

THIS PROSPECTUS HAS NOT BEEN REGISTERED BY BURSA MALAYSIA SECURITIES BERHAD. THE INFORMATION IN THIS PROSPECTUS MAY BE SUBJECT TO FURTHER AMENDMENTS BEFORE BEING REGISTERED BY BURSA MALAYSIA SECURITIES BERHAD. UNDER NO CIRCUMSTANCES SHALL THIS PROSPECTUS CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR AN INVITATION TO SUBSCRIBE FOR OR PURCHASE SECURITIES.

PROSPECTUS



AGMO HOLDINGS BERHAD

Registration No. 201701000550 (1214700-W)

(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

INITIAL PUBLIC OFFERING (“IPO”) COMPRISING:

PUBLIC ISSUE OF 85,000,000 NEW ORDINARY SHARES IN AGMO HOLDINGS BERHAD (“AGMO” OR THE “COMPANY”) (“SHARES”) (“PUBLIC ISSUE SHARES”) IN THE FOLLOWING MANNER:

- (I) 16,250,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
- (II) 6,500,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, KEY SENIOR MANAGEMENT, EMPLOYEES AND BUSINESS ASSOCIATES OF AGMO AND ITS SUBSIDIARIES; AND
- (III) 62,250,000 NEW SHARES AVAILABLE FOR PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN IPO PRICE OF RM[•] PER SHARE PAYABLE IN FULL ON APPLICATION IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”).

Principal Adviser, Sponsor, Underwriter and Placement Agent

kenanga

KENANGA INVESTMENT BANK BERHAD

Registration No. 197301002193 (15678-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

No securities will be allotted or issued based on this Prospectus after 6 months from the date of this Prospectus.

[Bursa Securities has approved the admission of our Company to the official list of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities. This Prospectus has been registered by Bursa Securities.] The approval for the admission of our Company to the official list of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, and the registration of this Prospectus should not be taken to indicate that Bursa Securities recommends our IPO or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Prospectus. Bursa Securities has not, in any way, considered the merits of the securities being offered for investment.

Bursa Securities is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 210.

THE ACE MARKET IS AN ALTERNATIVE MARKET DESIGNED PRIMARILY FOR EMERGING CORPORATIONS THAT MAY CARRY HIGHER INVESTMENT RISK WHEN COMPARED WITH LARGER OR MORE ESTABLISHED CORPORATIONS LISTED ON THE MAIN MARKET. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET. YOU SHOULD BE AWARE OF THE RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION.

THIS ISSUE, OFFER OR INVITATION FOR THE OFFERING IS A PROPOSAL NOT REQUIRING APPROVAL, AUTHORISATION OR RECOGNITION OF THE SECURITIES COMMISSION MALAYSIA (“SC”) UNDER SECTION 212(8) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (“CMSA”).

THIS PROSPECTUS IS DATED [•]

All defined terms used in this Prospectus are defined under “Definitions” commencing on page x, “Glossary of Technical Terms” commencing on page xvi and “Presentation of Financial and Other Information” commencing on page viii.

RESPONSIBILITY STATEMENTS

The Directors and Promoters (as defined in this Prospectus) of Agmo have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

Kenanga Investment Bank Berhad (“**Kenanga IB**”), being our Principal Adviser, Sponsor, Underwriter and Placement Agent in relation to our IPO (as defined in this Prospectus), acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

[Our Company has obtained the approval of Bursa Securities for our Listing (as defined in this Prospectus).] Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

[This Prospectus, together with the Application Form (as defined in this Prospectus), have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.]

OTHER STATEMENTS

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the CMA for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to this Prospectus or the conduct of any other person in relation to our Company.

Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the CMA, is responsible.

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our Shares are issued / offered in Malaysia solely based on the contents of this Prospectus. Our Company, our Promoters and our Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith. It shall be your sole responsibility, if you are or may be subject to the laws of any country or jurisdiction other than Malaysia, to consult your legal and / or other professional advisers as to whether your application for our IPO would result in the contravention of any law of such country or jurisdiction which you may be subject to. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any other application made by you shall be illegal, unenforceable, avoidable or void in any such country and jurisdiction.

Further, it shall also be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of this Prospectus and would not be in contravention of any law of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you have accepted our IPO in Malaysia and will at all applicable times be subjected only to the laws of Malaysia in connection therewith. However, we reserve the right, in our absolute discretion, to treat any acceptance as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus (as defined in this Prospectus) and this Prospectus registered by Bursa Securities are the same.

You are advised that the internet is not a fully secured medium and that your Internet Share Application (as defined in this Prospectus) may be subject to risks of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions (as defined in this Prospectus). These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt about the validity or integrity of the Electronic Prospectus, you should immediately request a paper / printed copy of this Prospectus from us, our Principal Adviser or Issuing House (as defined in this Prospectus). If there is any discrepancy between the contents of the Electronic Prospectus and the contents of the paper / printed copy of this Prospectus for any reason whatsoever, the contents of the paper / printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with Bursa Securities, shall prevail.

In relation to any reference in this Prospectus to third party internet sites (referred to as "**Third Party Internet Sites**") whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third Party Internet Sites and are not responsible for the availability of, or the content or any data, information, files or other materials provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, particularly in fulfilling any of the terms of any of your agreements with the Third Party Internet Sites. We and our Principal Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and
- (iii) any data, information, files or other materials downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, files, information or other materials.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, i.e. to the extent that the content of the Electronic Prospectus on the web server of the Internet Participating Financial Institutions may be viewed via web browser or other relevant software. The Internet Participating Financial Institutions are not responsible for the integrity of the contents of the Electronic Prospectus, which has been obtained from the web server of the Internet Participating Financial Institutions and subsequently communicated or disseminated in any manner to you or other parties; and
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed because the internet is not a fully secured medium.

The Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs that you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institution, and / or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

| <u>Events</u> | <u>Indicative Dates</u> |
|--|--------------------------------|
| Opening of application for our IPO | [•] |
| Closing of application for our IPO | [•] |
| Balloting of Application | [•] |
| Allotment of IPO Shares to successful applicants | [•] |
| Listing on the ACE Market | [•] |

In the event there is any change to the timetable, we will advertise a notice of change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation. Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “Agmo” and “our Company” in this Prospectus are to Agmo Holdings Berhad, references to the “Agmo Group” or “our Group” are to our Company, our Subsidiaries and our Joint Venture Company taken as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and key senior management personnel as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to “you” are to our prospective investors.

Any reference in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any legislation, statute or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest tenth or 1 decimal place, where applicable and hence may not be exact. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

All reference to dates and times are references to dates and times in Malaysia unless otherwise stated. All references to the “LPD” in this Prospectus are referred to 15 December 2021, which is the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

This Prospectus includes statistical data provided by us and various third parties. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where there is no source stated, it can be assumed that the information originates from us or is extracted from the Independent Market Research Report prepared by Smith Zander (as defined in this Prospectus) which is included in Section 8 of this Prospectus. Smith Zander has been appointed to provide an Independent Market Research Report. In compiling its data for the review, Smith Zander had relied on its research methodology, industry sources, published materials, its own private databases and direct contacts within the industry.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail. The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, future plans and prospects, and objectives of our Group for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Group's current view with respect to future events and are not a guarantee of future performance.

Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) our future overall business development and operations;
- (ii) our future financial performance and financing plans including earnings, cash flow and liquidity;
- (iii) potential growth opportunities;
- (iv) our business strategies, trends and competitive position and the effect of such competition;
- (v) the plans and objectives of our Company for future operations;
- (vi) the general industry environment, including the demand and supply for our products and services;
- (vii) our ability to pay dividends; and
- (viii) the regulatory environment and the effects of future regulation.

Our actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the general economic, business, social, political and investment environment in Malaysia and globally; and
- (ii) government policy, legislation and regulation.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to those discussed in Section 9 of this Prospectus on "Risk Factors" and Section 12.3 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

Should we become aware of any subsequent material change or development affecting matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of our Public Issue Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Paragraphs 3.12D and 3.12E of the Listing Requirements (as defined in this Prospectus).

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

| | | |
|------------------------|---|---|
| ACE Market | : | ACE Market of Bursa Securities |
| Act | : | Companies Act 2016, including amendments from time to time and any re-enactment thereof |
| ADA | : | Authorised Depository Agent, a person appointed by Bursa Depository under the Rules |
| ADA Code | : | ADA (Broker) Code |
| Admission | : | Admission of our Shares to the Official List of the ACE Market |
| Agmo or Company | : | Agmo Holdings Berhad (Registration No. 201701000550 (1214700-W)) |
| Agmo Capital | : | Agmo Capital Sdn. Bhd. (Registration No. 201701000547 (1214697-U)) |
| Agmo Digital Solutions | : | Agmo Digital Solutions Sdn. Bhd. (Registration No. 202001011508 (1367828-P)) |
| Agmo Genesis | : | A development framework that consists of multiple components embedding programmed coding of standard core functions, as set out in Section 7.3.1 of this Prospectus |
| Agmo Group or Group | : | Agmo, our Subsidiaries and our Joint Venture Company, collectively |
| Agmo Sierra | : | Agmo Sierra Holdings Sdn. Bhd. (Registration No. 202101001353 (1401651-V)) (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.) |
| Agmo Studio | : | Agmo Studio Sdn. Bhd. (Registration No. 201201001183 (974707-M)) |
| Agmo Tech | : | Agmo Tech Sdn. Bhd. (Registration No. 202001027870 (1384190-D)) |
| Application | : | Application for our IPO Shares by way of Application Form, the Electronic Share Application or the Internet Share Application |
| Application Form(s) | : | The printed application form for the application of our IPO Shares |
| ATM | : | Automated Teller Machine |
| AWS | : | Amazon Web Services |
| Board | : | Board of Directors of Agmo |
| Bursa Depository | : | Bursa Malaysia Depository Sdn. Bhd. (Registration No. 198701006854 (165570-W)) |
| Bursa Securities | : | Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W)) |
| CAGR | : | Compound annual growth rate |

DEFINITIONS (CONT'D)

| | | |
|-----------------------------------|---|--|
| CCM | : | Companies Commission of Malaysia |
| CDS | : | Central Depository System |
| CDS Account(s) | : | An account established by Bursa Depository for the recording of deposits or securities and for dealings in such securities by the Depositor |
| Central Depositories Act or SICDA | : | Securities Industry (Central Depositories) Act 1991, including amendments from time to time and any re-enactment thereof |
| CFO / CCC | : | Certificate of Fitness for Occupation / Certificate of Completion and Compliance |
| CMSA | : | Capital Markets and Services Act 2007, including amendments from time to time and any re-enactment thereof |
| Company A | : | Company A is a group of companies comprising entities in Hong Kong and Malaysia, which are subsidiaries of a multinational logistics company (a company listed on Hong Kong Stock Exchange) with headquarters in Hong Kong that is principally involved in supply chain solutions covering amongst others, international freight forwarding, multimodal transportation, land freight, industrial project logistics and cross-border e-commerce across multiple countries in Asia, Oceania, Europe, North America, Latin America, Middle East, Africa and Commonwealth of Independent States (CIS). There is a non-disclosure agreement entered into between Agmo Studio and Company A which restricts Agmo Studio from disclosing the information relating to the existing and proposed business affairs of Company A. However, the non-disclosure agreement does not restrict Agmo Studio from disclosing the information under Section 7.16 of this Prospectus. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company A to seek consent for disclosure of the name and financial information of Company A pursuant to our IPO but the consent to disclosure was refused. |
| Company B | : | Company B is a Malaysian company incorporated through a joint venture between a Taiwanese company (a company listed on Taiwan Stock Exchange) and a Malaysian company (a company listed on Bursa Securities). Company B is principally involved in the provision of financial services including auto finance, car insurance, equipment finance and cross border finance. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company B which restricts Agmo Studio from disclosing the information under Section 7.16 of this Prospectus. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company B to seek consent for disclosure of the name and financial information of Company B pursuant to the IPO but the consent to disclosure was refused. |

DEFINITIONS (CONT'D)

- Company C : Company C is a Malaysian audit firm which is principally involved in the provision of services related to audit and assurance, tax, financial advisory, risk advisory, consulting and related services. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company C which restricts Agmo Studio from disclosing the information under Section 7.16 of this Prospectus. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company C to seek consent for disclosure of the name and financial information of Company C pursuant to the IPO but the consent to disclosure was refused.
- Company D : Company D is a Sri Lankan company, which is a subsidiary of a multinational hospitality company (a company listed on Hong Kong Stock Exchange and Singapore Exchange) with headquarters in Hong Kong that is principally involved in hotel management and the provision of hospitality services across multiple countries in Asia, Middle East, Europe, North America, Oceania and Africa. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company D which restricts Agmo Studio from disclosing the information under Section 7.16 of this Prospectus. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company D to seek consent for disclosure of the name and financial information of Company D pursuant to the IPO but the consent to disclosure was refused.
- Company E : Company E is a Malaysian digital marketing agency that specialises in e-commerce and multimedia consulting services. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company E which restricts Agmo Studio from disclosing the information under Section 7.16 of this Prospectus. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company E to seek consent for disclosure of the name and financial information of Company E pursuant to the IPO but the consent to disclosure was refused.
- Company F : Company F is a Malaysian manufacturing company that is principally involved in the manufacturing of radioactive coolant, brake fluids and related products to support the automotive industry. Company F is headquartered in Malaysia with an oversea office in Singapore. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company F which restricts Agmo Studio from disclosing the information under Section 7.16 of this Prospectus. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company F to seek consent for disclosure of the name and financial information of Company F pursuant to the IPO but the consent to disclosure was refused.
- COVID-19 : Coronavirus disease 2019
- Depositor : A holder of a CDS Account
- Director(s) : Director(s) of our Company and shall have the meaning given in Section 2 of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of the Company or any other company which is a subsidiary of the Company or a holding of the Company
- EBITDA : Earnings before interest, taxation, depreciation and amortisation

DEFINITIONS (CONT'D)

| | | |
|---|---|---|
| Electronic Prospectus | : | An electronic copy of this Prospectus that has been registered by Bursa Securities, which is being issued, circulated, distributed, stored or hosted on digital platforms or electronic storage mediums. This includes, but is not limited to, website, mobile application, email, compact disc, thumb drive and cloud-based storage |
| Electronic Share Application | : | Application for our IPO Shares through a Participating Financial Institution's ATM |
| Eligible Persons | : | Eligible Directors, key senior management, employees and business associates of Agmo and our Subsidiaries who have contributed to the success of our Group, as further detailed in Section 4.3.1(ii) of this Prospectus |
| EPS | : | Earnings per Share |
| Financial Years Under Review | : | FYE 2019, FYE 2020, FYE 2021 and FYE 2022 |
| FYE | : | Financial year ended / ending 31 March, as the case may be |
| Government | : | Government of Malaysia |
| GLCs | : | Government-Linked Companies |
| GP | : | Gross profit |
| Grant Thornton | : | Grant Thornton Malaysia PLT (201906003682 (LLP0022494-LCA) & AF 0737), our Auditors and Reporting Accountants |
| Hong Kong | : | Hong Kong Special Administrative Region of the People's Republic of China |
| IFRS | : | International Financial Reporting Standards |
| IMR Report | : | Independent Market Research Report on the Mobile and Web Application Development Industry in Malaysia and Singapore |
| Internet Participating Financial Institution(s) | : | Participating financial institution(s) for the Internet Share Applications, which is set out in Section 15 of this Prospectus |
| Internet Share Application | : | Application for the Public Issue Shares through an Internet Participating Financial Institution |
| Investee Companies | : | The following companies where Agmo holds an indirect interest of less than 20.0% via Agmo Capital: <ul style="list-style-type: none"> (i) Heydoc International Sdn. Bhd. (Registration No. 201501015897 (1141230-T)) (ii) EzLaw International Sdn. Bhd. (Registration No. 201601037838 (1208779-X)) (iii) NextProperty Ventures Sdn. Bhd. (Registration No. 201501008616 (1133951-M)) (iv) NextRent Sdn. Bhd. (Registration No. 201701029578 (1243747-V)) (v) Advisonomics Sdn. Bhd. (Registration No. 201901041580 (1350910-W)) |
| IPO | : | Initial public offering comprising the Public Issue |

DEFINITIONS (CONT'D)

| | | |
|--|---|--|
| IPO Price | : | RM[●] per IPO Share, being the price payable by investors under the Public Issue |
| IPO Shares or Public Issue Shares | : | The 85,000,000 new Shares, which are the subject of the Public Issue |
| Issuing House | : | Malaysian Issuing House Sdn. Bhd. (Registration No. 199301003608 (258345-X)) |
| Joint Venture Company or WorkGrowth Technology | : | WorkGrowth Technology Sdn. Bhd. (Registration No. 202101008613 (1408912-A)) |
| Kenanga IB or Principal Adviser or Sponsor or Underwriter or Placement Agent | : | Kenanga Investment Bank Berhad (Registration No. 197301002193 (15678-H)), our principal adviser, sponsor, underwriter and placement agent |
| Listing | : | Admission to the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities |
| Listing Requirements | : | ACE Market Listing Requirements of Bursa Securities |
| Listing Scheme | : | Share Consolidation, IPO and Listing, collectively |
| LPD | : | 15 December 2021, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities |
| Malaysian Public | : | Malaysian citizens, companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia |
| Market Day | : | A day on which Bursa Securities is open for trading in securities |
| MCO | : | Movement control order |
| MD&A | : | Management discussion and analysis |
| MDEC | : | Malaysia Digital Economy Corporation Sdn. Bhd. (Registration No. 199601016995 (389346-D)) |
| MFRS | : | Malaysian Financial Reporting Standards, as issued by the Malaysian Accounting Standards Board |
| MNCs | : | Multinational Corporations |
| MSC | : | Multimedia Super Corridor |
| MyIPO | : | Intellectual Property Corporation of Malaysia |
| NA | : | Net assets |
| NBV | : | Net book value |
| NL | : | Net liabilities |
| NRP | : | National Recovery Plan |

DEFINITIONS (CONT'D)

| | | |
|---|---|---|
| NTA | : | Net tangible assets |
| Official List | : | A list specifying all securities which have been admitted for listing which have not been removed from the ACE Market |
| Participating Financial Institutions(s) | : | The participating financial institution(s) for the Electronic Share Application, which is set out in Section 15 of this Prospectus |
| PAT | : | Profit after taxation |
| PATAMI | : | Profit after taxation attributable to the owners of our Company |
| PBT | : | Profit before taxation |
| PE Multiple | : | Price earnings multiple |
| Pink Form Shares | : | The total of 6,500,000 Public Issue Shares of our Company representing approximately 2.0% of the enlarged issued share capital of our Company at the IPO Price to be issued to the Eligible Persons |
| Placement Shares | : | 62,250,000 Public Issue Shares made available by way of private placement to selected investors |
| Promoters or Specified Shareholders | : | Tan Aik Keong, Low Kang Wen, Tham Chin Seng and Agmoian Sdn. Bhd., collectively. |
| Prospectus | : | This prospectus dated [•] |
| Public Issue | : | The invitation by our Company to the Malaysian Public to subscribe for the Public Issue Shares at the IPO Price, payable in full upon Application, subject to the terms and conditions of this Prospectus |
| Public Issue Shares | : | New Shares to be issued by our Company under the Public Issue |
| R&D | : | Research and development |
| Record of Depositors | : | A record provided by Bursa Depository to Agmo under Chapter 34 of the Rules |
| Rules | : | Rules of Bursa Depository |
| SC | : | Securities Commission Malaysia |
| Share(s) | : | Ordinary share(s) in our Company |
| Share Consolidation | : | Consolidation of 5 existing Shares into 3 Shares, as set out in Section 6.5.1 of the Prospectus. |
| Share Registrar | : | Boardroom Share Registrars Sdn. Bhd. (Registration No. 199601006647 (378993-D)) |
| SMEs | : | Small and medium enterprises |
| Smith Zander or IMR | : | Smith Zander International Sdn. Bhd. (Registration No. 201301028298 (1058128-V)), our independent market researcher |
| Subsidiaries | : | Agmo Studio, Agmo Capital, Agmo Digital Solutions, Agmo Tech and Agmo Sierra |

DEFINITIONS (CONT'D)

Underwriting Agreement : The underwriting agreement dated [•] entered into between our Company and Kenanga IB pursuant to our Listing

Currencies and units

HKD : Hong Kong Dollar, the lawful currency of Hong Kong Special Administrative Region of the People's Republic of China

RM and sen : Ringgit Malaysia and sen, the lawful currency of Malaysia

SGD : Singapore Dollar, the lawful currency of the Republic of Singapore

USD : United States Dollar, the lawful currency of the United States of America

% : Per centum

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GLOSSARY OF TECHNICAL TERMS

The following technical terms used in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

| | | |
|--|---|--|
| Adaptive maintenance | : | A type of maintenance carried out to ensure that the application can be run or executed after a change to its operating environment or operating system |
| Application Programming Interface or API | : | A software intermediary that connects and allows data transmission between the front-end user interface and the back-end system of an application |
| Artificial intelligence | : | A simulation of human intelligence by machines to perform human-like tasks such as problem-solving |
| Augmented Reality or AR | : | A type of immersive technology that involves the projection of digital visual elements or virtual objects into the real world to allow users to interact with the digital visual elements or virtual objects. The application of AR is often coupled with the usage of mobile applications and the embedded camera scanning functions of the applications. |
| Blockchain technology | : | A decentralised system that serves as a database and is used to record information / data / transactions in a secured manner which is inalterable and non-rewritable |
| Chatbot | : | A software application used to facilitate conversations via text messages over the internet between users and customer service personnel / hosts / application owners |
| Cloud | : | A type of software deployment method that enables users to store data on remote servers and access the data via the internet |
| Computing platform | : | A system that consists of amongst others, an operating system, a web browser, as well as associated APIs and / or hardware devices to allow an application to be deployed and go live |
| Configuration | : | A process of managing, linking and arranging functional units or components of a system systematically |
| Content Management System or CMS | : | A software tool that is used to create, manage and modify contents of an application |
| Corrective maintenance | : | A type of maintenance carried out to identify any potential errors and rectify the errors identified |
| Data analytics | : | A process of analysing raw data sets in order to derive insights from the data |
| Data block | : | A set of data used in a blockchain network whereby the data are stored in a group (i.e. block) |
| Digital solutions | : | Software applications that use digital technology to solve specific industry, business or organisational problems and / or to enhance the operational efficiency of businesses and companies |
| Extended Reality or XR | : | An umbrella term encompassing all immersive technologies, namely virtual reality, augmented reality, mixed reality and other immersive technologies that may be created in the future |

GLOSSARY OF TECHNICAL TERMS (CONT'D)

| | | |
|--|---|--|
| Mini-application | : | A type of application that serves as an add-on or additional function, and is integrated into other applications |
| Mixed Reality or MR | : | A type of immersive technology that merges both physical and digital environments to provide users with combined experience of both real world and virtual world, allowing the users to interact with both real and digital objects in real time. The application of MR is often coupled with the usage of devices such as MR headsets to be worn by the users |
| Online ticketing system | : | A system that converts incoming customer support requests into tickets which helps the customer support team to track, monitor and resolve customers' issues |
| On-premises software | : | A type of software deployment method whereby the software is installed and operated from an organisation's in-house server and computing infrastructure |
| Preventive maintenance | : | A type of maintenance carried out regularly to prevent the occurrence of errors |
| Push notification | : | A form of information delivery from an application which is initiated by a server to users through a message and / or a pop-up notification |
| Remote participation and voting platform or RPV platform | : | An application that is used to facilitate the organisation of virtual meetings that involves online voting, such as Annual General Meetings and Extraordinary General Meetings |
| Supernode | : | An electronic device in a blockchain network which has a publicly visible Internet Protocol (IP) address that can be discovered by other electronic devices in the blockchain network. A supernode transmits and receives information from any other electronic devices in the blockchain network that establish a connection with it |
| Troubleshooting | : | A form of problem solving, often applied to identify and fix technical issues found in machines, computers and software systems |
| User acceptance testing | : | A type of testing conducted by end users to verify and ensure that a software system performs correctly as per the end user's requirements |
| User experience or UX | : | The experience of users interacting and communicating through an application |
| User interface or UI | : | A space which enables interaction between users and computer systems |
| Virtual Reality or VR | : | A type of immersive technology that allows users to immerse in an entirely virtual environment with surroundings and objects generated by computers that appear to be real. The application of VR is often coupled with the usage of devices such as VR headsets to be worn by the users |

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

| Name (Designation) | Address | Nationality | Gender |
|---|--|--------------------|---------------|
| Dato' Low Hann Yong (<i>Non-Independent Non-Executive Chairman</i>) | 5, Jalan SS 21/23 Damansara Utama 47400 Petaling Jaya Selangor | Malaysian | Male |
| Tan Aik Keong (<i>Non-Independent Executive Director / Chief Executive Officer</i>) | No. 9, Lengkok Selinsing Taman Kok Lian 51200 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur | Malaysian | Male |
| Low Kang Wen (<i>Non-Independent Executive Director / Chief Operating Officer</i>) | 15, Jalan SU 50 Taman Selayang Utama 68100 Batu Caves Selangor | Malaysian | Male |
| Dr. Lau Cher Han (<i>Independent Non-Executive Director</i>) | 15, Jalan Austin Heights 1/23 81100 Taman Mount Austin Johor | Malaysian | Male |
| Datin Yap Shin Siang (<i>Independent Non-Executive Director</i>) | 9, Duta Tropika Jalan Dutamas 1 Off Jalan Duta 50480 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur | Malaysian | Female |
| Mohd Fairuz bin Mohd Azrul (<i>Independent Non-Executive Director</i>) | 11-10-1, Desa Damansara Jalan Setiakasih Bukit Damansara 50490 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur | Malaysian | Male |

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1. CORPORATE DIRECTORY (CONT'D)

AUDIT AND RISK MANAGEMENT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

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1. CORPORATE DIRECTORY (CONT'D)

- COMPANY SECRETARY** : Tan Tong Lang (MAICSA 7045482)
CCM Practicing Certificate No. 202208000250
(Chartered Secretary, Associate Member of the Malaysian
Institute of Chartered Secretaries & Administrators)
Boardroom.com Sdn. Bhd.
(Registration No.: 200801019600 (820910-X))
Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam
Selangor Darul Ehsan
Malaysia
- Telephone No. : (603) 7890 0638
Facsimile No. : (603) 7890 1032
- REGISTERED OFFICE** : Level 5, Block B
Dataran PHB,
Saujana Resort, Section U2
40150 Shah Alam
Selangor Darul Ehsan
Malaysia
- Telephone No : (603) 7890 0638
Facsimile No. : (603) 7890 1032
- HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS** : Level 38, MYEG Tower, Empire City Damansara
Jalan PJU 8, Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Telephone No : (603) 7664 8515
- Email : ir@agmostudio.com
Website : www.agmo.group
- PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : Kenanga Investment Bank Berhad
Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
- Telephone No : (603) 2172 2888
Facsimile No. : (603) 2172 2999
- SOLICITORS** : Mah-Kamariyah & Philip Koh
3A07, Block B, Phileo Damansara II
15, Jalan 16/11, Off Jalan Damansara
46350 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Telephone No. : (603) 7956 8686
Facsimile No. : (603) 7956 2208

1. CORPORATE DIRECTORY (CONT'D)

- AUDITORS AND REPORTING ACCOUNTANTS :** Grant Thornton Malaysia PLT
Firm No. 201906003682 (LLP0022494-LCA) & AF 0737
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
Chow Kit
50250 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
- Telephone No : (603) 2692 4022
Facsimile No. : (603) 2691 5229
- Partner-in-charge : Antony Leong Wee Lok
Approval No. : 03381/06/2022(J)
Professional qualification:
1. Malaysian Institute of Accountants ("MIA") (MIA Membership No. 33801)
- INDEPENDENT RESEARCHER MARKET :** Smith Zander International Sdn. Bhd.
15-01, Level 15, Menara MBMR
1, Jalan Syed Putra
58000 Kuala Lumpur
Wilayah Persekutuan (KL)
Malaysia
- Telephone No : (603) 2732 7537
Managing Partner : Dennis Tan Tze Wen
Qualification : Bachelor of Science
Memorial University of
Newfoundland, Canada
- ISSUING HOUSE :** Malaysian Issuing House Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Khay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Telephone No. : (603) 7890 4700
Facsimile No. : (603) 7890 4680
- SHARE REGISTRAR** Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Khay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
- Telephone No. : (603) 7890 4700
Facsimile No. : (603) 7890 4680
- LISTING SOUGHT :** ACE Market of Bursa Securities

2. APPROVALS AND CONDITIONS

2.1 APPROVALS FROM RELEVANT AUTHORITIES

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated [●], approved:

- (i) the admission of our Company to the Official List of the ACE Market of Bursa Securities;
- (ii) the listing of and quotation for our entire enlarged issued share capital on the ACE Market; and
- (iii) the approval-in-principle for the registration of the Prospectus.

