report**”) which is available on the Company’s website at [www.agmo.group](http://www.agmo.group).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### BOARD RESPONSIBILITIES

The Board is collectively responsible for the proper stewardship and overall performance of the Group’s business and for ensuring the long-term success of the Group and the delivery of sustainable value to stakeholders. To this end, the Board sets goals, policies and targets within a framework of prudent and effective controls which enables risk to be assessed and managed.

The roles and responsibilities of the Board in discharging its fiduciary and leadership functions have been formalised in the Board Charter which is available on the Company’s website at [www.agmo.group](http://www.agmo.group).

Broadly, the responsibilities of the Board are inclusive of but not limited to:

- provide leadership and oversee the overall conduct of the Group’s businesses to ensure that the businesses are being properly managed;
- review and adopt strategic plans for the Group and to ensure that such strategic plans and the risk, performance and sustainability thereon are effectively integrated and appropriately balanced;
- review and adopt corporate governance best practices in relation to risk management, legal and compliance management and internal control systems to safeguard the Group’s reputation, the employees and assets and to ensure compliance with applicable laws and regulations;
- ensure that the Company has effective Board committees as required by the applicable laws, regulations, rules, directives and guidelines and as recommended by the MCCG;
- review and approve the annual business plans, financial statements and annual reports;
- monitor the relationship between the Group and the management, shareholders and stakeholders, and to develop and implement an investor relations programme or shareholders’ communications policy for the Group; and
- appoint the Board committees, to delegate powers to such committees, to review the composition, performance and effectiveness of such committees, and to review the reports prepared by the Board committees and deliberate on the recommendations thereon.

For the Board to discharge their functions and responsibilities orderly and effectively, the Board has delegated specific powers and responsibilities to various Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. The functions of each Board Committee are set out in the Terms of Reference of the respective Committees, which are available on the Company’s website at [www.agmo.group](http://www.agmo.group).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the Chairman and Chief Executive Officer are separately held and each has a clear division and responsibilities between them to ensure the balance of control, power and authority.

The Chairman of the Board, Dato' Low Hann Yong, who is the Non-Independent Non-Executive Chairman, is responsible for ensuring the integrity and effectiveness of the Board's governance process, acts as a facilitator at the meetings and ensures that Board proceedings comply with good conduct and best practices. He is not a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company to avoid the risk of self-review and impairment of the objectivity of the Chairman and the Board when deliberating on the observations and recommendations put forth by the Board Committees.

While Mr Tan Aik Keong, the Chief Executive Officer of the Group, is involved in the day-to-day management of the Group by contributing strategies and insights to enable the Group to achieve its goals and objectives efficiently. He leads the Management team in ensuring that the Group's businesses deliver shareholder value.

### COMPANY SECRETARY

The Board is supported by a qualified and competent Company Secretary. The Company Secretary is a member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and is qualified to act as Company Secretary pursuant to Section 235(2) of the Companies Act 2016 (the "Act").

The Company Secretary is responsible to provide support and guidance in advising the Board on all secretarial matters of the Company, in particular compliance with the AMLR as well as to inform and keep the Board updated on the latest developments in corporate governance, changes in the legal regulatory framework, new statutory requirements and best practices.

### COMPANY'S POLICIES

The Board encourages employees across the Group to adhere and to maintain the highest standard of ethical behaviour, hence the Group has adopted the following policies as a mechanism to minimise any risks that may occur.

#### 1. Board Charter

The Board has adopted a Board Charter which is to provide guidance to them in the fulfilment of their roles, duties and responsibilities to be in line with the principles of good corporate governance. The Board Charter would be periodically reviewed and updated as and when necessary to ensure that it remains consistent with the Group's policies and procedures.

#### 2. Code of Conduct and Ethics

The Group has put in place a Code of Conduct and Ethics which serve as a documentation of their commitment in business dealings with customers, vendors, suppliers, government, regulators, investors and the business community as a whole in a manner that is efficient, effective and fair.

#### 3. Whistleblowing Policy

The Group has established a whistleblowing policy to provide an avenue for the employees of the Group and members of the public to raise genuine concerns of any wrongdoing or improper conduct involving the Group and its directors or employees.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### COMPANY'S POLICIES *cont'd*

#### 4. Anti-Bribery & Corruption Policy

The Group is committed to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices in accordance with the new Section 17A of the Malaysian Anti-Corruption Commission Act 2018 on corporate liability for corruption and hence has adopted the Anti-Bribery & Corruption Policy.

#### 5. Directors' Fit and Proper Policy

The Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

Details of the Board Charter, Code of Conduct and Ethics, Whistleblowing Policy, Anti-Bribery & Corruption Policy and Directors' Fit and Proper Policy are available in the Company's website at [www.agmo.group](http://www.agmo.group).

### BOARD COMPOSITION

The Board is committed in ensuring that its composition not only reflects the diversity as recommended by MCCG, as best as it can, but also the right mix of skills and balance to contribute to the achievement of the Group's goal and business objectives.

The current Board consists of six (6) members, comprising of one (1) Non-Independent Non-Executive Chairman, one (1) Non-Independent Executive Director / Chief Executive Officer, one (1) Non-Independent Executive Director / Chief Operating Officer and three (3) Independent Non-Executive Directors. The Company has complied with Rule 15.02 of the AMLR, which requires that at least two (2) or one-third (1/3) of the Board consists of independent directors, and that there be at least one female director. The Board composition is also in line with Practice 5.2 of the MCCG where at least half of the Board are independent directors. In the event of any vacancy of the Board resulting in non-compliance with Rule 15.02 of the AMLR, the Company will fill the vacancy within three (3) months.

### BOARD MEETINGS

The Board shall meet at least four (4) times in a financial year to facilitate the discharge of its responsibilities, although additional meetings may be called at any time at the Chairman's discretion.

During FYE 2023, a total of five (5) Board meetings were held and the attendance of the Directors is shown in the table below:

|     | <b>Name of Directors</b>   | <b>Attendance for FYE 2023</b> |
|-----|----------------------------|--------------------------------|
| (a) | Dato' Low Hann Yong        | 5/5                            |
| (b) | Tan Aik Keong              | 5/5                            |
| (c) | Low Kang Wen               | 5/5                            |
| (d) | Dr. Lau Cher Han           | 5/5                            |
| (e) | Datin Yap Shin Siang       | 5/5                            |
| (f) | Mohd Fairuz bin Mohd Azrul | 5/5                            |

Based on the attendance record as set out above, the Board is satisfied with the level of time and commitment given by each of the Directors towards fulfilling their duties and responsibilities.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### ACCESS TO INFORMATION AND ADVICE

The meeting materials of each Board meeting were given to all the Directors at least seven (7) days in advance prior to the respective meeting. Reasonable time was given to Directors to review the Board papers so that matters arising could be properly deliberated at the Board meetings and appropriate decisions could be made by the Board.

The Board have access to all information pertaining to the Company and advice/services of the Company Secretary and Senior Management staff in the Group, in order to facilitate their duties as a Director. The Board is entitled to obtain independent professional advice at the Company's expense to enable them to discharge their duties with adequate knowledge on the matters being deliberated.

### CONTINUOUS PROFESSIONAL DEVELOPMENT

The Board acknowledges the importance of continuous education and training programmes to enable effective discharge of its responsibilities and to be apprised of the changes to regulatory requirements and the impact such regulatory requirements will have on the Group.

Details of seminars/conferences/training programmes attended by the Board members during FYE 2023 are as listed below:

| Name of Directors          | Seminars/Conferences/Training Programmes Attended   |
|----------------------------|---|
| Dato' Low Hann Yong        | <ul style="list-style-type: none"> <li>- ICDM - Mandatory Accreditation Programme</li> <li>- Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and Adequate Procedures Programme</li> </ul>  |
| Tan Aik Keong              | <ul style="list-style-type: none"> <li>- ICDM - Mandatory Accreditation Programme</li> <li>- Affin Hwang Investment Bank Digital Banking &amp; Blockchain Webinar</li> <li>- Schrodgers Malaysia Investment Conference 2022: Pivotal Trends for the New Future</li> <li>- Digital Marketing Transformation Initiative 2022</li> <li>- 7<sup>th</sup> Asia Pacific Conference on Public Health</li> <li>- BIT Expo 2022</li> <li>- CITYPlus 2023 Business Outlook Forum</li> <li>- ISO 27001 Awareness Training</li> <li>- Alibaba Cloud Mobile App Day</li> <li>- Digital Productivity Nexus – Digital Solution Providers Get2Gather</li> <li>- TVET Seminar - The Future Tech That Will Share The Future World</li> <li>- Media, public relations and investor relations training</li> </ul> |
| Low Kang Wen               | <ul style="list-style-type: none"> <li>- ICDM - Mandatory Accreditation Programme</li> <li>- Media, public relations and investor relations training</li> </ul>   |
| Dr. Lau Cher Han           | <ul style="list-style-type: none"> <li>- ICDM - Mandatory Accreditation Programme</li> <li>- Malaysian Students' Technology Week (MSTW) 22</li> <li>- Open Data Science Conference (ODSC)</li> <li>- Astro Business Forum</li> </ul>  |
| Datin Yap Shin Siang       | <ul style="list-style-type: none"> <li>- ICDM - Mandatory Accreditation Programme</li> <li>- Industrial Building Allowance</li> <li>- Withholding Tax Compliance and Withholding Tax Audit</li> <li>- MIA Virtual Conference Series: MPERS and SMEs Financial Reporting Conference 2022</li> <li>- Learn To Develop, Build Upon and / or Appreciate the Importance of The Capital Statement in Tax Audits</li> <li>- Tax treatment on Interest - Common Issues and Latest Updates</li> <li>- MIA Webinar Series: MPERS Masterclass Series - Group Financial Reporting</li> <li>- Tax Agents Under Section 153(3) of the Income Tax Act 1967</li> <li>- 2023 Budget Seminar</li> </ul>   |
| Mohd Fairuz bin Mohd Azrul | <ul style="list-style-type: none"> <li>- ICDM - Mandatory Accreditation Programme</li> <li>- Contractor Integrity and Ethical Code Course</li> <li>- Wind Energy - 101 &amp; 102</li> <li>- Fundamentals of Blockchain and Beyond</li> <li>- Climate Innovation Summit 2022</li> </ul>  |

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### RE-ELECTION OF DIRECTORS

In accordance with the Company's Constitution and in compliance with the AMLR, a Director shall retire from office at least once in every three (3) years but shall be eligible for re-election.

Pursuant to Clause 130.1 of the Company's Constitution, an election of Directors shall take place each year at the Annual General Meeting ("**AGM**") of the Company, where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. The Directors to retire every year shall be the Directors who have been in office the longest since their last election.

Pursuant to Clause 115 of the Company's Constitution, any Director so appointed either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the next following AGM of the Company and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Upon the recommendation of the Nomination Committee and the Board, the Directors who are standing for re-election at the forthcoming AGM of the Company are:-

1. Dato' Low Hann Yong; and
2. Tan Aik Keong

### TENURE OF INDEPENDENT DIRECTORS

In accordance with the Board Charter, the tenure of an independent director should not exceed a term limit of nine (9) years. In the event that the Board intends to retain the independent director beyond nine (9) years, the Board should provide justification and seek shareholders' approval through a Two-tier Voting Process and the manner to obtain the shareholders' approval on the resolution shall follow the recommendation of MCCG.

Currently, none of the Independent Directors of the Company have exceeded a cumulative term of nine (9) years.

### NOMINATION COMMITTEE

The Company's Nomination Committee ("**NC**") comprises three (3) Independent Non-Executive Directors, to support and advise the Board in fulfilling their responsibilities to shareholders in ensuring the Board is composed of the right group of individuals, with an appropriate mix of skills, knowledge, experience and independent elements that is aligned with the Company's objectives and strategic goals.

During FYE 2023, the NC had reviewed and recommended the re-election of the retiring Directors for Board's approval.

### BOARD ASSESSMENT

The NC is responsible in evaluating the performance and effectiveness of the entire Board, the Board Committees and individual Director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretary via questionnaires.

The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, the intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility as well as the effectiveness of the Chairman/Chairperson of the respective Board Committees.

Based on the annual assessment conducted, the NC was satisfied with the existing Board composition and concluded that each Director has the requisite competence to serve on the Board and has sufficiently demonstrated their commitment to the Company in terms of time and participation during the financial year under review and recommended to the Board the re-election of retiring Directors at the Company's forthcoming AGM. All assessments and evaluations carried out by the NC in discharge of its functions were properly documented.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS *cont'd*

### REMUNERATION COMMITTEE

The Company's Remuneration Committee ("RC") comprises three (3) Independent Non-Executive Directors, to help with the review of remuneration packages for the Executive Directors and Key Senior Management of the Company to ensure that the Group attracts and retains Directors and Key Senior Management of calibre with the necessary skills and experience as required.

During FYE 2023, the RC had reviewed and recommended the proposed revision of the remuneration package payable to the Executive Directors and Key Senior Management for Board's approval.

### DIRECTORS' REMUNERATION

The details of the Directors' remuneration comprising remuneration received from the Group in FYE 2023 are as follows: -

| Directors                  | Directors' Fee<br>(RM'000) | Salaries & Bonuses<br>(RM'000) | Statutory Contributions<br>(RM'000) | Total<br>(RM'000) |
|----------------------------|----------------------------|--------------------------------|-------------------------------------|-------------------|
| Dato' Low Hann Yong        | 30                         | -                              | -                                   | 30                |
| Tan Aik Keong              | -                          | 212                            | 26                                  | 238               |
| Low Kang Wen               | -                          | 206                            | 26                                  | 232               |
| Dr. Lau Cher Han           | 30                         | -                              | -                                   | 30                |
| Datin Yap Shin Siang       | 30                         | -                              | -                                   | 30                |
| Mohd Fairuz bin Mohd Azrul | 30                         | -                              | -                                   | 30                |
| <b>Total:</b>              | <b>120</b>                 | <b>418</b>                     | <b>52</b>                           | <b>590</b>        |

The key senior management of the Group comprises four (4) Key Senior Management personnel, two (2) of whom are also members of the Board, whose details of remuneration are listed under the Director's remuneration in the table above.

The details of the remuneration of the remaining two (2) Key Senior Management personnel are as follows:

| Key Senior Management | Remuneration band (RM'000) |
|-----------------------|----------------------------|
| Tham Chin Seng        | 210-260                    |
| Cynthia Wong Yoke Wah | 230-280                    |

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### AUDIT AND RISK MANAGEMENT COMMITTEE

The Board is assisted by the Audit and Risk Management Committee ("ARMC") which comprises solely of three (3) Independent Non-Executive Directors, to oversee the Group's financial reporting process. The Chairperson of the ARMC is not the Chairman of the Board. The ARMC members possess a wide range of skills, are financially literate and able to understand matters within the purview of the ARMC including the financial reporting and performance of the Group.

The Board took note of Practice 9.2 of the MCCG that the ARMC shall have a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC and has incorporated the said practice in the Terms of Reference of the ARMC.

The independence, suitability and appointment/re-appointment of the External Auditors is reviewed by the ARMC annually. The ARMC was satisfied with the performance and independence of the external auditors.

Details of the activities carried out by the ARMC for FYE 2023 are set out in the ARMC Report in the Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

Cont'd

## **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

### **COMMUNICATION WITH STAKEHOLDERS**

The Board recognises the importance of being transparent and accountable to its shareholders and has used various channels of communication to enable the Board and Management to continuously communicate, disclose and disseminate comprehensive and timely information to investors, shareholders, the financial community and the public.

The various channels of communication with stakeholders are through the Company's website and email, announcements via Bursa Link, circular and annual report, general meetings and press releases which will help to enhance stakeholders' understanding of the business and operations of the Group and to make informed investment decisions.

### **CONDUCT OF GENERAL MEETINGS**

General meetings serve as an invaluable platform for shareholders to engage with the Board and Senior Management in productive dialogue and provide constructive feedbacks that contributes to the overall betterment of the Group.

As recommended by the MCCG, the notice of AGM will be despatched to shareholders at least twenty-eight (28) days before the AGM, to allow shareholders to have additional time to go through the Annual Report and make the necessary attendance and voting arrangements. The notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. The Board will ensure that each item of special business included in the notices of the AGM or Extraordinary General Meeting ("EGM") is accompanied by a full explanation of the effects of any proposed resolution. In line with Rule 8.31A of the AMLR of Bursa Securities, all resolutions set out in the notice of general meeting will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the votes cast in the general meeting. The outcome of the general meeting will then be announced to Bursa Securities on the same meeting day while the minutes of the general meeting will be posted on the Company's website no later than thirty (30) business days after the general meeting.

As the Company was only listed on 18 August 2022, the upcoming AGM will be the Company's first AGM as a public listed company. Barring unforeseen circumstances, all Directors will be present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to the Board.

### **COMPLIANCE STATEMENT**

Saved as disclosed above, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate. This Corporate Governance Overview Statement was approved by the Board on 27 July 2023.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“**the Board**”) of Agmo Holdings Berhad (“**Agmo**” or “**Company**”) is pleased to present the Audit and Risk Management Committee Report which provides insights into the manner in which the ARMC discharged its functions for the Group in respect of the financial year ended 31 March 2023 (“**FYE 2023**”).

## COMPOSITION

The Audit and Risk Management Committee (“**ARMC**”) comprised solely of Independent Non-Executive Directors. The present members of the ARMC are as follows: -

|             |  |
|-------------|--|
| Chairperson | : Datin Yap Shin Siang, <i>Independent Non-Executive Director</i>  |
| Members     | : Dr. Lau Cher Han, <i>Independent Non-Executive Director</i><br>Mohd Fairuz bin Mohd Azrul, <i>Independent Non-Executive Director</i> |

The ARMC Chairperson, Datin Yap Shin Siang, is a member of the Certified Practising Accountant (CPA) Australia, Malaysian Institute of Accountants and Chartered Tax Institute of Malaysia. Therefore, the ARMC meets the requirement of Rules 15.09 and 15.10 of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and Practice 8.4 of the Malaysian Code on Corporate Governance 2021 (“**MCCG**”).

The members of the ARMC have the relevant experience and expertise in finance and accounting and have carried out their duties in accordance with the terms of reference of the ARMC.

