

Type	ANNOUNCEMENT
Subject	OTHERS
Description	<p>AGMO HOLDINGS BERHAD (“AHB” OR THE “COMPANY”)</p> <p>- MEMORANDUM OF AGREEMENT BETWEEN AGMO STUDIO SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF THE COMPANY AND SASBADI ONLINE SDN. BHD., A WHOLLY OWNED SUBSIDIARY OF SASBADI HOLDINGS BERHAD</p>

1. Introduction

The Board of Directors of AHB wishes to announce that Agmo Studio Sdn. Bhd. [Registration No. 201201001183 (974707-M)] (“**AGMO**”), a wholly owned subsidiary of the Company, had on 18 February 2025 entered into a Memorandum of Agreement (“**MOA**”) with Sasbadi Online Sdn. Bhd. [Registration No. 201101023247 (951383-X)] (“**SASBADI**”), a wholly owned subsidiary of Sasbadi Holdings Berhad [Registration No. 201201038178 (1022660-T)] (“**SHB**”), to establish a joint venture company (“**JV Company**”) to undertake the development and commercialisation of an Artificial Intelligence (“**AI**”) solution (“**Solution**”) in the form of a local Large Language Model (LLM) (“**Model**”) for the education sector, and other related services within this scope (“**Collaboration**”).

(AGMO and SASBADI shall hereinafter be collectively referred to as “**Parties**” and individually as “**Party**”).

2. Information on the Parties

2.1 AGMO

AGMO was incorporated on 11 January 2012 as a private company limited by shares with its registered address at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200, Kuala Lumpur, Wilayah Persekutuan. The principal activity of AGMO is provision of digital solutions and application development services.

The Directors of AGMO are Tan Aik Keong and Low Kang Wen, who are also the directors and substantial shareholders of AHB.

2.2 SASBADI

SASBADI was incorporated on 5 July 2011 as a private company limited by shares with its registered address at Lot 5, Level 10, Menara Great Eastern 2, No. 5, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan. The principal activity of SASBADI is publication of online or digital education materials.

The Directors of SASBADI are Law King Hui and Law Yi Chian, who are also the directors of its holding company, SHB, a company listed on the Main Market of Bursa Malaysia Securities Berhad. Law King Hui is also a substantial shareholder of SHB.

3. Salient Terms of MOA

3.1 Collaboration

The Parties enter into the MOA to set out the principal terms regulating their relationship as well as their mutual understanding in respect of the Collaboration.

The responsibilities of AGMO with regards to the Collaboration shall be as follows:

- (a) **Development and maintenance of the Model:** Responsible for the design, architecture and development of the Model. AGMO shall also provide continuous maintenance, including performance tuning and bug fixes to ensure optimal operation;
- (b) **Research and development activities:** Lead ongoing research to identify new methodologies, frameworks and technological advancements in AI;
- (c) **Technological supports and updates:** Providing ongoing technical assistance and improvements for the Model, including managing the hosting of the Model on cloud infrastructure and provide technical user documentation and support to users; and
- (d) **Data security and privacy compliance:** Implement data security measures to safeguard personal data and other sensitive information processed by the Model.

The responsibilities of SASBADI with regards to the Collaboration shall be as follows:

- (a) **Access to educational materials and data:** Provide access to SASBADI's comprehensive library of digital education materials that will be integrated into the Model;
- (b) **Intellectual property licensing:** Grant the JV Company the non-transferable, non-exclusive licenses and rights to use, adapt and incorporate any proprietary educational content, software and intellectual property into the Model;
- (c) **Content integration:** Actively collaborate with AGMO in facilitating the integration of SASBADI's educational content into the Model;
- (d) **Validation and testing:** Validate the effectiveness and assist in the testing of the Model to ensure that the content, learning methodologies, and interactions provided by the Model align with the intended educational outcomes; and
- (e) **Expertise on the local education sector:** Provide critical insights and expertise on the local education market, and advise on how to adapt the educational content to the unique needs of local students and teachers.

The shared responsibilities of both Parties shall be as follows:

- (a) **Marketing strategies:** Formulate and execute marketing strategies that drives adoption of the Solution.

3.2 Equity Participation in JV Company

The agreed shareholdings in the JV Company, are specified as follows: -

No.	Party	Equity Percentage
(a)	SASBADI	55%
(b)	AGMO	45%
	Total	100%

3.3 Term

The MOA shall be effective from 18 February 2025 (“**Effective Date**”) and shall continue in effect until the Parties enter into a Joint Venture Agreement (“**JVA**”) in respect of the Collaboration (“**Term**”). The Parties agree to finalise and execute the JVA no later than three (3) months from the Effective Date or such other date as may be determined by the Parties in writing.

4. Rationale of the MOA

The purpose of the MOA is to undertake the collaboration in the areas as disclosed in Section 1 of this announcement.

5. Financial Effects

The MOA is not expected to have any material effect on the earnings per share, net assets per share, gearing, share capital and substantial shareholders’ shareholdings of the Company for the financial year ending 31 March 2025.

Barring any unforeseen circumstances, the Collaboration is expected to contribute positively to the Company’s consolidated earnings per share and net assets per share in the future.

6. Risk Factors

The Company does not foresee any exceptional risk other than the normal operational risks associated with collaborations with strategic partners. The Board believes that the experience and expertise of its management team will enable the Company to mitigate these risks effectively.

7. Directors’ and/or Substantial Shareholders’ Interest

None of the Directors and substantial shareholders of AHB and/or persons connected to them have any interest, direct or indirect, in the MOA.

8. Statement by Directors

The Board of Directors of the Company, having considered all aspects of the MOA is of the opinion that the MOA is in the best interest of AHB.

9. Approval Required

The MOA does not require the approval of shareholders of the Company and any relevant government authorities.

This announcement is dated 18 February 2025.