The approval from Bursa Securities is subject to the following conditions:

| No. | Details of conditions imposed | Status of compliance |
|-----|-------------------------------|----------------------|
| 1. | [●] | [●] |

2.1.2 SC

Our Listing is an exempt transaction under Section 212(8) of the CMSA and is therefore not subject to the approval of the SC.

[The SC had, vide its letter dated [●], noted the resultant equity structure of our Company pursuant to our Listing under the equity requirement for public listed companies (“**Equity Requirement**”). Agmo Studio was awarded the MSC Malaysia status by MDEC on 7 December 2012, and was the major contributor to the Group’s after-tax profit for the Financial Years Under Review. Accordingly, Agmo is exempted from the Equity Requirement.

Nevertheless, if we undertake subsequent proposals involving:

- (i) a transfer of our listing status to the Main Market of Bursa Securities; or
 - (ii) any acquisition which results in a significant change in our business direction or policy,
- we must submit such application to the SC under the Equity Requirement for a reassessment.]

2.2 MORATORIUM ON SALE OF SHARES

2.2.1 Moratorium on Shares held by our Specified Shareholders and MY E.G. Capital Sdn. Bhd.

In compliance with Rule 3.19 of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders and MY E.G. Capital Sdn. Bhd. as follows:

- (i) the moratorium applies to our Specified Shareholders’ and MY E.G. Capital Sdn. Bhd.’s entire shareholdings for a period of 6 months from the date of our admission to the ACE Market (“**First 6-Month Moratorium**”);
- (ii) upon the expiry of the First 6-Month Moratorium, our Specified Shareholders’ and MY E.G. Capital Sdn. Bhd.’s aggregate shareholdings amounting to at least 45.0% of the total number of issued Shares (adjusted for any bonus issue or subdivision of shares) of Agmo remain under moratorium for a further 6 months (“**Second 6-Month Moratorium**”); and

2. APPROVALS AND CONDITIONS (CONT'D)

- (iii) upon the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third (1 / 3) per annum (on a straight-line basis) of their Shares held under moratorium.

Details of our Shares held by our Specified Shareholders and MY E.G. Capital Sdn. Bhd. which will be subject to moratorium are as follows:

| Name | First 6-Month Moratorium | | Second 6-Month Moratorium | | After the Second 6-Month Moratorium | |
|---|--------------------------|--|---------------------------|--|-------------------------------------|--|
| | No. of Shares held | (1) % of enlarged issued share capital | No. of Shares held | (1) % of enlarged issued share capital | No. of Shares held | (1) % of enlarged issued share capital |
| Shares held by Specified Shareholders | | | | | | |
| Tan Aik Keong | 63,138,462 | 19.4 | 63,138,462 | 19.4 | 46,636,364 | 14.3 |
| Low Kang Wen | 23,261,538 | 7.2 | 23,261,538 | 7.2 | 17,181,818 | 5.3 |
| Tham Chin Seng | 21,600,000 | 6.6 | 21,600,000 | 6.6 | 15,954,545 | 4.9 |
| Agmoian Sdn. Bhd. | 24,000,000 | 7.4 | 24,000,000 | 7.4 | 17,727,273 | 5.5 |
| Shares held by substantial shareholder | | | | | | |
| MY E.G. Capital Sdn. Bhd. | (2) 84,000,000 | 25.8 | (3) 14,250,000 | 4.4 | (4) - | - |
| Total | 216,000,000 | 66.4 | 146,250,000 | 45.0 | 97,500,000 | 30.0 |

Notes:

- (1) Based on our enlarged issued share capital of 325,000,000 Shares after our IPO.
- (2) As the aggregate shareholdings held by our Specified Shareholders upon our Listing amounts to 40.6%, this has not met the requirements of Rule 3.19(1)(b) of the Listing Requirements of having at least 45.0% of the total number of issued Shares held under moratorium during the Second 6-Month Moratorium. Accordingly, our substantial shareholder, namely MY E.G. Capital Sdn. Bhd. has provided a voluntary moratorium undertaking of its entire 84,000,000 Shares during the First 6-Month Moratorium.
- (3) Upon the expiry of the First 6-Month Moratorium, only 14,250,000 Shares held by MY E.G. Capital Sdn. Bhd. will be held under moratorium to meet the requirement pursuant to Rule 3.19(1)(b) of the Listing Requirements of having at least 45.0% of the total number of issued Shares held under moratorium during the Second 6-Month Moratorium and therefore, the remaining 69,750,000 Shares held by MY E.G. Capital Sdn. Bhd. will no longer be held under moratorium upon the expiry of the First 6-Month Moratorium.
- (4) The remaining 14,250,000 Shares held by MY E.G. Capital Sdn. Bhd. will no longer be held under moratorium upon the expiry of the Second 6-Month Moratorium, as the aggregate Shares held under moratorium of 30.0% which is of sale, transfer or assignment up to a maximum of one third (1 / 3) Shares per annum (on a straight-line basis) are met by Tan Aik Keong, Low Kang Wen, Tham Chin Seng and Agmoian Sdn. Bhd.

In accordance with Rule 3.19(2) of the Listing Requirements, where our Specified Shareholder, MY E.G. Capital Sdn. Bhd. or vendor is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation must give undertakings to Bursa Securities that they will not sell, transfer or assign their securities in the unlisted corporation for the requisite moratorium period as disclosed in Sections 2.2.1(i), (ii) and (iii) of this Prospectus.

2. APPROVALS AND CONDITIONS (CONT'D)

In compliance with Rule 3.19(2) of the Listing Requirements:

- (i) the shareholders of Agmoian Sdn. Bhd. namely Tan Aik Keong, Low Kang Wen and Tham Chin Seng have undertaken not to sell, transfer or assign their shareholdings in Agmoian Sdn. Bhd. during the moratorium period; and
- (ii) the sole shareholder of MY E.G. Capital Sdn. Bhd. namely MY E.G. Services Berhad has undertaken not to sell, transfer or assign its shareholdings in MY E.G. Capital Sdn. Bhd. during the First 6-Month Moratorium and Second 6-Month Moratorium period.

The moratorium has been fully accepted by our Specified Shareholders and MY E.G. Capital Sdn. Bhd., who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The above moratorium restriction is specifically endorsed on the share certificates representing the Shares held by our Specified Shareholders and MY E.G. Capital Sdn. Bhd. which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes the aforesaid restriction.

2.2.2 Moratorium on Shares held by pre-Listing investor

In compliance with Rule 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of all shares held by any investor who is not a Specified Shareholder, for a period of 6 months from the date of admission to the Official List of Bursa Securities ("**6-Month Moratorium**") if such investor has acquired the shares of the applicant:

- (i) within 12 months from the date of submission of the listing application to Bursa Securities; and
- (ii) at a price lower than the issue price offered to the general public in conjunction with the IPO.

Details of our Shares held by our pre-Listing investor which will be subject to moratorium are as follows:

| Name | 6-Month Moratorium | | After the 6-Month Moratorium | |
|--|--------------------|---|------------------------------|---|
| | No. of Shares held | ⁽¹⁾ % of enlarged issued share capital | No. of Shares held | ⁽¹⁾ % of enlarged issued share capital |
| Shares held by pre-Listing investor | | | | |
| Vierge Capital Sdn. Bhd. | 7,200,000 | 2.2 | (2) - | - |
| Total | 7,200,000 | 2.2 | - | - |

Notes:

- (1) Based on our enlarged issued share capital of 325,000,000 Shares after our IPO.
- (2) On 29 September 2021, Koomerang Ventures Inc. Sdn. Bhd. transferred its entire Shares to Vierge Capital Sdn. Bhd. In view that the transfer of shares took place within 12 months from the date of submission of the listing application and at approximately RM[●] per Share, which is at a price lower than the IPO Price of RM[●], in compliance with Rule 3.19A of the Listing Requirements, Vierge Capital Sdn. Bhd.'s Shares shall be placed under moratorium only during the 6-Month Moratorium.

In accordance with Rule 3.19(2) of the Listing Requirements, where the Specified Shareholder or vendor is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation must give undertakings to Bursa Securities that they will not sell, transfer or assign their securities in the unlisted corporation during the 6-Month Moratorium period.

2. APPROVALS AND CONDITIONS (CONT'D)

In compliance with Rule 3.19(2) of the Listing Requirements, the shareholders of Vierge Capital Sdn. Bhd. namely Koh Yeow Lay and Then Pei Kee have undertaken not to sell, transfer or assign their shareholdings in Vierge Capital Sdn. Bhd. during the moratorium period.

The moratorium has been fully accepted by Vierge Capital Sdn. Bhd., who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The above moratorium restriction is specifically endorsed on the share certificates representing the Shares held by Vierge Capital Sdn. Bhd. which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes the aforesaid restriction.

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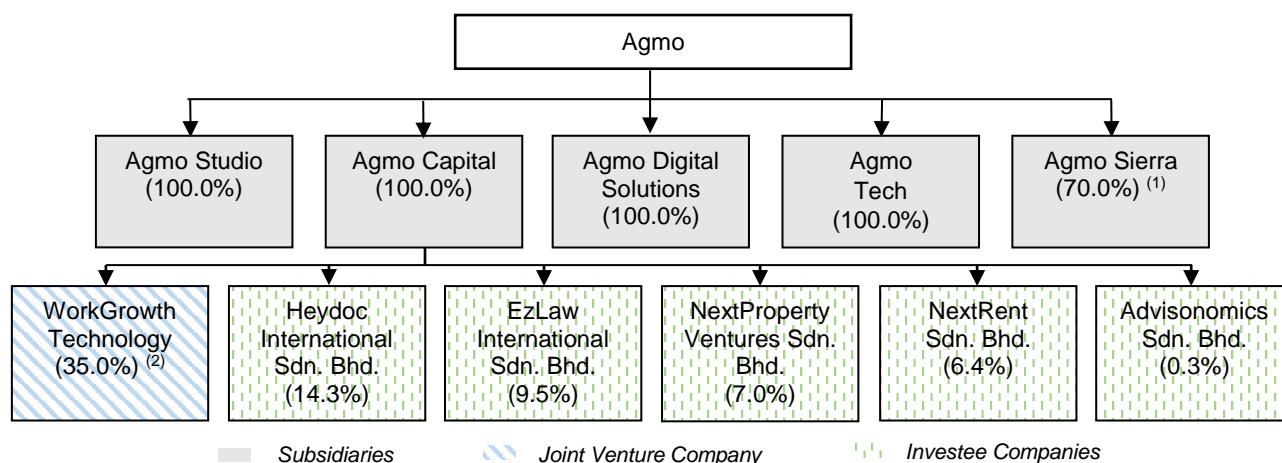
3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 OVERVIEW

Our Company was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 5 January 2017 and is deemed registered under the Act, under the name of Agmo Holdings Sdn. Bhd. We subsequently converted to a public limited company on 30 December 2021 and assumed our present name of Agmo Holdings Berhad to facilitate our Listing.

As at the LPD, the structure of our Group and Investee Companies are as follows:



Notes:

- (1) Remaining ordinary shares are held by Tang Tung Ai (15.0%) and Fong Huang Yee (15.0%), who are not related to the Directors and Promoters of our Group. The equity participation of Tang Tung Ai and Fong Huang Yee is an opportunity for our Group to tap on their technical strength and experience in Java programming language, which strategically complements our Group's expertise and thus enhancing our suite of digital solutions available to our corporate clients.
- (2) Remaining ordinary shares are held by LKC Advance Technology Sdn. Bhd., a company principally involved in other information technology service activities, business and other applications

Further details of our Subsidiaries, Joint Venture Company and Investee Companies are set out in Section 6.4 of this Prospectus.

3.2 PRINCIPAL DETAILS OF OUR IPO

3.2.1 Allocation

Our IPO is subject to the terms and conditions of this Prospectus and the allocation of our IPO Shares shall be in the following manner:

| | Public Issue Shares | |
|--|---------------------|-------------|
| | No. of Shares | (1) % |
| Retail offering | | |
| - Malaysian Public (via balloting) (2) | 16,250,000 | 5.0 |
| - Eligible Persons | 6,500,000 | 2.0 |
| Private placement | | |
| - Selected investors | 62,250,000 | 19.2 |
| Total | 85,000,000 | 26.2 |

3. PROSPECTUS SUMMARY (CONT'D)**Notes:**

- (1) Based on the enlarged issued share capital of 325,000,000 Shares after our IPO.
 (2) At least 50.0% of the balloting Shares shall be set aside for Bumiputera individuals, companies, co-operatives, societies and institutions.

3.2.2 The principal statistics of our IPO

| | No. of Shares |
|---|----------------------|
| Share Capital | |
| Issued share capital as at the date of this Prospectus ⁽¹⁾ | 240,000,000 |
| Shares to be issued pursuant to the Public Issue | 85,000,000 |
| Enlarged issued share capital upon Listing | 325,000,000 |
| IPO Price per Share | RM[●] |
| Market capitalisation upon Listing based on the IPO Price | RM[●] |
| Pro forma NA based on the Pro Forma Consolidated Statement of Financial Position as at 31 March 2022 (RM'000) ⁽²⁾ | [●] |
| Pro forma NA (after Public Issue) (RM'000) ⁽²⁾ | [●] |
| Pro forma NA per share (after Public Issue) (RM) ⁽²⁾ | [●] |

Notes:

- (1) Based on total number of 240,000,000 Shares after the completion of the Share Consolidation, and before our IPO.
 (2) Further details of the pro forma NA are set out in Section 12.1 of this Prospectus.

3.2.3 Moratorium on our Shares

In accordance with the Listing Requirements, our Specified Shareholders and MY E.G. Capital Sdn. Bhd. are not allowed to sell, transfer or assign any part of their respective holdings in our Shares during the First 6-Month Moratorium. Upon expiry of the First 6-Month Moratorium, our Specified Shareholders' and MY E.G. Capital Sdn. Bhd.'s aggregate shareholdings amounting to at least 45.0% of our total issued Shares remain under moratorium during the Second 6-Month Moratorium. Thereafter, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third (1 / 3) per annum (on a straight-line basis) of our Shares held under moratorium.

In addition, Vierge Capital Sdn. Bhd, being our pre-Listing investor, will not be allowed to sell, transfer or assign any part of its respective holdings in our Shares for a period of 6 months from the date of our Listing.

Further, the shareholders of Agmoian Sdn. Bhd. (namely Tan Aik Keong, Low Kang Wen and Tham Chin Seng), the shareholder of MY E.G. Capital Sdn. Bhd. (namely MY E.G. Services Berhad) and the shareholders of Vierge Capital Sdn. Bhd. (namely Koh Yeow Lay and Then Pei Kee) have undertaken not to sell, transfer or assign their shareholdings in Agmoian Sdn. Bhd., MY E.G. Capital Sdn. Bhd. and Vierge Capital Sdn. Bhd. respectively, during their corresponding moratorium periods.

Further details of the moratorium imposed on our Shares are set out in Section 2.2 of this Prospectus and further details of our IPO are set out in Section 4.3 of this Prospectus.

3.3 SUMMARY OF OUR BUSINESS

Our business model is depicted as follows:

3. PROSPECTUS SUMMARY (CONT'D)

| Agmo Group | | | |
|--------------------------------------|---|---|---|
| Principal business activities | Development of mobile and web applications | Provision of digital platform-based services | Provision of subscription, hosting, technical support and maintenance services |
| Our offerings | <ul style="list-style-type: none"> Mobile applications Web applications | <ul style="list-style-type: none"> Vote2U Eat2U Agmo Health Agmo Loyalty | <ul style="list-style-type: none"> Subscription and hosting services on Microsoft Azure, Amazon Web Services ("AWS") and Huawei Cloud Technical support and maintenance services on mobile and web applications |
| Our customers | Businesses and companies from multiple industries / sectors, such as: <ul style="list-style-type: none"> Healthcare Logistics Oil and gas Automotive Financial services Government agencies | Businesses and companies including: <ul style="list-style-type: none"> Public listed companies Restaurants Pharmacies Retailers | <ul style="list-style-type: none"> Businesses and companies that engage our application development services Businesses and companies that do not engage our application development services |
| Our suppliers | <ul style="list-style-type: none"> Third party developers Application providers (for the usage of third party applications such as augmented reality and payment gateways in our applications) | <ul style="list-style-type: none"> Live streaming service providers Application providers (for the usage of third party applications such as payment gateways, electronic Know-Your-Customer ("e-KYC") and customer support software in our applications) Scrutineers (for Vote2U) Healthcare professionals (for Agmo Health) | <ul style="list-style-type: none"> Third party cloud computing platforms (i.e. Microsoft Azure, AWS and Huawei Cloud) |
| Our markets* | <ul style="list-style-type: none"> Malaysia Hong Kong Singapore Sri Lanka | <ul style="list-style-type: none"> Malaysia | <ul style="list-style-type: none"> Malaysia Singapore |

* Based on our customers' countries of domicile in the Financial Years Under Review, which also comprise Cambodia, Germany, People's Republic of China, United Kingdom and Vietnam whereby their collective revenue in the Financial Years Under Review were minimal.

3.3.1 Business activities

Our business activities are as follows:

(i) Development of mobile and web applications

We are principally involved in the development of mobile applications for customers (i.e. businesses and companies) from various industries / sectors such as healthcare, logistics, oil and gas, automotive, financial services and government agencies. The mobile applications developed for businesses and companies comprise commercial applications that are made available to their customers, suppliers and / or business associates; as well as consumer mobile applications which are made available to the public whereby users can download these mobile applications from Google Play Store, Apple App Store and Huawei AppGallery. We also develop enterprise mobile applications which are for our customers' internal use by their employees whereby users can download these mobile applications from the customers' internal distribution platform (i.e. intranet) or online application stores (i.e. Google Play Store, Apple App Store and Huawei AppGallery).

Apart from the development of mobile applications, we also develop web applications for businesses and companies. The web applications developed for our customers are generally an extended / additional application to complement the mobile applications developed for them as a complete digital solution. Further, to accelerate our application development process, our Group has developed an in-house proprietary development framework, namely Agmo Genesis, which has readily-built components that can be used as a base in every application development project.

(ii) Digital platform-based services

3. PROSPECTUS SUMMARY (CONT'D)

Our provision of digital platform-based services is intended for our customers (i.e. businesses and companies) to perform different tasks such as hosting events and connecting to / interacting with customers as well as for e-commerce related transactions, amongst others. As at the LPD, our Group has 4 applications under our provision of digital platform-based services, with details as follows:

(a) Vote2U

A remote participation and voting (“**RPV**”) platform developed using blockchain technology to facilitate the organisation of virtual Annual General Meetings (“**AGMs**”) and Extraordinary General Meetings (“**EGMs**”) of public listed companies in Malaysia. It comprises several key functions such as online voting for resolutions proposed by companies, as well as livestreaming and interactions between participants / shareholders and representatives from the companies.

(b) Eat2U

Eat2U is an online food ordering and delivery application that serves as a platform for restaurants seeking to expand their customer reach by listing their food and beverage offerings on this application. It connects our customers (i.e. restaurants) and consumers to facilitate online food ordering and delivery, whereby the delivery services are provided by third party service providers.

(c) Agmo Health

Agmo Health is an online health consultation and prescription application that can be accessed by our customers (i.e. pharmacies) and users (i.e. patients). It can also function as a mini application integrated within our customers’ mobile applications as an additional service offering.

(d) Agmo Loyalty

Agmo Loyalty is a customer loyalty application developed for our customers (i.e. businesses and companies) to enhance the loyalty of their customers (i.e. users). It incorporates loyalty and lifestyle features designed to assist our customers to gain customer loyalty via several functions such as points collection and points redemption. Through Agmo Loyalty, our customers are able to view their customers’ profile, purchase history and points collected, and their customers are also able to view the points available as well as points collection and redemption history.

(iii) Subscription, hosting, technical support and maintenance services

(a) Subscription and hosting

Our Group provides hosting and subscription services to our customers under several third party cloud computing platforms. The cloud computing platforms used by our Group for our subscription and hosting services comprise Microsoft Azure, Amazon Web Services (“**AWS**”) and Huawei Cloud.

(b) Technical support and maintenance

As part of our after-sales service following the completion of application development projects, we generally provide complimentary technical support and maintenance services for a period of 2 months, after the applications go live. Subsequent to that, our customers have the option to continue to engage us for technical support and maintenance for their mobile and web applications on a quarterly / bi-annual / annual basis.

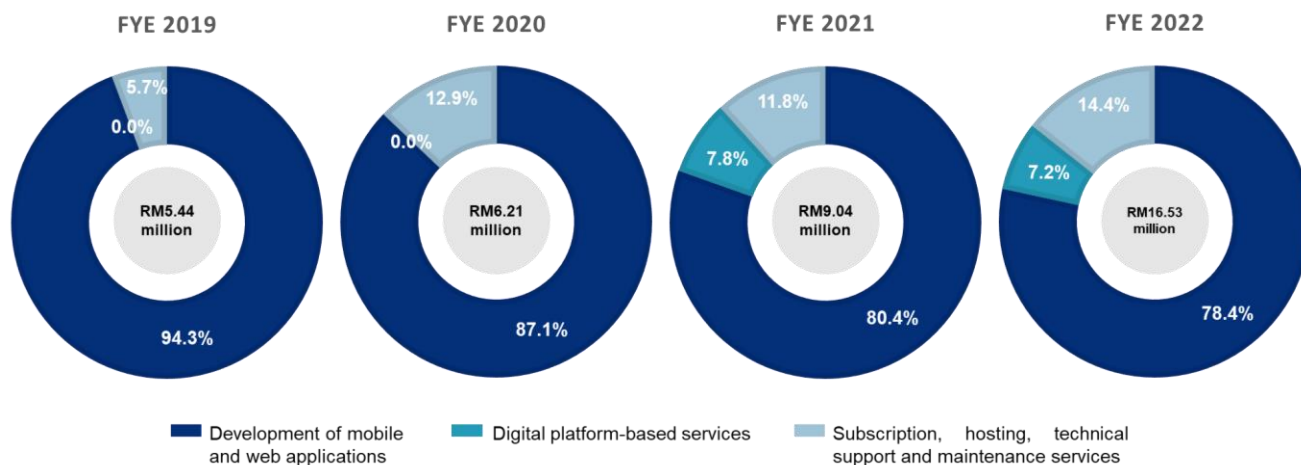
Further details of our business activities are set out in Section 7.3 of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)

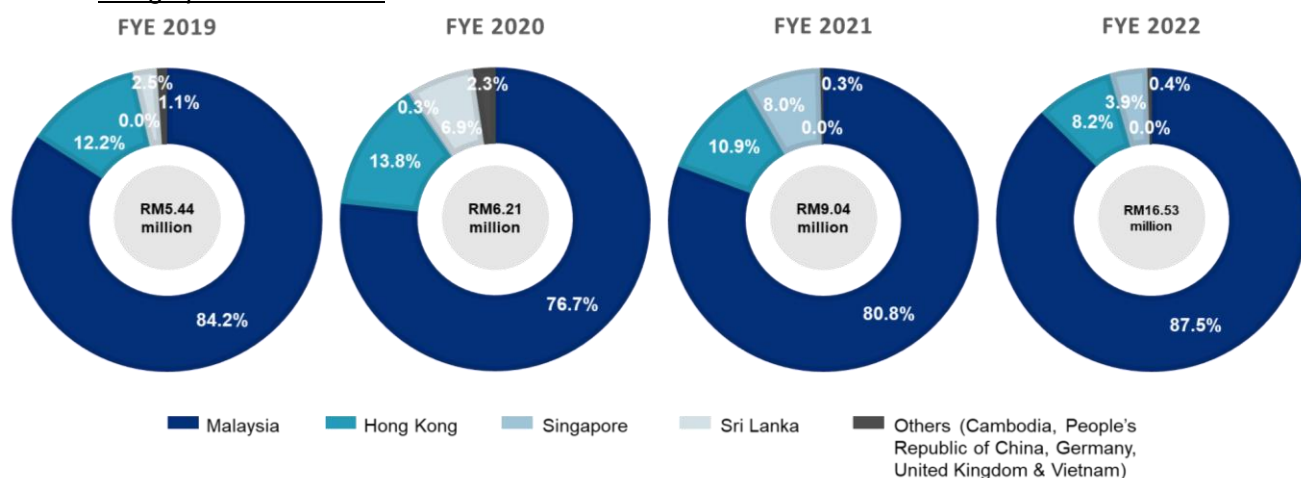
3.3.2 Revenue segmentation

In the past 4 FYEs 2019 to 2022, our Group's revenue was mainly generated from development of mobile and web applications with revenue contribution at 94.3%, 87.1%, 80.4% and 78.4% respectively. In the past 4 FYEs 2019 to 2022, our Group's revenue was mainly generated from Malaysia and Hong Kong with collective revenue contribution from these 2 countries of 96.4%, 90.5%, 91.7% and 95.7% respectively. Our revenue segmentation by business activities and geographical location for the Financial Years Under review are summarised in the following diagrams:

Business activities



Geographical location (1)



Note:

(1) The revenue by geographical location is derived based on our customers' countries of domicile. The revenue from overseas was for the services rendered by our Group in Malaysia.

Further details of our revenue segmentation are set out in Sections 7.6 and 12.3.2 of this Prospectus.

3.4 IMPACT OF COVID-19

In light of the COVID-19 pandemic, the Government of Malaysia has imposed various degrees of nationwide movement restrictions (i.e. MCO, conditional MCO, recovery MCO, enhanced MCO and various phases under the NRP) to curb the spread of COVID-19 since 18 March 2020, depending on the severity of the COVID-19 infections in each state, federal territory and area. During the movement restriction periods, there were several rounds of office closure.

3. PROSPECTUS SUMMARY (CONT'D)

During the periods of office closure, our employees continued to work from home and hence, our business operations have been able to continue and there has neither been interruption to our business operations nor delay in project timelines pursuant to the office closure.

During this period of movement restrictions, we have encountered one project deferment by a customer, in which the total value of project deferred was RM51,410. The project was initially planned for completion in June 2021. However, due to the deferment, the project was completed in November 2021. As the project was completed within the same FYE, there was no impact to our financial performance and the revenue recognition of FYE 2022. Apart from this, there was no other project deferment or project cancellation leading to material impact to our financial performance. Further, we did not face any disruption in the procurement and receipt of supplies from our suppliers nor face any disruption in delivery schedules to our customers.

Our financial performance and profitability for the FYE 2020 was not adversely impacted by the COVID-19 pandemic as the first MCO was imposed approximately 2 weeks before the closing of our financial year in March 2020.

Notwithstanding the imposition of various degrees of movement restrictions throughout the FYE 2021 and FYE 2022, our financial performance and profitability for the FYE 2021 and FYE 2022 were not impacted as there were no material delays or cancellation of projects, except for the project deferment by one customer in June 2021 which did not impact the revenue recognition. There was also no material impact on the collectability of our trade receivables.

In addition, the mobile and web application development industry is expected to continuously grow and our Group believes that this positive outlook will bode well for the continuous demand for our application development, subscription, hosting, technical support and maintenance services. Premised on the above, we expect positive impact to our business earning prospects for the said business activities. However, for our provision of digital platform-based services, there is a risk of decline in the demand for our RPV services which are provided through Vote2U, as organisations may gradually revert to conducting AGMs, EGMs and meetings physically. This may consequently impact our earnings prospects for this business segment, as Vote2U is currently the main revenue contributor in this segment.

As at the LPD, we do not expect any negative impact to our business strategies and future plans that are Malaysia-centric as there are no restrictions that prohibit the implementation of these plans. As for our plan to expand our presence into Singapore, we also do not expect any negative impact as we will be able to travel to Singapore for the preparation of office setup in Singapore, following the border re-opening effective 1 April 2022.

Further details on the impact of COVID-19 on our business operations, financial performance, business and earning prospect and business strategies and future plans are set out in Sections 7.15 and 9.1.13 of this Prospectus.

3.5 SUMMARY OF RISK FACTORS

Our business is subject to a number of risk factors, many of which are outside our control. Before investing in our Shares, you should carefully consider, along with the other matters, the risk factors (which may not be exhaustive) as set out in Section 9 of this Prospectus.

The following are some of the key risks that we are currently facing or that may occur in the future:

- (i) **The project-based nature of our business and / or the timing of delivery may lead to fluctuations in our Group's revenue, profit and operating cash flow**

3. PROSPECTUS SUMMARY (CONT'D)

The provision of our application development and digital platform-based services (particularly Vote2U) are carried out on project basis and per-usage / per-event basis respectively, whereby these business activities collectively contributed approximately 94.3% to our Group's total revenue in FYE 2019, 87.1% in FYE 2020, and 88.2% in FYE 2021 and 85.6% in FYE 2022. Our revenue from the delivery of the application development projects is recognised upon issuance of invoices based on project delivery milestones over the tenure of the projects. As such, the timing of project delivery will affect our billing schedule which will in turn affect our revenue recognition, and may cause our profit and operating cash flow to fluctuate. On the other hand, our revenue from Vote2U is based on each event / usage by our customers on the pre-agreed rates with our Group, thus the non-recurrent nature of this business may also cause our revenue, profit and operating cash flow to fluctuate. Further details are set out in Section 9.1.1 of this Prospectus.