The Company recognised the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. None of the members of the ARMC were former audit partners of the External Auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was an audit partner of the external auditors of the Group.

## MEETINGS

Since the Company was listed on 18 August 2022, the ARMC had conducted three (3) meetings during FYE 2023 and the attendance of the ARMC members are set out as below: -

| ARMC                       | Attendance |
|----------------------------|------------|
| Datin Yap Shin Siang       | 3/3        |
| Dr Lau Cher Han            | 3/3        |
| Mohd Fairuz bin Mohd Azrul | 3/3        |

The ARMC meetings were structured through the use of agendas which were distributed to the ARMC with sufficient notification. The ARMC members are provided with notices and agenda seven (7) days prior to the meeting. The meetings were of adequate length to allow the ARMC to accomplish its agenda with sufficient time to discuss emerging issues. The minutes of each ARMC meeting were recorded and tabled for confirmation at the next ARMC meeting.

The Head of Finance was invited to all ARMC meetings to facilitate direct communications and to provide clarification on financial reports. The executive Board members, members of management as well as representatives of the external auditors and internal auditors were also invited to attend the meetings to provide inputs and advices, clarification to relevant items on the agenda as and when the need arose.

## TERMS OF REFERENCE

The Terms of Reference of the ARMC which set out its duties and responsibilities are accessible via the Company’s website at [www.agmo.group](http://www.agmo.group).



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

## SUMMARY OF ACTIVITIES OF THE ARMC

The activities undertaken by the ARMC in the discharge of its functions and duties for FYE 2023 are summarised as follows: -

### (a) Financial reporting

- Reviewed the unaudited quarterly financial reports and audited annual financial statements before they were presented to the Board for approval, and discussed with Management and the external auditors on the financial reporting standards applied, including the judgements exercised in the application of those standards and the critical accounting estimates and assumptions used in arriving at the reported amounts of items in the quarterly financial reports and annual financial statements.

### (b) Matters relating to External Audit

- Reviewed the Audit Planning Memorandum and Audit Completion for FYE 2023 and thereafter recommended the same to the Board for notation and approval.
- Briefed by the External Auditors on changes to the relevant guidelines on regulatory and statutory requirements.
- Noted on the proposed group audit fees for FYE 2023 and thereafter recommended the same to the Board for approval.
- Reviewed and evaluated the performance, effectiveness, suitability and independence of the External Auditors prior to recommendation to the Board on their re-appointment.

### (c) Matters relating to Internal Audit

- Reviewed and approved the internal audit plan for FYE 2023 to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas.
- Reviewed the internal audit report which was tabled during the year, the audit recommendations made and Management's response to these recommendations. Where appropriate, the ARMC has directed Management to rectify and improve control procedures and workflow processes based on the Internal Auditors' recommendations and suggestions for improvement.

### (d) Matters relating to related party transaction

- Reviewed the quarterly and annual financial statements on disclosures relating to related party transactions that arose within the Group, if any.

### (e) Other Matters

- Reviewed and confirmed the minutes of ARMC meetings.
- Noted on the status of corporate proposals undertaken by the Company as disclosed in the quarterly reports.
- Noted on the status of utilisation of proceeds from the Company's initial public offering exercise.

## INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional firm named GovernanceAdvisory.com Sdn. Bhd. ("the Internal Auditors") which has sufficient number of audit staffs deployed for the internal audit review with a total of 3 persons, headed by Wong Tchen Cheg who is an Associate Member of the Institute of Internal Auditors Malaysia and member of the Malaysian Institute of Accountants as well as Certified Practising Accountant (CPA) Australia.

The Internal Auditors appointed by the Company is independent of activities related to the Group's business operations and perform its duties in accordance with standards set by relevant professional bodies. The appointment and resignation of the Internal Auditors as well as the proposed audit fees are subject to review by the ARMC and recommendation to the Board for approval.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Cont'd

## INTERNAL AUDIT FUNCTION *cont'd*

The Internal Auditors assist the ARMC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives. With the internal audit function being put in place, remedial actions can be taken in relation to weaknesses identified and noted in the systems and controls of the respective operating units. The setting up of the internal audit function is geared towards increasing efficiency and better management of resources in all aspects of the Group's operations.

During FYE 2023, the Internal Auditors highlighted to the ARMC on their Internal Audit Scope and Objectives covering a specific material subsidiary of the Group, as follows:

- Effectiveness of reporting structure.
- Risks associated with core activities are identified, assessed, controlled and managed.
- Policies and procedures approved, conveyed and adhered to.
- Financial health of the subsidiary.

The costs incurred for the internal audit function in respect of FYE 2023 was RM12,000.

This ARMC Report has been reviewed by the ARMC and approved by the Board on 27 July 2023.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“Board”) of Agmo Holdings Berhad and its subsidiaries (“Group”) is pleased to present its Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 March 2023 (“FYE 2023”), which has been prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guideline”).

## BOARD RESPONSIBILITY

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control and reviewing its adequacy and effectiveness to safeguard shareholders’ interests and to protect the Group’s assets. It is important to note that the system of risk management and internal control is designed to manage the Group’s risks within an acceptable risk profile rather than to eliminate all risks completely. Hence, these systems could only provide reasonable but not absolute assurance against any material misstatement, fraud or potential loss.

The Board affirms that the Group has in place an on-going process of identifying, evaluating, monitoring and managing the principal risks affecting the achievement of its business objectives throughout the financial year ended 31 March 2023. The Board has delegated the review of adequacy and effectiveness of the internal control system to the Audit and Risk Management Committee (“ARMC”). The Board is kept informed of all significant control issues brought to the attention of the ARMC by Management, the Internal Auditors and also the External Auditors. The Board is working closely with the ARMC to review and improve the internal controls as well as address potential risks from time to time.

## RISK MANAGEMENT FRAMEWORK AND PROCESS

The Board recognises the importance of managing risks to safeguard shareholders’ investment and the Group’s assets. An on-going process was deployed to identify and evaluate significant business risks faced by the Group to manage the risks. Management is entrusted to identify such risks for onward reporting to the ARMC so that remedial measures may be taken to mitigate the risks. For each risk identified, the risk management process includes assessing the likelihood of its occurrence and its impact. The significant risks faced by the Group, including action plans to mitigate risks within acceptable levels, are reported to the Board at least once a year.

As part of the Group’s risk management process, the ARMC, chaired by an Independent Non-Executive Director, has been established to perform, amongst others, the following:

- (a) To consider the effectiveness of the internal control system and risk management framework adopted within the Group and to be satisfied that the methodology employed allows identification, analysis, assessment, monitoring and communication of risks in a regular and timely manner that will allow the Group to mitigate losses and maximise opportunities.
- (b) To assess processes and procedures to ensure compliance with all laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies.
- (c) To ensure that the system of internal control is soundly conceived and in place, effectively administered and regularly monitored.
- (d) To cause reviews to be made of the extent of compliance with established internal policies, standards, plans and procedures.
- (e) To obtain assurance that proper plans for control have been developed prior to the commencement of major areas of change within the Group.
- (f) To recommend to the Board steps to improve the system of internal control derived from the findings of the Internal and External Auditors and from the consultations of the ARMC itself.
- (g) To report to the Board any suspected frauds or irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations which come to its attention and are of sufficient importance to warrant the attention of the Board.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

## RISK MANAGEMENT FRAMEWORK AND PROCESS *cont'd*

The ARMC meets periodically to consider principal risks evaluated by the respective risk owners that may impede the Group from achieving its strategic and operational objectives, as well as develop action plans to mitigate such risks.

During FYE 2023, risk assessment was conducted to update the key risk profile. During the risk assessment meeting, key risks identified were rated and prioritised in terms of likelihood of the risk occurring and its impact should the risk occur. The risk ratings take into consideration the effectiveness of internal controls currently in place to mitigate the key risks identified. Thereafter, risk management strategies or Management's action plans to be undertaken are considered to manage risks to an acceptable level.

All significant risks identified and relevant controls and mitigation plans taken by Management are documented in the risk management report which is compiled and tabled to the ARMC and the Board for deliberation on 24 May 2023.

## Internal Audit Function ("IAF")

The Group has outsourced its IAF to GovernanceAdvisory.com Sdn. Bhd., an outsourced internal audit service provider. The Internal Auditors report directly to the ARMC and assist the Board in assessing the adequacy and effectiveness of the internal control system established by Management based on the agreed scope of work outlined in the annual internal audit plan approved by the ARMC during FYE 2023. There was no restriction placed upon the scope of the IAF's work and the Internal Auditors were allowed full and unrestricted access to the records pertinent for the internal audit and relevant personnel of the Group.

The ARMC reviewed the IAF's work, its observations and recommendations to ensure that the ARMC obtained the necessary level of assurance with respect to the adequacy and effectiveness of the risk management and internal control systems.

The scope of work of the IAF includes assisting the Board in accordance with the internal audit charter of the Group as follows:

- Evaluate the systems of internal controls based on the Group's standard operational manuals and put forward recommendations to the ARMC.
- Establish an overview of the adequacy and effectiveness of the internal control system within the Group to provide reasonable assurance regarding the achievement of the objectives in the following areas:
  - (i) Effectiveness and efficiency of operations;
  - (ii) Suitability, reliability and integrity of financial and other management information; and
  - (iii) Compliance with the established policies and procedures.
- Address issues and concerns as requested by the ARMC.
- Review newly implemented internal controls by the Group.
- Conduct follow-up visits on actions taken by the Management in previous internal audit findings to ensure any issues and control deficiencies highlighted are subsequently rectified.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Cont'd

## OTHER KEY ELEMENTS OF INTERNAL CONTROL PROCESSES

In addition to the risk management and internal audit, the Group has established various controls to review the adequacy, effectiveness and integrity of the internal control system. Such controls include:

- Quarterly review of financial results and operational matters by the ARMC and the Board.
- Operations review meetings are held weekly to monitor the progress of business operations, deliberate significant issues and formulate corrective measures.
- Policies and standard procedures of various operating business units within the Group are documented for operational guidance and compliance. These policies and procedures are reviewed and updated when necessary to maintain its effectiveness at all times.
- Corporate finance and treasury matters are controlled centrally and monitored on a weekly, monthly and quarterly basis.
- Formal authorisation limit for various levels of personnel is established in order to minimise the risk of unauthorised transactions.
- Monthly key operational performance report on key business indicators and performance results on each subsidiary is reported to Management for review and decision making.

## CONCLUSION

The process for identifying, evaluating and managing risks as outlined in this Statement has been in place for the year under review and up to the date of approval of this Statement. The risk management process and internal control system of the Group have been reviewed and found to be operating adequately and effectively in all material respects and the Board has accordingly received assurance from the relevant key senior management including the Chief Executive Officer & Executive Director, Chief Operating Officer & Executive Director and Head of Finance.

The disclosures in this Statement do not include the risk management and internal control practices of the joint venture company of the Group. The Company's interest in this entity is safeguarded through the appointment of members of the Company's senior management to the board of directors of the joint venture company.

## REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR of Bursa Securities, the External Auditors have reviewed this Statement. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process and the review adopted by the Board on the adequacy and integrity of the risk management and internal control of the Group.

This Statement is made in accordance with a resolution of the Directors passed on 27 July 2023.



# NOMINATION COMMITTEE REPORT

The Nomination Committee (“**NC**”) assists the Board of Directors (“**the Board**”) of Agmo Holdings Berhad (“**Agmo**” or the “**Company**”) in discharging its responsibilities by overseeing the selection and assessment of Directors to ensure that the composition of the Board meets the needs of the Company. The NC is guided by the NC Terms of Reference, which can be accessed on the Company’s website at [www.agmo.group](http://www.agmo.group).

The composition of the NC is as listed below:

| Name                       | Designation | Directorship                       |
|----------------------------|-------------|------------------------------------|
| Dr. Lau Cher Han           | Chairman    | Independent Non-Executive Director |
| Datin Yap Shin Siang       | Member      | Independent Non-Executive Director |
| Mohd Fairuz Bin Mohd Azrul | Member      | Independent Non-Executive Director |

The NC is chaired by Dr. Lau Cher Han, who is an Independent Director, thereby meeting Practice 5.8 of the Malaysian Code on Corporate Governance 2021 (MCCG) that the nomination committee should be chaired by an independent director or a senior independent director.

The Executive Directors and Senior Management were invited to the NC meetings to facilitate deliberations as well as provide clarifications on the proposals tabled for the NC’s consideration. An update of key deliberations and recommendations by the NC was reported to the Board at its meetings. The Company Secretary served as the secretary of the NC.

## **Board Nomination and Selection Process**

The NC is responsible for considering and making recommendations to the Board candidates for directorship when the need arises such as to fill a vacancy arising from resignation or retirement or to close any skills, competencies, experience or diversity gap that has been identified or to strengthen Board composition. Candidates may be proposed by the Chief Executive Officer or any Director or shareholder and must fulfil the requirements prescribed under the relevant laws and regulations for appointment as director. A candidate’s suitability for appointment will be based primarily on the individual’s merits as well as the strategic aim for the appointment.

## **Summary of Activities of the NC**

The NC’s key activities are summarised below:

### **a) Annual Evaluation**

The NC had conducted an annual evaluation of the effectiveness of the Board as a whole, the Board Committees and individual Directors for the financial year ended 31 March 2023 (“**FYE 2023**”). The evaluation exercise was facilitated by the Company Secretary and took the form of completion of questionnaires/evaluation forms.

Besides composition and diversity, Board effectiveness evaluation covered the areas of quality of governance and decision making while Board Committees were assessed on their composition, expertise, and whether their functions and responsibilities were effectively discharged in accordance with their respective terms of reference.

Individual Directors were evaluated on their fit and properness, calibre, character and integrity, contribution, performance and time commitment; whether they have shown the will and ability to deliberate constructively, ask the right questions and confidence to stand up for a point of view.

Results of the evaluations indicated no evident weaknesses or shortcomings which require mitigating measure. The Board and the Board Committees continue to operate effectively and the performance of the Directors and the time commitment in discharging their duties as Directors of the Company for FYE 2023 were satisfactory.

The NC, with the concurrence of the Board, was of the view that the Board is of the right size and has an appropriate mix of skills, experience, perspective, independence and diversity, including gender diversity needed to meet the needs of the Company.

# NOMINATION COMMITTEE REPORT

Cont'd

## **Summary of Activities of the NC** *cont'd*

### **b) Review of Directors standing for re-election**

In July 2023, based on the schedule of retirement by rotation, the NC considered the eligibility of Dato' Low Hann Yong and Mr. Tan Aik Keong, who are due to retire by rotation pursuant to Clause 130.1 of the Company's Constitution at the forthcoming Second Annual General Meeting of the Company, to stand for re-election.

The NC was satisfied that they continue to perform and contribute effectively as indicated by the performance evaluation results, devote the necessary time commitment to their roles and responsibilities, exercise objectivity and independence of judgement, and as such resolved to recommend to the Board that they stand for re-election.

### **c) Review of the NC Statement for the financial year ended 31 March 2023**

The NC reviewed the NC Statement prior to its recommendation to the Board for inclusion in Annual Report 2023.

### **d) Review of the Directors' Fit and Proper Policy**

The NC reviewed the Fit and Proper Policy for Directors of the Company and its subsidiaries prior to recommending the same for adoption by the Board.

In addition, the Group believes that it is of utmost importance that our Board comprises qualified individuals who possess the requisite knowledge, experience, independence, foresight and judgement to ensure that our Board functions effectively and discharges its duties in the best interests of the Company and shareholders.

This NC Report is dated 27 July 2023.

# ADDITIONAL COMPLIANCE INFORMATION

## AUDIT FEES AND NON-AUDIT FEES PAID TO THE EXTERNAL AUDITORS

For the financial year ended 31 March 2023, the amount of audit and non-audit fees paid or payable to the External Auditors by the Group and the Company respectively are as follows:

|                  | Group<br>(RM'000) | Company<br>(RM'000) |
|------------------|-------------------|---------------------|
| Audit fees       | 75                | 23                  |
| Non-audit fees * | 220               | 220                 |
|                  | <b>295</b>        | <b>243</b>          |

\* The non-audit fees include fees for acting as Reporting Accountants and review of Statement on Risk Management and Internal Control.

## MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and major shareholders' interests during the financial year.

## MATERIAL CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans entered into by the Company and its subsidiaries involving Directors', chief executive's and/or major shareholders' interests during the financial year.

## UTILISATION OF PROCEEDS

### INITIAL PUBLIC OFFERING ("IPO")

On 1 August 2022, the Company issued its prospectus in relation to the public issue of 85,000,000 new ordinary shares ("Public Issue") at an issue price of RM0.26 per ordinary share. The listing exercise of the Company's enlarged share capital of 325,000,000 shares on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") was completed on 18 August 2022.

The gross proceeds raised from the Public Issue amounting to RM22.10 million are intended to be utilised in the following manner:-

| Purpose   | Proposed<br>Utilisation<br>RM'000 | Actual<br>Utilised<br>RM'000 | Balance<br>RM'000 | Estimated<br>timeframe<br>for utilisation<br>from Listing <sup>(1)</sup> |
|---|-----------------------------------|------------------------------|-------------------|--|
| Investment in a dedicated research and development 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  |
|   | <b>22,100</b>                     | <b>7,087</b>                 | <b>15,013</b>     |  |

Note:

<sup>(1)</sup> 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.