(ii) We are dependent on our Executive Directors and key senior management team for continued success and growth of our business

Since inception, the success of our Group has been attributed to the experience, industry knowledge and network, and skills of our Executive Directors and key senior management. The growth and future success of our Group will continue to be dependent on the continuous contribution from Tan Aik Keong, for his leadership in setting the strategic direction and driving the business development of our Group. Additionally, we also attribute our continuous success to the abilities, skills, experience and efforts of Low Kang Wen and Tham Chin Seng, in assisting Tan Aik Keong in implementing operational strategies and policies. Further details are set out in Section 9.1.2 of this Prospectus.

(iii) We are dependent on our software development team

The provision of mobile and web application development, as well as subscription, hosting, technical support and maintenance services, require the expertise of our software development team who are equipped with extensive technical knowledge as well as experience in various technology and software for application development. As at the LPD, we have 59 in-house software developers who are permanent employees and 5 in-house software developers who are employees on contract. Our ability to retain and to attract competent and skilled software developers is crucial for our continued success, future business growth and expansion. Any loss of our software developers and our inability to find suitable replacements in a timely and cost efficient manner may cause disruptions to our project deliverables. Further details are set out in Section 9.1.3 of this Prospectus.

(iv) We may not be able to successfully implement our business strategies

In order to successfully implement our business strategies as set out in Section 7.8 of this Prospectus, we are required to attract suitable talents, intensify our R&D activities and increase our sales and marketing activities. The execution of our business strategies is subject to additional expenditures including operational expenditures, capital expenditures and other working capital requirements. Such additional expenditure will increase our Group's operational cost including overhead costs, which may adversely affect our profit margin if we are unable to gain sufficient revenue by securing more sales or projects following the implementation of our business strategies. Furthermore, the implementation of our business strategies may be influenced by factors beyond our control, such as changes in general market conditions, economic climate as well as political environment in Malaysia, Hong Kong, Singapore and countries in which our customers are domiciled, which may affect the commercial viability of our business strategies. Further details are set out in Section 9.1.4 of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)

(v) We may be exposed to the risk of security breaches

Our customers who engage our subscription and hosting services, have their personal information and all data generated stored on third party cloud platform(s). Further, our customers who engage our RPV service through Vote2U, have data and information such as personal details of voters and attendees as well as voting results of the AGMs and / or EGMs stored on a third party cloud platform. Storage of data electronically may expose our database to external security threats such as malware attacks, hacking, espionage or cyber intrusions, as well as internal security breaches which include unauthorised access to restricted information by our employees. Further details are set out in Section 9.1.5 of this Prospectus.

3.6 COMPETITIVE STRENGTHS

Our competitive strengths are as follows:

(i) We have an established track record involving notable customers across multiple industries / sectors

Since the commencement of our business in 2012, we have developed over 100 mobile and web applications for many customers including public listed companies, large enterprises, GLCs, MNCs and SMEs in Malaysia. The customers under our portfolio spread across various industries / sectors including healthcare, logistics, oil and gas, automotive, financial services and government agencies. Further details of our track record are set out in Section 7.5 of this Prospectus.

(ii) We have a proprietary development framework, namely Agmo Genesis, which enhances our efficiency in application development

We have developed an in-house proprietary development framework, namely Agmo Genesis, that consists of multiple components embedding programmed coding of standard core functions that are commonly found in many mobile and web applications. By using the readily-built components in our Agmo Genesis framework, the need to duplicate the development of the same functions in our mobile and web applications are eliminated, thereby increasing our time and cost efficiencies during the development phase of the applications. It also allows us to better utilise our resources and enables us to accept more projects from our customers, thereby enlarging our project portfolio and track record.

(iii) Our technical expertise and knowledge on emerging technologies including blockchain and XR enable us to develop digital solutions that align with current market demand

The development of our Group's digital solutions which are based on emerging technologies are led by Tan Aik Keong, Low Kang Wen and Tham Chin Seng, and supported by our software development team. Our Group has a software development team comprising 59 in-house software developers who are permanent employees and 5 in-house software developers who are employees on contract as at the LPD, who are equipped with relevant technical knowledge in the development of customised mobile and web applications in accordance to the different needs of our customers.

(iv) We have an experienced and hands-on key senior management team

We have a team of experienced key senior management that are equipped with in-depth knowledge in their respective fields which contribute to the continued success of our Group. Our Chief Executive Officer (Tan Aik Keong) and Chief Operating Officer (Low Kang Wen) have 14 years of relevant experience while our Chief Technology

3. PROSPECTUS SUMMARY (CONT'D)

Officer (Tham Chin Seng) and Head of Finance (Cynthia Wong Yoke Wah) have 15 and 12 years of relevant experience, respectively. Further, each of our key senior management takes an active, hands-on role in spearheading their respective divisions to support the growth of our Group. As a result, there is a transference of skills and knowledge to employees at all levels in our organisational structure.

(v) We have established partnerships with our suppliers and industry stakeholders which strengthen our reputation in the industry

We have obtained Microsoft Gold Partner status since 2020 (while we have been registered as a partner with Microsoft Regional Sales Pte Ltd for Microsoft Azure since 2012), AWS Independent Software Vendor (ISV) status since 2018 and Huawei Cloud Standard-tier Partner status since 2021. Our ability in obtaining these partner status is a testament to our technical capability and expertise which are recognised by the respective service providers. The partnerships with these cloud computing platforms have enabled our Group to secure more customers due to the credibility of these service providers as they are trusted service providers. In addition, the use of Microsoft Azure, AWS and Huawei Cloud also increase our brand exposure and customer reach as these service providers support us by offering marketing resources to promote and market our offerings via their platforms.

Our Group has been an approved Technology Solutions Provider (“TSP”) by MDEC under the SME Digitalisation Grant since 2020. As a TSP, we have the opportunity to support SMEs registered under the SME Digitalisation Grant that are seeking to implement digital solutions in their business operations.

Further details of our competitive strengths are set out in Section 7.7 of this Prospectus.

3.7 BUSINESS STRATEGIES AND FUTURE PLANS

Our Group intends to undertake the following business strategies:

- (i) to invest in a dedicated R&D division;
- (ii) to invest in a dedicated sales, marketing and business development team;
- (iii) to invest in a dedicated technical support and maintenance services division;
- (iv) to establish a training and development centre to generate additional revenue and recruit new industry talent for our Group;
- (v) to expand our regional presence by expanding into Singapore; and
- (vi) to continue expanding our mobile and web application development and digital platform-based services.

Further details of our business strategies and future plans are set out in Section 7.8 of this Prospectus.

3.8 DIRECTORS AND KEY SENIOR MANAGEMENT OF OUR GROUP

As at the LPD, our Directors and key senior management are as follows:

| Name | Designation |
|----------------------|--|
| Directors | |
| Dato' Low Hann Yong | Non-Independent Non-Executive Chairman |
| Tan Aik Keong | Non-Independent Executive Director / Chief Executive Officer |
| Low Kang Wen | Non-Independent Executive Director / Chief Operating Officer |
| Dr. Lau Cher Han | Independent Non-Executive Director |
| Datin Yap Shin Siang | Independent Non-Executive Director |

3. PROSPECTUS SUMMARY (CONT'D)

Mohd Fairuz bin Mohd Azrul Independent Non-Executive Director

Key senior management

Tan Aik Keong Chief Executive Officer
 Low Kang Wen Chief Operating Officer
 Tham Chin Seng Chief Technology Officer
 Cynthia Wong Yoke Wah Head of Finance

Further details of our Directors and key senior management are set out in Section 5 of this Prospectus.

3.9 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS OF OUR GROUP

The details of our Promoters and / or substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

| Name | Nationality / Place of Incorporation | Before our IPO | | | | After our IPO | | | |
|---|--|------------------|------------|---------------------------|------------|------------------|------------|---------------------------|------------|
| | | Direct | | Indirect | | Direct | | Indirect | |
| | | No. of shares | (1) (%) | No. of shares | (1) (%) | No. of shares | (2) (%) | No. of shares | (2) (%) |
| Promoters and substantial shareholders | | | | | | | | | |
| Tan Aik Keong | Malaysian | 63,138,462 | 26.3 | ⁽³⁾ 24,000,000 | 10.0 | 63,138,462 | 19.4 | ⁽³⁾ 24,000,000 | 7.4 |
| Low Kang Wen | Malaysian | 23,261,538 | 9.7 | ⁽³⁾ 24,000,000 | 10.0 | 23,261,538 | 7.2 | ⁽³⁾ 24,000,000 | 7.4 |
| Tham Chin Seng | Malaysian | 21,600,000 | 9.0 | ⁽³⁾ 24,000,000 | 10.0 | 21,600,000 | 6.6 | ⁽³⁾ 24,000,000 | 7.4 |
| Agmoian Sdn. Bhd. | Malaysia | 24,000,000 | 10.0 | - | - | 24,000,000 | 7.4 | - | - |
| Substantial shareholders | | | | | | | | | |
| MY E.G. Capital Sdn. Bhd. | Malaysia | 84,000,000 | 35.0 | - | - | 84,000,000 | 25.8 | - | - |
| Jason Chan Ling Khee | Malaysian | 16,800,000 | 7.0 | - | - | 16,800,000 | 5.2 | - | - |
| MY E.G. Services Berhad | Malaysia | - | - | ⁽⁴⁾ 84,000,000 | 35.0 | - | - | ⁽⁴⁾ 84,000,000 | 25.8 |
| Wong Thean Soon | Malaysian | - | - | ⁽⁵⁾ 84,000,000 | 35.0 | - | - | ⁽⁵⁾ 84,000,000 | 25.8 |

Notes:

- (1) Based on the issued share capital of 240,000,000 Shares upon the completion of the Share Consolidation.
 (2) Based on the enlarged issued share capital of 325,000,000 Shares upon our IPO.
 (3) Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.
 (4) Deemed interested by virtue of its shareholdings in MY E.G. Capital Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.
 (5) Deemed interested by virtue of his (i) direct shareholdings of 12.1% and (ii) indirect shareholdings of 19.4% (arising from his 100.0% shareholdings in Asia Internet Holdings Sdn. Bhd.) held in MY E.G. Services Berhad as at the LPD, pursuant to Section 8 of the Act.

Further details of our Promoters, substantial shareholders and their shareholdings in our Company are set out in Section 5.1 of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)**3.10 FINANCIAL HIGHLIGHTS**

The following table sets out a summary of the consolidated financial information of our Group for the Financial Years Under Review.

| Consolidated statements of profit or loss and other comprehensive income | Audited | | | |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| | FYE 2019 RM'000 | FYE 2020 RM'000 | FYE 2021 RM'000 | FYE 2022 RM'000 |
| Revenue | 5,435 | 6,214 | 9,040 | 16,525 |
| GP | 2,744 | 2,819 | 4,627 | 7,380 |
| Operating profit | 2,359 | 2,378 | 3,877 | 6,886 |
| PBT | 2,437 | 2,498 | 4,066 | 6,954 |
| PAT attributable to: | | | | |
| - Owners of the Company | 2,411 | 2,496 | 4,004 | 6,692 |
| - Non-controlling interests | - | - | - | 46 |
| Consolidated statements of cash flows | | | | |
| Net cash flows from operating activities | 2,051 | 2,129 | 2,136 | 5,776 |
| Net cash flows from / (used in) investing activities | 2 | 9 | ⁽¹⁾ (1,385) | (295) |
| Net cash flows used in financing activities | (300) | (121) | ⁽²⁾ (6,000) | ⁽³⁾ (3,078) |
| Net changes in cash and cash equivalents | 1,753 | 2,017 | (5,250) | 2,403 |
| Cash and cash equivalents at beginning of the financial year | 4,020 | 5,773 | 7,790 | 2,541 |
| Cash and cash equivalents at end of the financial year | 5,773 | 7,790 | 2,541 | 4,944 |
| Other selected financial information | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| EBITDA (RM'000) ⁽³⁾ | 2,389 | 2,416 | 3,926 | 7,055 |
| GP margin (%) ⁽⁴⁾ | 50.5 | 45.4 | 51.2 | 44.7 |
| PBT margin (%) ⁽⁵⁾ | 44.8 | 40.2 | 45.0 | 42.1 |
| PATAMI margin (%) ⁽⁶⁾ | 44.4 | 40.2 | 44.3 | 40.5 |
| Gearing ratio (times) ⁽⁷⁾ | N/A | N/A | N/A | N/A |
| Current ratio (times) ⁽⁸⁾ | 32.67 | 16.12 | 9.49 | 5.78 |

Notes:

- (1) Our Group recorded net cash outflows of RM1.39 million from investing activities mainly due to placement of fixed deposits with licensed banks.
- (2) Our Group recorded net cash outflows of RM6.00 million from financing activities due to payment of the final dividends declared for FYE 2020 and FYE 2021, amounting to RM3.00 million for each financial year, respectively.
- (3) Our Group recorded net cash outflows of RM3.08 million from financing activities mainly due to payment of final dividends declared for FYE 2022, amounting to RM3.00 million and lease payments made for leasing of office premises of approximately RM0.08 million.
- (4) EBITDA is computed as the sum of operating profit before depreciation charges.
- (5) GP margin is computed based on GP over revenue.
- (6) PBT margin is computed based on PBT over revenue.
- (7) PATAMI margin is computed based on PATAMI over revenue.
- (8) Gearing ratio is computed based on bank borrowing (excluding lease liabilities for right-of-use assets) over total equity. Not applicable as there were no outstanding balances for borrowings (excluding lease liabilities for right-of-use assets) as at each financial year end.
- (9) Current ratio is computed based on current assets over current liabilities.

The following table sets out a summary of the pro forma consolidated statement of financial position of our Group as at 31 March 2022.

3. PROSPECTUS SUMMARY (CONT'D)

| | As at 31 March 2022 | Pro forma I After Share Consolidation | Pro forma II After Public Issue | Pro forma III After utilisation of proceeds |
|-------------------------------------|------------------------|---|---------------------------------------|---|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current asset | 1,594 | 1,594 | 1,594 | ⁽¹⁾ [●] |
| Current asset | 12,395 | 12,395 | ⁽²⁾ [●] | ⁽³⁾ [●] |
| Total assets | 13,989 | 13,989 | [●] | [●] |
| Total equity | 11,133 | 11,133 | ⁽²⁾ [●] | ⁽³⁾ [●] |
| Non-current liability | 710 | 710 | 710 | 710 |
| Current liabilities | 2,146 | 2,146 | 2,146 | 2,146 |
| Total liabilities | 2,856 | 2,856 | 2,856 | 2,856 |
| Total equity and liabilities | 13,989 | 13,989 | [●] | [●] |
| Number of Shares in issue ('000) | 400,000 | ⁽⁴⁾ 240,000 | ⁽⁵⁾ 325,000 | 325,000 |
| NA per Share (RM) ⁽⁶⁾ | 0.03 | 0.05 | [●] | [●] |

Notes:

- (1) Increase due to utilisation of proceeds for capital expenditure.
- (2) Increase due to proceeds raised from the Public Issue.
- (3) Decrease due to utilisation of proceeds for expenses, capital expenditure and estimated listing expenses.
- (4) After consolidation of 5 existing Shares into 3 Shares.
- (5) After Public Issue of 85,000,000 new Shares.
- (6) NA per Share is computed based on total equity over number of Shares.

Further, our order book as at the LPD is RM8.98 million, comprising RM8.68 million of revenue to be recognised in FYE 2023 and RM0.30 million of revenue to be recognised after FYE 2023.

Further details of our Group's financial information and pro forma consolidated statement of financial position are set out in Section 12 of this Prospectus.

3.11 UTILISATION OF PROCEEDS

Based on the IPO Price of RM[●], the total gross proceeds of RM[●] from the Public Issue will be utilised by our Group in the following manner:

| Description of utilisation | Amount of proceeds | | Estimated timeframe for utilisation upon Listing |
|---|--------------------|--------------|---|
| | RM'000 | % | |
| Investment in a dedicated R&D team | [●] | [●] | Within 24 months |
| Investment in a dedicated sales, marketing and business development team | [●] | [●] | Within 36 months |
| Investment in a dedicated technical support and maintenance services division | [●] | [●] | Within 36 months |
| Establishment of a training and development centre | [●] | [●] | Within 36 months |
| Regional expansion to Singapore | [●] | [●] | Within 36 months |
| Working capital and related capital expenditure | [●] | [●] | |
| (i) Expansion of our mobile and web application development and digital platform-based services | [●] | [●] | Within 30 months |
| (ii) Setting up of new office | [●] | [●] | Within 12 months |
| Listing expenses | [●] | [●] | Immediate |
| Total | [●] | 100.0 | |

Further details on the utilisation of proceeds are set out in Section 4.8 of this Prospectus.

3. PROSPECTUS SUMMARY (CONT'D)**3.12 DIVIDEND POLICY**

Our Group presently does not have any formal dividend policy and the declaration of dividends and other distribution are subject to the discretion of our Board. Our Group's ability to pay dividends or make other distributions to our shareholders is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business. For the Financial Years Under Review, our Group had declared and paid the following dividends:

| | Audited | | | |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| Total dividends declared (RM'000) | 421 | 3,000 | 3,000 | 3,000 |
| Total dividends paid (RM'000) | 300 | 121 | 6,000 | 3,000 |

Our Group does not intend to pay any dividends prior to our Listing. Further information of our dividend policy is set out in Section 12.15 of this Prospectus.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATIONS

Application for our IPO Shares will open at 10.00 a.m. on [●] and will remain open until 5.00 p.m. on [●].

Late Applications will not be accepted.

4.2 INDICATIVE TIMETABLE

An indicative timetable of our IPO is set out below:

| Events | Indicative Date |
|--|-----------------|
| Opening of Applications | [●] |
| Closing of Applications | [●] |
| Balloting of Applications | [●] |
| Allotment of IPO Shares to successful applicants | [●] |
| Listing on the ACE Market | [●] |

In the event there is any change to the timetable, we will advertise a notice of change in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia.

4.3 PARTICULARS OF OUR IPO

The Public Issue of 85,000,000 new Shares are issued / offered at the IPO Price payable in full on Application upon such terms and conditions as set out in this Prospectus and will be allocated and allotted in the following manner:

4.3.1 Public Issue

The Public Issue of 85,000,000 Shares at the IPO Price representing approximately 26.2% of our enlarged issued share capital will be made available for Application in the following manner:

(i) Malaysian Public (via balloting)

16,250,000 Public Issue Shares, representing approximately 5.0% of our enlarged issued share capital will be made available for application by the Malaysian Public through a balloting process, of which 50.0% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions.

(ii) Eligible Persons

6,500,000 Public Issue Shares, representing approximately 2.0% of our enlarged issued share capital will be made available for application by Eligible Persons.

The Pink Form Shares will be allocated to eligible Directors, key senior management and employees of Agmo and our Subsidiaries based on the following criteria as approved by our Board:

- (a) the eligible employee must be a full time and confirmed employee of Agmo and our Subsidiaries;
- (b) the eligible employee must be on Agmo and our Subsidiaries' payroll;

4. DETAILS OF OUR IPO (CONT'D)

- (c) seniority and position;
- (d) length of service;
- (e) past performance and respective contribution made to our Group; and
- (f) the eligible employee must be at least 18 years of age.

The Pink Form Shares to be allocated to the business associates of Agmo and our Subsidiaries will take into consideration their contribution to the success of our Group. Their allocations are based on, amongst others, their level of contributions to our Group and length of their respective relationships. The persons who have contributed to the success of our Group include, amongst others, suppliers and customers.

Details of the Pink Form Shares allocation to our Eligible Persons are as follows:

| Eligible Persons | Number of Persons | Pink Form Shares Allocation |
|--|--------------------------|------------------------------------|
| Directors | 4 | 1,200,000 |
| Key senior management | 1 | 300,000 |
| Employees | [●] | 3,500,000 |
| Business associates who have contributed to the success of our Group | [●] | 1,500,000 |
| Total | | 6,500,000 |

The Directors and key senior management of our Company that are entitled for the Pink Form Shares are as follows:

| Name of Directors and key senior management | Designation | No. of Shares |
|--|---|----------------------|
| Dato' Low Hann Yong | Non-Independent Chairman Non-Executive | 300,000 |
| Dr. Lau Cher Han | Independent Director Non-Executive | 300,000 |
| Datin Yap Shin Siang | Independent Director Non-Executive | 300,000 |
| Mohd Fairuz bin Mohd Azrul | Independent Director Non-Executive | 300,000 |
| Cynthia Wong Yoke Wah | Head of Finance | 300,000 |
| Total | | 1,500,000 |

Save for the allocation made available for the Application as disclosed in Section 4.3.1(ii) of this Prospectus, our Company is not aware as to whether any of our substantial shareholders, Directors or key senior management have the intention to subscribe for our IPO Shares under the Public Issue.

4. DETAILS OF OUR IPO (CONT'D)

(iii) Private placement to selected investors

62,250,000 Public Issue Shares, representing approximately 19.2% of our enlarged issued share capital will be made available by way of private placement to selected investors.

Our Company is also not aware as to whether there is any person intending to subscribe for more than 5.0% of our Public Issue Shares.

On 7 December 2012, Agmo Studio (a wholly-owned subsidiary of our Company) has obtained the MSC Malaysia Status, details of which are set out in Section 7.20 of this Prospectus. Upon evaluation of its contribution to our Group's profitability, business and operations for the most recent financial year, our Company is exempted from the Equity Requirement for public listed companies.

4.3.2 Listing

Upon completion of our IPO, our Company's entire enlarged issued share capital of RM[●] comprising 325,000,000 Shares shall be listed on the ACE Market.

4.3.3 Underwriting arrangement and allocation of our IPO Shares

In summary, our IPO Shares will be allocated in the following manner:

| Categories | Public Issue Shares | |
|------------------------------------|---------------------|-------------|
| | No. of Shares | % |
| Retail Offering | | |
| - Malaysian Public (via balloting) | 16,250,000 | 5.0 |
| - Eligible Persons | 6,500,000 | 2.0 |
| Private Placement | | |
| - Selected investors | 62,250,000 | 19.2 |
| Total | 85,000,000 | 26.2 |

The 16,250,000 Public Issue Shares made available for application by the Malaysian Public (via balloting) and the 6,500,000 Pink Form Shares made available to the Eligible Persons under Sections 4.3.1(i) and 4.3.1(ii) respectively are [fully underwritten by our Underwriter].

All the 62,250,000 IPO Shares made available to identified investors by way of private placement under Section 4.3.1(iii) are not underwritten. Irrevocable undertakings have been or will be obtained from the identified investors to subscribe for our IPO Shares available under the private placement.

Any unsubscribed Pink Form Shares will be re-offered to our Group's business associates before being re-allocated to identified investors by way of private placement and thereafter, to the Malaysian Public. Any unsubscribed Public Issue Shares by the Malaysian Public will be made available for application by way of private placement to identified investors and vice versa.

The allocation of our IPO Shares shall be on a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view:

- (i) to broaden our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities; and

4. DETAILS OF OUR IPO (CONT'D)

- (ii) to establish a liquid market for our Shares.

There is no minimum subscription amount to be raised from our IPO. All our IPO Shares are either subscribed by the identified investors, pursuant to their irrevocable undertakings or fully underwritten by our Underwriter. The number of IPO Shares offered under the Public Issue will not be increased via any over-allotment or “greenshoe” option.

The salient terms of the underwriting arrangement are set out in Section 4.10 of this Prospectus.

4.3.4 Share capital

As at the [LPD], the issued share capital for our Company is RM4,000,000 comprising 240,000,000 Shares. Upon completion of our IPO, the enlarged issued share capital of our Company will be RM[●] comprising 325,000,000 Shares as follows:

| Details | No. of Shares | RM |
|--|--------------------|--------------------|
| Existing issued share capital | 240,000,000 | 4,000,000 |
| New Shares to be issued pursuant to the Public Issue | 85,000,000 | [●] |
| Less: Estimated listing expenses directly attributable to the Public Issue | | ⁽¹⁾ [●] |
| Enlarged total number of Shares upon Listing | 325,000,000 | [●] |
| IPO Price | | [●] |
| Pro forma NA per Share <i>(based on the enlarged issued share capital after our IPO and after deducting the estimated listing expenses of approximately RM[●] million)</i> | | ⁽²⁾ [●] |
| Market capitalisation upon Listing <i>(based on the IPO Price and the enlarged issued share capital after our IPO)</i> | | [●] |

Notes:

- (1) These expenses are capitalised to the share capital of our Company as they are directly attributable to the issuance of our Shares pursuant to the Public Issue. The amount of RM[●] million comprise RM[●] million for underwriting fee and RM[●] million for the proportion of listing expenses directly attributable to the Public Issue.
- (2) Further details of the pro forma NA per Share are set out in Section 12 of this Prospectus.

4.3.5 Classes of Shares and ranking

As at the date of this Prospectus, we have only one class of shares, being ordinary shares. Our Public Issue Shares will, upon allotment and issue, rank equally in all respect with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our Public Issue Shares, subject to any applicable Rules.

Subject to any special rights attaching to any Shares which we may issue in the future, our shareholders shall, in proportion to the amount paid by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is

4. DETAILS OF OUR IPO (CONT'D)

liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At any general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy, by attorney or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy.

On a show of hands, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held.

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES

Our IPO Price of RM[●] per IPO Share was determined and agreed upon by us and our Principal Adviser after taking into consideration the following factors:

- (i) our pro forma NA per Share of RM[●] as at 31 March 2022 based on the enlarged issued share capital of 325,000,000 Shares, after our IPO and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 4.8 of this Prospectus;
- (ii) based on our historical audited consolidated statements of profit or loss and other comprehensive income of our Group for FYE 2022, we recorded a PATAMI of approximately RM6.69 million representing net EPS of RM0.021 (based on the enlarged issued share capital of 325,000,000 Shares upon Listing) resulting in net PE Multiple of [●] times;
- (iii) our competitive strengths as described in Section 7.7 of this Prospectus;
- (iv) our business strategies and future plans as described in Section 7.8 of this Prospectus; and
- (v) the industry overview and prospects as set out in the IMR Report in Section 8 of this Prospectus respectively.

Prospective investors should note that the market price of our Shares upon Listing is subject to the vagaries of market forces and other uncertainties which may affect the market price of our Shares. Prospective investors should form your own views on the valuation of our IPO Shares and reasonableness of the bases used before deciding to invest in our IPO Shares. You are also reminded to consider carefully the risk factors as set out in Section 9 of this Prospectus.

4.5 EXPECTED MARKET CAPITALISATION UPON LISTING

Based on the IPO Price of RM[●], the total market capitalisation of our Company upon Listing shall be RM[●].

4. DETAILS OF OUR IPO (CONT'D)

4.6 OBJECTIVES OF OUR IPO

The purposes of our IPO are as follows:

- (i) to provide an opportunity for the Malaysian Public, including our eligible Directors, key senior management and employees to participate in our equity;
- (ii) to enable our Group to raise funds for the purposes specified in Section 4.8 of this Prospectus;
- (iii) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue further growth opportunities as and when they arise; and
- (iv) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our products and services, retention of our employees, expand our customer base and to attract new employees.

4.7 DILUTION

Dilution is computed as the difference between our IPO Price paid by you for our Public Issue Shares and the pro forma NA per Share of our Group immediately after our IPO. Our pro forma NA per Share as at 31 March 2022 after our Share Consolidation but before our IPO was RM0.05, based on the total number of 240,000,000 Shares of our Company after the Share Consolidation and immediately prior to our IPO.

Upon issuance of the Public Issue Shares and after adjusting for effects of the utilisation of proceeds raised from our IPO, our pro forma NA per Share as at 31 March 2022 would be RM[•] per Share based on our Company's enlarged total number of 325,000,000 Shares. Pursuant thereto, this will result in:

- (i) an immediate increase in NA per Share of RM[•] to our existing shareholders; and
- (ii) an immediate dilution in NA per Share of RM[•], representing a [•]% dilution to our new investors.

The following table illustrates the effect in our Group's pro forma NA for each Share to our shareholders:

| | <u>RM</u> |
|---|-----------|
| IPO Price | [•] |
| Pro forma NA per Share as at 31 March 2022 after our Share Consolidation but before our Public Issue | [•] |
| Increase in pro forma NA per Share after adjusting for the Public Issue and utilisation of proceeds attributable to our existing shareholders | [•] |
| Pro forma NA per Share after the IPO | [•] |
| Dilution in NA per Share to new investors | [•] |
| Dilution in NA per Share to new investors as a percentage of our IPO Price | [•] |

Further details of our Group's pro forma NA per Share as at 31 March 2022 are set out in Section 12 of this Prospectus.

4. DETAILS OF OUR IPO (CONT'D)

Save as disclosed below, there has been no acquisition of any of our Shares by our Promoters, direct substantial shareholders, Directors, key senior management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares since our incorporation up to the LPD:

| Name | No. of Shares before our IPO ⁽¹⁾ | No. of Shares from our IPO | Total consideration (RM) | Average effective cost for each Share (RM) |
|---|--|-----------------------------------|---------------------------------|---|
| Promoters and substantial shareholders | | | | |
| Tan Aik Keong | 63,138,462 | - | 1,052,308 | ⁽²⁾ 0.02 |
| Low Kang Wen | 23,261,538 | - | 387,692 | ⁽²⁾ 0.02 |
| Tham Chin Seng | 21,600,000 | - | 360,000 | ⁽²⁾ 0.02 |
| Agmoian Sdn. Bhd. | 24,000,000 | - | 3 | Negligible |
| Direct substantial shareholders | | | | |
| MY E.G. Capital Sdn. Bhd. | 84,000,000 | - | 10,774,643 | ⁽²⁾ 0.13 |
| Jason Chan Ling Khee | 16,800,000 | - | 1,320,195 | ⁽²⁾ 0.08 |
| Directors | | | | |
| Dato' Low Hann Yong | - | 300,000 | [•] | [•] |
| Dr. Lau Cher Han | - | 300,000 | [•] | [•] |
| Datin Yap Shin Siang | - | 300,000 | [•] | [•] |
| Mohd Fairuz bin Mohd Azrul | - | 300,000 | [•] | [•] |
| Key senior management | | | | |
| Cynthia Wong Yoke Wah | - | 300,000 | [•] | [•] |
| New investors | | | | |
| Public Issue | - | 83,500,000 | [•] | [•] |

Notes:

(1) Number of Shares after completion of the Share Consolidation but prior to our IPO.

(2) Rounded to the nearest 2 decimal places.

4. DETAILS OF OUR IPO (CONT'D)**4.8 UTILISATION OF PROCEEDS**

Based on the IPO Price of RM[●], the total gross proceeds of RM[●] from the Public Issue will be utilised by our Group in the following manner:

| Description of utilisation | Amount of proceeds | | Estimated timeframe for utilisation upon Listing |
|---|--------------------|--------------|--|
| | RM'000 | % | |
| Investment in a dedicated R&D team | [●] | [●] | Within 24 months |
| Investment in a dedicated sales, marketing and business development team | [●] | [●] | Within 36 months |
| Investment in a dedicated technical support and maintenance services division | [●] | [●] | Within 36 months |
| Establishment of a training and development centre | [●] | [●] | Within 36 months |
| Regional expansion to Singapore | [●] | [●] | Within 36 months |
| Working capital and related capital expenditure | | | |
| (i) Expansion of our mobile and web application development and digital platform-based services | [●] | [●] | Within 30 months |
| (ii) Setting up of new office | [●] | [●] | Within 12 months |
| Listing expenses | [●] | [●] | Immediate |
| Total | [●] | 100.0 | |

4.8.1 Investment in a dedicated R&D team

Our Group recognises the importance of having a dedicated R&D team for the development and enhancement of new and current products and services in order to remain competitive and relevant in the industry. Since the commencement of our business, our R&D has been carried out by our software development team that work on both project deliverables to customers as well as on the R&D of new products and / or services. As such, we intend to set up a dedicated R&D development team that will focus solely on R&D activities such as development of new products, services and emerging technology development tools. Pursuant to the setup of our R&D team, our software developers shall be dedicated to delivering projects for our customers.

We intend to allocate approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue for setting up a dedicated R&D team within 24 months from the date of Listing, with details as follows:

| Details | RM'000 |
|---|------------|
| Payroll expenses ⁽¹⁾ | [●] |
| Capital expenditure ⁽²⁾ | [●] |
| Software licenses subscription ⁽³⁾ | [●] |
| Total | [●] |

Notes:

- (1) Our Group has earmarked approximately RM[●] million for hiring 18 additional software developers and / or programmers to form our initial dedicated R&D team. The amount shall be

4. DETAILS OF OUR IPO (CONT'D)

utilised for a period of up to 24 months after Listing, whereby the setup of this new R&D division will commence within 6 months upon our Listing and thereafter the utilisation of proceeds for the payroll is for a period of 18 months upon the setup of the new R&D division. As at the LPD, the recruitment process has yet to commence.

- (2) Our Group has earmarked approximately RM[●] million for the purchase of new hardware comprising laptops and monitors.
- (3) Our Group has earmarked approximately RM[●] million for the cost of software license subscriptions. The cost of software licenses comprises subscriptions to Microsoft, Google and Jira for a total of approximately RM200 per person per month for 18 months for the 18 new personnel. These software license subscriptions are a standard requirement for our employees.

In the event the actual proceeds utilised for setting up a dedicated R&D team is lower than the allocation of RM[●] million, the excess will be used for working capital purposes. Any excess amount required for setting up a dedicated R&D team will be funded from internally generated funds and / or bank borrowings. Please refer to Section 7.8.1 of this Prospectus for further information on our Group's plans to set up a dedicated R&D team.

4.8.2 Investment in a dedicated sales, marketing and business development team

Since the commencement of our business, our sales, marketing and business development activities have been carried out by our Non-Independent Executive Directors (Tan Aik Keong and Low Kang Wen), our Chief Technology Officer (Tham Chin Seng) as well as through referrals from several corporate service providers which we partner with for the sales and marketing of Vote2U.

Therefore, to enhance our business activities, our Group intends to set up a dedicated sales, marketing and business development team. The sales, marketing and business development team will be responsible for planning and executing sales and marketing activities, attending inquiries from potential customers and preparation of proposals and demo systems, presentation to customers as well as preparation of quotation.

We intend to allocate approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue for setting up a dedicated sales, marketing and business development team within 36 months from the date of Listing, with details as follows:

| Details | RM'000 |
|---|------------|
| Payroll expenses ⁽¹⁾ | [●] |
| Capital expenditure ⁽²⁾ | [●] |
| Software licenses subscription ⁽³⁾ | [●] |
| Total | [●] |

Notes:

- (1) Our Group has earmarked approximately RM[●] million for hiring 16 additional employees to form the sales, marketing and business development team, which will comprise 2 Managers, 2 Senior Executives and 12 Executives. The amount shall be utilised for a period of up to 36 months after Listing, whereby the setup of this new team will commence within 6 months upon our Listing and thereafter the utilisation of proceeds for the payroll is for a period of 30 months upon the setup of the team. As at the LPD, the recruitment process has yet to commence.
- (2) Our Group has earmarked approximately RM[●] million for the purchase of new hardware comprising laptops, tablets and other accessories for the additional employees.
- (3) Our Group has earmarked approximately RM[●] million for the cost of software license subscriptions for each of the new laptops purchased. The cost of software licenses comprises subscriptions to Microsoft, Google and Jira for a total of approximately RM200 per person per month for 30 months for the 16 new personnel. These software license subscriptions are a standard requirement for our employees.

4. DETAILS OF OUR IPO (CONT'D)

In the event the actual proceeds utilised for setting up a sales, marketing and business development team is lower than the allocation of RM[●] million, the excess will be used for working capital purposes. Any excess amount required for setting up a sales, marketing and business development team will be funded from internally generated funds and / or bank borrowings. Please refer to Section 7.8.2 of this Prospectus for further information on our Group's plans to set up a sales, marketing and business development team.

4.8.3 Investment in a dedicated technical support and maintenance services division

Since the commencement of our business, technical support and maintenance services have been managed by our software development team, which carries out this function in addition to developing mobile and web applications for our customers. With the expansion of our Group, we will continue to undertake more projects and more platform-based subscriptions which increases the resources required for our project and support and maintenance teams.

Therefore, our Group intends to set up a dedicated team that will focus on technical support and maintenance services. Pursuant to the setup of our technical support and maintenance services team, our software developers shall be dedicated to delivering projects for our customers.

We intend to allocate approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue for setting up a dedicated technical support and maintenance services division within 36 months from the date of Listing, with details as follows:

| Details | RM'000 |
|---|---------------|
| Payroll expenses ⁽¹⁾ | [●] |
| Development of customised support and maintenance system ⁽²⁾ | [●] |
| Capital expenditure ⁽³⁾ | [●] |
| Software licenses subscription ⁽⁴⁾ | [●] |
| Total | [●] |

Notes:

- (1) Our Group has earmarked approximately RM[●] million for hiring 16 additional employees to form our initial technical support and maintenance services division, which will comprise 1 Manager, 2 Supervisors and 13 Support Executives for 3 levels of technical support and maintenance, with functions as follows:

| Level | Functions |
|--------------|--|
| 1 | To support customers via phone call, email and ticketing system. In the event the issues reported by our customers cannot be resolved by standard troubleshooting guides, it will then be escalated to Level 2 |
| 2 | To check if these are due to software, database and / or hardware configuration issues. If it cannot be rectified without changes in the software code, it will then be escalated to Level 3 |
| 3 | To perform software code changes, testing and deployments to resolve these issues |

The amount shall be utilised for a period of up to 36 months after Listing, whereby the setup of this new division will commence within 6 months upon our Listing and thereafter the utilisation of proceeds for the payroll is for a period of 30 months upon the setup of the new team. As at the LPD, the recruitment process has yet to commence.

- (2) Our Group has earmarked approximately RM[●] million for the development of customised technical support and maintenance system to replace the third party online ticketing system currently used by our Group. Our customised technical support and maintenance system will

4. DETAILS OF OUR IPO (CONT'D)

comprise a ticketing system, a customer service software and a work management software which are customised according to our Group's technical support and maintenance workflow.

- (3) Our Group has earmarked approximately RM[●] million for the purchase of new hardware and infrastructure comprising laptops, communications equipment and other accessories.
- (4) Our Group has earmarked approximately RM[●] million for the cost of software license subscriptions. The cost of software licenses comprises subscriptions to Microsoft, Google and Jira for a total of approximately RM200 per person per month for 30 months for the 16 new personnel. These software license subscriptions are a standard requirement for our employees.

In the event the actual proceeds utilised for setting up a support and maintenance services division is lower than the allocation of RM[●] million, the excess will be used for working capital purposes. Any excess amount required for setting up a support and maintenance services division will be funded from internally generated funds and / or bank borrowings. Please refer to Section 7.8.3 of this Prospectus for further information on our Group's plans to set up a support and maintenance services division.

4.8.4 Establishment of a training and development centre

Since the commencement of our business, our Group has been conducting external training, seminars and workshops with third parties, such as private and public universities and professional associations pertaining to topics relevant to digital solutions such as mobile application development, XR development and blockchain.

Given our Group's experience in conducting external training, seminars and workshops as well as our technical expertise in the digital solutions industry, we plan to establish a training and development centre as a new business for our Group. This new business will be undertaken by a new subsidiary to be incorporated, which will be open for enrolment to our personnel as well as to the public. We intend to offer training courses on subjects comprising artificial intelligence, blockchain, chatbot, mobile programming and web programming whereby these syllabuses currently have commercial and practical relevance in the digital solution industry.

We intend to allocate approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue for the establishment of training and development centre within 36 months from the date of Listing, with details as follows:

| Details | RM'000 |
|---|------------|
| Setting up training and development centre ⁽¹⁾ | [●] |
| Payroll expenses ⁽²⁾ | [●] |
| Development of training system ⁽³⁾ | [●] |
| Total | [●] |

Notes:

- (1) Our Group has earmarked approximately RM[●] million for setting up training and development centre, comprising RM[●] million for rental of new office, RM[●] million for renovation and fit-out of the training and development centre, RM[●] million for capital expenditure comprising computer / laptops for the students, each installed with the necessary software, as well as laptops for our personnel and RM[●] million for development of training syllabuses. We intend to offer training courses on subjects comprising artificial intelligence, blockchain, chatbot, mobile programming and web programming. For each training course, we plan to develop beginner, intermediate and advanced levels to cater to the demand for different levels of skills.

The Group intends to rent an office with a floor area of approximately 5,000 square feet in Klang Valley to operate the training and development centre. The rental of the office is estimated to be RM[●] million per annum at the rate of approximately RM2.50 per square feet per month, while the renovation works are estimated to be RM100 per square feet which will be fully funded by our IPO proceeds. The rental expense for the training and development centre after the initial 18

4. DETAILS OF OUR IPO (CONT'D)

months of operations shall be funded through internally generated funds. As at the LPD, the office has yet to be identified.

Further, save for the standard licenses to be obtained such as business premise license, advertisement license, fire certificate and certificate of completion and compliance, if any, there are no licenses or approval for our Group to set up of the training and development centre. Our Group anticipates to obtain such licenses or approval for the setup of the training and development centre within 18 months upon our Listing.

- (2) Our Group has earmarked approximately RM[●] million for hiring up to 11 personnel comprising 1 Manager, 2 Recruitment Executives, 2 Administrative Executive and 6 Course Trainers to manage and operate the training and development centre. The amount shall be utilised for a period of up to 36 months after Listing, whereby the setup of the training and development centre will commence within 18 months upon our Listing and thereafter the utilisation of proceeds for the payroll is for a period of 18 months upon the setup of the new team. As at the LPD, the recruitment process has yet to commence.
- (3) Our Group has earmarked approximately RM[●] million for the development of training system which is a learning management software that will be used to conduct our training courses and will be made accessible to our trainers and students. The training system will be integrated with administrative functions that will allow the trainers to create online training classes, add and remove students to and from the online training classes and edit students' information.

In the event the actual proceeds utilised for the establishment of a training and development centre is lower than the allocation of RM[●] million, the excess will be used for working capital purposes. Any excess amount required for the establishment of a training and development centre will be funded from internally generated funds and / or bank borrowings. Please refer to Section 7.8.4 of this Prospectus for further information on the establishment of the training and development centre.

4.8.5 Regional expansion to Singapore

For the Financial Years Under Review, 7 out of 14 overseas customers were from Singapore. The revenue derived from our customers in Singapore for the Financial Years Under Review are as follows:

| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|-----------|------------|---------|------------|---------|------------|---------|------------|---------|
| | % of total | | % of total | | % of total | | % of total | |
| | RM'000 | revenue | RM'000 | revenue | RM'000 | revenue | RM'000 | revenue |
| Singapore | - | - | 18 | 0.3 | 722 | 8.0 | 647 | 3.9 |

The major contributor of our revenue from Singapore is our recurrent customer. Since the commencement of our business, all communications with and inquiries from our overseas customers, including in Singapore, have been handled by our team in Malaysia.

Thus, we intend to enlarge our footprint in South East Asia by expanding into Singapore. To facilitate our expansion into Singapore, we intend to establish a Business Development and Customer Relations team to be based in Singapore, which will comprise 2 business development representatives. We plan to rent a space in a co-working office in Singapore for this team.

We intend to allocate approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue within 36 months from the date of Listing, with details as follows:

| Details | RM'000 |
|--|--------|
| Payroll expenses ⁽¹⁾ | [●] |
| Marketing expenses ⁽²⁾ | [●] |
| Rental of office and other miscellaneous expenses ⁽³⁾ | [●] |
| Capital expenditure ⁽⁴⁾ | [●] |

4. DETAILS OF OUR IPO (CONT'D)**Total****[•]****Notes:**

- (1) *Our Group has earmarked approximately RM[•] million for hiring 2 Business Development Representatives to carry out business development and sales activities in Singapore. The amount shall be utilised for a period of up to 36 months after Listing, whereby the set up of our Business Development and Customer Relations team in Singapore will commence within 18 months upon our Listing and thereafter the utilisation of proceeds for the payroll is for a period of 18 months upon the commencement of operations. As at the LPD, the recruitment process has yet to commence.*

We expect the commencement of our Singapore operations to be within 18 months upon our Listing based on our strategic roll-out plan which includes our other future plans such as setting up of the R&D team, sales, marketing and business development team, technical support and maintenance services team as well as the expansion of our existing mobile and web application development and digital platform-based services, which are priorities to our Group.

- (2) *Our Group has earmarked approximately RM[•] million for marketing expenses in Singapore to fund its sales activities such as marketing for software development projects and managing relationships with customers in Singapore. Any software development projects secured through the new Business Development and Customer Relations team in Singapore will be managed and developed by our team in Malaysia.*

- (3) *The Group intends to rent a space within a co-working office in Singapore to accommodate the 2 Business Development Representatives. The rental of the office is estimated to be RM[•] million per annum which will be fully funded by our IPO proceeds. Subsequent to the initial 12 months of rental expense funded by our IPO proceeds, the rental expense shall be funded through internally generated funds. Based on our survey of co-working spaces in Singapore, the cost of a single co-working space is approximately SGD600 per month. As at the LPD, the co-working space has yet to be identified.*

Other miscellaneous expenses comprise mainly expenses for traveling and office supplies.

- (4) *Our Group has earmarked approximately RM[•] million for purchase of laptops for the 2 new Business Development Representatives.*

In the event the actual proceeds utilised for the regional expansion to Singapore is lower than the allocation of RM[•] million, the excess will be used for working capital purposes. Any excess amount required for the regional expansion to Singapore will be funded from internally generated funds and / or bank borrowings. Please refer to Section 7.8.5 of this Prospectus for further information on the regional expansion to Singapore.

4.8.6 Working capital and related capital expenditure**4.8.6.1 Expansion of our mobile and web application development and digital platform-based services**

According to the IMR report, the mobile and web application development industry size in Malaysia, measured in terms of sales revenue, increased from RM269.08 million in 2018 to RM397.30 million in 2020, at a CAGR of 21.5%. In the long term, the demand for mobile and web application will continue to be driven by digitalised consumer behaviour and attachment to mobile devices by the general public, businesses' need for digitalisation, continuous technology advancement which drives businesses to continuously adopt new or upgrade existing mobile and web applications, and the implementation of initiatives for digital transformation by the Government. Further, our Group has faced instances whereby certain scopes of development projects are outsourced to third-parties due to resource limitations whereby our current workforce is at full job capacity and are unable to take on new projects.

In view of these long-term prospects as well as our manpower resource limitations, we intend to continue expanding our mobile and web application development and digital platform-based

4. DETAILS OF OUR IPO (CONT'D)

services by recruiting an additional 24 personnel to enable our Group to secure and manage more projects.

We intend to allocate approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue for our expansion of our mobile and web application development and digital platform-based services within 30 months from the date of Listing, with details as follows:

| Details | RM'000 |
|------------------------------------|---------------|
| Payroll expenses ⁽¹⁾ | [●] |
| Capital expenditure ⁽²⁾ | [●] |
| Working capital ⁽³⁾ | [●] |
| Total | [●] |

Notes:

(1) Our Group has earmarked approximately RM[●] million for hiring new personnel:

- (i) 14 new developers and programmers, of which 8 personnel will be tasked to develop mobile and web applications based on the Group's in-house proprietary framework Agmo Genesis, and 6 personnel will be tasked to develop mobile and web applications using emerging technologies such as blockchain and XR;
- (ii) 6 new personnel for the digital platform-based services team to support the growth of our digital platform-based services. For information purposes, our revenue from digital platform-based services increased by approximately RM0.49 million or 70.0% from RM0.70 million for FYE 2021 to RM1.19 million for FYE 2022; and
- (iii) 4 new personnel to oversee the finance, human resource and administrative matters of our Group.

The amount shall be utilised for a period of up to 30 months after Listing, out of which we expect the hiring of the new personnel to be within 6 months of our Listing and thereafter the utilisation of proceeds for the payroll is for a period of 24 months, upon hiring. As at the LPD, our Group has begun the recruitment process however we have yet to hire any new personnel.

(2) Our Group has earmarked approximately RM[●] million to purchase laptops and software subscriptions for the new developers and programmers and other new personnel.

(3) Our Group has earmarked approximately RM[●] million for additional working capital to finance our day-to-day operations requirements such as subscription and hosting fees under several third party cloud computing platforms namely Microsoft Azure, AWS and Huawei Cloud.

4.8.6.2 Setting up of new office

As at the LPD, our existing offices have a total approximate floor area of 7,600 square feet. Our Group intends to set up a new office by renting an office space with an estimated floor area of approximately 2,500 square feet in the Klang Valley as an additional office space for our Group to accommodate the increase in the size of our team.

We intend to allocate approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue for setting up of new office within 12 months from the date of Listing. The total cost for setting up of new office is approximately RM[●] million, comprising RM[●] million for rental of new office and RM[●] million for renovation works. The rental of the office is estimated to be RM[●] million per annum, at the rate of approximately RM3.50 per square feet per month, and the renovation works are estimated to be RM80 per square feet, of which the entire amount shall be funded by our IPO proceeds. Subsequent to the initial 12 months of rental expense funded by our IPO proceeds, the rental expense of the office shall be funded through internally generated funds. As at the LPD, the new office has yet to be identified.

4. DETAILS OF OUR IPO (CONT'D)

4.8.7 Listing expenses

Our listing expenses are estimated to be approximately RM[●] million representing [●]% of the gross proceeds from our Public Issue, details of which are as follows:

| Estimated listing expenses | RM'000 |
|--|---------------|
| Professional fees ⁽¹⁾ | [●] |
| Brokerage, underwriting and placement fees | [●] |
| Regulatory fees | [●] |
| Printing, advertising and other miscellaneous expenses | [●] |
| Total | [●] |

Note:

(1) *Includes fees for the Principal Adviser, Solicitors, Reporting Accountants, Independent Market Researcher, Issuing House and other professional advisers.*

In the event the actual proceeds utilised for the listing expenses is lower than the allocation of RM[●] million, the excess will be used for working capital purposes. Any excess amount required for the listing expenses will be funded out of the portion allocated for working capital purposes, internally generated funds and / or bank borrowings.

Pending the eventual utilisation of the proceeds from our Public Issue for the above intended purposes, we intend to place the proceeds raised (including accrued interest, if any) or any remaining balance in interest-bearing accounts with licenced financial institutions in Malaysia and / or money market deposit instruments / funds.

4.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

4.9.1 Underwriting commission

Kenanga IB, as our Underwriter, has agreed to underwrite 16,250,000 Public Issue Shares made available for application by the Malaysian Public and 6,500,000 Pink Form Shares made available to the Eligible Persons as set out in Sections 4.3.1(i) and 4.3.1(ii) of this Prospectus. We will pay our Underwriter an underwriting commission at the rate of [●]% of the total value of the underwritten Shares based on the IPO Price.

4.9.2 Brokerage fee

We will pay brokerage at the rate of [●]% on the IPO Price in respect of all successful applications that bear the stamp of either Kenanga IB, the participating organisations of Bursa Securities, the members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

4.9.3 Placement fee

Our Placement Agent has agreed to place out 62,250,000 IPO Shares to be issued and / or offered to selected investors. We are obliged to pay our Placement Agent for the Public Issue Shares allocated for private placement a placement fee of [●]% of the value of Shares placed out to selected investors at the IPO Price.

4. DETAILS OF OUR IPO (CONT'D)

4.10 SALIENT TERMS OF THE UNDERWRITING ARRANGEMENT

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 OUR PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters and substantial shareholders' shareholdings

The following table shows the shareholdings of our Promoters and substantial shareholders before and after our IPO:

| Name | Nationality / Place of incorporation | Before our IPO | | | | After our IPO | | | |
|--|--------------------------------------|----------------|--------------------|---------------------------|--------------------|---------------|--------------------|---------------------------|--------------------|
| | | Direct | | Indirect | | Direct | | Indirect | |
| | | No. of shares | ⁽¹⁾ (%) | No. of shares | ⁽¹⁾ (%) | No. of shares | ⁽²⁾ (%) | No. of shares | ⁽²⁾ (%) |
| <u>Promoters and substantial shareholders</u> | | | | | | | | | |
| Tan Aik Keong | Malaysian | 63,138,462 | 26.3 | ⁽³⁾ 24,000,000 | 10.0 | 63,138,462 | 19.4 | ⁽³⁾ 24,000,000 | 7.4 |
| Low Kang Wen | Malaysian | 23,261,538 | 9.7 | ⁽³⁾ 24,000,000 | 10.0 | 23,261,538 | 7.2 | ⁽³⁾ 24,000,000 | 7.4 |
| Tham Chin Seng | Malaysian | 21,600,000 | 9.0 | ⁽³⁾ 24,000,000 | 10.0 | 21,600,000 | 6.6 | ⁽³⁾ 24,000,000 | 7.4 |
| Agmoian Sdn. Bhd. | Malaysia | 24,000,000 | 10.0 | - | - | 24,000,000 | 7.4 | - | - |
| <u>Substantial shareholders</u> | | | | | | | | | |
| MY E.G. Capital Sdn. Bhd. | Malaysia | 84,000,000 | 35.0 | - | - | 84,000,000 | 25.8 | - | - |
| Jason Chan Ling Khee | Malaysian | 16,800,000 | 7.0 | - | - | 16,800,000 | 5.2 | - | - |
| MY E.G. Services Berhad | Malaysia | - | - | ⁽⁴⁾ 84,000,000 | 35.0 | - | - | ⁽⁴⁾ 84,000,000 | 25.8 |
| Wong Thean Soon | Malaysian | - | - | ⁽⁵⁾ 84,000,000 | 35.0 | - | - | ⁽⁵⁾ 84,000,000 | 25.8 |

Notes:

(1) Based on the total number of 240,000,000 Shares after the completion of the Share Consolidation, and before our IPO.

(2) Based on the enlarged total number of 325,000,000 Shares after our IPO.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (3) *Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.*
- (4) *Deemed interested by virtue of its shareholdings in MY E.G. Capital Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.*
- (5) *Deemed interested by virtue of his (i) direct shareholdings of 12.1% and (ii) indirect shareholdings of 19.4% (arising from his 100.0% shareholdings in Asia Internet Holdings Sdn. Bhd.) held in MY E.G. Services Berhad as at the LPD, pursuant to Section 8 of the Act.*

Save for our Promoters and substantial shareholders above, there are no (i) other substantial shareholders with a deemed interest in Agmo or (ii) other persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company. As at the LPD, our Promoters and substantial shareholders have the same voting rights as the other shareholders of our Company and there is no arrangement between Agmo and its shareholders with any third parties, the operation of which may, at a subsequent date, result in the change in control of Agmo.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) Tan Aik Keong

Tan Aik Keong, a Malaysian aged 37, is our Promoter, substantial shareholder, Non-Independent Executive Director and Chief Executive Officer. He was appointed to our Board on 5 January 2017. He graduated from Multimedia University, Malaysia with a Bachelor of Electronic Engineering (Honours) degree in 2008. He has been appointed as an expert panel member of MDEC's programme named "Talent Expert Network" since July 2021 and in such role, he is responsible for reviewing, assessing and providing feedback on applications from various local universities to be recognised as Premier Digital Tech Institutions. His appointment as the expert panel member of Talent Expert Network signifies his possession of knowledge and expertise in the digital technology industry.

Tan Aik Keong has over 14 years of experience in the information communication technology industry. He began his career in June 2008 as a R&D engineer in Panasonic R&D Centre Malaysia Sdn. Bhd., where he was involved in numerous software R&D projects relating to telecommunication products. In March 2011, he left Panasonic R&D Centre Malaysia Sdn. Bhd. and joined Experian (Malaysia) Sdn. Bhd. as a software developer, where he focused on development of web-related software applications. In December 2011, he left Experian (Malaysia) Sdn. Bhd.

In January 2012, he co-founded Agmo Studio and was appointed as a director and chief executive officer, where he has been instrumental in the development of our business, including identifying new sources of growth such as development of new software applications with potential for commercialisation and securing strategic partnerships with industry partners and stakeholders. He also plays a vital role in application conceptualisation and development, including in conceptualising and developing our "Vote2U" software, an innovative product namely blockchain-powered remote participation and voting software for public listed companies.

In January 2017, he co-founded our Company and was appointed to the Board in the same year. Subsequently, he transferred his entire shareholdings in Agmo Studio to our Company in November 2017 pursuant to a corporate restructuring plan implemented by Agmo Studio. He continues to be our substantial shareholder.

Currently, he holds shareholdings and directorships in several private companies in Malaysia for personal investment purposes, as disclosed in Section 5.2.4 of this Prospectus.

Moving forward, he will continue to be involved in our business development and charting our overall business direction, future growth and strategic planning initiatives.

(ii) Low Kang Wen

Low Kang Wen, a Malaysian aged 37, is our Promoter, substantial shareholder, Non-Independent Executive Director and Chief Operating Officer. He was appointed to our Board on 5 January 2017. He graduated from Multimedia University, Malaysia with a Bachelor of Electronic Engineering (Honours) degree in 2008.

Low Kang Wen has over 14 years of experience in the information communication technology industry, particularly in the area of R&D of software application lifecycles. He began his career in June 2008 as an advanced design engineer at Altera Corporate (M) Sdn. Bhd., where he was involved in the design, implementation and maintenance

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

of software applications. In August 2011, he left Altera Corporate (M) Sdn. Bhd. and joined Nokia Siemens Networks Sdn. Bhd. as a software development engineer, where he was involved in R&D of software applications.

Low Kang Wen left Nokia Siemens Networks Sdn. Bhd. in November 2011 and thereafter co-founded Agmo Studio in January 2012, where he was appointed as a director and chief operating officer. In the role of chief operating officer, he has been responsible for business development, quality assurance as well as the development of mobile application technologies of our Group. He is actively involved in overseeing mobile applications development and has overseen the development of more than 100 mobile applications for local and foreign clients over the years. He has also been involved in numerous successfully implemented digital initiative projects of major customers such as Pos Malaysia Berhad.