## DIRECTORS' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare the financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

- oversee the overall conduct of the Group and the Company's business;
- appropriate accounting policies and practices have been adopted and applied consistently;
- the statements are supported by reasonable and prudent judgements and estimates;
- all applicable accounting standards have been followed, subject to any material departure and explained in the financial statements;
- reviewing the adequacy and integrity of internal control systems and management information system within the Group; and
- a going-concern basis has been adopted unless it is inappropriate to presume that the Group will continue its business.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and the Company with reasonable accuracy at any time, thus enabling the financial statements to be complied with the requirements of the Act and have been made out in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for taking the necessary steps to ensure appropriate systems are in place to safeguard the assets of the Group and the Company, and to detect and prevent fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 March 2023, the Group and the Company have used appropriate accounting policies and applied them consistently and are supported by reasonable and prudent judgements and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## FINANCIAL RESULTS

|                                      | Group<br>RM | Company<br>RM |
|--------------------------------------|-------------|---------------|
| Profit/(Loss) for the financial year | 7,246,080   | (2,175,293)   |
| Attributable to:-                    |             |               |
| Owners of the Company                | 7,095,255   | (2,175,293)   |
| Non-controlling interests            | 150,825     | -             |
|                                      | 7,246,080   | (2,175,293)   |

## DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## DIRECTORS

The names of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Tan Aik Keong  
Low Kang Wen  
Dato' Low Hann Yong  
Datin Yap Shin Siang  
Dr. Lau Cher Han  
Mohd Fairuz bin Mohd Azrul

The names of the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year up to the date of this report (unless otherwise stated) are:

Tham Chin Seng (Appointed on 5 January 2023)  
Wong Zi Ning (Appointed on 5 January 2023)  
Chow Yao Fong (Appointed on 27 January 2023)  
Adam Ray Teh (Appointed on 5 January 2023 and resigned on 20 June 2023)

# DIRECTORS' REPORT

Cont'd

## DIRECTORS cont'd

The names of the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the period commencing from the end of the financial year up to the date of this report are:

Low Chong Guan (Appointed on 5 May 2023)  
Lai De Yan (Appointed on 30 June 2023)

## DIRECTORS' REMUNERATION

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

|                               | Group<br>RM    | Company<br>RM  |
|-------------------------------|----------------|----------------|
| Salaries and other emoluments | 417,901        | -              |
| Directors' fee                | 120,000        | 120,000        |
| Defined contribution plan     | 50,230         | -              |
| Social security contributions | 2,121          | -              |
|                               | <b>590,252</b> | <b>120,000</b> |

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests in the shares of the Company and its related corporations of those who were Directors as at year end are as follows:-

|                            | At<br>1.4.2022 | Number of ordinary shares |                                     |      | At<br>31.3.2023   |
|----------------------------|----------------|---------------------------|-------------------------------------|------|-------------------|
|                            |                | Bought                    | Share<br>consolidation <sup>@</sup> | Sold |                   |
| <b>The Company</b>         |                |                           |                                     |      |                   |
| <b>Direct interest</b>     |                |                           |                                     |      |                   |
| Tan Aik Keong              | 105,230,770    | 630,000                   | (42,092,308)                        | -    | <b>63,768,462</b> |
| Low Kang Wen               | 38,769,230     | 146*                      | (15,507,692)                        | -    | <b>23,261,684</b> |
| Dato' Low Hann Yong        | -              | 300,000                   | -                                   | -    | <b>300,000</b>    |
| Datin Yap Shin Siang       | -              | 300,000                   | -                                   | -    | <b>300,000</b>    |
| Dr. Lau Cher Han           | -              | 300,000                   | -                                   | -    | <b>300,000</b>    |
| Mohd Fairuz bin Mohd Azrul | -              | 300,000                   | -                                   | -    | <b>300,000</b>    |
| <b>Indirect interest</b>   |                |                           |                                     |      |                   |
| Tan Aik Keong (#)          | 40,000,000     | 435,000                   | (16,000,000)                        | -    | <b>24,435,000</b> |
| Low Kang Wen (#)           | 40,000,000     | 435,000                   | (16,000,000)                        | -    | <b>24,435,000</b> |

<sup>@</sup> Pursuant to a share consolidation exercise on 27 June 2022 of 400,000,000 existing ordinary shares ("Shares") into 240,000,000 Shares, on the basis of 5 existing Shares into 3 Shares in anticipation of the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

<sup>#</sup> Deemed interested by virtue of their direct substantial shareholding in Agmoian Sdn. Bhd.

<sup>\*</sup> Receipt of 146 ordinary shares pursuant to the distribution of Shares held by MY E.G. Capital Sdn. Bhd. (a wholly-owned subsidiary of MY E.G. Services Berhad) as dividend- in-specie declared by MY E.G. Services Berhad.

# DIRECTORS' REPORT

Cont'd

## DIRECTORS' INTERESTS IN SHARES *cont'd*

By virtue of their interests in the shares of the Company, Tan Aik Keong and Low Kang Wen are also deemed to have interest in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

## ISSUE OF SHARES AND DEBENTURES

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 in anticipation of its listing on the ACE Market of Bursa Securities.

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.

The new ordinary shares issued rank *pari passu* in all respects with the existing ordinary shares of the Company.

There were no issuance of debentures during the financial year.

## INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There is no indemnity coverage and insurance premium paid for Directors and/or Officers of the Company during the financial year.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and making of provision for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amounts stated in the financial statements of the Group and of the Company misleading.

# DIRECTORS' REPORT

Cont'd

## OTHER STATUTORY INFORMATION *cont'd*

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 37 to the financial statements.

## SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

The subsequent events after the financial year are disclosed in Note 38 to the financial statements.

## AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

The amount of audit and other fees paid or payable to the external auditor and its member firms by the Group and the Company for the financial year ended 31 March 2023 amounted to RM295,000 and RM243,000 respectively. Further details are disclosed in Note 25 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity during the financial year.

Signed in accordance with a resolution of the Board of Directors.

**TAN AIK KEONG**

**LOW KANG WEN**

Kuala Lumpur  
27 July 2023

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 60 to 111 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 and of their financial performance and their cash flows for the financial year then ended.

Signed in accordance with a resolution of the Board of Directors.

**TAN AIK KEONG**

**LOW KANG WEN**

Kuala Lumpur  
27 July 2023

## STATUTORY DECLARATION

I, Tan Aik Keong, being the Director primarily responsible for the financial management of Agmo Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 60 to 111 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the abovenamed at Kuala Lumpur in )  
the Federal Territory this day of )  
27 July 2023 )

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**TAN AIK KEONG**

Before me:

**RAMATHILAGAM A/P T RAMASAMY**  
W671  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

To the Members of Agmo Holdings Berhad  
Registration No: 201701000550 (1214700-W)  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Agmo Holdings Berhad, which comprise the statements of financial position as at 31 March 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 111.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Group

| Key Audit Matters  | How our audit addressed the Key Audit Matters   |
|--|---|
| <p><i>Revenue recognition</i></p> <p>Revenue recognition has been identified as a risk primarily relating to the completeness and accuracy of the revenue recognition and the timing of revenue recognition for sales with deliveries occurring on or around year end and judgement is required to determine when controls have transferred under contractual arrangements with third parties.</p> | <p>Focus on significant manual adjustments to revenue that involve certain degree of judgement and estimates and the recognition of revenue in the proper accounting period.</p> <ul style="list-style-type: none"> <li>- Review controls over the recognition of revenue including evaluating the design and operating effectiveness of the system automated controls, manual controls surrounding the revenue cycle and restricted access of key functions.</li> <li>- Verify revenue on a sample basis to available evidence and ensure that revenue is recognised in accordance with the Group's accounting policy on revenue recognition and MFRS 15 Revenue from Contract with Customers.</li> <li>- Perform cut-off/reasonableness test on revenue.</li> </ul> |



# INDEPENDENT AUDITORS' REPORT

To the Members of Agmo Holdings Berhad

Registration No: 201701000550 (1214700-W)

(Incorporated in Malaysia)

Cont'd

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

### *Key Audit Matters cont'd*

#### Group cont'd

| Key Audit Matters  | How our audit addressed the Key Audit Matters   |
|--|---|
| <p><i>Impairment of Trade Receivables</i></p> <p>The Group has a material amount of trade receivables amounting to RM9,996,610 as disclosed in Note 33(a)(i) to the financial statements, out of which the amount of RM4,987,741 is past due but not impaired. We focus on this area as the assessment of expected credit losses of trade receivables involves management judgement and estimation uncertainty in determining the probability of default occurring by considering the ageing of trade receivables, historical loss experience and forward-looking information.</p> | <p>Focus on appropriateness of the basis used in determining impairment in accordance with MFRS 9 Financial Instruments.</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of: <ul style="list-style-type: none"> <li>- the process of identifying and assessing the impairment of trade receivables;</li> <li>- the Group's control over the customers' collection process; and</li> <li>- the basis of how the Group makes the accounting estimates for impairment of trade receivables.</li> </ul> </li> <li>• Reviewed the application of the Group's policy for calculating the expected credit losses and whether it complies with MFRS 9.</li> <li>• Reviewed the ageing analysis of the trade receivables and tested the reliability thereon.</li> <li>• Reviewed subsequent collections from major customers and overdue amounts.</li> <li>• Inquired the management regarding the action plans to recover overdue balances.</li> <li>• Assessed the recoverability of balances and the adequacy of impairment loss for significant outstanding balances based on the expected credit loss model applied by the Group.</li> </ul> |

#### Company

There is no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

### *Information Other than the Financial Statements and Auditors' Report Thereon*

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# INDEPENDENT AUDITORS' REPORT

To the Members of Agmo Holdings Berhad

Registration No: 201701000550 (1214700-W)

(Incorporated in Malaysia)

Cont'd

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

### *Responsibilities of the Directors for the Financial Statements*

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit is in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# INDEPENDENT AUDITORS' REPORT

To the Members of Agmo Holdings Berhad  
Registration No: 201701000550 (1214700-W)  
(Incorporated in Malaysia)  
Cont'd

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *cont'd*

### *Auditors' Responsibilities for the Audit of the Financial Statements cont'd*

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### *Other Matter*

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

**ANTONY LEONG WEE LOK**  
(NO: 03381/06/2024 J)  
CHARTERED ACCOUNTANT

Kuala Lumpur  
27 July 2023

# STATEMENTS OF FINANCIAL POSITION

As at 31 March 2023

|   |      | Group             |                   | Company           |                  |
|---|------|-------------------|-------------------|-------------------|------------------|
|   | Note | 2023<br>RM        | 2022<br>RM        | 2023<br>RM        | 2022<br>RM       |
| <b>ASSETS</b>   |      |                   |                   |                   |                  |
| <b>Non-current assets</b>                             |      |                   |                   |                   |                  |
| Equipment   | 4    | 981,099           | 434,761           | -                 | -                |
| Right-of-use assets                                   | 5    | 605,376           | 778,318           | -                 | -                |
| Investment in subsidiaries                            | 6    | -                 | -                 | 5,068,302         | 4,300,702        |
| Investment in a joint venture                         | 7    | 196,191           | 206,079           | -                 | -                |
| Other investments                                     | 8    | 174,659           | 174,659           | -                 | -                |
| Total non-current assets                              |      | 1,957,325         | 1,593,817         | 5,068,302         | 4,300,702        |
| <b>Current assets</b>                                 |      |                   |                   |                   |                  |
| Trade receivables                                     | 9    | 9,996,160         | 4,433,851         | -                 | -                |
| Other receivables, deposits and prepayments           | 10   | 234,219           | 1,406,079         | 4,776             | 1,323,160        |
| Amount due from a subsidiary                          | 11   | -                 | -                 | 17,857,178        | -                |
| Tax recoverable                                       |      | 183,352           | 39,149            | -                 | -                |
| Fixed deposits placed with licensed banks             | 12   | 7,040,615         | 4,097,891         | -                 | -                |
| Cash and bank and short-term investments              | 13   | 23,505,738        | 2,418,026         | 19,170            | 225,084          |
| Total current assets                                  |      | 40,960,084        | 12,394,996        | 17,881,124        | 1,548,244        |
| <b>TOTAL ASSETS</b>                                   |      | <b>42,917,409</b> | <b>13,988,813</b> | <b>22,949,426</b> | <b>5,848,946</b> |
| <b>EQUITY AND LIABILITIES</b>                         |      |                   |                   |                   |                  |
| <b>EQUITY</b>   |      |                   |                   |                   |                  |
| <b>Equity attributable to owners of the Company:-</b> |      |                   |                   |                   |                  |
| Share capital   | 14   | 24,908,400        | 4,000,000         | 24,908,400        | 4,000,000        |
| Retained earnings/(Accumulated losses)                |      | 14,182,232        | 7,086,977         | (2,043,546)       | 131,747          |
|   |      | 39,090,632        | 11,086,977        | 22,864,854        | 4,131,747        |
| Non-controlling interests                             | 6    | 279,751           | 46,426            | -                 | -                |
| <b>Total equity</b>                                   |      | <b>39,370,383</b> | <b>11,133,403</b> | <b>22,864,854</b> | <b>4,131,747</b> |
| <b>LIABILITIES</b>                                    |      |                   |                   |                   |                  |
| <b>Non-current liabilities</b>                        |      |                   |                   |                   |                  |
| Deferred tax liabilities                              | 15   | 89,305            | 58,569            | -                 | -                |
| Lease liabilities                                     | 16   | 498,726           | 651,515           | -                 | -                |
| Total non-current liabilities                         |      | 588,031           | 710,084           | -                 | -                |
| <b>Current liabilities</b>                            |      |                   |                   |                   |                  |
| Trade payables  | 17   | 634,177           | -                 | -                 | -                |
| Other payables and accruals                           | 18   | 1,687,842         | 1,422,611         | 84,572            | 46,006           |
| Amount due to a subsidiary                            | 11   | -                 | -                 | -                 | 1,671,193        |
| Contract liabilities                                  | 19   | 464,820           | 512,155           | -                 | -                |
| Lease liabilities                                     | 16   | 152,789           | 153,657           | -                 | -                |
| Tax payables  |      | 19,367            | 56,903            | -                 | -                |
| Total current liabilities                             |      | 2,958,995         | 2,145,326         | 84,572            | 1,717,199        |
| <b>TOTAL LIABILITIES</b>                              |      | <b>3,547,026</b>  | <b>2,855,410</b>  | <b>84,572</b>     | <b>1,717,199</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |      | <b>42,917,409</b> | <b>13,988,813</b> | <b>22,949,426</b> | <b>5,848,946</b> |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2023

|  |      | Group        |             | Company     |            |
|--|------|--------------|-------------|-------------|------------|
|  | Note | 2023<br>RM   | 2022<br>RM  | 2023<br>RM  | 2022<br>RM |
| Revenue  | 20   | 26,361,782   | 16,525,671  | -           | 3,200,000  |
| Cost of sales  |      | (14,533,437) | (9,145,079) | -           | -          |
| Gross profit   |      | 11,828,345   | 7,380,592   | -           | 3,200,000  |
| Other income   | 21   | 77,054       | 207,069     | -           | -          |
| Net measurement of expected credit losses  | 9    | -            | 192,000     | -           | -          |
| Selling and marketing expenses   |      | (197,414)    | (12,410)    | (42,768)    | -          |
| Administrative expenses  |      | (2,042,775)  | (668,211)   | (387,902)   | (75,120)   |
| Other expenses   | 22   | (2,529,831)  | (212,706)   | (2,143,816) | -          |
| Operating profit/(loss)  |      | 7,135,379    | 6,886,334   | (2,574,486) | 3,124,880  |
| Finance income   | 23   | 546,440      | 94,271      | 399,193     | -          |
| Finance cost   | 24   | (39,045)     | (21,916)    | -           | -          |
| Share of loss of an equity-accounted joint venture                                       | 7    | (9,888)      | (3,921)     | -           | -          |
| Profit/(Loss) before tax   | 25   | 7,632,886    | 6,954,768   | (2,175,293) | 3,124,880  |
| Tax expense  | 26   | (386,806)    | (216,379)   | -           | -          |
| Profit/(Loss) for the financial year   |      | 7,246,080    | 6,738,389   | (2,175,293) | 3,124,880  |
| Other comprehensive income   |      | -            | -           | -           | -          |
| Total comprehensive income/(loss) for the financial year                                 |      | 7,246,080    | 6,738,389   | (2,175,293) | 3,124,880  |
| <b>Profit/(Loss) for the financial year attributable to:-</b>                            |      |              |             |             |            |
| Owners of the Company  |      | 7,095,255    | 6,692,263   | (2,175,293) | 3,124,880  |
| Non-controlling interests  | 6    | 150,825      | 46,126      | -           | -          |
|  |      | 7,246,080    | 6,738,389   | (2,175,293) | 3,124,880  |
| <b>Total comprehensive income/(expense) for the financial year attributable to:-</b>     |      |              |             |             |            |
| Owners of the Company  |      | 7,095,255    | 6,692,263   | (2,175,293) | 3,124,880  |
| Non-controlling interests  | 6    | 150,825      | 46,126      | -           | -          |
|  |      | 7,246,080    | 6,738,389   | (2,175,293) | 3,124,880  |
| <b>Earnings per share</b>  |      |              |             |             |            |
| Basic and diluted earnings per ordinary share attributable to owners of the Company (RM) | 27   | 0.02         | 0.02        |             |            |

The accompanying notes form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2023

|  | Note | Share capital<br>RM | Retained earnings<br>RM | Total<br>RM       | Non-controlling interests<br>RM | Total equity<br>RM |
|--|------|---------------------|-------------------------|-------------------|---------------------------------|--------------------|
| <b>Group</b>   |      |                     |                         |                   |                                 |                    |
| 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          |
| <b>Transaction with owners:-</b>                         |      |                     |                         |                   |                                 |                    |
| Dividend paid to the owners of the Company               | 29   | -                   | (3,000,000)             | (3,000,000)       | -                               | (3,000,000)        |
| Capital contribution from non-controlling interests      |      | -                   | -                       | -                 | 300                             | 300                |
| Balance as at 31 March 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          |
| <b>Transaction with owners:-</b>                         |      |                     |                         |                   |                                 |                    |
| 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                              |      | <b>24,908,400</b>   | <b>14,182,232</b>       | <b>39,090,632</b> | <b>279,751</b>                  | <b>39,370,383</b>  |

|  | Note | Share capital<br>RM | Retained earnings/<br>(Accumulated losses)<br>RM | Total equity<br>RM |
|--|------|---------------------|--|--------------------|
| <b>Company</b>   |      |                     |  |                    |
| Balance as at 1 April 2021                               |      | 4,000,000           | 6,867  | 4,006,867          |
| Profit/Total comprehensive income for the financial year |      | -                   | 3,124,880  | 3,124,880          |
| <b>Transaction with owners:-</b>                         |      |                     |  |                    |
| Dividend paid to the owners of the Company               | 29   | -                   | (3,000,000)                                      | (3,000,000)        |
| Balance as at 31 March 2022                              |      | 4,000,000           | 131,747  | 4,131,747          |
| Loss/Total comprehensive expense for the financial year  |      | -                   | (2,175,293)                                      | (2,175,293)        |
| <b>Transaction with owners:-</b>                         |      |                     |  |                    |
| Issuance of ordinary shares                              |      | 22,100,000          | -  | 22,100,000         |
| Share issuance expenses                                  |      | (1,191,600)         | -  | (1,191,600)        |
| Balance as at 31 March 2023                              |      | <b>24,908,400</b>   | <b>(2,043,546)</b>                               | <b>22,864,854</b>  |

The accompanying notes form an integral part of the financial statements.



# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2023

| Note   | Group       |             | Company      |             |
|--|-------------|-------------|--------------|-------------|
|  | 2023<br>RM  | 2022<br>RM  | 2023<br>RM   | 2022<br>RM  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>            |             |             |              |             |
| Profit/(Loss) before tax                               | 7,632,886   | 6,954,768   | (2,175,293)  | 3,124,880   |
| <b>Adjustments for:-</b>                               |             |             |              |             |
| Initial public offering listing expenses               | 2,143,591   | -           | 2,143,591    | -           |
| 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)    | (399,193)    | -           |
| Gain on disposal of investment in an associate         | -           | (199,999)   | -            | -           |
| Net remeasurement 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/(loss) before working capital changes | 9,656,617   | 6,662,766   | (430,895)    | 3,124,880   |
| <b>Changes in working capital:-</b>                    |             |             |              |             |
| Receivables  | (5,715,814) | (1,813,217) | (4,776)      | (1,323,160) |
| Payables   | 852,073     | 1,094,338   | 38,566       | 31,545      |
| Cash generated from/(used in) operations               | 4,792,876   | 5,943,887   | (397,105)    | 1,833,265   |
| Tax refunded   | 13,012      | -           | -            | -           |
| Tax paid   | (550,821)   | (167,934)   | -            | -           |
| Net cash flows from/(used in) operating activities     | 4,255,067   | 5,775,953   | (397,105)    | 1,833,265   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>            |             |             |              |             |
| Advances to a subsidiary                               | -           | -           | (19,528,371) | -           |
| Finance income received                                | 546,440     | 94,271      | 399,193      | -           |
| Purchase of equipment                                  | (718,838)   | (359,215)   | -            | -           |
| Placement of fixed deposits with licensed banks        | (44,058)    | (20,506)    | -            | -           |
| Proceeds from disposal of investment in an associate   | -           | 200,000     | -            | -           |
| Capital contribution from non-controlling interests    | 52,500      | 300         | -            | -           |
| Subscription of shares in subsidiaries                 | -           | -           | (767,600)    | (699)       |
| Subscription of shares in a joint venture              | -           | (210,000)   | -            | -           |
| Net cash flows used in investing activities            | (163,956)   | (295,150)   | (19,896,778) | (699)       |

# STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2023

Cont'd

|  |      | Group       |             | Company     |             |
|--|------|-------------|-------------|-------------|-------------|
|  | Note | 2023        | 2022        | 2023        | 2022        |
|  |      | RM          | RM          | RM          | RM          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>        |      |             |             |             |             |
| Advances from a subsidiary                         |      | -           | -           | -           | 1,363,574   |
| Dividends paid                                     |      | -           | (3,000,000) | -           | (3,000,000) |
| Finance cost paid                                  |      | (39,045)    | (21,916)    | -           | -           |
| Proceeds from issuance of ordinary shares          |      | 22,100,000  | -           | 22,100,000  | -           |
| Listing expenses paid, net of prepayment           |      | (2,012,031) | -           | (2,012,031) | -           |
| Repayment of lease liabilities                     |      | (153,657)   | (55,939)    | -           | -           |
| Net cash flows from/(used in) financing activities |      | 19,895,267  | (3,077,855) | 20,087,969  | (1,636,426) |
| <b>CASH AND CASH EQUIVALENTS</b>                   |      |             |             |             |             |
| Net changes  |      | 23,986,378  | 2,402,948   | (205,914)   | 196,140     |
| At beginning of the financial year                 |      | 4,943,457   | 2,540,509   | 225,084     | 28,944      |
| At end of the financial year                       | A    | 28,929,835  | 4,943,457   | 19,170      | 225,084     |

## NOTE TO THE STATEMENTS OF CASH FLOWS

### A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in statements of cash flows comprise the following:-

|   | Group       |             | Company    |            |
|---|-------------|-------------|------------|------------|
|   | 2023<br>RM  | 2022<br>RM  | 2023<br>RM | 2022<br>RM |
| Cash and bank and short-term investments (Note 13)  | 23,505,738  | 2,418,026   | 19,170     | 225,084    |
| Fixed deposits placed with licensed banks (Note 12) | 7,040,615   | 4,097,891   | -          | -          |
|   | 30,546,353  | 6,515,917   | 19,170     | 225,084    |
| Less: Fixed deposits 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) | -          | -          |
| Cash and cash equivalents                           | 28,929,835  | 4,943,457   | 19,170     | 225,084    |

The accompanying notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business is located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Malaysia.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Directors on 27 July 2023.

## 2. BASIS OF PREPARATION

### 2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 2. BASIS OF PREPARATION *cont'd*

### 2.2 Basis of Measurement *cont'd*

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

The Group and the Company have established a control framework in respect of the measurement of fair values of financial instruments. The Board of Directors has overall responsibility for overseeing all significant fair value measurements. The Board of Directors regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

### 2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

### 2.4 Adoption of New Standards/Amendments/Improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 January 2022.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements of the Group and of the Company.

### 2.5 Standards Issued but Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective 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 – 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\*

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 2. BASIS OF PREPARATION *cont'd*

### 2.5 Standards Issued but Not Yet Effective *cont'd*

#### Effective for annual 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

#### Deferred to a date to be determined by the 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 and the Company's operations.*

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

### 2.6 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from judgements, estimates and assumptions made by the management, and will seldom equal the estimated results.

#### 2.6.1 Estimation Uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

##### Useful lives of depreciable assets

Management estimates the useful lives of the equipment and right-of-use assets to be within 2 to 6 years and reviews the useful lives of depreciable assets at end of each reporting period. On 31 March 2023, the management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage, which results in adjustment to the Group's assets.

The carrying amount of the Group's equipment and right-of-use assets at the reporting date is disclosed in Note 4 and Note 5 to the financial statements, respectively.

##### Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 2. BASIS OF PREPARATION *cont'd*

### 2.6 Significant Accounting Estimates and Judgements *cont'd*

#### 2.6.1 Estimation Uncertainty *cont'd*

##### Provision for expected credit losses ("ECLs") of trade receivables *cont'd*

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual defaults in the future.

##### Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### Leases – Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements, unless otherwise stated.

### 3.1 Consolidation

#### 3.1.1 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.1 Consolidation *cont'd*

#### 3.1.2 Basis of Consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in asset such as equipment) are eliminated in full in preparing the consolidated financial statements. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

#### 3.1.3 Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.1 Consolidation *cont'd*

#### 3.1.4 Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

#### 3.1.5 Non-controlling Interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Group, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Group. Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between the non-controlling interests and the owners of the Group.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

#### 3.1.6 Joint Arrangement

A joint venture is a type of joint arrangement whereby the parties who have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The investment in a joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the joint venture made up to the end of the reporting period. The Group's share of post-acquisition profits and other comprehensive income/expenses of the joint venture are included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the joint venture is carried in the consolidated financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains or losses on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over a joint venture and the retained interest in the former joint venture is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.2 Equipment

All equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life. Equipment are depreciated based on the estimated useful lives of the assets as follows:-

|                       |     |
|-----------------------|-----|
| Computer and software | 20% |
| Office equipment      | 20% |
| Fixture and fittings  | 20% |

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of equipment.

Equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

### 3.3 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### 3.3.1 Financial Assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.3 Financial Instruments *cont'd*

#### 3.3.1 Financial Assets *cont'd*

##### Initial recognition and measurement *cont'd*

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

##### Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables, other receivables and deposits, amount due from a subsidiary, fixed deposits placed with licensed banks and cash and bank balances.

##### Financial assets at fair value through profit or loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group's financial asset at fair value through profit or loss includes short-term investments presented under current assets.

##### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.3 Financial Instruments *cont'd*

#### 3.3.1 Financial Assets *cont'd*

##### Financial assets designated at fair value through OCI (equity instruments) *cont'd*

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

##### Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, and cash and bank balance for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experiences and informed credit assessment and including forward-looking information, where available.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.3 Financial Instruments *cont'd*

#### 3.3.1 Financial Assets *cont'd*

##### Impairment *cont'd*

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

#### 3.3.2 Financial Liabilities

##### Initial recognition and measurement

On initial recognition, the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

##### Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Any gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's and the Company's financial liabilities include trade payables, other payables and accruals and amount due to a subsidiary.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.3 Financial Instruments *cont'd*

#### 3.3.2 Financial Liabilities *cont'd*

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

#### 3.3.3 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 3.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term fixed deposits with licensed financial institution and short term, highly liquid investment which are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the end of the reporting period are classified as non-current asset.

### 3.5 Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.5 Impairment of Non-financial Assets *cont'd*

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for such asset in prior years. Such reversal is recognised in the profit or loss unless it is carried at the revalued amount, in which case the reversal is treated as a revaluation increase.

### 3.6 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### 3.6.1 Group as Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### 3.6.1.1 Right-of-use Assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:-

- Office premises rental 2 to 6 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as set out in Note 3.5 to the financial statements.

##### 3.6.1.2 Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.6 Leases *cont'd*

#### 3.6.1 Group as Lessee *cont'd*

##### 3.6.1.2 Lease Liabilities *cont'd*

In calculating the present value of lease payments, the Group uses their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### 3.6.1.3 Short-term Leases and Leases of Low-value Assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### 3.7 Equity Instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Share capital represents the nominal value of shares that have been issued, net of directly attributable incremental transaction costs.

Retained earnings include all current year's profit/(loss) and prior financial years retained earnings/(accumulated losses).

All transactions with owners of the Company are recorded separately with equity.

### 3.8 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.9 Revenue from Contracts with Customers

The Group's revenue arises from a range of services including development of bespoke digital solutions, provision of digital platform-based services, provision of subscription, hosting, technical support and maintenance services and provision of training and development services.

The Group recognises revenue when it satisfies a performance obligation by transferring control of a promised service to a customer. The Group determines whether the services are distinct, and therefore separate performance obligations, when there are multiple promises in a contract. At inception of the contract, the Group determines the consideration or transaction price that it expects to be entitled to in exchange for transferring promised services to the customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of relative standalone selling prices of each distinct service promised in the contract and is recognised when those performance obligations are satisfied and the control of services is transferred to the customer, either over time or at a point in time.

#### 3.9.1 Development of Bespoke Digital Solutions

Revenue from development of bespoke digital solutions comprise multiple promises which may include project management, procurement of software, software application design, deployment and testing of software application, technical support and its related installation and integration. The Group determines that each promise is distinct and are therefore separate performance obligations. These contracts usually comprise fixed considerations. The transaction price is allocated to each performance obligation on the basis of relative standalone selling prices of each distinct service promised in the contract.

Revenue from development of bespoke digital solutions is recognised at the point in time when the Group has transferred control of promised service to the customer and the results are shared with the customers.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

#### 3.9.2 Provision of Digital Platform-based Services

Revenue from provision of digital platform-based services is recognised at the point in time when the service is rendered to the customer.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

#### 3.9.3 Provision of Subscription, Hosting, Technical Support and Maintenance Services

Revenue from provision of subscription, hosting, technical support and maintenance services are billed in advance and recognised over time in the period in which the subscription, hosting, technical support and maintenance services are performed. For fixed price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As a practical expedient, the Group recognises the revenue on a straight-line method over the period of service. The subscription, hosting, technical support and maintenance services can be renewed quarterly, bi-annually or annually.

#### 3.9.4 Provision of Training and Development Services

Revenue from provision of provision of training and development services is recognised at the point in time when the service is rendered to the customer.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only passage of time is required before the payment is due.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.9 Revenue from Contracts with Customers *cont'd*

#### 3.9.5 Trade Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.3.1.

#### 3.9.6 Contract Liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods and services. Contract liabilities are recognised as revenue when the Group performs its obligations under the contract (i.e., transfer control of the related goods or services to the customer).

#### 3.9.7 Revenue from Other Source

##### 3.9.7.1 Finance Income

Finance income is recognised on an accrual basis using the effective interest method.

### 3.10 Employees' Benefits

#### 3.10.1 Short-term Employees' Benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year, in which the associated services are rendered by the employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences are incurred.

#### 3.10.2 Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which the Group and the Company pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF").

### 3.11 Tax Expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

#### 3.11.1 Current Tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.11 Tax Expense *cont'd*

#### 3.11.2 Deferred Tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### 3.12 Sales and Services Tax

Expenses and assets are recognised net of the amount of sales and services tax, except:-

- (a) when the sales and services tax incurred on a purchase of assets, the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- (b) when payables are stated with the amount of sales and services tax included.

The net amount of sales and services tax payable to the tax authority is included as part of payables in the statements of financial position.

#### 3.13 Foreign Currency Transactions and Balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that form part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising in translation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to the translation difference (translation differences on items whose gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss respectively).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

### 3.14 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All reporting segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

### 3.15 Earnings Per Share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company based on the weighted average number of ordinary shares in issue during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company based on the weighted average number of shares in issue, for the effects of all potential dilutive ordinary shares during the period.

### 3.16 Related Parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:-
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the holding company of the Group.
- (b) An entity is related to the Group if any of the following conditions applies:-
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity;
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above;
  - (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the holding company or the entity; or
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 4. EQUIPMENT

| Group                           | Computer<br>and software<br>RM | Office<br>equipment<br>RM | Fixture<br>and fittings<br>RM | Total<br>RM      |
|---------------------------------|--------------------------------|---------------------------|-------------------------------|------------------|
| <b>Cost</b>                     |                                |                           |                               |                  |
| At 1 April 2021                 | 321,531                        | 28,599                    | -                             | 350,130          |
| Additions                       | 328,206                        | 24,072                    | 6,937                         | 359,215          |
| At 31 March 2022                | 649,737                        | 52,671                    | 6,937                         | 709,345          |
| Additions*                      | 620,613                        | 12,755                    | 115,470                       | 748,838          |
| At 31 March 2023                | <b>1,270,350</b>               | <b>65,426</b>             | <b>122,407</b>                | <b>1,458,183</b> |
| <b>Accumulated depreciation</b> |                                |                           |                               |                  |
| At 1 April 2021                 | 167,357                        | 16,830                    | -                             | 184,187          |
| Charge for the financial year   | 82,552                         | 7,267                     | 578                           | 90,397           |
| At 31 March 2022                | 249,909                        | 24,097                    | 578                           | 274,584          |
| Charge for the financial year   | 185,937                        | 10,066                    | 6,497                         | 202,500          |
| At 31 March 2023                | <b>435,846</b>                 | <b>34,163</b>             | <b>7,075</b>                  | <b>477,084</b>   |
| <b>Net carrying amounts</b>     |                                |                           |                               |                  |
| At 31 March 2023                | <b>834,504</b>                 | <b>31,263</b>             | <b>115,332</b>                | <b>981,099</b>   |
| At 31 March 2022                | 399,828                        | 28,574                    | 6,359                         | 434,761          |

\* Included in additions of equipment is an amount of RM30,000 (2022: Nil) which was contributed by a non-controlling interest.

## 5. RIGHT-OF-USE ASSETS

The Group leases two office premises for a period of 2 to 3 years plus renewal options of 2 to 3 years after the end of the current lease terms. The Group has assessed that it is reasonably certain that the renewal options will be exercised.

| Group                          | Office<br>premises<br>RM |
|--------------------------------|--------------------------|
| <b>Cost</b>                    |                          |
| At 1 April 2021                | -                        |
| Additions                      | 861,111                  |
| At 31 March 2022/31 March 2023 | <b>861,111</b>           |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 5. RIGHT-OF-USE ASSETS *cont'd*

| <b>Group <i>cont'd</i></b>      |  | <b>Office premises</b> |
|---------------------------------|--|------------------------|
|                                 |  | <b>RM</b>              |
| <b>Accumulated depreciation</b> |  |                        |
| At 1 April 2021                 |  | -                      |
| Charge for the financial year   |  | 82,793                 |
| At 31 March 2022                |  | 82,793                 |
| Charge for the financial year   |  | 172,942                |
| At 31 March 2023                |  | <b>255,735</b>         |
| <b>Net carrying amounts</b>     |  |                        |
| At 31 March 2023                |  | <b>605,376</b>         |
| At 31 March 2022                |  | 778,318                |

## 6. INVESTMENT IN SUBSIDIARIES

|                          | <b>Company</b>   |             |
|--------------------------|------------------|-------------|
|                          | <b>2023</b>      | <b>2022</b> |
|                          | <b>RM</b>        | <b>RM</b>   |
| Unquoted shares, at cost | <b>5,068,302</b> | 4,300,702   |

Details of the subsidiaries are as follows:-

| Name of company                      | Principal place of business/<br>Country of incorporation | Principal activities  | Date of incorporation | Effective equity interest |        |
|--------------------------------------|--|---|-----------------------|---------------------------|--------|
|                                      |  |   |                       | 2023                      | 2022   |
|                                      |  |   |                       | %                         | %      |
| (a) Agmo Studio Sdn. Bhd.            | Malaysia   | Providing computer and mobile software application and services related to information technology                             | 11 January 2012       | 100.0%                    | 100.0% |
| (b) Agmo Capital Sdn. Bhd.           | Malaysia   | Investment holding  | 5 January 2017        | 100.0%                    | 100.0% |
| (c) Agmo Digital Solutions Sdn. Bhd. | Malaysia   | Software development, provision of information technology related services and the intended reselling of third-party software | 18 May 2020           | 100.0%                    | 100.0% |
| (d) Agmo Tech Sdn. Bhd.              | Malaysia   | Software development, provision of information technology related services and the intended reselling of third-party software | 14 September 2020     | 100.0%                    | 100.0% |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 6. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows *cont'd*:-

| Name of company                              | Principal place of business/<br>Country of incorporation | Principal activities   | Date of incorporation | Effective equity interest |           |
|--|--|--|-----------------------|---------------------------|-----------|
|  |  |  |                       | 2023<br>%                 | 2022<br>% |
| (e) Agmo Sierra Holdings Sdn. Bhd. ("ASHSB") | Malaysia   | Investment holding, computer consultancy and provision of information technology related services  | 12 January 2021       | 70.0%                     | 70.0%     |
| (f) Agmo Academy Sdn. Bhd.*                  | Malaysia   | Provision of training and development centre-related services, other information technology service activities and provision of consultancy services | 10 November 2022      | 100.0%                    | -         |
| (g) Agmo RedSquare Sdn. Bhd.*                | Malaysia   | Software development and provision of information technology-related services  | 16 December 2022      | 52.5%                     | -         |
| (h) Agmo Artisan Sdn. Bhd.*                  | Malaysia   | Software development and provision of information technology-related services  | 17 January 2023       | 65.0%                     | -         |

\* Auditors' report on the financial statements has not been issued as the subsidiary was incorporated during the financial year. The subsidiary's financial statements are not material to the Group.