In January 2017, he co-founded our Company and was appointed to the Board in the same year. Subsequently, he transferred his entire shareholdings in Agmo Studio to our Company in November 2017 pursuant to a corporate restructuring plan implemented by Agmo Studio. He continues to be our substantial shareholder.

Currently, he holds shareholdings and directorships in several private companies in Malaysia as well as partnership in a business entity in Malaysia for personal investment purposes, as disclosed in Section 5.2.4 of this Prospectus.

Low Kang Wen will continue to oversee our day-to-day business activities and operations and participate in our activities in R&D and implementation of new software applications on behalf of our key clients wherein his expertise is towards project management, quality assurance and operation-related matters, such as support and maintenance.

(iii) Tham Chin Seng

Tham Chin Seng, a Malaysian aged 40, is our Promoter, substantial shareholder and Chief Technology Officer. He graduated from Multimedia University, Malaysia with a Bachelor of Engineering (Honours) Electronics, majoring in computer degree in 2007.

Tham Chin Seng has over 15 years of experience in the information communication technology industry, having been involved in planning, designing, implementing, commissioning and maintaining large-scale software applications during his time with various technology companies. He began his career in August 2007 as a R&D engineer at Agilent Technologies Microwave Products (Malaysia) Sdn. Bhd., where he worked on R&D of embedded software for electronics instruments. In September 2008, he left Agilent Technologies Microwave Products (Malaysia) Sdn. Bhd. After 3 months of break, he joined Panasonic R&D Centre Malaysia Sdn. Bhd. in December 2008 as a R&D engineer, where he focused on R&D of a type of private telephone network that connects users by managing the routing and advanced calling features for inbound and outbound calls known as a private branch exchange system (PBX). In June 2011, he left Panasonic R&D Centre Malaysia Sdn. Bhd. and joined Quintiq Sdn. Bhd. as a consultant, where he was involved in the development of advanced optimization software.

Tham Chin Seng left Quintiq Sdn. Bhd. in January 2012 and thereafter co-founded Agmo Studio in January 2012 where he was appointed as the chief technology officer. In his role as the chief technology officer, he has been the architect and principal driver for the implementation of various mobile application projects. He has also been involved in the successful implementation of various digital initiative projects for our major customers such as Petroliam Nasional Berhad, Petronas Dagangan Berhad and Shangri-la International Hotel Management Pte. Ltd., which has contributed to our track

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

record and revenue growth over the years. Subsequently, he subscribed for shares in Agmo Studio and became a shareholder of Agmo Studio in June 2012.

In January 2017, he co-founded our Company and subsequently transferred his entire shareholdings in Agmo Studio to our Company in November 2017 pursuant to a corporate restructuring plan implemented by Agmo Studio. He continues to be our substantial shareholder.

Currently, he holds shareholdings in a private company as well as partnership in a business entity, all established in Malaysia for personal investment purposes, as disclosed in Section 5.2.4 of this Prospectus.

Going forward, he will continue to oversee our R&D activities and participate in the day-to-day business activities and operations and in particular, manage the implementation of key projects of our Group wherein his expertise is toward cloud development as he has good experience in both back-end and web development.

(iv) Agmoian Sdn. Bhd.

Agmoian Sdn. Bhd. is our Promoter and substantial shareholder.

Agmoian Sdn. Bhd. was incorporated as a private limited company in Malaysia on 5 June 2018 under the Act. The principal activity of Agmoian Sdn. Bhd. is investment holding. As at the LPD, the issued share capital of Agmoian Sdn. Bhd. is RM100.00 comprising 1,000 ordinary shares. Agmoian Sdn. Bhd. became our shareholder on 13 January 2020.

As at the LPD, the directors of Agmoian Sdn. Bhd. are Tan Aik Keong and Low Kang Wen.

The details of Agmoian Sdn. Bhd.'s shareholders and their respective shareholdings as at the LPD are as follows:

| Name | Nationality | Direct | | Indirect | |
|----------------|-------------|---------------|--------------|---------------|----------|
| | | No. of shares | (%) | No. of shares | (%) |
| Tan Aik Keong | Malaysian | 585 | 58.5 | - | - |
| Low Kang Wen | Malaysian | 215 | 21.5 | - | - |
| Tham Chin Seng | Malaysian | 200 | 20.0 | - | - |
| Total | | 1,000 | 100.0 | - | - |

Tan Aik Keong's, Low Kang Wen's and Tham Chin Seng's shareholdings in Agmoian Sdn. Bhd. were part of a restructuring of their shareholdings in 2020 for a corporate exercise which did not materialise.

(v) Jason Chan Ling Khee

Jason Chan Ling Khee, a Malaysian aged 51, is our substantial shareholder and is a passive investor of our shares as he is not involved in the business and management of our Group. He graduated from the National University of Singapore with a Bachelor of Engineering (Electrical) degree in 1995.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

He began his career in October 1995 as a research engineer in the Centre for Wireless Communication, Singapore, where he was involved in development of firmware for communication devices. In November 1996, he left the Centre for Wireless Communication, Singapore and joined CyberSource Pte. Ltd. as a technical director, where he worked on the development of multimedia email applications. Subsequently in October 1997, he left CyberSource Pte. Ltd. and joined Tecnochannel Technologies Sdn. Bhd., a member of the MyWeb inc.com group of companies (“**MyWeb Group**”), which was then-listed on the Nasdaq Over-the-Counter Bulletin Board (OTCBB) in the United States of America. As the chief technical officer of MyWeb Group, he was responsible for the management of the technical team for the development of internet set-top boxes as well as the development of internet services for the China market. He left MyWeb Group in August 1999.

In August 1999, Jason Chan Ling Khee joined MY E.G. Services Sdn. Bhd. (now known as MY E.G. Services Berhad and listed on the Main Market of Bursa Securities) as its chief technology officer, where he was responsible for the management of the technical team for the development of electronic services. He left MY E.G. Services Sdn. Bhd. in January 2002 and joined GreenHouse Group Pte. Ltd. in February 2002 as a senior manager, where he was responsible for integrating new technology and solutions, and improving process efficiency for stakeholders. He left GreenHouse Group Pte. Ltd. and re-joined MY E.G. Services Berhad in March 2008 as its chief technology officer, where he was responsible for leading the technology aspects and guiding the development of products and technology. Subsequently in February 2019, he left MY E.G. Services Berhad to pursue personal business and investment interests.

Currently, he holds shareholdings and directorships in several private companies in Malaysia and Singapore such as Hachiman Technology Sdn. Bhd. which in turn holds shares in MX Global Sdn. Bhd., a company which is involved in information communication technology (ICT) system security.

He became a shareholder of Agmo Studio via subscription of shares in June 2012, December 2012 and June 2013 respectively. Pursuant to a corporate restructuring plan implemented by Agmo Studio in July 2017, he subscribed for shares in our Company and subsequently transferred his entire shareholdings in Agmo Studio to our Company in November 2017. He continues to be our substantial shareholder.

(vi) MY E.G. Capital Sdn. Bhd.

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and accounts for its investment in Agmo as an investment in unquoted shares of an investee company over which it holds no power to participate in financial and operating policy decisions. Further, MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

MY E.G. Capital Sdn. Bhd. was incorporated as a private limited company in Malaysia on 9 January 2012 under the Companies Act 1965. The principal activity of MY E.G. Capital Sdn. Bhd. is investment holding. As at the LPD, the issued share capital of MY E.G. Capital Sdn. Bhd. is RM1,000,000.00 comprising 1,000,000 ordinary shares.

As at the LPD, the directors of MY E.G. Capital Sdn. Bhd. are Dato’ Dr. Norraesah binti Haji Mohamad and Wong Thean Soon.

The entire issued share capital of MY E.G. Capital Sdn. Bhd. is owned by MY E.G. Services Berhad, a company whose shares are listed on the Main Market of Bursa Securities.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(vii) MY E.G. Services Berhad

MY E.G. Services Berhad is our substantial shareholder by virtue of its shareholdings in MY E.G. Capital Sdn. Bhd.

MY E.G. Services Berhad was incorporated as a private limited company in Malaysia on 17 February 2000 under the Companies Act 1965 and was subsequently converted to a public limited company on 13 April 2005. The principal activity of MY E.G. Services Berhad is development and implementation of the electronic government services project and the provision of other related services for the electronic government services project as well as investment holding. As at the LPD, the issued share capital of MY E.G. Services Berhad is RM865,105,830.22 comprising 7,408,616,642 ordinary shares (including 10,000,000 ordinary shares bought back by MY E.G. Services Berhad and retained as treasury shares). The shares of MY E.G. Services Berhad are listed on the Main Market of Bursa Securities.

As at the LPD, the directors of MY E.G. Services Berhad are Dato' Dr. Norraesah binti Haji Mohamad, Wong Thean Soon, Datuk Mohd. Jimmy Wong bin Abdullah, Wong Kok Chau, Dato' Sri Mohd. Mokhtar bin Mohd. Shariff, Dato' Mohd. Jeffrey bin Joakim and Puan Mohaini binti Mohd. Yusof.

As at the LPD, the substantial shareholders of MY. E.G. Services Berhad are as follows:

| Name | Nationality / Place of incorporation | Direct | | Indirect | |
|--|--|---------------|---------|------------------------------|---------|
| | | No. of shares | (1) (%) | No. of shares | (1) (%) |
| Wong Thean Soon | Malaysian | 894,058,650 | 12.1 | ⁽²⁾ 1,432,974,130 | 19.4 |
| Asia Internet Holdings Sdn. Bhd. | Malaysia | 1,432,974,130 | 19.4 | - | - |
| Kumpulan Wang Persaraan (Diperbadankan) ("KWAP") | Malaysia | 450,361,412 | 6.1 | ⁽³⁾ 57,940,946 | 0.8 |

Notes:

- (1) Based on the existing issued share capital of 7,398,616,642 ordinary shares in MY E.G. Services Berhad (excluding 10,000,000 treasury shares) as at the LPD.
- (2) Deemed interested by virtue of his shareholdings in Asia Internet Holdings Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.
- (3) Deemed interested via KWAP's fund manager

(viii) Wong Thean Soon

Wong Thean Soon, a Malaysian aged 51, is our substantial shareholder by virtue of his (i) direct shareholdings of 12.1% and (ii) indirect shareholdings of 19.4% (arising from his 100.0% shareholdings in Asia Internet Holdings Sdn. Bhd.) held in MY E.G. Services Berhad as at the LPD. In 1995, he graduated from the National University of Singapore with a Bachelor of Electrical Engineering Degree.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Wong Thean Soon was the co-founder and executive director of Cybersource Pte. Ltd., a company in Singapore from 1995 to 1997. In such role, he oversaw the development of amongst others, the PictureMail, an integrated graphical e-mail package which was licensed to Sony. He was also in charge of developing and marketing an additional product, namely, the Global Messaging System, which was licensed to paging operators in the Asian region including EasyCall International of Australia and Lenso Paging of Thailand.

He was also the founder and chief executive officer of Technochannel Technologies Sdn. Bhd. from 1997 to 2000. During such tenure, he formed marketing and manufacturing partnerships with a range of multinational corporations to develop and market Internet devices, where such devices were successfully marketed in China. He successfully listed Technochannel Technologies Sdn. Bhd. on the stock exchange of the United States of America via the holding company known as MyWeb Inc.com in 1999.

He subsequently co-founded MY E.G. Services Berhad and its group of companies ("**MY E.G. Group**") in 2000 before listing the MY E.G. Group in 2007 and has since been an executive director of the MY E.G. Group.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.1.3 Changes in our Promoters' and substantial shareholders' shareholdings in our Company

The significant changes in the shareholdings of our Promoters and substantial shareholders in our Company since our incorporation are as follows:

| Name | As at date of incorporation (5 January 2017) | | | | As at the LPD | | | | Upon Share Consolidation | | | | After our IPO | | | |
|---|---|------|---------------|-----|---------------|------------|-----------------|------------|--------------------------|------------|----------------|------------|---------------|------------|----------------|------------|
| | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | | Direct | | Indirect | |
| | No. of shares | (%) | No. of shares | (%) | No. of shares | (1) (%) | No. of shares | (1) (%) | No. of shares | (2) (%) | No. of shares | (2) (%) | No. of shares | (3) (%) | No. of shares | (3) (%) |
| Promoters and substantial shareholders | | | | | | | | | | | | | | | | |
| Tan Aik Keong | 1 | 50.0 | - | - | 105,230,770 | 26.3 | (4) 40,000,000 | 10.0 | 63,138,462 | 26.3 | (4) 24,000,000 | 10.0 | 63,138,462 | 19.4 | (4) 24,000,000 | 7.4 |
| Low Kang Wen | 1 | 50.0 | - | - | 38,769,230 | 9.7 | (4) 40,000,000 | 10.0 | 23,261,538 | 9.7 | (4) 24,000,000 | 10.0 | 23,261,538 | 7.2 | (4) 24,000,000 | 7.4 |
| Tham Chin Seng | - | - | - | - | 36,000,000 | 9.0 | (4) 40,000,000 | 10.0 | 21,600,000 | 9.0 | (4) 24,000,000 | 10.0 | 21,600,000 | 6.6 | (4) 24,000,000 | 7.4 |
| Agmoian Sdn. Bhd. | - | - | - | - | 40,000,000 | 10.0 | - | - | 24,000,000 | 10.0 | - | - | 24,000,000 | 7.4 | - | - |
| Substantial shareholders | | | | | | | | | | | | | | | | |
| MY Capital Bhd. | E.G. | - | - | - | 140,000,000 | 35.0 | - | - | 84,000,000 | 35.0 | - | - | 84,000,000 | 25.8 | - | - |
| Jason Ling Khee | Chan | - | - | - | 28,000,000 | 7.0 | - | - | 16,800,000 | 7.0 | - | - | 16,800,000 | 5.2 | - | - |
| MY Services Berhad | E.G. | - | - | - | - | - | (5) 140,000,000 | 35.0 | - | - | (5) 84,000,000 | 35.0 | - | - | (5) 84,000,000 | 25.8 |
| Wong Soon | Thean | - | - | - | - | - | (6) 140,000,000 | 35.0 | - | - | (6) 84,000,000 | 35.0 | - | - | (6) 84,000,000 | 25.8 |

Notes:

- (1) Based on the total number of 400,000,000 Shares as at the LPD.
- (2) Based on the issued share capital of 240,000,000 Shares after the completion of the Share Consolidation, and before our IPO.
- (3) Based on the enlarged total number of 325,000,000 Shares after our IPO.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (4) *Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.*
- (5) *Deemed interested by virtue of its shareholdings in MY E.G. Capital Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.*
- (6) *Deemed interested by virtue of his (i) direct shareholdings of 12.1% and (ii) indirect shareholdings of 19.4% (arising from his 100.0% shareholdings in Asia Internet Holdings Sdn. Bhd.) held in MY E.G. Services Berhad as at the LPD, pursuant to Section 8 of the Act.*

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.1.4 Promoters and / or substantial shareholders' remuneration and benefits

Save for the dividends paid or proposed to be paid, if any, to our Promoters and / or substantial shareholders and the aggregate remuneration and benefits paid and proposed to be paid for services rendered to our Group in all capacities to our Group, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus. Further details of our dividend payment are set out in Section 12.15 of this Prospectus and further details of the remuneration and benefits paid or proposed to be paid to our Promoters and substantial shareholders are set out in Sections 5.2.5 and 5.4.5 of this Prospectus.

5.2 BOARD OF DIRECTORS

5.2.1 Board

Our Board comprises the following members:

| Name | Age | Nationality | Date of appointment | Designation |
|----------------------------|-----|-------------|---------------------|--|
| Dato' Low Hann Yong | 37 | Malaysian | 28 December 2021 | Non-Independent Non-Executive Chairman |
| Tan Aik Keong | 37 | Malaysian | 5 January 2017 | Non-Independent Executive Director / Chief Executive Officer |
| Low Kang Wen | 37 | Malaysian | 5 January 2017 | Non-Independent Executive Director / Chief Operating Officer |
| Dr. Lau Cher Han | 40 | Malaysian | 28 December 2021 | Independent Non-Executive Director |
| Datin Yap Shin Siang | 46 | Malaysian | 28 December 2021 | Independent Non-Executive Director |
| Mohd Fairuz bin Mohd Azrul | 47 | Malaysian | 28 December 2021 | Independent Non-Executive Director |

Pursuant to Clause 115 of our Constitution, any Director appointed by our Board shall hold office only until the conclusion of the next annual general meeting and shall be eligible for re-election at such meeting. Pursuant to Clause 130 of our Constitution, at each annual general meeting of our Company, 1/3 of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3, shall retire from office provided always that all Directors including our Non-Independent Executive Director 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 Directors to retire in every year shall be those who have been longest in office since their last election, but as between Directors of equal seniority, the Directors to retire shall (unless they otherwise agree among themselves) be determined from among them by lot.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.2.2 Profiles of our Directors

The profiles of our Directors, Tan Aik Keong and Low Kang Wen who are also our Promoters and substantial shareholders are disclosed in Section 4.1.2 of this Prospectus.

The profiles of our other Directors are as follows:

(i) Dato' Low Hann Yong

Dato' Low Hann Yong, a Malaysian aged 37, is our Non-Independent Non-Executive Chairman. He was appointed to our Board on 28 December 2021. He graduated from University of Malaya with a Bachelor of Law degree in 2008.

In June 2008, Dato' Low Hann Yong commenced his pupillage with Chiew & Ho, where he assisted in various kind of conveyancing and litigation legal works. He completed his pupillage in March 2009. He was then called to the Malaysian Bar as an advocate and solicitor in 2009.

In April 2009, he founded Low & Partners, of which he is currently the managing partner. At Low & Partners, he specialises in banking and conveyancing, family law, dispute resolution and corporate matters.

He has previously served as a committee member of the Family Law Committee of Bar Council Malaysia from 2012 to 2013, the Innovation and Future of Law Committee of Bar Council Malaysia from 2016 to 2017 and the National Young Lawyers Committee of Bar Council Malaysia from 2010 to 2015. He has also been appointed to serve as the legal advisor for the Malaysia's Mobile App Developers Association since December 2017. He has also been an affiliate of Malaysian Institute of Chartered Secretaries and Administrators since March 2016.

Currently, he holds shareholdings and directorships in several private companies in Malaysia for personal investment purposes, as disclosed in Section 5.2.4 of this Prospectus.

As our Non-Independent Non-Executive Chairman, it is anticipated that Dato' Low Hann Yong will be responsible for instilling good corporate governance practices, leadership and effectiveness of our Board. In view of his vast experience in legal matters, it is envisaged that he will contribute in imparting his views and guidance in relation to legal compliance matters of our Group.

Please refer to Section 5.6 of this Prospectus for information on the civil suit and complaints filed with the Advocates and Solicitors Disciplinary Board against Dato' Low Hann Yong.

(ii) Dr. Lau Cher Han

Dr. Lau Cher Han, a Malaysian aged 40, is our Independent Non-Executive Director. He was appointed to our Board on 28 December 2021. He graduated from Queensland University of Technology with a Bachelor of Information Technology (Databases) in 2007. He subsequently obtained a Master of Information Technology (Research) from Queensland University of Technology in 2009. He also holds a Doctor of Philosophy, which he was conferred with by the Queensland University of Technology in 2014.

Dr. Lau Cher Han has been an expert panelist of Malaysia Qualification Agency since August 2015 and a panel member of National Big Data Occupational Committee since August 2015. He has also been the advisor of Selangor Information Technology and E-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Commerce Council since June 2016 and Big Data and Smart Cities, State of Johor since August 2017.

He began his career as an academic in 2006, holding the position of teaching assistant at the Queensland University of Technology, where he was responsible for delivering weekly workshops and lectures in relation to information technologies, web development and software systems development. He left Queensland University of Technology in August 2014.

In 2007, he joined the Institute of Future Environments, Australia as a research developer on a contract basis with flexible working schedules, where he was involved in conducting environmental research by developing analysis programs, building of a system with an automatic process to perform greenhouse gas collection, chromatography and real-time analysis. Subsequently, he left the Institute of Future Environments, Australia in 2012.

In 2008, he joined Microsoft QUT e-Research Centre, Australia (an e-research infrastructure of Queensland University of Technology) as a research developer on a contract basis with flexible working schedules, where he was responsible for the design and deployment of mobile sensors to collect data for studying of Australian natural habitats, development of platforms and provision of information technology tools for scientists to research climate change and development of applications using Microsoft's technology. He left Microsoft QUT e-Research Centre, Australia in 2012.

Dr. Lau Cher Han returned to Malaysia and started a business under the name of Ucan Technology Training Centre in September 2014, which provided computer training courses on a project basis. Subsequently, he joined Malaysian Global Innovation & Creativity Centre, Malaysia as its director of academy in October 2014, where he was responsible for providing consultation and advice on information technology innovation as and when required. In such role, he mentored the start-up of the MaGIC Accelerator Program (an online programme to accelerate local and international start-ups from all over the world) in South East Asia region with his technical skills and knowledge in information technologies. He left Malaysian Global Innovation & Creativity Centre, Malaysia in October 2015.

In June 2015, he joined YottaSoft Sdn. Bhd. as its principal data scientist. In such role, he was involved in identifying and solving of business problems, development of data science and analytical algorithms and solutions as well as execution of analytical models into production. In addition, he was also responsible for coaching of the team and development of solutions for clients. He left YottaSoft Sdn. Bhd. in June 2016.

Between July 2016 and October 2016, Dr. Lau Cher Han continues to be involved in his business, namely Ucan Technology Training Centre. Subsequently, Dr. Lau Cher Han became the shareholder and managing director of Ucan Technologies Sdn. Bhd. in November 2016 and in such role, he is currently responsible for the identification of opportunities to apply advanced analytics and data science, leading of the technical team to implement artificial intelligence and machine learning algorithms and delivery of customized big data solutions. In addition, he is also involved in the design and implementation of proprietary data lake solutions to streamline data ingestion process and to enable users to build their own customized data pipelines.

As our Independent Non-Executive Director and a member of our Audit and Risk Management, Remuneration and Nomination Committees, it is anticipated that Dr. Lau Cher Han will be able to share and contribute his extensive technical expertise in leading information technologies, web development and software systems development as well as advanced analytics and data science, artificial intelligence and machine learning algorithms and big data solutions with our Group as a member of our Board.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) Datin Yap Shin Siang

Datin Yap Shin Siang, a Malaysian aged 46, is our Independent Non-Executive Director. She was appointed to our Board on 28 December 2021. She graduated from the University of Melbourne with a Bachelor of Commerce degree in 1997. She subsequently obtained a Master of Business Administration from the University of Nottingham in 2004. She has been a member of Certified Practising Accountant (CPA) Australia since 2000, Malaysian Institute of Accountants since 2001 and Chartered Tax Institute of Malaysia since 2016.

Datin Yap Shin Siang began her career in February 1998 as a staff consultant with Arthur Andersen LLP (which has since merged with Ernst & Young PLT and is now known as Ernst & Young PLT), where she was involved in assessment of information technology environments, risk and controls to the analysis of business information flows, data acquisition and analysis as well as financial audits for client companies. In October 1998, she left Arthur Andersen LLP and joined KPMG Malaysia in January 1999 (now known as KPMG PLT) as an audit assistant where she assisted in the completion of specific audit assignments and due diligence reviews. In January 2000, she left KPMG Malaysia.

In February 2000, she joined YYC & Co PLT as its audit manager, where she was responsible for supervising and planning of audit works for client companies. She is currently the partner of YYC & Co PLT since December 2007 and in such role, she is responsible for dealing and managing of business relationship with clients.

In May 2015, she became the director and group chief executive officer of YYC Holdings Sdn. Bhd. and in such role, she is currently responsible for making corporate decisions and managing the overall strategies and operations of the company.

Currently, she also holds shareholdings and directorships in several private companies in Malaysia for personal investment purposes, as disclosed in Section 5.2.4 of this Prospectus.

As our Independent Non-Executive Director and a member of our Audit and Risk Management, Remuneration and Nomination Committees, and in view of her vast experience in audit and compliance matters, it is envisaged that Datin Yap Shin Siang will contribute in imparting her views and guidance in relation to accounting compliance and corporate matters of our Group.

(iv) Mohd Fairuz bin Mohd Azrul

Mohd Fairuz bin Mohd Azrul, a Malaysian aged 47, is our Independent Non-Executive Director. He was appointed to our Board on 28 December 2021. He graduated from Carnegie Mellon University, United States of America, with a Bachelor of Science in Industrial Management (Computing and Information Technology) degree in 1998.

Mohd Fairuz bin Mohd Azrul began his career in October 1998 as a consultant with KPMG LLP (the consulting business of which was subsequently transferred to KPMG Consulting Inc. in January 2000) in Boston, United States of America, where he was involved in reviewing, redesigning, development and migration for financial back end systems. In May 2003, he left KPMG LLP and joined Multimedia Development Corporation Sdn. Bhd. in June 2003 as an account manager, where he was involved in the promotion and processing of international Multimedia Super Corridor (MSC) applications and setup. In August 2004, he left Multimedia Development Corporation Sdn. Bhd. Thereafter, he became the shareholder and deputy managing director of Jaalaa Malaysia Sdn. Bhd. in November 2004, where he was responsible for R&D and

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

commercialisation of fabless radio-frequency (RF) mixed signal systems on chip for industrial wireless applications. Due to the emergence of a new investor, he disposed all his shareholdings in Jaalaa Malaysia Sdn. Bhd. and resigned as deputy managing director of Jaalaa Malaysia Sdn. Bhd. in March 2005. However, he remained as an employee of Jaalaa Malaysia Sdn. Bhd. with the position of director in business development in R&D aspects of the business until September 2006.

In August 2006, he became the shareholder and director of SGS Technology Sdn. Bhd., where he was in charge of the provision and installation of radio-frequency identification (RFID) solutions for library management systems. He disposed all his shareholdings in SGS Technology Sdn. Bhd. and left SGS Technology Sdn. Bhd. as its director in October 2007.

In November 2006, he founded FA M&E Systems Sdn. Bhd. (then known as Pamormas Sdn. Bhd.) and became its director, where he was responsible for commercial installations of mechanical and electrical systems for building automation. Subsequently, he disposed all his shareholdings in FA M&E Systems Sdn. Bhd. and he left FA M&E Systems Sdn. Bhd. as its director in June 2009.

In June 2008, he was appointed as a director and the chief executive officer of Free Alliance Sdn. Bhd., where he was responsible for the R&D, manufacturing and commercialisation of wireless sensor network solutions. In August 2008, he became a shareholder of Free Alliance Sdn. Bhd. He disposed his shareholdings in Free Alliance Sdn. Bhd. and left Free Alliance Sdn. Bhd. as its director and chief executive officer in January 2014.

In August 2008, he became the shareholder and director of Jaavin Electronic Solution Sdn. Bhd. (then known as Oracle Marks Sdn. Bhd.), where he was responsible for R&D and manufacturing of electronics and systems hardware. Subsequently, he disposed all his shareholdings in Jaavin Electronic Solution Sdn. Bhd. and left Jaavin Electronic Solution Sdn. Bhd. as its director in November 2012.

In January 2012, he started up a business under the name of Red Dragon Fly Enterprise and he worked as its technical director, where he was involved in R&D, manufacturing and commercialisation of portable battery based alternating current (AC) generator units. Subsequently, he ceased the business in December 2016.

In March 2013, he was appointed as the chief operations officer of Creonsoft Sdn. Bhd., where he was involved in business development and engineering operations of massively multiplayer online (MMO) mobile games platforms for anchor clients in Indonesia, Cambodia and Thailand. He left Creonsoft Sdn. Bhd. in December 2016.

In April 2013, he became a shareholder of Green Wall Sdn. Bhd. and he was appointed as its director, where he was involved in the sales and technical aspects of palm oil and agriculture fertilisers. He disposed his shareholdings in Green Wall Sdn. Bhd. and he resigned as a director of Green Wall Sdn. Bhd. in February 2015.

In February 2015, he joined Wisilica Inc. as its advisor to the board of directors where he is currently involved in the business and market development as well as the setting up of the office and R&D team in India.

Currently, Mohd Fairuz bin Mohd Azrul holds shareholdings and directorships in several private companies in Malaysia and Germany for personal investment purposes, as disclosed in Section 5.2.4 of this Prospectus.

As our Independent Non-Executive Director and a member of our Audit and Risk Management, Remuneration and Nomination Committees, it is anticipated that Mohd

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

Fairuz bin Mohd Azrul will be able to contribute his experience as an entrepreneur and technical expertise, particularly in the information technology and network technology services sectors, to our Group as a member of our Board.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.2.3 Shareholdings of our Directors

The following table sets out the direct and indirect shareholdings of our Directors before and after our IPO:

| Name | Before our IPO | | | | After our IPO ⁽¹⁾ | | | |
|----------------------------|----------------|--------------------|---------------------------|--------------------|------------------------------|--------------------|---------------------------|--------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | ⁽²⁾ (%) | No. of Shares | ⁽²⁾ (%) | No. of Shares | ⁽³⁾ (%) | No. of Shares | ⁽³⁾ (%) |
| Dato' Low Hann Yong | - | - | - | - | 300,000 | 0.1 | - | - |
| Tan Aik Keong | 63,138,462 | 26.3 | ⁽⁴⁾ 24,000,000 | 10.0 | 63,138,462 | 19.4 | ⁽⁴⁾ 24,000,000 | 7.4 |
| Low Kang Wen | 23,261,538 | 9.7 | ⁽⁴⁾ 24,000,000 | 10.0 | 23,261,538 | 7.2 | ⁽⁴⁾ 24,000,000 | 7.4 |
| Dr. Lau Cher Han | - | - | - | - | 300,000 | 0.1 | - | - |
| Datin Yap Shin Siang | - | - | - | - | 300,000 | 0.1 | - | - |
| Mohd Fairuz bin Mohd Azrul | - | - | - | - | 300,000 | 0.1 | - | - |

Notes:

- (1) Assuming full subscription of the Pink Form Shares reserved for our eligible Directors.
- (2) Based on the issued share capital of 240,000,000 Shares upon the completion of the Share Consolidation.
- (3) Based on the enlarged issued share capital of 325,000,000 Shares upon our IPO.
- (4) Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.2.4 Principal directorships and business activities of our Directors outside our Group

Save as disclosed below, none of our Directors are involved in any other principal business activities outside our Group as at the LPD. The following table sets out the principal directorships of our Directors outside our Group and the principal business activities performed by our Directors outside our Group as at the LPD (“**Present Involvement**”) and those other principal directorships of our Directors outside our Group that were held within the past 5 years up to the LPD (“**Past Involvement**”):

(i) **Tan Aik Keong**

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|--|--|---|--|
| <u>Present involvement</u> | | | | |
| Heydoc International Sdn. Bhd. | 21.4.2015 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 14.3%)⁽¹⁾ | <ul style="list-style-type: none"> • Mobile application for healthcare consultation service |
| Agmoian Sdn. Bhd. | 5.6.2018 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 58.5%) | <ul style="list-style-type: none"> • Investment holding company holding shares in 1 company⁽²⁾ |
| EzLaw International Sdn. Bhd. | - | - | <ul style="list-style-type: none"> • Shareholder (Indirect: 9.5%)⁽³⁾ | <ul style="list-style-type: none"> • Business of website, software, mobile applications, tools, database, dictionary to provide information and guidance in the law and legal industry, online solutions and generally to carry on any or all business pertaining to or connected therewith |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|--------------------------------------|--|--|---|--|
| NextProperty Ventures Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 7.0%) ⁽⁴⁾ | <ul style="list-style-type: none"> Development and operation of property portals and mobile applications and the related advertising services |
| NextRent Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 6.4%) ⁽⁵⁾ | <ul style="list-style-type: none"> Advertisement and an investment holding company that is currently not holding shares in any company |
| Advisonomics Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 0.3%) ⁽⁶⁾ | <ul style="list-style-type: none"> Financial consultancy services ⁽⁷⁾ |
| <u>Past involvement</u> | | | | |
| Appstremely Sdn. Bhd. | 6.3.2014 | 19.10.2021 | <ul style="list-style-type: none"> Director Shareholder (Indirect: 35.0%) ⁽⁸⁾⁽⁹⁾ | <ul style="list-style-type: none"> Information technology software and application development and advisory on computer software and hardware technologies application |
| GoConsult Sdn. Bhd. | 5.10.2015 | 29.10.2021 | <ul style="list-style-type: none"> Director Shareholder (Direct: 35.0%) ⁽¹⁰⁾ | <ul style="list-style-type: none"> Developing and bringing to market a mobile application for use within the medical fraternity which will be multi-platform to run on Apple, Android and Windows operating systems |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|--------------------------------------|--|--|---|---|
| Getcoinapp Sdn. Bhd. | 19.9.2018 | 30.9.2021 | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 50.0%) ⁽¹⁰⁾ | <ul style="list-style-type: none"> • Provision of software development, mobile and hand-held devices application development, desktop application, website and web-application and any other types of software or application and tablets applications software research, software development and implementation of data processing and programming services • Research, development and commercialisation of trading platform |
| Blockcord Sdn. Bhd. | 17.8.2018 | 2.11.2021 | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 50.0%) ⁽¹⁰⁾ | <ul style="list-style-type: none"> • Other information technology service activities ⁽¹¹⁾ • Computer programming activities • Computer consultancy ⁽¹²⁾ |
| Syok Driver Sdn. Bhd. | 19.9.2018 | 25.8.2021 | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 50.0%) ⁽¹⁰⁾ | <ul style="list-style-type: none"> • Other information technology service activities ⁽¹¹⁾ • Computer programming activities • Computer consultancy ⁽¹²⁾ |
| Mama Dessert (M) Sdn. Bhd. | 11.2.2019 | 27.10.2021 | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 75.0%) ⁽¹⁰⁾ | <ul style="list-style-type: none"> • Restaurants ⁽¹³⁾ |

Notes:

(1) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 14.3% direct equity interest in Heydoc International Sdn. Bhd.*

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (2) *As at the LPD, Agmoian Sdn. Bhd. is holding 10.0% direct equity interest in Agmo.*
- (3) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 9.5% direct equity interest in EzLaw International Sdn. Bhd.*
- (4) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 7.0% direct equity interest in NextProperty Ventures Sdn. Bhd.*
- (5) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 6.4% direct equity interest in NextRent Sdn. Bhd.*
- (6) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 0.3% direct equity interest in Advisonomics Sdn. Bhd.*
- (7) *In general, financial consultancy services include developing and bringing a mobile application for use within the Malaysia market to empower saving via gamification approach to achieve the users' goals.*
- (8) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Studio which in turn holds 35.0% direct equity interest in Appstremely Sdn. Bhd.*
- (9) *Agmo Studio has disposed all of its equity interest in this company to a third-party who is not related to any of our Directors, substantial shareholders or key senior management of our Group. Further details of the disposal are set out in Section 12.14(iii) of this Prospectus.*
- (10) *Tan Aik Keong has disposed all of his equity interest in this company to a third-party who is not related to any of our Directors, substantial shareholders or key senior management of our Group.*
- (11) *In general, other information technology service activities include monetisation and marketing of software applications.*
- (12) *In general, computer consultancy includes services on technology selection, implementation approach and technical feasibility.*
- (13) *A restaurant serving primarily Chinese desserts. As at the LPD, Mama Dessert (M) Sdn. Bhd. is dormant, not carrying out any business operation and the striking-off procedure for the company pursuant to Section 550 of the Act has commenced.*

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(ii) Low Kang Wen

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director / joining as partner</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|---|--|---|--|
| <u>Present involvement</u> | | | | |
| Kraftangan Sinhin PLT | 15.9.2014 | - | <ul style="list-style-type: none"> Partner | <ul style="list-style-type: none"> Wholesale of handicrafts and artificial flowers Retail sale of any kind of product over the internet Export and import of a variety of goods without any particular specialisation |
| EzLaw International Sdn. Bhd. | 11.11.2016 | - | <ul style="list-style-type: none"> Director Shareholder (Direct: < 0.1%) (Indirect: 9.5%) ⁽¹⁾ | <ul style="list-style-type: none"> Business on website, software, mobile applications, tools, database, dictionary to provide information and guidance in law and legal industry, online solutions and generally to carry on any or all business pertaining to or connected therewith |
| Agmoian Sdn. Bhd. | 5.6.2018 | - | <ul style="list-style-type: none"> Director Shareholder (Direct: 21.5%) | <ul style="list-style-type: none"> Investment holding company holding shares in 1 company ⁽²⁾ |
| Heydoc International Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 14.3%) ⁽³⁾ | <ul style="list-style-type: none"> Mobile application for healthcare consultation service |
| NextProperty Ventures Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 7.0%) ⁽⁴⁾ | <ul style="list-style-type: none"> Development and operation of property portals and mobile |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director / joining as partner | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|--------------------------------------|---|--|--|---|
| | | | | applications and the related advertising services |
| NextRent Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 6.4%) ⁽⁵⁾ | <ul style="list-style-type: none"> Advertisement and an investment holding company that is currently not holding shares in any company |
| Advisonomics Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 0.3%) ⁽⁶⁾ | <ul style="list-style-type: none"> Financial consultancy services ⁽⁷⁾ |
| <u>Past involvement</u> | | | | |
| Ezlaw Holding Berhad | 3.8.2017 | - | <ul style="list-style-type: none"> Director Shareholder (Direct: 50.0%) | <ul style="list-style-type: none"> Struck-off on 27.6.2019 |
| Getcoinapp Sdn. Bhd. | 19.9.2018 | 30.9.2021 | <ul style="list-style-type: none"> Director Shareholder (Direct: 50.0%) ⁽⁸⁾ | <ul style="list-style-type: none"> Provision of software development, mobile and hand-held devices application development, desktop application, website and web-application and any other types of software or application and tablets apps software research, software development and implementation of data processing and programming services Research, development and commercialisation of trading platform |
| Syok Driver Sdn. Bhd. | 19.9.2018 | 25.8.2021 | <ul style="list-style-type: none"> Director Shareholder | <ul style="list-style-type: none"> Other information technology service activities ⁽⁹⁾ |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director / joining as partner | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|-------------------------------|--|---------------------------------|--|---|
| | | | (Direct: 50.0%) ⁽⁸⁾ | <ul style="list-style-type: none"> • Computer programming activities • Computer consultancy ⁽¹⁰⁾ |

Notes:

- (1) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 9.5% direct equity interest in EzLaw International Sdn. Bhd.*
- (2) *As at the LPD, Agmoian Sdn. Bhd. is holding 10.0% direct equity interest in Agmo.*
- (3) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 14.3% direct equity interest in Heydoc International Sdn. Bhd.*
- (4) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 7.0% direct equity interest in NextProperty Ventures Sdn. Bhd.*
- (5) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 6.4% direct equity interest in NextRent Sdn. Bhd.*
- (6) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Agmo Capital which in turn holds 0.3% direct equity interest in Advisonomics Sdn. Bhd.*
- (7) *In general, financial consultancy services include developing and bringing a mobile application for use within the Malaysia market to empower saving via gamification approach to achieve the users' goals.*
- (8) *Low Kang Wen has disposed all of his equity interest in this company to a third-party who is not related to any of our Directors, substantial shareholders or key senior management of our Group.*
- (9) *In general, other information technology service activities include monetisation and marketing of software applications.*
- (10) *In general, computer consultancy includes services on technology selection, implementation approach and technical feasibility.*

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) Dato' Low Hann Yong

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director / joining as partner</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|---|--|---|--|
| <u>Present involvement</u> | | | | |
| Low & Partners | 9.4.2009 | - | <ul style="list-style-type: none"> Partner | <ul style="list-style-type: none"> Provision of legal services |
| LP Private Equity Sdn. Bhd. | 3.7.2019 | - | <ul style="list-style-type: none"> Director Shareholder (Direct: 40.0%) | <ul style="list-style-type: none"> Investment advisory services Investment holding company holding shares in 1 company ⁽¹⁾ |
| Mr Savvy Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Direct: 51.0%) | <ul style="list-style-type: none"> Providing information technology service and solutions, software and hardware consultancy and other related services |
| Easy Ren International Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Direct: 30.0%) | <ul style="list-style-type: none"> Property management, management of real estate construction and renovation services and provide other management of consultancy services |
| Easytech International Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Indirect: 0.9%) ⁽²⁾ | <ul style="list-style-type: none"> To carry on business on website, software, mobile applications, web system development and training and consultancy services |
| Pin Bestari Sdn. Bhd. | - | - | <ul style="list-style-type: none"> Shareholder (Direct: 0.8%) | <ul style="list-style-type: none"> Investment holding company that is currently not holding shares in any company Property investment general trading |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director / joining as partner</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|---|--|---|--|
| <u>Past involvement</u> | | | | |
| Mr Savvy Sdn. Bhd. | 16.10.2015 | 10.9.2019 | • Director | • Providing information technology service and solutions, software and hardware consultancy and other related services |
| Easy Ren International Sdn. Bhd. | 25.4.2017 | 26.7.2018 | • Director | • Property management, management of real estate construction and renovation services and provide other management of consultancy services |
| Easytech International Sdn. Bhd. | 12.5.2017 | 25.9.2019 | • Director | • To carry on business on website, software, mobile apps, web system development and training and consultancy services |

Notes:

- (1) *As at the LPD, LP Private Equity Sdn. Bhd., is holding 0.04% direct equity interest in Alphacap Berhad, a company principally involved in information technology professional services as implementation of new systems, enhancement of existing systems, support and maintenance of production or non-production systems.*
- (2) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Mr Savvy Sdn. Bhd. which in turn holds 0.9% direct equity interest in Easytech International Sdn. Bhd.*

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iv) Dr. Lau Cher Han

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|--|--|---|---|
| <u>Present involvement</u> | | | | |
| Ucan Technologies Sdn. Bhd. | 3.11.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 50.0%) | <ul style="list-style-type: none"> • Computer training |
| Ucan Technology Training Centre | 24.9.2014 | - | <ul style="list-style-type: none"> • Sole proprietor | <ul style="list-style-type: none"> • Provide computer courses training |
| <u>Past involvement</u> | | | | |
| Analytica Insights Sdn. Bhd. | 6.1.2016 | 18.1.2017 | <ul style="list-style-type: none"> • Director | <ul style="list-style-type: none"> • Retail sale of telecommunication equipment • Other information technology service activities ⁽¹⁾ • Buying, selling, renting and operating of self-owned or leased real estate – land |
| Micro Trails Sdn. Bhd. | 10.11.2016 | 26.1.2018 | <ul style="list-style-type: none"> • Director | <ul style="list-style-type: none"> • Dormant ⁽²⁾ |
| Interstream Sdn. Bhd. | 13.3.2018 | 28.12.2018 | <ul style="list-style-type: none"> • Director | <ul style="list-style-type: none"> • Providing information technology and communication related services |

Notes:

(1) *Analytica Insights Sdn. Bhd. is principally involved in other information technology service activities such as providing consultation services in relation to information technology, cloud data management services and data analytics related services.*

(2) *The intended principal activity of Micro Trails Sdn. Bhd. is provision of information technology related consultancy services, cloud data management services and data analytics related services.*

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(v) Datin Yap Shin Siang

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director / joining as partner</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|---|--|---|---|
| <u>Present involvement</u> | | | | |
| Chun Chang Corporation Sdn. Bhd. | 1.4.2004 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 27.8%) | <ul style="list-style-type: none"> • Property investment and management |
| YYC Tax Consultants Sdn. Bhd. | 20.9.2013 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Consulting in business management, taxation, public relations, contracting and any similar business |
| YYC GST Consultants Sdn. Bhd. | 6.12.2013 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • To provide management services, business advisors, investment management and goods and services tax consultants |
| YYC Holdings Sdn. Bhd. | 8.5.2015 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 42.0%) | <ul style="list-style-type: none"> • Investment holding company holding shares in 32 companies ⁽²⁾ |
| YYC (Puchong) Sdn. Bhd. | 7.5.2015 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Business management consultancy services, taxation and any similar business |
| YYC (Uptown) Sdn. Bhd. | 7.5.2015 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Management services, business advisors, investment management and goods and services tax consultants |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director / joining as partner | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|---|---|--|---|--|
| YYC Advisors (Ipoh) Sdn. Bhd. | 8.5.2015 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Business management consultancy services |
| YYC (Serdang) Sdn. Bhd. | 28.7.2015 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Advisory, consulting in business management, taxation and any similar business |
| YYC (Kota Damansara) Sdn. Bhd. | 10.8.2015 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Business management |
| YYC Harveston Wealth Advisory Sdn. Bhd. | 4.4.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 25.5%) | <ul style="list-style-type: none"> • Financial consultancy services, portfolio management and investment advisory ⁽⁶⁾ |
| YYC (Klang) Sdn. Bhd. | 29.4.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • To carry on the business of consulting in business management and the provision of related services |
| YYC Business Solutions Sdn. Bhd. | 5.9.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Research, development, commercialisation, implementation, maintenance and technical services and all kinds of related business solutions |
| K K Chow Training Sdn. Bhd. | 1.5.2017 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Conducting lectures and seminars |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director / joining as partner | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|---|---|--|--|--|
| YYC JG Sdn. Bhd. | 8.6.2017 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽¹⁾ | <ul style="list-style-type: none"> • Investment holding company that is currently not holding shares in any company |
| YYC (Ampang) Sdn. Bhd. | 19.12.2017 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽¹⁾ | <ul style="list-style-type: none"> • Business management consultancy services |
| YYC Corporate Advisory Sdn. Bhd. | 25.1.2018 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽¹⁾ | <ul style="list-style-type: none"> • Business management and corporate training services |
| YYC (USJ Taipan) Sdn. Bhd. | 25.1.2018 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽¹⁾ | <ul style="list-style-type: none"> • Business management and corporate training |
| YYC Centre of Excellence Sdn. Bhd. | 5.3.2018 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽¹⁾ | <ul style="list-style-type: none"> • Other information service activities^{(2)(p)} |
| YYC (Pudu) Sdn. Bhd. | 22.3.2018 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽¹⁾ | <ul style="list-style-type: none"> • Business management consultancy services |
| Agensi Pekerjaan Hirelo Consultancy Sdn. Bhd. | 1.1.2019 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽¹⁾ | <ul style="list-style-type: none"> • To carry on the business as private employment agency to recruit and place workers to another employer |
| YYC & Co PLT | 24.6.2019 | - | <ul style="list-style-type: none"> • Partner and compliance officer | <ul style="list-style-type: none"> • Accounting, bookkeeping and auditing activities • Tax consultancy |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director / joining as partner | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|--------------------------------------|---|--|---|---|
| Cloudbooks Sdn. Bhd. | 6.7.2020 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Business of providing software consulting, development, training and solution services ^{(2)(u)} |
| YYC Management Sdn. Bhd. | 23.7.2020 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Management consultants, advisor and commercial consultants to companies, firms, persons and public organisations in all their offices and branches and in particular to advise upon, direct or manage the accounting, costing, taxes, budgetary and other control of the business methods and systems |
| YYC Outsourcing Sdn. Bhd. | 17.8.2020 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Human resource consultancy services |
| YYC Advisors Sdn. Bhd. | 17.8.2020 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • As advisors and to render management, industrial, commercial, financial, and other related services to any person, firm or corporation |
| YYC Management Consultants Sdn. Bhd. | 30.11.2020 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽¹⁾ | <ul style="list-style-type: none"> • Management consultants |
| YYC Ventures Sdn. Bhd. | 11.4.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 30.0%) | <ul style="list-style-type: none"> • Other service activities ^{(2)(w)} |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director / joining as partner | Date of resignation as director | Position held / % of shareholding held (Indirect: 70.0%) ⁽³⁾ | Principal activities |
|--|---|--|---|--|
| YYC Management Services Sdn. Bhd. | 22.12.2017 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 70.0%) ⁽³⁾ | <ul style="list-style-type: none"> • Business management |
| YYC Mekong Tax Services Sdn. Bhd. | 27.4.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 51.0%) ⁽³⁾ | <ul style="list-style-type: none"> • Provision of tax compliance and consulting services |
| YYC Ideal Sdn. Bhd. | 26.12.2017 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 51.0%) ⁽⁴⁾ | <ul style="list-style-type: none"> • Business management consultancy services |
| YYC (Bandar Botanic) Sdn. Bhd. | 26.3.2018 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 51.0%) ⁽⁴⁾ | <ul style="list-style-type: none"> • Business management consultancy services |
| M E Kong & Associates Sdn. Bhd. | 11.8.2020 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 51.0%) ⁽⁴⁾ | <ul style="list-style-type: none"> • Accounting, bookkeeping and auditing activities • Tax consultancy |
| YYC Academy Sdn. Bhd. | - | - | <ul style="list-style-type: none"> • Shareholder (Indirect: 51.0%) ⁽⁴⁾ | <ul style="list-style-type: none"> • Others education ⁽⁷⁾ |
| C & T Tax and Corporate Services Sdn. Bhd. | 1.4.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%) ⁽⁵⁾ | <ul style="list-style-type: none"> • Providing tax and corporate services |
| YYC Klang Advisors Sdn. Bhd. | 10.11.2016 | - | <ul style="list-style-type: none"> • Director • Shareholder | <ul style="list-style-type: none"> • Provision of tax consultancy services |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director / joining as partner | Date of resignation as director | Position held / % of shareholding held (Indirect: 100.0%) ⁽⁵⁾ | Principal activities |
|--------------------------------------|---|--|--|--|
| YYC KK Chow Tax Sdn. Bhd. | 6.4.2017 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 100.0%)⁽⁵⁾ | <ul style="list-style-type: none"> • Consulting in business management and taxation |
| Intanair Jaya Sdn. Bhd. | 16.10.2018 | - | <ul style="list-style-type: none"> • Director | <ul style="list-style-type: none"> • Property broker |
| Inspiresme Sdn. Bhd. | - | - | <ul style="list-style-type: none"> • Shareholder (Direct: 40.0%) | <ul style="list-style-type: none"> • Others education⁽⁷⁾ |
| <u>Past involvement</u> | | | | |
| Nil | Nil | Nil | Nil | Nil |

Notes:

- (1) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via YYC Holdings Sdn. Bhd. which in turn holds 100.0% direct equity interests in YYC Tax Consultants Sdn. Bhd., YYC GST Consultants Sdn. Bhd., YYC (Puchong) Sdn. Bhd., YYC (Uptown) Sdn. Bhd., YYC Advisors (Ipoh) Sdn. Bhd., YYC (Serdang) Sdn. Bhd., YYC (Kota Damansara) Sdn. Bhd., YYC (Klang) Sdn. Bhd., YYC Business Solutions Sdn. Bhd., K K Chow Training Sdn. Bhd., YYC JG Sdn. Bhd., YYC (Ampang) Sdn. Bhd., YYC Corporate Advisory Sdn. Bhd., YYC (USJ Taipan) Sdn. Bhd., YYC Centre of Excellence Sdn. Bhd., YYC (Pudu) Sdn. Bhd., Agensi Pekerjaan Hirelo Consultancy Sdn. Bhd., Cloudbooks Sdn. Bhd., YYC Management Sdn. Bhd., YYC Outsourcing Sdn. Bhd., YYC Advisors Sdn. Bhd. and YYC Management Consultants Sdn. Bhd. respectively.*
- (2) *As at the LPD, YYC Holdings Sdn. Bhd. is holding equity interests in the following companies:*
- (a) *100.0% direct equity interest in YYC (Puchong) Sdn. Bhd., a company principally involved in business management consultancy services, taxation and any similar business.*
- (b) *100.0% direct equity interest in YYC Management Sdn. Bhd., a company principally involved in management consultants, advisor and commercial consultants to companies, firms, persons and public organisations in all their offices and branches and in particular to advise upon, direct or manage the accounting, costing, taxes, budgetary and other control of the business methods and systems.*
- (c) *100.0% direct equity interest in YYC (Uptown) Sdn. Bhd., a company principally involved in management services, business advisors, investment management and goods and services tax consultants.*

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (d) 100.0% direct equity interest in YYC Business Solutions Sdn. Bhd., a company principally involved in research, development, commercialisation, implementation, maintenance and technical services and all kinds of related business solutions.
- (e) 100.0% direct equity interest in YYC Tax Consultants Sdn. Bhd., a company principally involved in consulting in business management, taxation, public relations, contracting and any similar business.
- (f) 100.0% direct equity interest in YYC (Kota Damansara) Sdn. Bhd., a company principally involved in business management.
- (g) 100.0% direct equity interest in YYC Advisors Sdn. Bhd., a company principally involved as advisors and to render management, industrial, commercial, financial, and other related services to any person, firm or corporation.
- (h) 100.0% direct equity interest in Agensi Pekerjaan Hirelo Consultancy Sdn. Bhd., a company principally involved in carrying on the business as private employment agency to recruit and place workers to another employer.
- (i) 100.0% direct equity interest in YYC (Serdang) Sdn. Bhd., a company principally involved in advisory, consulting in business management, taxation and any similar business.
- (j) 100.0% direct equity interest in YYC Advisors (Ipoh) Sdn. Bhd., a company principally involved in business management consultancy services.
- (k) 100.0% direct equity interest in YYC Management Consultants Sdn. Bhd., a company principally involved in the activities of management consultants.
- (l) 100.0% direct equity interest in YYC (Klang) Sdn. Bhd., a company principally involved in carrying on the business of consulting in business management and the provision of related services.
- (m) 100.0% direct equity interest in YYC JG Sdn. Bhd., a company principally involved in investment holding and is currently not holding shares in any company.
- (n) 100.0% direct equity interest in YYC Outsourcing Sdn. Bhd., a company principally involved in human resource consultancy services.
- (o) 100.0% direct equity interest in YYC GST Consultants Sdn. Bhd., a company principally involved in providing management services, business advisors, investment management and goods and services tax consultants.
- (p) 100.0% direct equity interest in YYC Centre of Excellence Sdn. Bhd., a company principally involved in other information service activities. In general, YYC Centre of Excellence Sdn. Bhd. provides shared services internally to its own group of companies such as accounting and tax services.
- (q) 100.0% direct equity interest in YYC Corporate Advisory Sdn. Bhd., a company principally involved in business management and corporate training services.
- (r) 100.0% direct equity interest in YYC (USJ Taipan) Sdn. Bhd., a company principally involved in business management and corporate training.
- (s) 100.0% direct equity interest in YYC (Ampang) Sdn. Bhd., a company principally involved in business management consultancy services.
- (t) 100.0% direct equity interest in YYC (Pudu) Sdn. Bhd., a company principally involved in business management consultancy services.
- (u) 100.0% direct equity interest in Cloudbooks Sdn. Bhd., a company principally involved in the business of providing software consulting, development, training and solution services. As at the LPD, Cloudbooks Sdn. Bhd. is currently dormant and not carrying out any business operation.
- (v) 100.0% direct equity interest in K K Chow Training Sdn. Bhd., a company principally involved in conducting lectures and seminars.
- (w) 70.0% direct equity interest in YYC Ventures Sdn. Bhd., a company principally involved in other service activities. As at the LPD, YYC Ventures Sdn. Bhd. is currently dormant and not carrying out any business operation.
- (x) 70.0% direct equity interest in YYC Management Services Sdn. Bhd., a company principally involved in business management.
- (y) 51.0% direct equity interest in YYC (Bandar Botanic) Sdn. Bhd., a company principally involved in business management consultancy services.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (z) 51.0% direct equity interest in *YYC Academy Sdn. Bhd.*, a company principally involved in others education.
 - (aa) 51.0% direct equity interest in *YYC Ideal Sdn. Bhd.*, a company principally involved in business management consultancy services.
 - (bb) 51.0% direct equity interest in *YYC Mekong Tax Services Sdn. Bhd.*, a company principally involved in tax compliance and consulting services.
 - (cc) 51.0% direct equity interest in *M E Kong & Associates Sdn. Bhd.*, a company principally involved in accounting, bookkeeping and auditing activities and tax consultancy.
 - (dd) 100.0% indirect equity interest in *YYC Klang Advisors Sdn. Bhd.* held via *YYC Tax Consultants Sdn. Bhd.*
 - (ee) 100.0% indirect equity interest in *C & T Tax and Corporate Services Sdn. Bhd.* held via *YYC Tax Consultants Sdn. Bhd.*
 - (ff) 100.0% indirect equity interest in *YYC KK Chow Tax Sdn. Bhd.* held via *YYC Tax Consultants Sdn. Bhd.*
- (3) Deemed interested pursuant to Section 8(4)(c) of the Act; held via *YYC Holdings Sdn. Bhd.* which in turn holds 70.0% direct equity interests in *YYC Ventures Sdn. Bhd.* and *YYC Management Services Sdn. Bhd.* respectively.
- (4) Deemed interested pursuant to Section 8(4)(c) of the Act; held via *YYC Holdings Sdn. Bhd.* which in turn holds 51.0% direct equity interests in *YYC Mekong Tax Services Sdn. Bhd.*, *YYC Ideal Sdn. Bhd.*, *YYC (Bandar Botanic) Sdn. Bhd.*, *M E Kong & Associates Sdn. Bhd.* and *YYC Academy Sdn. Bhd.* respectively.
- (5) Deemed interested pursuant to Section 8(4)(c) of the Act; held via *YYC Holdings Sdn. Bhd.* which holds 100.0% direct equity interest in *YYC Tax Consultants Sdn. Bhd.* which in turn holds 100.0% direct equity interests in *C & T Tax and Corporate Services Sdn. Bhd.*, *YYC Klang Advisors Sdn. Bhd.* and *YYC KK Chow Tax Sdn. Bhd.* respectively.
- (6) *YYC Harveston Wealth Advisory Sdn. Bhd.* has been dormant since the end of 2019 and as at the LPD, it does not carry out any business activities and there are no immediate plans on the part of *YYC Holdings Sdn. Bhd.* to change its dormant activity status.
- (7) In general, others education includes providing training courses in relation to finance matters.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(vi) Mohd Fairuz bin Mohd Azrul

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|--|--|--|--|
| <u>Present involvement</u> | | | | |
| Intellisense Sdn. Bhd. | 6.10.2017 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 100.0%) | <ul style="list-style-type: none"> • Export and import of a variety of goods without any particular specialisation • Construction and other engineering projects • Engineering services |
| Viridi Ventures Sdn. Bhd. | 24.1.2019 | - | <ul style="list-style-type: none"> • Director • Shareholder (Direct: 100.0%) | <ul style="list-style-type: none"> • Business management consultancy services • Real estate activities with own or leased property • Investment holding company that is currently not holding shares in any company |
| UPM Holdings Sdn. Bhd. | 1.4.2019 | - | <ul style="list-style-type: none"> • Director | <ul style="list-style-type: none"> • Investment holding company holding shares in 3 companies ⁽¹⁾ |
| UPM Innovations Sdn. Bhd. | 31.5.2019 | - | <ul style="list-style-type: none"> • Director | <ul style="list-style-type: none"> • Carry out business of research and consultants ^{(1)(b)} |
| VDX Asia Sdn. Bhd. | 12.3.2020 | - | <ul style="list-style-type: none"> • Director • Shareholder (Indirect: 20.0%) ⁽²⁾ | <ul style="list-style-type: none"> • Business management consultancy services • Export and import of a variety of goods without any particular specialization • Engineering services |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| Directorships / Shareholdings | Date of appointment as director | Date of resignation as director | Position held / % of shareholding held | Principal activities |
|--------------------------------------|--|--|---|--|
| VDX Germany GmbH | - | - | <ul style="list-style-type: none"> Shareholder (20.0%) | <ul style="list-style-type: none"> Development, manufacture and marketing of vertical wind turbines and associated components |
| Past involvement | | | | |
| Nil | Nil | Nil | Nil | Nil |

Notes:

- (1) As at the LPD, UPM Holdings Sdn. Bhd. is holding 100.0% direct equity interests in the following companies:
- (a) UPM Education & Training Sdn. Bhd., a company principally involved in training services and management of University Putra Malaysia education program.
 - (b) UPM Innovations Sdn. Bhd., a company principally involved in carrying out the business of research and consultants. In general, UPM Innovations Sdn. Bhd. is involved in trading and commercialization of intellectual property rights generated by Universiti Putra Malaysia such as dealing with industry players who wish to license, collaborate or purchase of the said intellectual property rights. It is not involved in the development of information communication technology.
 - (c) UPM Consultancy & Services Sdn. Bhd., a company principally involved in providing consultancy, technical professional services and management training; transportation agent; and general trading. In general, UPM Consultancy & Services Sdn. Bhd. provides consultancy services such as legal, company secretarial, general administrative services to UPM Holdings Sdn. Bhd. and various university departments of University Putra Malaysia, for the tenders which are participated by Universiti Putra Malaysia.
- (2) Deemed interested pursuant to Section 8(4)(c) of the Act; held via Intellisense Sdn. Bhd., which in turn holds 20.0% direct equity interest in VDX Asia Sdn. Bhd.