### Incorporation of new subsidiaries

- On 10 November 2022, Agmo Academy Sdn. Bhd. ("AASB") was incorporated as a wholly-owned subsidiary of the Company with RM100 share capital comprising 10,000 ordinary shares.
- On 16 December 2022, Agmo RedSquare Sdn. Bhd. ("ARSB") was incorporated as a wholly-owned subsidiary of the Company with RM100 share capital comprising 10,000 ordinary shares. Subsequently, on 5 January 2023, the Company subscribed an additional 5,240,000 ordinary shares for a total consideration of RM52,400. On even date, two third parties, namely RedSquare Technologies Sdn. Bhd. and Vierge Capital Sdn. Bhd., subscribed a total of 4,750,000 ordinary shares for a total consideration of RM47,500. Pursuant thereto, ARSB became a partially-owned subsidiary of the Company with a change in effective equity interest from 100.0% to 52.5%.
- On 17 January 2023, Agmo Artisan Sdn. Bhd. ("AARTSB") was incorporated as a wholly-owned subsidiary of the Company with RM100 share capital comprising 10,000 ordinary shares. Subsequently, on 27 January 2023, the Company subscribed an additional 6,490,000 ordinary shares for a total consideration of RM64,900. On even date, two third parties, namely Chow Yao Fong and Vierge Capital Sdn. Bhd., subscribed a total of 3,500,000 ordinary shares for a total consideration of RM35,000. Pursuant thereto, AARTSB became a partially-owned subsidiary of the Company with a change in effective equity interest from 100.0% to 65.0%.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 6. INVESTMENT IN SUBSIDIARIES *cont'd*

Details of the subsidiaries are as follows *cont'd*:-

### Non-controlling interests in subsidiaries

The non-controlling interests ("NCI") at the end of the reporting period comprise the following:-

|              | Effective equity interest |      | Carrying amount of NCI |               | Profit allocated to NCI |               |
|--------------|---------------------------|------|------------------------|---------------|-------------------------|---------------|
|              | 2023                      | 2022 | 2023                   | 2022          | 2023                    | 2022          |
|              | %                         | %    | RM                     | RM            | RM                      | RM            |
| <b>Group</b> |                           |      |                        |               |                         |               |
| ASHSB        | 30.0                      | 30.0 | 187,417                | 46,426        | 140,991                 | 46,126        |
| ARSB         | 47.5                      | -    | 47,842                 | -             | 342                     | -             |
| AARTSB       | 35.0                      | -    | 44,492                 | -             | 9,492                   | -             |
|              |                           |      | <b>279,751</b>         | <b>46,426</b> | <b>150,825</b>          | <b>46,126</b> |

The summarised financial information (before intra-group elimination) for the Group's subsidiary with non-controlling interests that is material to the Group is as follows:

|   | ASHSB          |                |
|---|----------------|----------------|
|   | 2023           | 2022           |
|   | RM             | RM             |
| <b>Financial position as at 31 March</b>                                      |                |                |
| Non-current assets  | 89,016         | 83,252         |
| Current assets  | 1,046,997      | 384,373        |
| Non-current liabilities   | (42,483)       | (51,230)       |
| Current liabilities   | (314,758)      | (107,594)      |
| Net assets  | <b>778,772</b> | <b>308,801</b> |
| <b>Summary of financial performance for the financial year ended 31 March</b> |                |                |
| Revenue   | 1,048,192      | 562,926        |
| Profit for the financial year   | 469,971        | 307,801        |
| Total comprehensive income for the financial year                             | <b>469,971</b> | <b>307,801</b> |
| <b>Summary of cash flows for the financial year ended 31 March</b>            |                |                |
| Net cash (outflow)/inflow from operating activities                           | (151,738)      | 6,293          |
| Net cash outflow from investing activity                                      | (25,777)       | (31,479)       |
| Net cash inflow from financing activities                                     | 177,450        | 25,622         |
| Net cash (outflow)/inflow   | <b>(65)</b>    | <b>436</b>     |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 7. INVESTMENT IN A JOINT VENTURE

|   | Group          |                |
|---|----------------|----------------|
|   | 2023           | 2022           |
|   | RM             | RM             |
| Unquoted shares, at cost                      | 210,000        | 210,000        |
| Share of post-acquisition results, net of tax | (13,809)       | (3,921)        |
|   | <b>196,191</b> | <b>206,079</b> |

| Name of joint venture                                | Principal place of business/<br>Country of incorporation | Effective ownership interest and voting interest |      | Principal activities   |
|--|--|--|------|--|
|  |  | 2023   | 2022 |  |
|  |  | %  | %    |  |
| WorkGrowth Technology Sdn. Bhd. ("WGT") <sup>#</sup> | Malaysia   | 35.0   | 35.0 | Business and other applications, other information technology services activities. |

<sup>#</sup> Audited by auditors other than Grant Thornton Malaysia PLT.

On 9 August 2021, Agmo Capital Sdn. Bhd. ("ACSB"), a wholly-owned subsidiary of the Company subscribed 35% of equity interest in WGT for a total cash consideration of RM35,000. On 25 November 2021, ACSB further subscribed an additional 175,000 ordinary shares in WGT for a total cash consideration of RM175,000. The additional subscription does not result in the change of effective equity interest in WGT.

WGT is established as a separate vehicle and provides the Group with rights to the net assets of the entity. Accordingly, the Group has classified the investment in WGT as a joint venture.

The summary of the unaudited financial information of the Group's joint venture, WGT, after adjusting for any differences in accounting policies and reconciling the unaudited financial information to the carrying amount of the Group's interest in the joint venture is as below:-

|  | WGT            |                |
|--|----------------|----------------|
|  | 2023           | 2022           |
|  | RM             | RM             |
| <b>Financial position as at 31 March</b> |                |                |
| Non-current assets                       | 507,917        | 530,000        |
| Current assets                           | 55,102         | 61,235         |
| Current liabilities                      | (2,474)        | (2,437)        |
| Net assets                               | <b>560,545</b> | <b>588,798</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 7. INVESTMENT IN A JOINT VENTURE *cont'd*

The summary of the unaudited financial information of the Group's joint venture, WGT, after adjusting for any differences in accounting policies and reconciling the unaudited financial information to the carrying amount of the Group's interest in the joint venture is as below *cont'd*:-

|  | WGT      |          |
|--|----------|----------|
|  | 2023     | 2022     |
|  | RM       | RM       |
| <b>Summary of financial performance for the financial year/period ended 31 March</b> |          |          |
| Revenue  | 6,000    | 3,500    |
| Finance cost   | -        | 53       |
| Loss for the financial year/period   | (28,252) | (11,202) |
| Total comprehensive loss for the financial year/period                               | (28,252) | (11,202) |
| Group's share of loss for the financial year/period                                  | (9,888)  | (3,921)  |
| Group's share of total comprehensive loss for the financial year/period              | (9,888)  | (3,921)  |
| <b>Reconciliation of net assets to carrying amount</b>                               |          |          |
| Group's share of net assets/Carrying amount in the statement of financial position   | 196,191  | 206,079  |

### Contingent liabilities and capital commitment

The joint venture has no contingent liabilities or capital commitments as at the reporting date.

## 8. OTHER INVESTMENTS

|   | Group   |         |
|---|---------|---------|
|   | 2023    | 2022    |
|   | RM      | RM      |
| <b>Fair value through other comprehensive income ("FVTOCI")</b> |         |         |
| <u>Non-current asset</u>  |         |         |
| Unquoted shares, at fair value                                  | 174,659 | 174,659 |

The Group has designated the equity investments at FVTOCI because the Group intends to hold these investments for long-term strategic purposes.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 8. OTHER INVESTMENTS *cont'd*

The fair value of each investment is summarised as follows:-

|                             | Group          |                |
|-----------------------------|----------------|----------------|
|                             | 2023           | 2022           |
|                             | RM             | RM             |
| Unquoted shares of Entity A | 67,740         | 67,740         |
| Unquoted shares of Entity B | 40,250         | 40,250         |
| Unquoted shares of Entity C | 1              | 1              |
| Unquoted shares of Entity D | 66,667         | 66,667         |
| Unquoted shares of Entity E | 1              | 1              |
|                             | <b>174,659</b> | <b>174,659</b> |

Other investments stated at fair value are analysed into Level 3 fair value measurements.

The Level 3 fair value of other investments have been determined using discounted cash flow approach based on the next 5 financial years' pre-tax cash flow projections approved by management using significant unobservable inputs. All unquoted shares investments fall within Level 3 fair value measurements.

The details of significant unobservable inputs of material investments under Level 3 fair value measurement relating to Entity A, B and D are as follows:-

Investment in an entity engaged in providing mobile application for healthcare consultation service (Entity A)

| Unobservable inputs                               |  | Relationship of unobservable inputs to fair value                          | Sensitivity analysis (Assume all other variables held constant)   |
|---|--|--|---|
| Revenue growth rates of 5% (2022: 5%)             | Based on management's experience and knowledge of market conditions of the specific industry.            | The higher the revenue growth rate, the higher the fair value.             | A 1% change in revenue growth rate would result in an increase/decrease in the fair value by RM9,000.               |
| Pre-tax operating profit margins of 4% (2022: 8%) | Taking into account management's experience and knowledge of market conditions of the specific industry. | The higher the pre-tax operating profit margin, the higher the fair value. | A 1% change in pre-tax operating profit margin would result in an increase/decrease in the fair value by RM118,000. |
| Discount rate of 10% (2022: 10%)                  | Determined using a Weighted Average Cost of Capital.   | The higher the discount rate, the lower the fair value.                    | A 1% change in discount rate would result in a decrease/increase in the fair value by RM10,000.                     |



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 8. OTHER INVESTMENTS *cont'd*

Investment in an entity engaged in online land search and other legal-related information search platform (Entity B)

| Unobservable inputs   |  | Relationship of unobservable inputs to fair value                          | Sensitivity analysis (Assume all other variables held constant)  |
|---|--|--|--|
| Revenue growth rates of 8% (2022: 8%)                           | Based on management's experience and knowledge of market conditions of the specific industry.            | The higher the revenue growth rate, the higher the fair value.             | A 1% change in revenue growth rate would result in an increase/decrease in the fair value by approximately RM5,000.              |
| Pre-tax operating profit margins of approximately 8% (2022: 8%) | Taking into account management's experience and knowledge of market conditions of the specific industry. | The higher the pre-tax operating profit margin, the higher the fair value. | A 1% change in pre-tax operating profit margin would result in an increase/decrease in the fair value by approximately RM25,000. |
| Discount rate of 10% (2022: 10%)                                | Determined using a Weighted Average Cost of Capital.   | The higher the discount rate, the lower the fair value.                    | A 1% change in discount rate would result in a decrease/increase in the fair value by approximately RM6,000.                     |

Investment in an entity engaged in financial consultancy services (Entity D)

| Unobservable inputs                     |   | Relationship of unobservable inputs to fair value              | Sensitivity analysis (Assume all other variables held constant)   |
|---|---|--|---|
| Revenue growth rates of 33% (2022: N/A) | Based on management's experience and knowledge of market conditions of the specific industry. | The higher the revenue growth rate, the higher the fair value. | A 1% change in revenue growth rate would result in an increase/decrease in the fair value by approximately RM5,000. |
| Discount rate of 10% (2022: N/A)        | Determined using a Weighted Average Cost of Capital.  | The higher the discount rate, the lower the fair value.        | A 1% change in discount rate would result in a decrease/increase in the fair value by approximately RM10,000.       |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 9. TRADE RECEIVABLES

|  | Group     |           |
|--|-----------|-----------|
|  | 2023      | 2022      |
|  | RM        | RM        |
| Trade receivables                          |           |           |
| - Third parties                            | 7,153,982 | 4,434,122 |
| - Related parties                          | 116,201   | 32,839    |
|  | 7,270,183 | 4,466,961 |
| Less: Allowance for expected credit losses | (33,110)  | (33,110)  |
|  | 7,237,073 | 4,433,851 |
| Accrued revenue                            | 2,759,087 | -         |
|  | 9,996,160 | 4,433,851 |

The movement of allowance for expected credit losses is as follows:-

|             | 2023   | 2022      |
|-------------|--------|-----------|
|             | RM     | RM        |
| At 1 April  | 33,110 | 225,110   |
| Reversal    | -      | (192,000) |
| At 31 March | 33,110 | 33,110    |

Accrued revenue relates to the Group's right to consideration for services completed but not billed as at the reporting date. The amount will be billed based on the agreed milestones as stipulated in the respective signed contract with customers.

The normal credit terms granted by the Group to the trade receivables are 30 to 90 days (2022: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

Other information on financial risks of trade receivables is disclosed in Note 33(a) to the financial statements.

The amount due from related parties are unsecured and interest free.

## 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

|   | Group   |           | Company |           |
|---|---------|-----------|---------|-----------|
|   | 2023    | 2022      | 2023    | 2022      |
|   | RM      | RM        | RM      | RM        |
| Non-trade receivables                                   | 10,521  | 10,000    | -       | -         |
| Deposits  | 60,353  | 38,941    | 1,000   | -         |
| Prepayments   | 163,345 | 33,978    | 3,776   | -         |
| Prepayments of initial public offering listing expenses | -       | 1,323,160 | -       | 1,323,160 |
|   | 234,219 | 1,406,079 | 4,776   | 1,323,160 |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 11. AMOUNT DUE FROM/(TO) A SUBSIDIARY

|  | Company           |             |
|--|-------------------|-------------|
|  | 2023              | 2022        |
|  | RM                | RM          |
| <u>Amount due from/(to) a subsidiary</u> |                   |             |
| Non-trade in nature                      | <b>17,857,178</b> | (1,671,193) |

The amount due from/(to) a subsidiary is non-trade in nature, unsecured, interest free and receivable/(repayable) on demand.

## 12. FIXED DEPOSITS PLACED WITH LICENSED BANKS

The fixed deposits placed with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.66% to 3.78% (2022: 1.66% to 2.47%) per annum.

Included in fixed deposits placed with licensed banks amounting to RM12,092 (2022: RM11,824) is held in trust by a Director of the Company. The said fixed deposit is pledged as security for a banking facility granted to a subsidiary within the Group to facilitate the issuance of performance bond as required under a contract with a customer.

## 13. CASH AND BANK AND SHORT-TERM INVESTMENTS

|                        | Group             |           | Company       |         |
|------------------------|-------------------|-----------|---------------|---------|
|                        | 2023              | 2022      | 2023          | 2022    |
|                        | RM                | RM        | RM            | RM      |
| Short-term investments | <b>21,232,980</b> | 979,332   | -             | -       |
| Cash at banks          | <b>2,269,679</b>  | 1,436,692 | <b>19,170</b> | 225,084 |
| Cash on hand           | <b>3,079</b>      | 2,002     | -             | -       |
|                        | <b>23,505,738</b> | 2,418,026 | <b>19,170</b> | 225,084 |

The short-term investments represent investments in highly liquid investments which are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value.

The short-term investments are recognised initially at its fair value and subsequently measured at fair value through profit or loss. The fair value changes during the financial year is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 14. SHARE CAPITAL

|  | No. of<br>ordinary shares |             | Amount            |           |
|--|---------------------------|-------------|-------------------|-----------|
|  | 2023                      | 2022        | 2023              | 2022      |
|  | Unit                      | Unit        | RM                | RM        |
| <b>Group and Company</b>                         |                           |             |                   |           |
| <b>Issued and fully paid with no par value:-</b> |                           |             |                   |           |
| At beginning of the financial year               | 400,000,000               | 400,000,000 | 4,000,000         | 4,000,000 |
| Share consolidation*                             | (160,000,000)             | -           | -                 | -         |
| Issuance of shares <sup>#</sup>                  | 85,000,000                | -           | 22,100,000        | -         |
| Share issuance expenses                          | -                         | -           | (1,191,600)       | -         |
| At end of the financial year                     | <b>325,000,000</b>        | 400,000,000 | <b>24,908,400</b> | 4,000,000 |

\* 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 in anticipation of its listing on the ACE Market of Bursa Securities.

# 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.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

## 15. DEFERRED TAX LIABILITIES

|  | Group         |        |
|--|---------------|--------|
|  | 2023          | 2022   |
|  | RM            | RM     |
| At 1 April                             | 58,569        | 25,509 |
| Recognised in profit or loss (Note 26) | 30,736        | 33,060 |
| At 31 March                            | <b>89,305</b> | 58,569 |

The deferred tax liabilities as at the end of the reporting year are made up of the temporary differences arising from:-

|                             | Group         |        |
|-----------------------------|---------------|--------|
|                             | 2023          | 2022   |
|                             | RM            | RM     |
| Deferred tax liability      |               |        |
| Equipment over its tax base | <b>89,305</b> | 58,569 |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 16. LEASE LIABILITIES

Set out below are the carrying amount of lease liabilities and the movements during the year:-

|   | Group     |          |
|---|-----------|----------|
|   | 2023      | 2022     |
|   | RM        | RM       |
| At 1 April                              | 805,172   | -        |
| Addition                                | -         | 861,111  |
| Accretion of lease liabilities interest | 39,045    | 21,916   |
| Payments                                | (192,702) | (77,855) |
| As at 31 March                          | 651,515   | 805,172  |
| Represented by:-                        |           |          |
| Current                                 | 152,789   | 153,657  |
| Non-current                             | 498,726   | 651,515  |
|   | 651,515   | 805,172  |

The effective interest rate of lease liabilities of the Group is charged at 5.40% (2022: 5.40%) per annum.