Save as disclosed above and in Section 11.1 of this Prospectus, as at the LPD, none of our Directors and / or substantial shareholders has any interest, direct or indirect, or directorship in other businesses or corporations. Notwithstanding the above and as disclosed in Section 11.1 of this Prospectus, there are no interest, direct or indirect, or directorship in other businesses or corporations by our Directors and / or substantial shareholders that may give rise to a situation of conflict of interest with our Group.

Our Non-Independent Executive Directors are not actively involved in any business activities outside our Group. They are passive investors and they do not act in an executive capacity and are not involved in the day-to-day operations of the business activities (for businesses with active activities) outside of our Group. Their involvement will not affect their ability to perform their roles and responsibilities as well as their contribution to our Group.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

The involvement of our Non-Executive Directors in other businesses or corporations outside our Group is not expected to affect their ability to perform their roles and responsibilities as well as their contribution to our Group as they do not act in any executive capacity and are not involved in the day-to-day operations of our Group.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.2.5 Directors' remuneration and benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid to our current Directors for services rendered to our Group for FYE 2021 and FYE 2022 and proposed to be paid for FYE 2023 are as follows:

| FYE 2021 | Salaries RM'000 | Fees and allowances RM'000 | Bonuses (¹) RM'000 | Statutory Contributions (²) RM'000 | Benefits-in- kind RM'000 | Total RM'000 |
|---|----------------------------|---|--|--|---|-------------------------|
| Independent Non-Executive Directors | | | | | | |
| Dr. Low Cher Han | - | - | - | - | - | - |
| Datin Yap Shin Siang | - | - | - | - | - | - |
| Mohd Fairuz bin Mohd Azrul | - | - | - | - | - | - |
| Non-Independent Non-Executive Chairman | | | | | | |
| Dato' Low Hann Yong | - | - | - | - | - | - |
| Non-Independent Executive Directors | | | | | | |
| Tan Aik Keong | (³) 125 | (⁴) 1 | 21 | 18 | - | 165 |
| Low Kang Wen | 161 | (⁴) 8 | 20 | 24 | - | 213 |
| FYE 2022 | Salaries RM'000 | Fees and allowances RM'000 | Bonuses (¹) RM'000 | Statutory Contributions (²) RM'000 | Benefits-in- kind RM'000 | Total RM'000 |
| Independent Non-Executive Directors | | | | | | |
| Dr. Low Cher Han | - | (⁵) 8 | - | - | - | 8 |
| Datin Yap Shin Siang | - | (⁵) 8 | - | - | - | 8 |
| Mohd Fairuz bin Mohd Azrul | - | (⁵) 8 | - | - | - | 8 |
| Non-Independent Non-Executive Chairman | | | | | | |
| Dato' Low Hann Yong | - | (⁵) 8 | - | - | - | 8 |
| Non-Independent Executive Directors | | | | | | |
| Tan Aik Keong | 185 | - | 6 | 24 | - | 215 |
| Low Kang Wen | 178 | - | 6 | 23 | - | 207 |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

| FYE 2023 | Salaries RM'000 | Fees and allowances RM'000 | Bonuses (1) RM'000 | Statutory Contributions (2) RM'000 | Benefits- in-kind RM'000 | Total RM'000 |
|---|----------------------------|---|-----------------------------------|---|---|-------------------------|
| Independent Non-Executive Directors | | | | | | |
| Dr. Low Cher Han | - | 30 | - | - | - | 30 |
| Datin Yap Shin Siang | - | 30 | - | - | - | 30 |
| Mohd Fairuz bin Mohd Azrul | - | 30 | - | - | - | 30 |
| Non-Independent Non-Executive Chairman | | | | | | |
| Dato' Low Hann Yong | - | 30 | - | - | - | 30 |
| Non-Independent Executive Directors | | | | | | |
| Tan Aik Keong | 186 | - | 7 | 24 | - | 217 |
| Low Kang Wen | 178 | - | 7 | 23 | - | 208 |

Notes:

- (1) Our policy in determining payment of bonuses is dependent on factors such as employees' performance, contribution and overall financial performance of our Group.
- (2) These comprise contributions to Employees Provident Fund and Social Security Organisation.
- (3) During FYE 2021, Tan Aik Keong participated in a public hackathon programme organised by the Ministry of Science, Technology and Innovation and Cradle Fund Sdn. Bhd. ("MyHackathon"). The MyHackathon programme involves the development of a digital data record system for use by the public healthcare service department, namely Klinik Kesihatan under the Ministry of Health. The participation by Tan Aik Keong is a strategic initiative undertaken as part of the Group's objective of expanding its technological knowledge and network in the Malaysian public health-tech industry.

During the participation of Tan Aik Keong in the MyHackathon programme between January 2021 and March 2021, Tan Aik Keong forfeited his salary for a period of 3 months (for the said period) amounting to a total of approximately RM0.06 million. Notwithstanding, Tan Aik Keong continued to discharge his obligations and responsibilities as the CEO of the Group during the period between January 2021 and March 2021. In the event there are such similar programmes as the MyHackathon programme in the future, Tan Aik Keong will not be participating so as to ensure that his ability to perform his role and responsibility as CEO of the Group and contribution to the business and operations of the Group is not affected.
- (4) Fees and allowances for FYE 2021 consist of encashment of annual leave for unutilised leave balance as at 31 December 2021.
- (5) The fees and allowances for our Non-Executive Directors are computed on a pro-rated basis, from their appointment on 28 December 2021 up to 31 March 2022.

The remuneration of our Directors, which includes salaries, fees and allowances, bonuses, as well as other benefits, must be considered and recommended by our Remuneration Committee and subsequently, be approved by our Board, subject to the provisions of our Constitution. Our Directors' fees and benefits must be further approved and endorsed by our shareholders at a general meeting.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.3 BOARD PRACTICES

Our Board has acknowledged the latest recommendations of the Malaysian Code on Corporate Governance (“MCCG”) which came into effect on 28 April 2021, which include amongst others, that the board should comprise at least 30.0% women directors.

As such, we have initiated the process of identifying suitable candidates to be appointed as our director(s) to ensure that the above recommendation under the MCCG will be complied within 24 months after our Listing.

5.3.1 Directors’ term of office

As at the LPD, the date of expiry of the current term of office for each of our Directors and the period that each of them has served in that office is as follows:

| Directors | Date of appointment | Date of expiry of the current term of office | Approximate no. of years and months in office up to the date of this Prospectus |
|----------------------------|---------------------|--|---|
| Dato’ Low Hann Yong | 28 December 2021 | At the first annual general meeting | < 1 month |
| Tan Aik Keong | 5 January 2017 | At the first annual general meeting | > 5 years |
| Low Kang Wen | 5 January 2017 | At the first annual general meeting | > 5 years |
| Dr. Lau Cher Han | 28 December 2021 | At the first annual general meeting | < 1 month |
| Datin Yap Shin Siang | 28 December 2021 | At the first annual general meeting | < 1 month |
| Mohd Fairuz bin Mohd Azrul | 28 December 2021 | At the first annual general meeting | < 1 month |

5.3.2 Audit and Risk Management Committee

The Audit and Risk Management Committee shall solely comprise of Independent Non-Executive Directors. The Audit and Risk Management Committee was constituted on 28 December 2021 by our Board with the function of assisting our Board in fulfilling its oversight responsibilities. The composition of our Audit and Risk Management Committee is set out below:

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

Our Audit and Risk Management Committee has full access to both internal and external auditors who in turn have access at all times to the Chairperson of our Audit and Risk Management Committee. The key duties and responsibilities of our Audit and Risk Management Committee as stated in its terms of reference include, amongst others, the following:

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(i) Financial Reporting

To monitor the integrity of the financial statements of our Group and assess whether the financial reports represent a true and fair view of our Group's performance.

To propose best practices on the disclosure of financial statements and the annual reports of the Company, to be in line with the recommendations set out in the MCGG and other applicable rules and regulations.

To review the quarterly and annual financial statements of our Group prepared by the management, where necessary, together with the external auditor, focusing particularly on:

- (a) Any significant changes to accounting policies and practices.
- (b) Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed.
- (c) Significant adjustments arising from the audit.
- (d) Compliance with accounting standards and other legal requirements.
- (e) Compliance with accounting standards and other regulatory or legal requirements.
- (f) Going concern assumption.

(ii) Risk Management and Internal Control

- (a) To consider the effectiveness of the internal control system and risk management framework adopted within our 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 our 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 our 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 Audit and Risk Management Committee itself.
- (g) To report to our 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.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(iii) Internal Audit Function

- (i) To review the effectiveness of internal audit function, including the ability, competency and qualification of the internal audit team and/or outsourced internal auditors (if any) to perform its duties.
- (ii) To review the adequacy of the scope, functions competency and resources, and that it has the necessary authority to carry out its work.
- (iii) To review and approve the internal audit plan and the internal audit report and, where necessary, ensure that appropriate actions are taken on the recommendations made by the internal audit function.
- (iv) To receive and review on a regular basis the reports, findings and recommendations of the internal audit team and / or outsourced internal auditors and to ensure that appropriate actions have been taken to implement the audit recommendations.
- (v) To ensure the internal audit team and / or outsourced internal auditors has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties.
- (vi) To review any matters concerning the employment or appointment (and re-appointment) of the in-house and / or the outsourced internal auditors (as the case may be) and the reasons for resignation or termination of either party.
- (vii) To request and review any special audit which the Audit and Risk Management Committee deems necessary.

(iv) External Audit

- (a) To review the external auditors' audit plan, nature and scope of the audit plan, audit report, evaluation of internal controls and co-ordination of the external auditors.
- (b) To review the annual performance assessment, including the suitability and independence of the external auditors and make recommendations to the Board, the appointment or re-appointment of the external auditors.
- (c) In assessing or determining the suitability and independence of the external auditors, the Audit and Risk Management Committee shall take into consideration of the following:
 - (1) the adequacy of the experience and resources of the external auditors;
 - (2) the external auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
 - (3) the nature of the non-audit services provided by the external auditor and fees paid for such services relative to the audit fee;
 - (4) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the external auditor;

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (5) to review letter of resignation from external auditors and report the same to our Board; and
 - (6) to review whether there is a reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment.
 - (d) To review any matters arising concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of the external auditors.
 - (e) To review the external auditor's audit report, and management letter and management's response to the management letter.
 - (f) To be advised of significant use of the external auditors in performing non-audit services within our Group, considering both the types of services rendered and the fees, such that their position as auditors are not deemed to be compromised.
 - (g) To review the external auditors' findings arising from audits, particularly any comments and responses in audit recommendations as well as the assistance given by the employees of our Group in order to be satisfied that appropriate action is being taken.
 - (h) To review with the external auditors for the Statement on Risk Management and Internal Control of our Group for inclusion in the Annual Report.
 - (i) Conducting private meetings with external auditors without the presence of executive directors or management of our Group to discuss problems/reservations arising from the interim and final audits, and any matter the external auditors wish to discuss.
 - (j) Reviewing the co-operation and assistance given by management of our Group to the external auditors.
- (v) Related Party Transactions / Conflict of Interest Situations**
- To review any related party transactions and conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity.
- (vi) Audit and Risk Management Committee Reports**
- To prepare the annual Audit and Risk Management Committee report to our Board for inclusion in the Annual Report and to review our Board's statements on compliance with the MCCG for inclusion in the Annual Report.
- (vii) Sustainability Reports**
- (a) Overseeing the management of principal business risks and significant / material economics, environmental and social risks and opportunities.
 - (b) Ensuring resources and processes are in place to enable the organisation to achieve its sustainability commitments and targets.
 - (c) Reviewing disclosures statements relating to management of suitability matters of our Group in the Annual Reports.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

(viii) Other Matters

- (a) To verify the allocation of options pursuant to the Share Issuance Scheme or the allocation of shares pursuant to any incentive plan for employees of our Group at the end of each financial years as being in compliance with the criteria which is disclosed to the employees and make a statement in the Annual Report that such allocation has been verified.
- (b) To exercise its powers and carry out its responsibilities as may be required from time to time under the Whistleblowing Policy of our Group.
- (c) To carry out any other function that may be mutually agreed upon by our Audit and Risk Management Committee and our Board.

5.3.3 Remuneration Committee

The Remuneration Committee was constituted on 28 December 2021 by our Board. The composition of our Remuneration Committee is set out below:

| <u>Name</u> | <u>Designation</u> | <u>Directorship</u> |
|----------------------------|--------------------|------------------------------------|
| Mohd Fairuz bin Mohd Azrul | Chairperson | Independent Non-Executive Director |
| Dr. Lau Cher Han | Member | Independent Non-Executive Director |
| Datin Yap Shin Siang | Member | Independent Non-Executive Director |

The key duties and responsibilities of our Remuneration Committee as stated in its terms of reference include, amongst others, the following:

- (i) To recommend a remuneration framework for the Executive Directors and key senior management for our Board's approval. There should be a balance in determining the remuneration package, which should be sufficient to attract and retain Directors of caliber, and yet not excessive. The framework should cover all aspects of remuneration including Director's fee, salaries, allowance, bonuses, options and benefit-in-kind and take into account the complexity of our Company's business and the individual's responsibilities.
- (ii) To recommend specific remuneration packages for the Executive Directors and key senior management. The remuneration package should be structured such that it is competitive. Salary scales drawn up should be within the scope of the general business policy and not be dependent on short-term performance to avoid incentives for excessive risk-taking. The remuneration should also be aligned with the business strategy and long-term objectives of our Company; and take into consideration our Company's performance in managing material sustainability risks and opportunities. As for Non-Executive Directors and Independent Directors, the level of remuneration should be linked to their level of responsibilities undertaken and contribution to the effective functioning of our Board.
- (iii) To ensure the establishment of a formal and transparent procedure for developing policies, strategies and framework for the remuneration of the Executive Directors and key senior management.
- (iv) To perform any other functions as defined by our Board.
- (v) To monitor structures and levels of remuneration for other senior management and make recommendations to ensure consistency with our Company's remuneration objectives.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (vi) To approve any major changes to employee compensation and benefits arrangements applicable to exec directors and key senior management.
- (vii) To approve incentive plans for executive directors and key senior management.
- (viii) When considering severance payments, our Remuneration Committee should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining severance package that public opinion might deem to be excessive.

5.3.4 Nomination Committee

The Nomination Committee was constituted on 28 December 2021 by our Board. The composition of our Nomination Committee is set out below:

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

The key duties and responsibilities of our Nomination Committee as stated in its terms of reference include, amongst others, the following:

- (i) To assist our Board in ensuring that our Board is of an effective composition, size and commitment to adequately discharge its responsibilities and duties.
- (ii) To ensure appropriate selection criteria and processes and to identify and recommend to our Board, candidates for directorships of our Company and members of the relevant Board committees. In identifying candidates for appointment of directors, our Nomination Committee should not rely solely on the recommendations from existing directors, management or major shareholder and independent sources are utilized to identify suitably qualified candidates.
- (iii) In determining the process for the identification of suitable candidates, our Nomination Committee will ensure that an appropriate review is undertaken to ensure the requirement and qualification of the candidate nominated based on a prescribed set of objective criteria and merit comprising but not limited to the following:
 - (a) skills, knowledge, expertise, experience, age, cultural background and gender
 - (b) professionalism;
 - (c) integrity;
 - (d) existing number of directorships held, including on boards of non-listed companies;
 - (e) confirmation of not being an undischarged bankrupt or involved in any court proceedings in connection with the promotion, formation or management of a corporation or involving fraud or dishonesty punishable on conviction with imprisonment or subject to any investigation by any regulatory authority under any legislation; and
 - (f) in the case of candidates being considered for the position of independent director, such potential candidates should have the ability to discharge such

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

responsibilities / functions as expected from independent non-executive directors. Amongst others, the potential candidates must fulfil the criteria used in the definition of “independent directors” prescribed by the Listing Requirements and being able to bring independent and objective judgement to our Board.

Where required, the members of our Nomination Committee would meet up with potential candidates for the position of director to conduct an assessment of the suitability.

(Note: Our Group practices non-discrimination in any form whether based on age, gender, ethnicity or religion throughout the organisation and this includes the selection of directors).

- (iv) To assist our Board to assess and evaluate circumstances where a Director's involvement outside our Group may give rise to a potential conflict of interest with our Group's businesses, upon receiving declaration of the same from the Director and thereafter, to inform our Audit and Risk Management Committee of the same. After deliberation with our Audit and Risk Management Committee, to recommend to our Board the necessary actions to be taken in circumstances where there is a conflict of interest.
- (v) To evaluate the performance and effectiveness of our Board and the relevant Board committees annually.
- (vi) To ensure an appropriate framework and succession planning for Board and management succession, including the future Chairman, Executive Directors and Chief Executive Officer.
- (vii) To ensure the continuation in office of any director at any time, including the suspension or termination of service; and reviewing the re-appointment of any non-executive director at the conclusion of their term office having given due regard of their performance and ability to continue to contribute to our Board.

5.4 KEY SENIOR MANAGEMENT

5.4.1 Key senior management team

The composition of our key senior management team is set out below:

| Name | Age | Nationality | Designation / Function |
|-----------------------|------------|--------------------|-------------------------------|
| Tan Aik Keong | 37 | Malaysian | Chief Executive Officer |
| Low Kang Wen | 37 | Malaysian | Chief Operating Officer |
| Tham Chin Seng | 40 | Malaysian | Chief Technology Officer |
| Cynthia Wong Yoke Wah | 34 | Malaysian | Head of Finance |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.4.2 Profiles of our key senior management

The profiles of our key senior management, Tan Aik Keong, Low Kang Wen and Tham Chin Seng are set out in Section 5.1.2 of this Prospectus.

The profile of our other key senior management is as follows:

(i) Cynthia Wong Yoke Wah

Cynthia Wong Yoke Wah, a Malaysian aged 34, is our Head of Finance. She graduated from Tunku Abdul Rahman College with an Advanced Diploma in Commerce (Financial Accounting) in 2010. In the same year, she also completed the Professional Level of the Association of Chartered Certified Accountants (“**ACCA**”) examination. She has been a member and a fellow of ACCA since 2014 and 2019, respectively.

She began her career in August 2010 as an audit associate at KPMG Malaysia (now known as KPMG PLT) where she was responsible for conducting fieldworks for audit engagements. She was subsequently promoted as a senior associate and assistant manager in July 2012 and July 2013 respectively, where she was responsible for leading and conducting the fieldwork for audit engagements. Subsequently in July 2015, she was promoted as an audit manager, where she was responsible for the planning, management and review of audit engagements. In August 2016, she left KPMG Malaysia and after 4 months of break, she joined Genting Malaysia Berhad in January 2017 as a finance manager, where she managed the consolidation and financial reporting of Genting Malaysia Berhad's group of companies. In March 2018, she left Genting Malaysia Berhad and joined MY E.G. Management Services Sdn. Bhd. (a wholly-owned subsidiary of MY E.G. Services Berhad) as a senior finance manager, where she was responsible for overseeing the finance function of the insurance division of MY E.G. Services Berhad's group of companies. In December 2019, she left MY E.G. Management Services Sdn. Bhd.

Subsequently in January 2020, she joined MX Global Sdn. Bhd. as the head of finance and treasury, where she was part of its pioneer management team. During her employment in MX Global Sdn. Bhd., she assisted the company in successfully obtaining the license to operate a digital asset exchange and she was also responsible for overseeing finance and human resource-related matters. She resigned from MX Global Sdn. Bhd. in July 2021.

In July 2021, she joined Agmo as Head of Finance to oversee the finance, legal and human resources administration of our Group.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.4.3 Shareholdings of our key senior management

The direct and indirect shareholdings of our key senior management, Tan Aik Keong and Low Kang Wen before and after our IPO are set out in Section 5.1.1 of this Prospectus.

The following table sets out the direct and indirect shareholdings of our other key senior management, assuming full subscription of Pink Form Shares reserved for our eligible employees.

| Name | Before our IPO | | | | After our IPO ⁽¹⁾ | | | |
|-----------------------|----------------|--------------------|---------------------------|--------------------|------------------------------|--------------------|---------------------------|--------------------|
| | Direct | | Indirect | | Direct | | Indirect | |
| | No. of Shares | ⁽²⁾ (%) | No. of Shares | ⁽²⁾ (%) | No. of Shares | ⁽³⁾ (%) | No. of Shares | ⁽³⁾ (%) |
| Tham Chin Seng | 21,600,000 | 9.0 | ⁽⁴⁾ 24,000,000 | 10.0 | 21,600,000 | 6.6 | ⁽⁴⁾ 24,000,000 | 7.4 |
| Cynthia Wong Yoke Wah | - | - | - | - | 300,000 | 0.1 | - | - |

Notes:

- (1) Assuming full subscription of the Pink Form Shares reserved for our eligible employees.
- (2) Based on the total number of 240,000,000 Shares after the completion of the Share Consolidation, and before our IPO.
- (3) Based on the enlarged total number of 325,000,000 Shares after our IPO.
- (4) Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.

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5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.4.4 Principal directorship of our key senior management and principal business activities performed outside of our Group

Save as disclosed below and in Section 5.2.4 of this Prospectus, none of the Key Senior Management is involved in any other principal business activities outside our Group as at the LPD. The following table sets out the principal directorships of our key senior management outside our Group and the principal business activities performed by our key senior management outside our Group as at the LPD (“**Present Involvement**”) and those other principal directorships of our key senior management outside our Group that were held within the past 5 years up to the LPD (“**Past Involvement**”):

(i) Tham Chin Seng

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director / joining as partner</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|---|--|---|--|
| <u>Present involvement</u> | | | | |
| Sollys Baby PLT | 3.6.2016 | - | • Partner | • Other retail sale of new goods in specialized stores ⁽¹⁾ |
| Agmoian Sdn. Bhd. | - | - | • Shareholder (Direct: 20.0%) | • Investment holding company holding shares in 1 company ⁽²⁾ |
| <u>Past involvement</u> | | | | |
| Blockchain Street Sdn. Bhd. | 26.4.2018 | 1.11.2018 | • Director | • Struck-off on 4.1.2021 |
| Blockcord Sdn. Bhd. | 17.8.2018 | 2.11.2021 | • Director • Shareholder (Direct: 50.0%) ⁽³⁾ | • Other information technology service activities ⁽⁴⁾ • Computer programming activities • Computer consultancy ⁽⁵⁾ |

Notes:

(1) *It is currently dormant and no longer operating.*

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (2) *As at the LPD, Agmoian Sdn. Bhd. is holding 10.0% direct equity interest in Agmo.*
- (3) *Tham Chin Seng has disposed all of his equity interest in this company to a third-party who is not related to any of our Directors, substantial shareholders or key senior management of our Group.*
- (4) *In general, other information technology service activities include monetisation and marketing of software applications.*
- (5) *In general, computer consultancy includes services on technology selection, implementation approach and technical feasibility.*

(ii) Cynthia Wong Yoke Wah

| <u>Directorships / Shareholdings</u> | <u>Date of appointment as director</u> | <u>Date of resignation as director</u> | <u>Position held / % of shareholding held</u> | <u>Principal activities</u> |
|--------------------------------------|--|--|---|-----------------------------|
| <u>Present involvement</u> | | | | |
| Nil | Nil | Nil | Nil | Nil |
| <u>Past involvement</u> | | | | |
| Nil | Nil | Nil | Nil | Nil |

The involvement of our key senior management in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of Tham Chin Seng, being a member of our key senior management, in other businesses or corporations outside our Group will not affect his ability to perform his roles and responsibilities as well as his contribution to our Group as his business activity outside of our Group is dormant and no longer operating.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.4.5 Key senior management's remuneration and benefits-in-kind

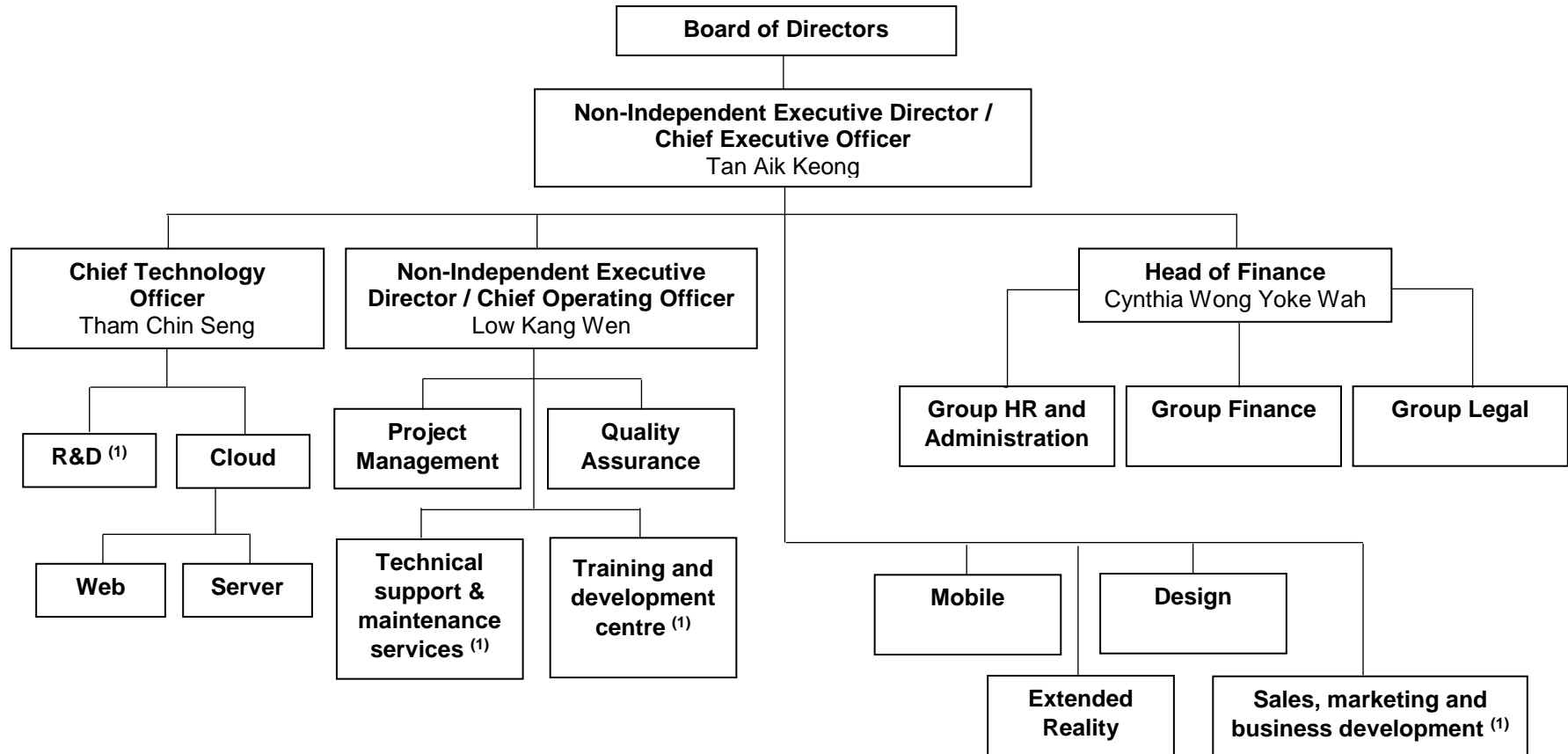
The aggregate remuneration and material benefits-in-kind paid to our Chief Executive Officer and Chief Operating Officer for FYE 2021 and FYE 2022 and proposed to be paid for FYE 2023 are set out in Section 5.2.5 of this Prospectus.