The maturity analysis of lease liabilities is disclosed in Note 33(b) to the financial statements.

The following are the amounts recognised in profit or loss:-

|  | Group   |        |
|--|---------|--------|
|  | 2023    | 2022   |
|  | RM      | RM     |
| Depreciation of right-of-use assets        | 172,942 | 82,793 |
| Accretion of interest on lease liabilities | 39,045  | 21,916 |
| Expenses relating to short-term leases     | 1,800   | 1,800  |

The following are total cash outflow from lease liabilities:-

|                                | Group   |        |
|--------------------------------|---------|--------|
|                                | 2023    | 2022   |
|                                | RM      | RM     |
| Finance cost paid              | 39,045  | 21,916 |
| Repayment of lease liabilities | 153,657 | 55,939 |
| Payment for short-term leases  | 1,800   | 1,800  |
|                                | 194,502 | 79,655 |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 17. TRADE PAYABLES

|                 | Group   |      |
|-----------------|---------|------|
|                 | 2023    | 2022 |
|                 | RM      | RM   |
| Trade payables  |         |      |
| - Third parties | 634,177 | -    |

The normal credit term granted by the trade payables to the Group is 30 days (2022: 30 days).

## 18. OTHER PAYABLES AND ACCRUALS

|                                | Group     |           | Company |        |
|--------------------------------|-----------|-----------|---------|--------|
|                                | 2023      | 2022      | 2023    | 2022   |
|                                | RM        | RM        | RM      | RM     |
| Non-trade payables             | 380,132   | 221,057   | 5,499   | -      |
| Accruals                       | 774,396   | 824,647   | 79,073  | 46,006 |
| Sales and services tax payable | 533,314   | 376,907   | -       | -      |
|                                | 1,687,842 | 1,422,611 | 84,572  | 46,006 |

## 19. CONTRACT LIABILITIES

|  | Group   |         |
|--|---------|---------|
|  | 2023    | 2022    |
|  | RM      | RM      |
| Advanced billings for:-  |         |         |
| (a) provision of subscription, hosting, technical support and maintenance services | 462,045 | 512,155 |
| (b) provision of digital platform-based services                                   | 2,775   | -       |
|  | 464,820 | 512,155 |

|  | Group       |             |
|--|-------------|-------------|
|  | 2023        | 2022        |
|  | RM          | RM          |
| At 1 April                                   | 512,155     | 382,428     |
| Revenue recognised during the financial year | (3,875,156) | (1,177,279) |
| Invoices issued during the financial year    | 3,827,821   | 1,307,006   |
| At 31 March                                  | 464,820     | 512,155     |

Contract liabilities relate to advanced billings for provision of services of which the revenue will be recognised over the remaining contract term of the specific contract it relates to.

### Contract value yet to be recognised as revenue

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that has yet to be satisfied (or partially not unsatisfied) of the Group is RM464,820 (2022: RM512,155). The Group expects to recognise this revenue over the next 12 to 36 months (2022: 12 months).

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 20. REVENUE

|  | Group             |                   | Company  |                  |
|--|-------------------|-------------------|----------|------------------|
|  | 2023              | 2022              | 2023     | 2022             |
|  | RM                | RM                | RM       | RM               |
| <u>Types of revenue</u>  |                   |                   |          |                  |
| Development of bespoke digital solutions                                       | 21,339,689        | 12,956,637        | -        | -                |
| Provision of subscription, hosting, technical support and maintenance services | 3,897,924         | 2,377,022         | -        | -                |
| Provision of digital platform-based services                                   | 1,048,569         | 1,192,012         | -        | -                |
| Provision of training and development services                                 | 75,600            | -                 | -        | -                |
| Dividend income  | -                 | -                 | -        | 3,200,000        |
|  | <b>26,361,782</b> | <b>16,525,671</b> | <b>-</b> | <b>3,200,000</b> |
| <u>Timing of revenue recognition</u>   |                   |                   |          |                  |
| Services at a point in time  | 22,463,033        | 14,148,649        | -        | 3,200,000        |
| Services transferred over time   | 3,898,749         | 2,377,022         | -        | -                |
|  | <b>26,361,782</b> | <b>16,525,671</b> | <b>-</b> | <b>3,200,000</b> |

## 21. OTHER INCOME

|  | Group         |                |
|--|---------------|----------------|
|  | 2023          | 2022           |
|  | RM            | RM             |
| Bad debt recovered                             | -             | 2,000          |
| Fair value gain on short term investment       | 23,263        | -              |
| Gain on disposal of investment in an associate | -             | 199,999        |
| Realised gain on foreign exchange              | 36,785        | -              |
| Unrealised gain on foreign exchange            | -             | 2,759          |
| Miscellaneous income                           | 17,006        | 2,311          |
|  | <b>77,054</b> | <b>207,069</b> |

## 22. OTHER EXPENSES

|  | Group            |                | Company          |          |
|--|------------------|----------------|------------------|----------|
|  | 2023             | 2022           | 2023             | 2022     |
|  | RM               | RM             | RM               | RM       |
| Depreciation of equipment                | 202,500          | 90,397         | -                | -        |
| Depreciation of right-of-use assets      | 172,942          | 82,793         | -                | -        |
| Fair value loss on short term investment | -                | 20,667         | -                | -        |
| Initial public offering listing expenses | 2,143,591        | -              | 2,143,591        | -        |
| Realised loss on foreign exchange        | 8,593            | 18,849         | 225              | -        |
| Unrealised loss on foreign exchange      | 2,205            | -              | -                | -        |
|  | <b>2,529,831</b> | <b>212,706</b> | <b>2,143,816</b> | <b>-</b> |



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 23. FINANCE INCOME

Finance income comprises interest income earned from fixed deposits and cash management funds.

## 24. FINANCE COST

Finance cost comprises interest expense incurred on lease liabilities.

## 25. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is determined after changing, amongst others the following items:-

|                                       | Group   |        | Company |        |
|---------------------------------------|---------|--------|---------|--------|
|                                       | 2023    | 2022   | 2023    | 2022   |
|                                       | RM      | RM     | RM      | RM     |
| Auditors' remuneration                |         |        |         |        |
| - Statutory audit                     | 75,000  | 55,000 | 23,000  | 13,000 |
| - Other non-audit services            | 220,000 | -      | 220,000 | -      |
| Expenses relating to short term lease | 1,800   | 1,800  | -       | -      |

## 26. TAX EXPENSE

|                                 | Group   |         | Company |      |
|---------------------------------|---------|---------|---------|------|
|                                 | 2023    | 2022    | 2023    | 2022 |
|                                 | RM      | RM      | RM      | RM   |
| <b>Income tax:-</b>             |         |         |         |      |
| Current year                    | 337,455 | 179,304 | -       | -    |
| Under provision in prior year   | 18,615  | 4,015   | -       | -    |
|                                 | 356,070 | 183,319 | -       | -    |
| <b>Deferred tax (Note 15):-</b> |         |         |         |      |
| Current year                    | 35,928  | 34,997  | -       | -    |
| Over provision in prior year    | (5,192) | (1,937) | -       | -    |
|                                 | 30,736  | 33,060  | -       | -    |
|                                 | 386,806 | 216,379 | -       | -    |

Revenue from principal activities of a subsidiary, Agmo Studio Sdn. Bhd. up to 10 December 2022 is not subject to income tax, due to an incentive granted under the Malaysia Digital status, whereby the subsidiary is granted full tax exemption on its statutory income from pioneer activities. This incentive is granted under the Promotion of Investments Act 1986 with extension of another five (5) years, from 11 December 2017 to 10 December 2022.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 26. TAX EXPENSE *cont'd*

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and the Company are as follows:-

|   | Group       |             | Company     |           |
|---|-------------|-------------|-------------|-----------|
|   | 2023        | 2022        | 2023        | 2022      |
|   | RM          | RM          | RM          | RM        |
| Profit/(Loss) before tax                                  | 7,632,886   | 6,954,768   | (2,175,293) | 3,124,880 |
| Tax at Malaysian statutory tax rate of 24%<br>(2022: 24%) | 1,831,893   | 1,669,144   | (522,070)   | 749,971   |
| Tax effects in respect of:-                               |             |             |             |           |
| Expenses not deductible for tax purposes                  | 686,134     | 182,772     | 549,477     | 18,029    |
| Income not subject to tax                                 | (71,904)    | (94,560)    | (27,407)    | (768,000) |
| Movement of deferred tax assets not recognised            | 375,284     | 243,735     | -           | -         |
| Tax exempted under Malaysia Digital status                | (2,450,397) | (1,787,731) | -           | -         |
| Under provision of current tax in prior year              | 18,615      | 4,015       | -           | -         |
| Over provision of deferred tax in prior year              | (5,192)     | (1,937)     | -           | -         |
| Share of results in a joint venture                       | 2,373       | 941         | -           | -         |
|   | 386,806     | 216,379     | -           | -         |

Deferred tax assets have not been recognised in respect of the following temporary differences:-

|   | Group     |           |
|---|-----------|-----------|
|   | 2023      | 2022      |
|   | RM        | RM        |
| Unused tax losses   | 2,843,752 | 1,405,698 |
| Unabsorbed capital allowances                             | 410,763   | 102,980   |
| Provision   | 250,000   | 201,891   |
| Carrying amount of qualifying equipment over its tax base | (313,242) | (82,980)  |
|   | 3,191,273 | 1,627,589 |

In the current and previous financial year, there are unused tax losses and unabsorbed capital allowances from a subsidiary, Agmo Tech Sdn. Bhd. amounting to RM2,843,752 (2022: RM1,405,698) and RM410,763 (2022: RM102,980) respectively. Deferred tax assets have not been recognised in respect of these items as the subsidiary may not have sufficient future taxable profits in which these items can be utilised.

The comparative figures of the Group have been revised to reflect the previous year's final tax submission.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 26. TAX EXPENSE *cont'd*

Pursuant to Section 8 of the Finance Act 2022 (Act 833), the time frame to carry forward current year tax losses for Year of Assessment ("YA") 2019 and subsequent years of assessment has been extended from 7 to 10 consecutive years of assessment. Unabsorbed tax losses accumulated up to YA 2018 can now be carried forward for 10 consecutive years of assessment until YA 2028.

|  | Group            |                  |
|--|------------------|------------------|
|  | 2023             | 2022             |
|  | RM               | RM               |
| Utilisation period of temporary differences: |                  |                  |
| Indefinite                                   | 347,521          | 221,891          |
| Within 10 years from unabsorbed tax losses   | 2,843,752        | 1,405,698        |
|  | <b>3,191,273</b> | <b>1,627,589</b> |

## 27. EARNINGS PER SHARE

|   | Group       |             |
|---|-------------|-------------|
|   | 2023        | 2022        |
|   | RM          | RM          |
| Profit attributable to owners (RM)                  | 7,095,255   | 6,692,263   |
| Weighted average number of ordinary shares in issue | 331,000,000 | 400,000,000 |
| Basic earnings per share (RM)                       | <b>0.02</b> | <b>0.02</b> |

The Group has not issued any dilutive potential ordinary shares and hence, the diluted earnings per share is equal to the basic earnings per share.

## 28. EMPLOYEE BENEFITS EXPENSES

|                               | Group             |                  | Company        |               |
|-------------------------------|-------------------|------------------|----------------|---------------|
|                               | 2023              | 2022             | 2023           | 2022          |
|                               | RM                | RM               | RM             | RM            |
| Salaries and other emoluments | 9,569,191         | 6,878,334        | -              | -             |
| Directors' fee                | 120,000           | 30,000           | 120,000        | 30,000        |
| Defined contribution plan     | 1,172,631         | 742,332          | -              | -             |
| Social security contribution  | 123,785           | 74,782           | -              | -             |
| Other benefits                | 676,468           | 308,389          | -              | 17,490        |
|                               | <b>11,662,075</b> | <b>8,033,837</b> | <b>120,000</b> | <b>47,490</b> |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 28. EMPLOYEE BENEFITS EXPENSES *cont'd*

Included in the employee benefits expenses is the Directors' remuneration as below:-

|                               | Group          |                | Company        |               |
|-------------------------------|----------------|----------------|----------------|---------------|
|                               | 2023           | 2022           | 2023           | 2022          |
|                               | RM             | RM             | RM             | RM            |
| Salaries and other emoluments | 417,901        | 374,775        | -              | -             |
| Directors' fee                | 120,000        | 30,000         | 120,000        | 30,000        |
| Defined contribution plan     | 50,230         | 44,308         | -              | -             |
| Social security contribution  | 2,121          | 1,847          | -              | -             |
| Other benefits                | -              | -              | -              | 17,490        |
|                               | <b>590,252</b> | <b>450,930</b> | <b>120,000</b> | <b>47,490</b> |

## 29. DIVIDEND

|   | Group/Company |           |
|---|---------------|-----------|
|   | 2023          | 2022      |
|   | RM            | RM        |
| In respect of the financial year ended 31 March 2022:-                    |               |           |
| A single-tier dividend of 0.75% per ordinary share, paid on 31 March 2022 | -             | 3,000,000 |

## 30. RELATED PARTY DISCLOSURES

- (a) Related party transactions have been entered into in the normal course of business under negotiated terms and conditions and are mutually agreed with respective parties. The significant related party transactions of the Group and of the Company are as follows:-

|   | Group     |           | Company |           |
|---|-----------|-----------|---------|-----------|
|   | 2023      | 2022      | 2023    | 2022      |
|   | RM        | RM        | RM      | RM        |
| Sales to related parties                  |           |           |         |           |
| - MY E.G. Services Berhad                 | 114,500   | 517,800   | -       | -         |
| - Mama Dessert (M) Sdn. Bhd.              | -         | 2,390     | -       | -         |
| - NFT Pangolin Technologies Sdn. Bhd.     | -         | 195,000   | -       | -         |
| - WorkGrowth Technology Sdn. Bhd.         | 1,680     | 350,980   | -       | -         |
| - Zetrix Sdn. Bhd.                        | 60,000    | 30,000    | -       | -         |
| Purchases from related parties            |           |           |         |           |
| - Hurr TV Sdn. Bhd.                       | (181,790) | (195,056) | -       | -         |
| - Accio Technologies Sdn. Bhd.            | (37,800)  | -         | -       | -         |
| Dividend received from a subsidiary       | -         | -         | -       | 3,200,000 |
| Rental expense payable to a related party |           |           |         |           |
| - MY E.G. Services Berhad                 | (146,250) | (58,500)  | -       | -         |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 30. RELATED PARTY DISCLOSURES *cont'd*

- (b) Outstanding balances arising from related party transactions as at the reporting date are disclosed in Notes 9 and 11 to the financial statements.

- (c) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly and entity that provides key management personnel services to the Company. Key management includes all the Executive Directors of the Company and certain members of senior management of the Group and of the Company.

The remuneration of key management personnel is as follows:-

|                               | Group          |                |
|-------------------------------|----------------|----------------|
|                               | 2023           | 2022           |
|                               | RM             | RM             |
| Salaries and other emoluments | 852,963        | 649,879        |
| Defined contribution plan     | 102,489        | 76,846         |
| Social security contribution  | 4,242          | 3,326          |
|                               | <b>959,694</b> | <b>730,051</b> |

## 31. SEGMENT INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the Directors as its chief operating decision maker in order to allocate resources to segments and assess their performance on a yearly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into four (4) main reportable segments as follows:-

- 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

Inter-segment pricing is determined on a negotiated basis.

### Segment profit

Segment profit is used to measure performance as the Directors believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### Segment assets

Segment assets information is neither included in the internal management reports nor provided regularly to the Directors. Hence no disclosure is made on segment assets.

### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Directors. Hence no disclosure is made on segment liabilities.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

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## 31. SEGMENT INFORMATION *cont'd*

| Group  | Development of bespoke digital solutions<br>RM | Provision of digital platform-based services<br>RM | Provision of subscription, hosting, technical support and maintenance services<br>RM | Provision of training and development services<br>RM | Elimination<br>RM | Total as per consolidated financial statements<br>RM |
|--|--|--|--|--|-------------------|--|
| <b>2023</b>  |  |  |  |  |                   |  |
| <b>Revenue</b>                                     |  |  |  |  |                   |  |
| 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>                                    |
| <b>Results</b>                                     |  |  |  |  |                   |  |
| Segment profit                                     | 9,298,927                                      | 604,733  | 1,947,126  | (22,441)   | -                 | 11,828,345   |
| Other income                                       |  |  |  |  |                   | 77,054   |
| Selling and marketing expenses                     |  |  |  |  |                   | (197,414)  |
| Administrative expenses                            |  |  |  |  |                   | (2,042,775)  |
| Other expenses                                     |  |  |  |  |                   | (2,529,831)  |
| Finance cost                                       |  |  |  |  |                   | (39,045)   |
| Finance income                                     |  |  |  |  |                   | 546,440  |
| Share of loss of an equity-accounted joint venture |  |  |  |  |                   | (9,888)  |
| Profit before tax                                  |  |  |  |  |                   | <u>7,632,886</u>                                     |
| Tax expense  |  |  |  |  |                   | (386,806)  |
| Profit for the financial year                      |  |  |  |  |                   | <u>7,246,080</u>                                     |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 31. SEGMENT INFORMATION *cont'd*

| Group <i>cont'd</i>                                | Development of bespoke digital solutions<br>RM | Provision of digital platform-based services<br>RM | Provision of subscription, hosting, technical support and maintenance services<br>RM | Elimination<br>RM | Total as per consolidated financial statements<br>RM |
|--|--|--|--|-------------------|--|
| <b>2022</b>  |  |  |  |                   |  |
| <b>Revenue</b>                                     |  |  |  |                   |  |
| Revenue  | 13,753,181                                     | 1,192,012  | 2,637,804  | (1,057,326)       | 16,525,671   |
| Total revenue                                      |  |  |  |                   | <u>16,525,671</u>                                    |
| <b>Results</b>                                     |  |  |  |                   |  |
| Segment profit                                     | 5,620,978                                      | 760,178  | 999,436  | -                 | 7,380,592  |
| Other income                                       |  |  |  |                   | 207,069  |
| Net measurement of expected credit losses          |  |  |  |                   | 192,000  |
| Selling and marketing expenses                     |  |  |  |                   | (12,410)   |
| Administrative expenses                            |  |  |  |                   | (668,211)  |
| Other expenses                                     |  |  |  |                   | (212,706)  |
| Finance cost                                       |  |  |  |                   | (21,916)   |
| Finance income                                     |  |  |  |                   | 94,271   |
| Share of loss of an equity-accounted joint venture |  |  |  |                   | (3,921)  |
| Profit before tax                                  |  |  |  |                   | <u>6,954,768</u>                                     |
| Tax expense  |  |  |  |                   | (216,379)  |
| Profit for the financial year                      |  |  |  |                   | <u>6,738,389</u>                                     |

### Geographical information

Revenue based on geographical location of customers are as follows:-

|                 | Group             |                   |
|-----------------|-------------------|-------------------|
|                 | 2023<br>RM        | 2022<br>RM        |
| Malaysia        | 23,558,585        | 14,461,649        |
| Hong Kong       | 1,216,220         | 1,350,133         |
| Singapore       | 646,886           | 647,106           |
| Thailand        | 877,745           | -                 |
| Other countries | 62,346            | 66,783            |
|                 | <u>26,361,782</u> | <u>16,525,671</u> |



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 31. SEGMENT INFORMATION *cont'd*

### Major customers

The following are the major customers with revenue equal or more than 10% of the Group's revenue for the financial years ended 31 March 2023 and 31 March 2022.

|            | 2023<br>RM | 2022<br>RM | Segment   |
|------------|------------|------------|---|
| Customer A | *          | 1,997,447  | Development of bespoke digital solutions  |
| Customer B | *          | 2,266,902  | Development of bespoke digital solutions; and<br>Provision of subscription, hosting, technical support and maintenance services |
| Customer C | 3,234,471  | *          | Development of bespoke digital solutions; and<br>Provision of subscription, hosting, technical support and maintenance services |

\* *Contributes less than 10% of the Group's revenue for the respective financial years*

## 32. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as follows:-

- (a) Amortised cost ("AC");
- (b) Fair value through other comprehensive income ("FVTOCI"); and
- (c) Fair value through profit or loss ("FVTPL")

|   | Carrying<br>amount<br>RM | AC<br>RM          | FVTOCI<br>RM   | FVTPL<br>RM       |
|---|--------------------------|-------------------|----------------|-------------------|
| <b>Group</b>                              |                          |                   |                |                   |
| <b>2023</b>                               |                          |                   |                |                   |
| <u>Financial assets</u>                   |                          |                   |                |                   |
| Other investments                         | 174,659                  | -                 | 174,659        | -                 |
| Trade receivables                         | 9,996,160                | 9,996,160         | -              | -                 |
| Other receivables and deposits            | 70,874                   | 70,874            | -              | -                 |
| Fixed deposits placed with licensed banks | 7,040,615                | 7,040,615         | -              | -                 |
| Cash and bank and short-term investments  | 23,505,738               | 2,272,758         | -              | 21,232,980        |
|   | <b>40,788,046</b>        | <b>19,380,407</b> | <b>174,659</b> | <b>21,232,980</b> |
| <u>Financial liabilities</u>              |                          |                   |                |                   |
| Trade payables                            | 634,177                  | 634,177           | -              | -                 |
| Other payables and accruals               | 1,154,528                | 1,154,528         | -              | -                 |
|   | <b>1,788,705</b>         | <b>1,788,705</b>  | <b>-</b>       | <b>-</b>          |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 32. CATEGORIES OF FINANCIAL INSTRUMENTS *cont'd*

The table below provides an analysis of financial instruments categorised as follows *cont'd*:-

|   | Carrying<br>amount<br>RM | AC<br>RM          | FVTOCI<br>RM   | FVTPL<br>RM    |
|---|--------------------------|-------------------|----------------|----------------|
| <b>Group <i>cont'd</i></b>                |                          |                   |                |                |
| <b>2022</b>                               |                          |                   |                |                |
| <u>Financial assets</u>                   |                          |                   |                |                |
| Other investments                         | 174,659                  | -                 | 174,659        | -              |
| Trade receivables                         | 4,433,851                | 4,433,851         | -              | -              |
| Other receivables and deposits            | 48,941                   | 48,941            | -              | -              |
| Fixed deposits placed with licensed banks | 4,097,891                | 4,097,891         | -              | -              |
| Cash and bank and short-term investments  | 2,418,026                | 1,438,694         | -              | 979,332        |
|   | <b>11,173,368</b>        | <b>10,019,377</b> | <b>174,659</b> | <b>979,332</b> |
| <u>Financial liability</u>                |                          |                   |                |                |
| Other payables and accruals               | 1,045,704                | 1,045,704         | -              | -              |
|   |                          |                   |                |                |
|   | Carrying<br>amount<br>RM | AC<br>RM          | FVTOCI<br>RM   | FVTPL<br>RM    |
| <b>Company</b>                            |                          |                   |                |                |
| <b>2023</b>                               |                          |                   |                |                |
| <u>Financial assets</u>                   |                          |                   |                |                |
| Deposits                                  | 1,000                    | 1,000             | -              | -              |
| Amount due from a subsidiary              | 17,857,178               | 17,857,178        | -              | -              |
| Cash and bank balances                    | 19,170                   | 19,170            | -              | -              |
|   | <b>17,877,348</b>        | <b>17,877,348</b> | <b>-</b>       | <b>-</b>       |
| <u>Financial liability</u>                |                          |                   |                |                |
| Other payables and accruals               | 84,572                   | 84,572            | -              | -              |
| <b>2022</b>                               |                          |                   |                |                |
| <u>Financial asset</u>                    |                          |                   |                |                |
| Cash and bank balances                    | 225,084                  | 225,084           | -              | -              |
| <u>Financial liabilities</u>              |                          |                   |                |                |
| Other payables and accruals               | 46,006                   | 46,006            | -              | -              |
| Amount due to a subsidiary                | 1,671,193                | 1,671,193         | -              | -              |
|   | <b>1,717,199</b>         | <b>1,717,199</b>  | <b>-</b>       | <b>-</b>       |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 33. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing their credit risk, liquidity risk and foreign currency risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows:-

### (a) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the Chief Executive Officer.

Following are the areas where the Group and the Company are exposed to credit risk:-

#### (i) Trade receivables

As at the end of the reporting date, the maximum exposure to credit risk arising from trade receivables is limited to the carrying amounts in the statements of financial position.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered.

The Group assesses ECL on trade receivables based on provision matrix, the expected loss rates are based on the payment profile for sales in the past as well as the corresponding historical credit losses during the period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At each reporting date, the historical default rates are updated and changes in forward-looking estimates are analysed.

Generally, trade receivables are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debts) despite the fact that they are still subject to enforcement activities. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 9 to the financial statements. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several industries and operate in largely independent markets.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 33. FINANCIAL RISK MANAGEMENT *cont'd*

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows *cont'd*:-

### (a) Credit risk *cont'd*

Following are the areas where the Group and the Company are exposed to credit risk *cont'd*:-

#### (i) Trade receivables *cont'd*

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

| Group                  | Gross<br>RM       | Loss<br>allowances<br>RM | Net<br>RM        |
|------------------------|-------------------|--------------------------|------------------|
| <b>2023</b>            |                   |                          |                  |
| Accrued revenue        | 2,759,087         | -                        | 2,759,087        |
| Trade receivables:     |                   |                          |                  |
| Not past due           | 2,249,332         | -                        | 2,249,332        |
| Past due:-             |                   |                          |                  |
| 1 - 30 days            | 1,587,660         | -                        | 1,587,660        |
| 31- 60 days            | 889,321           | -                        | 889,321          |
| 61 - 90 days           | 922,281           | -                        | 922,281          |
| More than 90 days      | 1,588,479         | -                        | 1,588,479        |
|                        | <b>9,996,160</b>  | <b>-</b>                 | <b>9,996,160</b> |
| <b>Credit impaired</b> |                   |                          |                  |
| Individually impaired  | 33,110            | (33,110)                 | -                |
|                        | <b>10,029,270</b> | <b>(33,110)</b>          | <b>9,996,160</b> |
| <b>2022</b>            |                   |                          |                  |
| Not past due           | 2,245,000         | -                        | 2,245,000        |
| Past due:-             |                   |                          |                  |
| 1 - 30 days            | 263,457           | -                        | 263,457          |
| 31- 60 days            | 260,994           | -                        | 260,994          |
| 61 - 90 days           | 845,256           | -                        | 845,256          |
| More than 90 days      | 819,144           | -                        | 819,144          |
|                        | <b>4,433,851</b>  | <b>-</b>                 | <b>4,433,851</b> |
| <b>Credit impaired</b> |                   |                          |                  |
| Individually impaired  | 33,110            | (33,110)                 | -                |
|                        | <b>4,466,961</b>  | <b>(33,110)</b>          | <b>4,433,851</b> |

#### (ii) Fixed deposits placed with licensed banks and cash and bank and short-term investments

The credit risk for fixed deposits placed with licensed banks and cash and bank and short-term investments are considered negligible, since the counterparties are reputable banks and licensed financial services provider with high quality external credit ratings.

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 33. FINANCIAL RISK MANAGEMENT *cont'd*

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows *cont'd*:-

### (b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as and when they fall due.

In managing their exposures to liquidity risk, the Group and the Company maintain a level of cash and cash equivalent deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities as and when they fall due.

The summary of the maturity profile based on the contractual undiscounted repayment obligations are set out as follows:-

|                             | Carrying<br>amount<br>RM | Contractual<br>cash<br>flows<br>RM | On<br>demand/<br>less than<br>a year<br>RM | 1-2<br>years<br>RM | 2-5<br>years<br>RM | More<br>than<br>5 years<br>RM |
|-----------------------------|--------------------------|------------------------------------|--|--------------------|--------------------|-------------------------------|
| <b>Group</b>                |                          |                                    |  |                    |                    |                               |
| <b>2023</b>                 |                          |                                    |  |                    |                    |                               |
| <u>Unsecured:</u>           |                          |                                    |  |                    |                    |                               |
| Trade payables              | 634,177                  | 634,177                            | 634,177                                    | -                  | -                  | -                             |
| Other payables and accruals | 1,154,528                | 1,154,528                          | 1,154,528                                  | -                  | -                  | -                             |
| Lease liabilities           | 651,515                  | 729,097                            | 183,097                                    | 156,000            | 390,000            | -                             |
|                             | <b>2,440,220</b>         | <b>2,517,802</b>                   | <b>1,971,802</b>                           | <b>156,000</b>     | <b>390,000</b>     | <b>-</b>                      |
| <b>2022</b>                 |                          |                                    |  |                    |                    |                               |
| <u>Unsecured:</u>           |                          |                                    |  |                    |                    |                               |
| Other payables and accruals | 1,045,704                | 1,045,704                          | 1,045,704                                  | -                  | -                  | -                             |
| Lease liabilities           | 805,172                  | 921,799                            | 192,702                                    | 183,097            | 468,000            | 78,000                        |
|                             | <b>1,850,876</b>         | <b>1,967,503</b>                   | <b>1,238,406</b>                           | <b>183,097</b>     | <b>468,000</b>     | <b>78,000</b>                 |
| <b>Company</b>              |                          |                                    |  |                    |                    |                               |
| <b>2023</b>                 |                          |                                    |  |                    |                    |                               |
| <u>Unsecured:</u>           |                          |                                    |  |                    |                    |                               |
| Other payables and accruals | 84,572                   | 84,572                             | 84,572                                     | -                  | -                  | -                             |
| <b>2022</b>                 |                          |                                    |  |                    |                    |                               |
| <u>Unsecured:</u>           |                          |                                    |  |                    |                    |                               |
| Other payables and accruals | 46,006                   | 46,006                             | 46,006                                     | -                  | -                  | -                             |
| Amount due to a subsidiary  | 1,671,193                | 1,671,193                          | 1,671,193                                  | -                  | -                  | -                             |
|                             | <b>1,717,199</b>         | <b>1,717,199</b>                   | <b>1,717,199</b>                           | <b>-</b>           | <b>-</b>           | <b>-</b>                      |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 33. FINANCIAL RISK MANAGEMENT *cont'd*

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows *cont'd*:-

### (c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency on transactions and balances that are denominated in currencies other than the functional currency. The currency giving rise to this is primarily Singapore Dollars ("SGD"), United States Dollar ("USD") and Thai Baht ("THB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting year was: -

| Group             | SGD<br>RM | USD<br>RM | THB<br>RM |
|-------------------|-----------|-----------|-----------|
| <b>2023</b>       |           |           |           |
| Trade receivables | 86,035    | 423,944   | 317,181   |
| <b>2022</b>       |           |           |           |
| Trade receivables | 86,818    | 498,060   | -         |

### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the SGD, USD and THB exchange rates against the functional currency of the Group, with all other variables held constant.

| Group                | Profit for the<br>financial year<br>RM | Equity<br>RM |
|----------------------|--|--------------|
| <b>2023</b>          |  |              |
| SGD/RM               |  |              |
| - Strengthened 0.57% | 490                                    | 490          |
| - Weakened (0.57%)   | (490)                                  | (490)        |
| USD/RM               |  |              |
| - Strengthened 0.45% | 1,908                                  | 1,908        |
| - Weakened (0.45%)   | (1,908)                                | (1,908)      |
| THB/RM               |  |              |
| - Strengthened 0.20% | 634                                    | 634          |
| - Weakened (0.20%)   | (634)                                  | (634)        |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 33. FINANCIAL RISK MANAGEMENT *cont'd*

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activities are set out as follows *cont'd*:-

### (c) Foreign currency risk *cont'd*

#### Foreign currency sensitivity analysis *cont'd*

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the SGD, USD and THB exchange rates against the functional currency of the Group, with all other variables held constant (*cont'd*).

| Group                | Profit for the<br>financial year<br>RM | Equity<br>RM |
|----------------------|--|--------------|
| <b>2022</b>          |  |              |
| SGD/RM               |  |              |
| - Strengthened 0.06% | 52                                     | 52           |
| - Weakened (0.06%)   | (52)                                   | (52)         |
| USD/RM               |  |              |
| - Strengthened 0.13% | 647                                    | 647          |
| - Weakened (0.13%)   | (647)                                  | (647)        |

## 34. FAIR VALUE OF FINANCIAL INSTRUMENT

The fair values of the financial assets of the Group which are maturing within the next 12 months approximated their carrying amounts due to relatively short-term maturity of the financial instruments or repayable on demand terms.

As the Group does not have any financial instruments not carried at fair value, the following table sets out only the fair value profile of financial instruments that are carried at fair value at the end of the reporting period:-

|  | Fair value<br>of financial<br>instruments<br>carried at<br>fair value<br>Level 2<br>RM | Fair value<br>of financial<br>instruments<br>carried at<br>fair value<br>Level 3<br>RM | Total<br>fair value<br>RM | Carrying<br>amount<br>RM |
|--|--|--|---------------------------|--------------------------|
| <b>2023</b>                                |  |  |                           |                          |
| Other investments                          | -  | 174,659  | 174,659                   | 174,659                  |
| Cash and bank and short-term investments:- |  |  |                           |                          |
| Short-term investments                     | 21,232,980   | -  | 21,232,980                | 21,232,980               |
|  | <b>21,232,980</b>  | <b>174,659</b>   | <b>21,407,639</b>         | <b>21,407,639</b>        |
| <b>2022</b>                                |  |  |                           |                          |
| Other investments                          | -  | 174,659  | 174,659                   | 174,659                  |
| Cash and bank and short-term investment:-  |  |  |                           |                          |
| Short-term investment                      | 979,332  | -  | 979,332                   | 979,332                  |
|  | <b>979,332</b>   | <b>174,659</b>   | <b>1,153,991</b>          | <b>1,153,991</b>         |

# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 34. FAIR VALUE OF FINANCIAL INSTRUMENT *cont'd*

Fair value of financial instruments carried at fair value

- (a) The Level 2 fair value of short-term investment is determined by reference to the statement provided by the licensed services provider, with which the investments were entered into.
- (b) The Level 3 fair value of other investments have been determined using discounted cash flow income approach based on pre-tax cash flow projections performed by management based on significant unobservable inputs as disclosed in Note 8 to the financial statements of the Group.
- (c) There were no transfers between Level 2 and Level 3 during the current and previous financial year.

## 35. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

|                   | 1 April<br>RM | Others<br>RM | Cash flows<br>RM | 31 March<br>RM |
|-------------------|---------------|--------------|------------------|----------------|
| <b>Group</b>      |               |              |                  |                |
| <b>2023</b>       |               |              |                  |                |
| Lease liabilities | 805,172       | -            | (153,657)        | 651,515        |
| <b>2022</b>       |               |              |                  |                |
| Lease liabilities | -             | 861,111*     | (55,939)         | 805,172        |

\* Being addition of lease liabilities.

|                            | 1 April<br>RM | Cash flows<br>RM | 31 March<br>RM |
|----------------------------|---------------|------------------|----------------|
| <b>Company</b>             |               |                  |                |
| <b>2022</b>                |               |                  |                |
| Amount due to a subsidiary | 307,619       | 1,363,574        | 1,671,193      |

## 36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise the shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or return capital to shareholders.

There were no changes in the Group's approach to capital management during the financial years ended 31 March 2023 and 31 March 2022.



# NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2023

Cont'd

## 37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) 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.

- (b) 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 Sdn. Bhd. ("ARSB").

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

- (c) 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 Sdn. Bhd. ("AARTSB").

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

- (d) 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.

## 38. SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

- (a) 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.

- (b) 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.
- (c) On 7 June 2023, Agmo Ventures X Holdings Sdn. Bhd. ("Agmo Ventures X") was incorporated as a 70% direct owned subsidiary of the Company. 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. The subsidiary is intended to be principally involved in investment in ventures providing software development and related ancillary services related to sustainability projects and ventures.
- (d) On 5 July 2023, the Company announced the proposed establishment of an employees' share option scheme ("Proposed 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 Proposed ESOS ("Eligible Persons"). The ESOS Options granted under the Proposed ESOS shall entitle the Eligible Persons to subscribe for new shares at an exercise price to be determined at a later date.

# ANALYSIS OF SHAREHOLDINGS

As At 30 June 2023

## SHARE CAPITAL

|                               |   |                                       |
|-------------------------------|---|---------------------------------------|
| Total Number of Issued Shares | : | 325,000,000 Ordinary Shares           |
| Class of Shares               | : | Ordinary Share                        |
| Voting Rights                 | : | One vote for each ordinary share held |

## DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2023

| Size of Holding          | No. of<br>shareholders | %              | No. of<br>Ordinary Shares | %              |
|--------------------------|------------------------|----------------|---------------------------|----------------|
| 1 – 99                   | 23,791                 | 58.446         | 961,692                   | 0.296          |
| 100 – 1,000              | 10,446                 | 25.662         | 3,442,652                 | 1.059          |
| 1,001 – 10,000           | 4,164                  | 10.229         | 18,415,186                | 5.666          |
| 10,001 – 100,000         | 2,074                  | 5.095          | 62,020,937                | 19.083         |
| 100,001 – < 5% of shares | 227                    | 0.558          | 106,924,533               | 32.900         |
| 5% and above             | 4                      | 0.010          | 133,235,000               | 40.995         |
| <b>Total</b>             | <b>40,706</b>          | <b>100.000</b> | <b>325,000,000</b>        | <b>100.000</b> |

## DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company as at 30 June 2023 are as follows: -

| No. | Name                       | No. of Ordinary<br>Shares held |        | No. of Ordinary<br>Shares held |                    |
|-----|----------------------------|--------------------------------|--------|--------------------------------|--------------------|
|     |                            | Direct                         | %      | Indirect                       | %                  |
| 1   | Tan Aik Keong              | 63,838,462                     | 19.643 | 24,535,000 <sup>^</sup>        | 7.549 <sup>^</sup> |
| 2   | Low Kang Wen               | 23,261,684                     | 7.157  | 24,535,000 <sup>^</sup>        | 7.549 <sup>^</sup> |
| 3   | Dato' Low Hann Yong        | 300,000                        | 0.092  | -                              | -                  |
| 4   | Datin Yap Shin Siang       | 300,000                        | 0.092  | -                              | -                  |
| 5   | Dr. Lau Cher Han           | 300,000                        | 0.092  | -                              | -                  |
| 6   | Mohd Fairuz Bin Mohd Azrul | 300,000                        | 0.092  | -                              | -                  |

Note:

<sup>^</sup> Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Companies Act 2016 (the "Act").

# ANALYSIS OF SHAREHOLDINGS

As At 30 June 2023

Cont'd

## SUBSTANTIAL SHAREHOLDERS

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings as at 30 June 2023 are as follows: -

| No. | Name              | No. of Ordinary Shares held |        | No. of Ordinary Shares held |                    |
|-----|-------------------|-----------------------------|--------|-----------------------------|--------------------|
|     |                   | Direct                      | %      | Indirect                    | %                  |
| 1   | Tan Aik Keong     | 63,838,462                  | 19.643 | 24,535,000 <sup>^</sup>     | 7.549 <sup>^</sup> |
| 2   | Agmoian Sdn. Bhd. | 24,535,000                  | 7.549  | -                           | -                  |
| 3   | Low Kang Wen      | 23,261,684                  | 7.157  | 24,535,000 <sup>^</sup>     | 7.549 <sup>^</sup> |
| 4   | Tham Chin Seng    | 21,600,000                  | 6.646  | 24,535,000 <sup>^</sup>     | 7.549 <sup>^</sup> |
| 5   | Wong Thean Soon   | 10,917,790                  | 3.359  | 18,572,038 <sup>*</sup>     | 5.714 <sup>*</sup> |

Notes:

<sup>^</sup> Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.

<sup>\*</sup> Deemed interested by virtue of his shareholdings in MY E.G. Services Berhad and Asia Internet Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

## LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (According to the Record of Depositors As At 30 June 2023)

| No. | Name of Shareholders  | No. of Ordinary Shares | %      |
|-----|---|------------------------|--------|
| 1   | Tan Aik Keong   | 63,838,462             | 19.643 |
| 2   | Agmoian Sdn. Bhd.   | 24,535,000             | 7.549  |
| 3   | Low Kang Wen  | 23,261,538             | 7.157  |
| 4   | Tham Chin Seng  | 21,600,000             | 6.646  |
| 5   | MY E.G. Capital Sdn. Bhd.   | 14,275,248             | 4.392  |
| 6   | Vierge Capital Sdn. Bhd.  | 9,014,089              | 2.774  |
| 7   | Affin Hwang Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Wong Thean Soon</i>                                | 8,032,822              | 2.472  |
| 8   | AMSEC Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Wong Thean Soon</i>                                      | 4,925,195              | 1.515  |
| 9   | Jason Chan Ling Khoo  | 4,772,790              | 1.469  |
| 10  | Low Swee Siong  | 3,075,000              | 0.946  |
| 11  | AMSEC Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account – AmBank (M) Berhad for Asia Internet Holdings Sdn. Bhd.</i> | 2,928,016              | 0.901  |
| 12  | Ang Boon Guan   | 1,901,000              | 0.585  |
| 13  | CGS-CIMB Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Wong Thean Soon (MY4348)</i>                          | 1,778,847              | 0.547  |
| 14  | Koh Yeow Lay  | 1,640,272              | 0.505  |
| 15  | Lee Cheng Fei   | 1,575,200              | 0.485  |
| 16  | Koomerang Ventures Inc. Sdn. Bhd.   | 1,500,000              | 0.462  |
| 17  | Citigroup Nominees (Tempatan) Sdn. Bhd.<br><i>Employees Provident Fund Board</i>  | 1,230,216              | 0.379  |
| 18  | UOB Kay Hian Nominees (Tempatan) Sdn. Bhd.<br><i>Exempt An For KGI Securities (Singapore) Pte. Ltd. (66589 T CL)</i>              | 977,273                | 0.301  |

# ANALYSIS OF SHAREHOLDINGS

As At 30 June 2023

Cont'd

## LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS *cont'd* (According to the Record of Depositors As At 30 June 2023)

| No. | Name of Shareholders   | No. of<br>Ordinary Shares | %     |
|-----|--|---------------------------|-------|
| 19  | Pang Shin I  | 905,000                   | 0.278 |
| 20  | Alliancegroup Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Yong Yuet Kum (7005371)</i>             | 854,500                   | 0.263 |
| 21  | Wong Kau @ Wong Nan Chong  | 766,887                   | 0.236 |
| 22  | Alliancegroup Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Low Meng Hai (7006575)</i>              | 700,014                   | 0.215 |
| 23  | Fong King Yew  | 685,093                   | 0.211 |
| 24  | Ung Yoke Hong  | 674,428                   | 0.208 |
| 25  | CGS-CIMB Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Yong Yuet Kum (MY4648)</i>                   | 667,200                   | 0.205 |
| 26  | AMSEC Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account – AmBank (M) Berhad for Wong Thean Soon (SMART)</i> | 662,901                   | 0.204 |
| 27  | Low Chong Guan   | 643,000                   | 0.198 |
| 28  | Kenanga Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Loh Yong Huat</i>                             | 605,000                   | 0.186 |
| 29  | Maybank Nominees (Tempatan) Sdn. Bhd.<br><i>Pledged Securities Account for Seow Chin Pang</i>                            | 600,000                   | 0.185 |
| 30  | Golden Trilogy Sdn. Bhd.   | 594,000                   | 0.183 |

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Second Annual General Meeting (“2<sup>nd</sup> AGM”) of the Company will be conducted virtually through live streaming and Remote Participation and Voting (“RPV”) Facilities from the broadcast venue at Level 43A, MYEG Tower, Empire City, No.8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 5 September 2023 at 10.00 a.m. or at any adjournment thereof, to transact the following businesses:-

## AS ORDINARY BUSINESS

- |    |   |   |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 March 2023 together with the Reports of the Directors and Auditors thereon.   | <b>Please refer to<br/>Explanatory Note</b> |
| 2. | To re-elect the following Directors who are retiring by rotation pursuant to Clause 130.1 of the Company’s Constitution and who being eligible, has offered themselves for re-election:                         |   |
|    | (a) Dato’ Low Hann Yong   | <b>Ordinary Resolution 1</b>                |
|    | (b) Tan Aik Keong   | <b>Ordinary Resolution 2</b>                |
| 3. | To approve the payment of Directors’ fees and other benefits amounting to RM120,000 to the Directors of the Company from conclusion of the 2 <sup>nd</sup> AGM up to the conclusion of the 3 <sup>rd</sup> AGM. | <b>Ordinary Resolution 3</b>                |
| 4. | To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.                                     | <b>Ordinary Resolution 4</b>                |

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution:-

- |    |  |                              |
|----|--|------------------------------|
| 5. | <b>Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016</b> | <b>Ordinary Resolution 5</b> |
|----|--|------------------------------|

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT in connection with the above, pursuant to Section 85(1) of the Companies Act 2016 read together with Clause 75.1 of the Company’s Constitution, the shareholders of the Company by approving this resolution are deemed to have waived their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with the existing shares in the Company.”

# NOTICE OF ANNUAL GENERAL MEETING

Cont'd

6. To transact any other business of which due notice shall have been given.

## BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482 /SSM PC NO. 202208000250)  
Company Secretary

W.P. Kuala Lumpur  
Dated : 31 July 2023

## Notes:-

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
2. A proxy may but need not be a member of the Company. A proxy appointed to attend, participate, speak (in the form of real-time submission of typed texts) and vote at the Meeting shall have the same rights as the members to speak at the Meeting.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
6. The instrument appointing a proxy shall be made via hardcopy and must be deposited at the Share Registrar's Office, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Khay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time set for holding the meeting (no later than Sunday, 3 September 2023 at 10.00 a.m.) or at any adjourned meeting at which the person named in the appointment proposes to vote.  
  
Alternatively, individual shareholders may choose to submit the electronic Proxy Form ("e-Proxy Form") using RPV facilities via Vote2U at <https://web.vote2u.my> no later than Sunday, 3 September 2023 at 10.00 a.m. or at any adjournment of the virtual meeting. Please refer to the Administrative Guide for shareholders for the procedures to submit the Proxy Form/e-Proxy Form.
7. For the purpose of determining a member who shall be entitled to attend the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 28 August 2023. Only members whose names appear in the General Meeting Record of Depositors as at 28 August 2023 shall be entitled to attend, participate, speak and vote at the Meeting.
8. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.

## Personal data privacy:-

By submitting an instrument appointing a proxy(ies) and/ or representative(s) to attend, participate, speak and vote at this meeting, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for this meeting and the preparation and compilation of the attendance lists, minutes and other documents relating to this meeting, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/ or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/ or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/ or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/ or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

## Mode of Communication:

Prior to the 2<sup>nd</sup> AGM, shareholders may submit questions to the Board of Directors at [ir@agmostudio.com](mailto:ir@agmostudio.com) latest by Sunday, 3 September 2023 and the response will be broadcasted during the virtual meeting. During the 2<sup>nd</sup> AGM, shareholders may submit questions by clicking on "Ask Question" on the RPV facilities while participating in the virtual meeting.

# NOTICE OF ANNUAL GENERAL MEETING

Cont'd

## Explanatory Notes:

### Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 March 2023

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the Companies Act 2016 does not require the shareholders to formally approve the Audited Financial Statements. Therefore, this item will not be put forward for voting.

### Ordinary Resolutions 1 & 2: Re-election of Directors who retire pursuant to Clause 130.1 of the Company's Constitution

Clause 130.1 of the Constitution of the Company provides as follows:

"130.1 An election of Directors shall take place each year. At each annual general meeting one-third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to one-third, shall retire from office PROVIDED ALWAYS that all Directors including Managing Director and Executive Directors shall retire from office once at least in each 3 years as required by the Listing Requirements but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires."

The following Directors who are standing for re-election as Directors of the Company pursuant to Clause 130.1 of the Company's Constitution at the 2<sup>nd</sup> AGM of the Company and being eligible, have offered themselves for re-election in accordance with the Company's Constitution:-

- (a) Dato' Low Hann Yong
- (b) Tan Aik Keong

(collectively referred to as "Retiring Directors")

The Board of Directors through the Nomination Committee has deliberated on the suitability of the Retiring Directors to be re-elected as Directors. Upon deliberation, the Board (except for the respective Director concerned) collectively agreed that the Retiring Directors meet the criteria of character, experience, integrity, competence and time commitment to effectively discharge their respective roles as Directors of the Company and recommended the Retiring Directors be re-elected as the Directors of the Company.

### Ordinary Resolution 5 - Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organise a general meeting.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 75.1 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

- (1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 75.1 of the Constitution of the Company provides as follows:

"75.1 Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities proposed to be issued shall, before they are issued be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by written notice specifying the number of shares or convertible Securities offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or convertible Securities offered, the Directors may dispose of those shares or convertible Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or convertible Securities which (by reason of the ratio which the new shares or Securities bear to shares or convertible Securities held by the persons entitled to an offer of new shares or convertible Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution."

The proposed Ordinary Resolution 5, if passed, will exclude the pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2) of the Listing Requirements: -

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as a Director at the 2<sup>nd</sup> AGM of the Company.

2. General mandate for issue of securities in accordance with Rule 6.04 of the Listing Requirements.

Please refer to Explanatory Note of the Notice of 2<sup>nd</sup> AGM for information relating to general mandate for issue of securities.





## AGMO HOLDINGS BERHAD

[Registration No. 201701000550 (1214700-W)]  
(Incorporated in Malaysia)

| No. of shares held | CDS Account no. |
|--------------------|-----------------|
|                    |                 |
| Telephone no.      | Email address   |
|                    |                 |

### PROXY FORM

\*I/We \_\_\_\_\_ NRIC/Passport no./Registration no. \_\_\_\_\_  
(full name in block)

of \_\_\_\_\_  
(address)

being a \*member/members of AGMO HOLDINGS BERHAD ("Company"), hereby appoint:

|     |               |   |                |                       |   |       |
|-----|---------------|---|----------------|-----------------------|---|-------|
| (1) | Name of proxy | : | _____          | NRIC/<br>Passport no. | : | _____ |
|     | Address       | : | _____<br>_____ |                       |   |       |
|     | Email address | : | _____          | Telephone no.         | : | _____ |
| (2) | Name of proxy | : | _____          | NRIC/<br>Passport no. | : | _____ |
|     | Address       | : | _____<br>_____ |                       |   |       |
|     | Email address | : | _____          | Telephone no.         | : | _____ |

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Second Annual General Meeting ("2<sup>nd</sup> AGM") of the Company to be conducted virtually through live streaming and Remote Participation and Voting ("RPV") Facilities from the broadcast venue at Level 43A, MYEG Tower, Empire City, No.8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 5 September 2023 at 10.00 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:

Please indicate with an "x" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific instructions, your proxy will vote or abstain as he/she thinks fit.

| No. | Ordinary Resolution   | For | Against |
|-----|---|-----|---------|
| 1.  | To re-elect Dato' Low Hann Yong who is retiring by rotation pursuant to Clause 130.1 of the Company's Constitution  |     |         |
| 2.  | To re-elect Tan Aik Keong who is retiring by rotation pursuant to Clause 130.1 of the Company's Constitution  |     |         |
| 3.  | To approve the payment of Directors' fees and other benefits amounting to RM120,000 to the Directors of the Company from the conclusion of the 2 <sup>nd</sup> AGM up to the conclusion of the 3 <sup>rd</sup> AGM. |     |         |
| 4.  | To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.   |     |         |
| 5.  | Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016   |     |         |

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2023

\_\_\_\_\_  
Signature/Common Seal of Member

\* Strike out whichever is not applicable

| For the appointment of two proxies, percentage of shareholdings to be represented by the proxies: |               |                |
|---|---------------|----------------|
|   | No. of shares | Percentage (%) |
| Proxy 1   |               |                |
| Proxy 2   |               |                |
| <b>Total</b>  |               | <b>100</b>     |

Fold this flap for sealing

**Notes:-**

1. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) who is entitled to attend, participate, speak and vote at the meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
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3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said securities account.
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6. The instrument appointing a proxy shall be made via hardcopy and must be deposited it at the Share Registrar's Office, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Khay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time set for holding the meeting (no later than Sunday, 3 September 2023 at 10.00 a.m.) or at any adjourned meeting at which the person named in the appointment proposes to vote.

Alternatively, individual shareholders may choose to submit the electronic Proxy Form ("e-Proxy Form") using RPV facilities via Vote2U at <https://web.vote2u.my> no later than Sunday, 3 September 2023 at 10.00 a.m. or at any adjournment of the virtual meeting. Please refer to the Administrative Guide for shareholders for the procedures to submit the Proxy Form/e-Proxy Form.

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AFFIX  
STAMP

The Share Registrar of

**AGMO HOLDINGS BERHAD**

[Registration No. 201701000550 (1214700-W)]

**Boardroom Share Registrars Sdn. Bhd.**

11th Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Khay Kim  
Seksyen 13  
46200 Petaling Jaya  
Selangor Darul Ehsan

1<sup>st</sup> fold here

7. For the purpose of determining a member who shall be entitled to attend the meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 28 August 2023. Only members whose names appear in the General Meeting Record of Depositors as at 28 August 2023 shall be entitled to attend, participate, speak and vote at the Meeting.
8. Pursuant to Rule 8.31A(1) of the Listing Requirements, all resolutions set out in this Notice of the Meeting will be put to vote by way of poll.



[www.agmo.group](http://www.agmo.group)

**AGMO HOLDINGS BERHAD**

Registration No. 201701000550 (1214700-W)

Level 38, MYEG Tower, Empire City Damansara, Jalan PJU 8,  
Damansara Perdana, 47820 Petaling Jaya, Selangor, Malaysia.

Tel: +603-76648515 Email: [hello@agmostudio.com](mailto:hello@agmostudio.com)