The aggregate remuneration and material benefits-in-kind paid to our Chief Technology Officer and Head of Finance for services rendered in all capacities to our Group for FYE 2021 and FYE 2022 and proposed to be paid for FYE 2023 are as follows:

| Name | Remuneration band (RM) | | |
|-----------------------|------------------------|--------------------|--------------------|
| | FYE 2021 RM'000 | FYE 2022 RM'000 | FYE 2023 RM'000 |
| Tham Chin Seng | 150 - 200 | 150 - 200 | 200 - 250 |
| Cynthia Wong Yoke Wah | - | 100 - 150 | 200 - 250 |

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.5 MANAGEMENT REPORTING STRUCTURE



Note:

(1) These teams shall be established subsequent to our Listing.

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

5.6 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and key senior management is or has been involved in any of the following events (whether in or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against such person or any partnership in which he was a partner or any corporation of which he was a director or member of key senior management;
- (ii) such person was disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) in the last 10 years, such person was charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgement was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (v) in the last 10 years, such person was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (vi) such person was the subject of any order, judgement or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (vii) in the last 10 years, such person has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (viii) any unsatisfied judgement against such person.

For information purposes, the legal firm in which our Non-Independent Non-Executive Chairman, Dato' Low Hann Yong, is currently practicing as an advocate & solicitor and partner, is a named defendant in a High Court of Malaya civil suit which was initiated on 10 February 2020 and Dato' Low Hann Yong is named as a respondent in complaints filed with the Advocates and Solicitors Disciplinary Board on 7 October 2020. The civil suit and complaints (which involve similar background facts and allegations) are related to disputes concerning the administration of the estate of a deceased person in relation to which the firm had acted for the administrators (namely, the deceased's wife and brother in law). The claims were brought by individuals who are not the firm's clients (namely, the deceased's parents and sibling), who have alleged that amongst others, their intentions were not reflected in the court order for distribution of the assets of the deceased.

Dato' Low Hann Yong and his firm have denied the allegations and have asserted that the allegations are frivolous and without basis. The trial dates for the civil suit have been fixed on 6 March 2023 to 9 March 2023 and the decision dates of the complaints have yet to be fixed. Both the civil suit and the complaints are pending determination as at the LPD. No findings of fraud or dishonesty or malpractice have been made against him and his firm as at the LPD. Decisions on the civil suit and complaints are expected by 2023.

Pursuant to the above, our Board and the Principal Adviser are of the opinion that the allegations would not affect his eligibility or suitability as the Non-Independent Non-Executive Chairman of our Company, after taking into account:

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (CONT'D)

- (i) the advice obtained from our legal advisers that the civil suit and complaints will not affect the eligibility of Dato' Low Hann Yong to continue to act as a director of our Company or any other company in Malaysia; and
- (ii) the position that to date there is no proven wrongdoing on the part of Dato' Low Hann Yong or decided disciplinary proceeding.

5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS

There is no family relationship and / or association between any of our Promoters, substantial shareholders, Directors and key senior management.

5.8 SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into by our Directors or any member of our key senior management with our Group.

5.9 MANAGEMENT SUCCESSION PLAN

Our future success also depends on our ability to attract and retain skilled personnel. Our strategies to retain our key senior management and attract new personnel include, amongst others, succession planning and promotion opportunities, attractive remuneration packages and training activities.

Our succession plan consists of:

- (i) selection and recruitment: identifying key competencies and requirements for managerial and key senior positions for succession planning; and identifying potential successor's readiness to facilitate skills transfer so as to ensure smooth running and continuity of the operations of our Group;
- (ii) attractive remuneration packages and employee benefits;
- (iii) career planning and development: our senior management trains the lower and middle management staff to gradually assume more responsibilities; and
- (iv) continuous training and education: our middle management actively participate in discussions and decision-making in various operations of our Group. Such active participation will ensure better understanding of our operations and enable the personnel to equip themselves with the necessary knowledge and skills to succeed in senior management roles.

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6. INFORMATION ON OUR GROUP

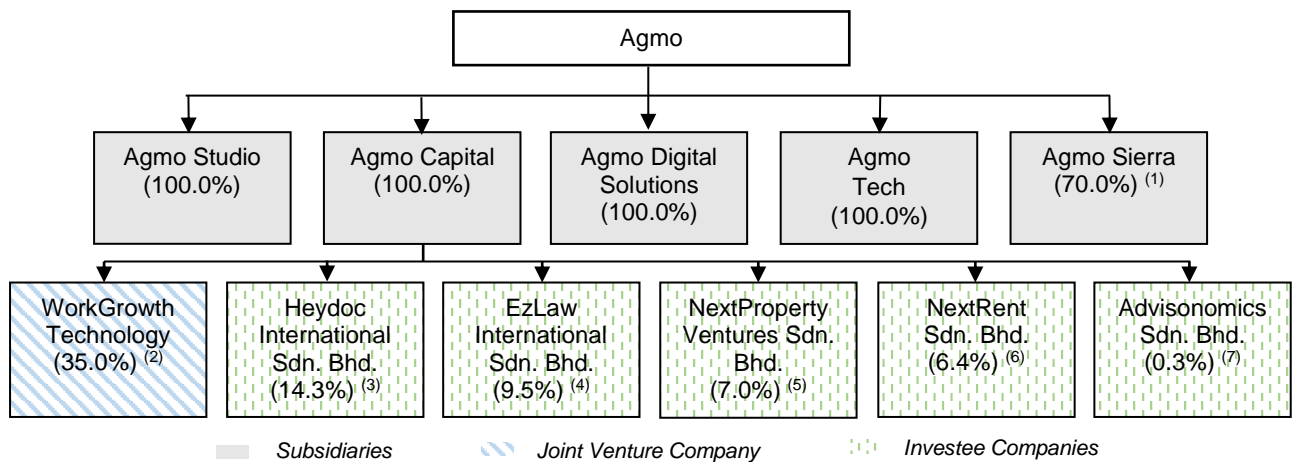
6.1 OUR COMPANY

Our Company was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 5 January 2017 and is deemed registered under the Act, under the name of Agmo Holdings Sdn. Bhd. We subsequently converted to a public limited company on 30 December 2021 and assumed our present name of Agmo Holdings Berhad to facilitate our Listing.

Our principal activity is in investment holding while the principal activities of our Subsidiaries, Joint Venture Company and Investee Companies are disclosed in Section 6.4 of this Prospectus.

6.2 OUR GROUP

As at the LPD, the structure of our Group and Investee Companies are as follows:



Notes:

- (1) Remaining ordinary shares are held by Tang Tung Ai (15.0%) and Fong Huang Yee (15.0%), who are our employees but are not related to our Directors and Promoters. The equity participation of Tang Tung Ai and Fong Huang Yee is an opportunity for our Group to tap on their technical strength and experience in Java programming language, which strategically complements our Group's expertise and thus enhancing our suite of digital solutions available to our corporate clients.
- (2) Remaining ordinary shares are held by LKC Advance Technology Sdn. Bhd., a company principally involved in other information technology service activities, business and other applications. LKC Advance Technology Sdn. Bhd. is wholly-owned by Lee Kah Chye & Sons Sdn. Bhd., an investment holding company. The ordinary shares of Lee Kah Chye & Sons Sdn. Bhd. are held by Lee Kah Chye (99.0%) and Lee Say Chuan (1.0%), who are not related to our Directors and Promoters.
- (3) Remaining ordinary shares are held by Choy Wai Mun (71.4%), Lee Choon Keat (9.4%) and Lee Zhi Yong (5.0%), who are not related to our Directors and Promoters.
- (4) Remaining ordinary shares are held by June Low Ee Lyn (89.1%), Cheng Kah Hoo (1.4%) and Low Kang Wen (<0.1%) (being our Non-Independent Executive Director and Chief Operating Officer). June Low Ee Lyn is the sister of Dato' Low Hann Yong (being our Non-Independent Non-Executive Chairman). The remaining shareholder, Cheng Kah Hoo, is not related to our Directors and Promoters.
- (5) Remaining ordinary shares are held by Pee See Tat (83.0%) and Chan Pik Zen (10.0%), who are not related to our Directors and Promoters.

6. INFORMATION ON OUR GROUP (CONT'D)

- (6) Remaining ordinary shares are held by Pee See Tat (78.4%), Chan Pik Zen (8.3%), Yong Sze Qin (4.9%) and Dickson Lee Yee Lun (2.0%), who are not related to our Directors and Promoters.
- (7) Remaining ordinary shares are held by R. Raevendren A/L S. Ramachandran (69.5%), Asgari bin Mohd Fuad Stephens (29.9%) and Sharman A/L Arumugam (0.2%), who are not related to our Directors and Promoters.

6.3 SHARE CAPITAL

As at the [LPD], our issued share capital is RM4,000,000.00 comprising 240,000,000 Shares.

Details of the changes in the issued share capital of our Company since its incorporation up to the LPD are as follows:

| Date of allotment | No. of Shares allotted | Consideration | Cumulative issued share capital (RM) | Cumulative no. of Shares |
|-------------------|------------------------|--------------------------|--------------------------------------|----------------------------|
| 5 January 2017 | 2 | Cash | 0.02 | 2 |
| 4 July 2017 | 399,999,998 | ⁽¹⁾ Otherwise | 4,000,000.00 | 400,000,000 |
| [•] | - | - | 4,000,000.00 | ⁽²⁾ 240,000,000 |

Notes:

- (1) Being the consideration paid by our Company to Tan Aik Keong, Low Kang Wen, Tham Chin Seng, Jason Chan Ling Khee, Koomerang Ventures Inc. Sdn. Bhd. and MY E.G. Capital Sdn. Bhd. for the acquisition of 350,000 ordinary shares in Agmo Studio which represents 100.0% equity interest in Agmo Studio, details of which are set out in the table below:

| Vendors | Ordinary shares owned by the vendors in Agmo Studio which were sold to our Company ("Sale Shares") | Consideration paid by our Company to the respective vendors in respect of the acquisition of the Sale Shares ^(a) |
|-----------------------------------|--|---|
| Tan Aik Keong | 133,000 | 151,999,999 Shares |
| Low Kang Wen | 49,000 | 55,999,999 Shares |
| Tham Chin Seng | 45,500 | 52,000,000 Shares |
| Jason Chan Ling Khee | 24,500 | 28,000,000 Shares |
| Koomerang Ventures Inc. Sdn. Bhd. | 10,500 | 12,000,000 Shares |
| MY E.G. Capital Sdn. Bhd. | 87,500 | 100,000,000 Shares |
| Total | 350,000 | 399,999,998 Shares |

- (a) The acquisition of ordinary shares in Agmo Studio was satisfied by way of otherwise than cash via the issuance of 399,999,998 Shares at an issue price of RM0.01 per Share for total consideration of RM3,999,999.98.

For information purposes, the Shares held by Koomerang Ventures Inc. Sdn. Bhd. were subsequently transferred to Vierge Capital Sdn. Bhd. on 29 September 2021 for restructuring purposes. Please refer to Section 6.5.2 of this Prospectus for information on shareholders of Vierge Capital Sdn. Bhd. and MY E.G. Capital Sdn. Bhd.

- (2) Pursuant to the Share Consolidation.

Upon completion of our Public Issue, our issued share capital will increase to RM[•] comprising 325,000,000 Shares.

6. INFORMATION ON OUR GROUP (CONT'D)

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital in respect of the Shares in our Company. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of consideration for the allotments as tabulated above.

As at the LPD, we are not involved in any winding-up, receivership or similar proceedings.

6.4 DETAILS OF OUR SUBSIDIARIES, JOINT VENTURE COMPANY AND INVESTEE COMPANIES

As at the LPD, the details of our Subsidiaries, Joint Venture Company and Investee Companies are as follows:

| Name and registration no. | Date / Place of incorporation | Principal place of business | Effective equity interest (%) | Principal activities |
|---|--------------------------------------|------------------------------------|--------------------------------------|---|
| Subsidiaries | | | | |
| Agmo Studio 201201001183 (974707-M) | 11 January 2012 / Malaysia | Malaysia | 100.0 | Providing computer and mobile software application and services related to information technology |
| Agmo Capital 201701000547 (1214697-U) | 5 January 2017 / Malaysia | Malaysia | 100.0 | Investment holding company holding shares in 6 companies ⁽¹⁾ to ⁽⁶⁾ |
| Agmo Digital Solutions 202001011508 (1367828-P) | 18 May 2020 / Malaysia | Malaysia | 100.0 | Software development, provision of information technology related services ⁽⁷⁾ and the intended reselling of third-party software |
| Agmo Tech 202001027870 (1384190-D) | 14 September 2020 / Malaysia | Malaysia | 100.0 | Software development, provision of information technology related services ⁽⁸⁾ and the intended reselling of third-party software |
| Agmo Sierra 202101001353 (1401651-V) | 12 January 2021 / Malaysia | Malaysia | 70.0 | Investment holding company currently not holding shares in any company, computer consultancy and provision of information technology related services |
| Joint Venture Company | | | | |
| WorkGrowth Technology 202101008613 (1408912-A) | 10 March 2021 / Malaysia | Malaysia | ⁽¹⁾ 35.0 | Business and other applications, other information technology service activities |
| Investee Companies | | | | |
| Heydoc International Sdn. Bhd. 201501015897 (1141230-T) | 21 April 2015 / Malaysia | Malaysia | ⁽²⁾ 14.3 | Mobile application for healthcare consultation service |

6. INFORMATION ON OUR GROUP (CONT'D)

| Name and registration no. | Date / Place of incorporation | Principal place of business | Effective equity interest (%) | Principal activities |
|--|--------------------------------------|------------------------------------|--------------------------------------|--|
| EzLaw International Sdn. Bhd. 201601037838 (1208779-X) | 11 November 2016 / Malaysia | Malaysia | ⁽³⁾ 9.5 | Business on website, software, mobile applications, tools, database, dictionary to provide information and guidance in the law and legal industry, online solutions and generally to carry on any or all business pertaining to or connected therewith |
| NextProperty Ventures Sdn. Bhd. 201501008616 (1133951-M) | 5 March 2015 / Malaysia | Malaysia | ⁽⁴⁾ 7.0 | Engaged in development and operation of property portals and mobile applications and provide the related advertising services |
| NextRent Sdn. Bhd. 201701029578 (1243747-V) | 18 August 2017 / Malaysia | Malaysia | ⁽⁵⁾ 6.4 | Advertising and an investment holding company that is currently not holding shares in any company |
| Advisonomics Sdn. Bhd. 201901041580 (1350910-W) | 18 November 2019 / Malaysia | Malaysia | ⁽⁶⁾ 0.3 | Financial consultancy services |

Notes:

- (1) *Tan Aik Keong, our Non-Independent Executive Director and Chief Executive Officer, is a director of WorkGrowth Technology via his appointment by Agmo Capital as its board representation on the board of directors of WorkGrowth Technology. The joint venture with WorkGrowth Technology is in accordance with the development of a mobile application called WorkGrowth HRMS whereby Agmo and Agmo Capital agree to provide services through Agmo's wholly-owned subsidiary, Agmo Studio, in relation to technical design, development, testing, server hosting and maintenance support for WorkGrowth HRMS solution and the cost has been partially settled via the issuance of ordinary shares in WorkGrowth Technology. Whereas, the roles and responsibilities of LKC Advance Technology Sdn. Bhd. is in relation to marketing and commercialisation of WorkGrowth HRMS solution, project implementation and rollout to subscribed customers and providing first tier maintenance support (i.e. receiving, managing, identifying and troubleshooting complaints of primary issues) to subscribed customers. The rationale of our investment in this company is to gain access into the logistics and human resource management industry and build on Agmo's industry and domain knowledge, technical and development experience by leveraging on the experience, industry contacts and industry knowledge of the other shareholder which is involved in the logistics industry in the northern region of Malaysia. The investment in WorkGrowth Technology does not give rise to any potential conflict of interest situation and any restriction against Agmo in conducting business with other customers. The mode of consideration for this investment in WorkGrowth Technology was satisfied by way of both cash and otherwise than cash via the capitalisation of the development fee in respect of the WorkGrowth HRMS mobile application developed for WorkGrowth Technology.*

For information purposes, our Group has a profit-sharing arrangement with WorkGrowth Technology for the maintenance of the WorkGrowth HRMS mobile application.

6. INFORMATION ON OUR GROUP (CONT'D)

- (2) *Tan Aik Keong, our Non-Independent Executive Director and Chief Executive Officer, is a director of Heydoc International Sdn. Bhd. via his appointment by Agmo Capital as its board representation on the board of directors of Heydoc International Sdn. Bhd. The investment in Heydoc International Sdn. Bhd. is pursuant to the development of a mobile application called DOC2US. The rationale of our investment in this company is to gain access into the healthcare industry and build Agmo's industry and domain knowledge, technical and development experience by leveraging on the vision, industry and domain knowledge of the founders, the management team and other shareholders of the start-up company. Our effective equity interest is minimal as we do not seek to participate in the day-to-day operations or influence the business direction of this company. The investment in Heydoc International Sdn. Bhd. does not give rise to any potential conflict of interest situation and any restriction against Agmo in conducting business with other customers. The mode of consideration for this investment in Heydoc International Sdn. Bhd. was satisfied by way of otherwise than cash via the capitalisation of the development fee in respect of the DOC2US mobile application developed for Heydoc International Sdn. Bhd.*
- (3) *Low Kang Wen, our Non-Independent Executive Director and Chief Operating Officer, is a director of EzLaw International Sdn. Bhd. via his appointment by Agmo Capital as its board representation on the board of directors of EzLaw International Sdn. Bhd. The investment in EzLaw International Sdn. Bhd. is pursuant to the development of a mobile application called EasyLaw. The rationale of our investment in this company is to gain access into the legal industry and build Agmo's industry and domain knowledge, technical and development experience by leveraging on the vision and energy of the founder and the management team of the start-up company. Our effective equity interest is minimal as we do not seek to participate in the day-to-day operations or influence the business direction of this company. The investment in EzLaw International Sdn. Bhd. does not give rise to any potential conflict of interest situation and any restriction against Agmo in conducting business with other customers. The mode of consideration for this investment in EzLaw International Sdn. Bhd. was satisfied by way of otherwise than cash via the capitalisation of the development fee in respect of the EasyLaw mobile application developed for EzLaw International Sdn. Bhd.*
- (4) *The investment in NextProperty Ventures Sdn. Bhd. is pursuant to the development of a mobile application called NextProperty. The rationale of our investment in this company is to gain access into the property industry and build on Agmo's industry and domain knowledge, technical and development experience by leveraging on the vision and energy of the founder and the management team of the start-up company. Our effective equity interest is minimal as we do not seek to participate in the day-to-day operations or influence the business direction of this company. The investment in NextProperty Ventures Sdn. Bhd. does not give rise to any potential conflict of interest situation and any restriction against Agmo in conducting business with other customers. The mode of consideration for this investment in NextProperty Ventures Sdn. Bhd. was satisfied by way of otherwise than cash via the capitalisation of the development fee in respect of the NextProperty mobile application developed for NextProperty Ventures Sdn. Bhd.*
- (5) *The investment in NextRent Sdn. Bhd. is pursuant to an offer by the major shareholder of NextRent Sdn. Bhd., namely Pee See Tat, to take up a stake in NextRent Sdn. Bhd. and to invest in NextRent Sdn. Bhd. for a nominal consideration of RM1.00 as our Group has been providing valuable technological insights and expertise to NextProperty Ventures Sdn. Bhd. as well as the appointment of Agmo as a technical partner to NextRent Sdn. Bhd. on a non-exclusive basis. The rationale of our investment in this company is to gain access into the property rental industry and build on Agmo's industry and domain knowledge, technical and development experience by leveraging on the vision and energy of the founder and the management team of the start-up company. Our effective equity interest is minimal as we do not seek to participate in the day-to-day operations or influence the business direction of this company. We will provide mobile application development service to the company in the future with a fee to be mutually agreed between the parties on an arm's length basis. The investment in NextRent Sdn. Bhd. does not give rise to any potential conflict of interest situation and any restriction against Agmo in conducting business with other customers. The mode of consideration for this investment in NextRent Sdn. Bhd. was satisfied by a total nominal consideration of RM1.00.*

For information purposes, the major shareholder of both NextRent Sdn. Bhd and NextProperty Ventures Sdn. Bhd. is Pee See Tat, who is not related to our Directors and Promoters.

6. INFORMATION ON OUR GROUP (CONT'D)

- (6) *The investment in Advisonomics Sdn. Bhd. is pursuant to the appointment of Agmo as a technology advisor to the company on a non-exclusive basis. In addition, Agmo was also engaged by Advisonomics Sdn. Bhd. for the development of a mobile application called Advisonomics which is payable in cash. The rationale of our investment in this company is to gain access into the financial services industry and build Agmo's industry and domain knowledge, technical and development experience by leveraging on the experience, industry contacts and industry knowledge of the other shareholders. Our effective equity interest is minimal as we do not seek to participate in the day-to-day operations or influence the business direction of this company. As a technical advisor to the company, we assist the company to choose the best technology approach with a balance of cost efficiency and to advise the company when there is technical decision to be made. We will serve as Advisonomics Sdn. Bhd.'s technology advisor for 3 consecutive years commencing from 30 August 2021, at a consideration of RM200,000.00. Please refer to Section 14.5(vi) of this Prospectus for further information. The investment in Advisonomics Sdn. Bhd. does not give rise to any potential conflict of interest situation and any restriction against Agmo in conducting business with other customers. The mode of consideration for this investment in Advisonomics Sdn. Bhd. was satisfied by way of otherwise than cash via the capitalisation of the service fee as the technology advisor payable by Advisonomics Sdn. Bhd.*

For information purposes, our Group has an arrangement with Advisonomics Sdn. Bhd. (with a validity period of 3 years commencing from 30 August 2021 unless otherwise terminated) for the enhancement of the Advisonomics mobile application whereby settlement for the services provided can be by way of cash or revenue / profit sharing. Our Group has the sole discretion to determine the method of settlement.

- (7) *In general, Agmo Digital Solutions provides ready-made digital solutions to corporates and small and medium enterprises. For information purposes, ready-made digital solutions refer to the digital platforms built by our Group and offered as a service to customers on a usage basis. Further details of the digital platforms are set out in Section 7.3.2 of this Prospectus.*
- (8) *In general, Agmo Tech uses new technologies such as blockchain and extended reality to assist corporate and small and medium enterprises in their digital transformation with customised digital solutions.*

Please refer to Section 6.5.2 of this Prospectus for information on the remaining shareholders of our non-wholly owned subsidiary, Joint Venture and Investee Companies.

Our Group chose to invest in business models that have promising prospects (i.e. in terms of the size of their respective markets, background of the founder and management team and probability of technological adoption into their existing business activities) and in turn contribute to the Group's technological capabilities and knowledge to develop first mover advantage and / or network ecosystem advantages. Having a first mover advantage allows opportunities for attracting large customer or user base, which in return is expected to reap economies of scale for our operations. Meanwhile, as the Investee Companies grow in terms of services or size of user or customer base, they create a network ecosystem whereby their ability to retain and ensure repeated customers are enhanced due to the products or services available. As such, our future plans in relation to our Investee Companies are as follows:

- (i) To remain entrenched as our Investee Companies' preferred mobile technology partner. Although our engagements with the Investee Companies are on non-exclusive basis, the depth of our technology services and expertise rendered over time is aimed to keep our Group entrenched as the preferred mobile technology partner of the Investee Companies.
- (ii) To assist in growing the business of our Investee Companies by providing solutions to issues from a technological perspective and by sharing our experience across various industries, where applicable.
- (iii) To gain access to potential customers via our work for the Investee Companies or from recommendations as the Investee Companies grow larger in each of their respective industries.

6. INFORMATION ON OUR GROUP (CONT'D)

For information purposes, our Group intends to invest in other potential companies for similar reasons disclosed above and based on but not limited to the following parameters:

- (i) Opportunities to collaborate with founders of companies that require solutions which can be addressed by digitalisation that enables economies of scale to be reaped.
- (ii) The prospect of the industry which the potential investee company is in would allow the investee company to grow.
- (iii) The ability of the potential investee company in disrupting the existing method or process of conducting business traditionally.

In addition, the mode of consideration for any future investments to be made by our Group will depend on the opportunities available and negotiations between our Group and the potential companies. At this juncture, our Group accepts settlement of consideration both by way of cash and otherwise than cash.

Please refer to Section 14.5 of this Prospectus for information on the material contracts entered into by our Group.

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6. INFORMATION ON OUR GROUP (CONT'D)

6.4.1 Our Subsidiaries and Joint Venture Company

(i) Agmo Studio

(a) Background and history

Agmo Studio was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 11 January 2012 and is deemed registered under the Act, under the name of Agmo Studio Sdn. Bhd. Agmo Studio commenced its operations in June 2012.

(b) Principal place of business

Agmo Studio's principal place of business is located at our Group's headquarters located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(c) Principal activities and products / services

Agmo Studio is principally involved in the business of providing computer and mobile software application and services related to information technology.

(d) Share capital

As at the LPD, the issued share capital of Agmo Studio is RM350,000.00 comprising 350,000 ordinary shares.

The changes in Agmo Studio's issued share capital since incorporation are as follows:

| <u>Date of allotment</u> | <u>No. of ordinary shares allotted</u> | <u>Cash consideration (RM)</u> | <u>Cumulative no. of shares</u> | <u>Cumulative share capital (RM)</u> |
|--------------------------|--|--------------------------------|---------------------------------|--------------------------------------|
| 11 January 2012 | 2 | 2.00 | 2 | 2.00 |
| 18 June 2012 | 99,998 | 99,998.00 | 100,000 | 100,000.00 |
| 28 June 2012 | 100,000 | 100,000.00 | 200,000 | 200,000.00 |
| 28 December 2012 | 100,000 | 100,000.00 | 300,000 | 300,000.00 |
| 28 June 2013 | 50,000 | 50,000.00 | 350,000 | 350,000.00 |

(e) Shareholder

Agmo Studio became our wholly-owned subsidiary on 24 November 2017.

(f) Subsidiary, joint venture or associated company

As at the LPD, Agmo Studio does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (CONT'D)**(ii) Agmo Capital****(a) Background and history**

Agmo Capital was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 5 January 2017 and is deemed registered under the Act, under the name of Agmo Capital Sdn. Bhd. Agmo Capital commenced its operations in June 2017.

(b) Principal place of business

Agmo Capital's principal place of business is located at our Group's headquarters located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(c) Principal activities and products / services

Agmo Capital is principally involved in investment holding and is currently holding shares in one Joint Venture Company and 5 Investee Companies as set out in Section 6.4 of this Prospectus.

(d) Share capital

As at the LPD, the issued share capital of Agmo Capital is RM2.00 comprising 2 ordinary shares.

The changes in Agmo Capital's issued share capital since incorporation are as follows:

| <u>Date of allotment</u> | <u>No. of ordinary shares allotted</u> | <u>Cash consideration (RM)</u> | <u>Cumulative no. of shares</u> | <u>Cumulative share capital (RM)</u> |
|--------------------------|--|--------------------------------|---------------------------------|--------------------------------------|
| 5 January 2017 | 2 | 2.00 | 2 | 2.00 |

(e) Shareholder

As at the LPD, Agmo Capital is our wholly-owned subsidiary.

(f) Subsidiary, joint venture or associated company

As at the LPD, Agmo Capital does not have any subsidiary or associated company. Agmo Capital's joint venture company is WorkGrowth Technology and it holds 35.0% direct equity interest in WorkGrowth Technology.

6. INFORMATION ON OUR GROUP (CONT'D)**(iii) Agmo Digital Solutions****(a) Background and history**

Agmo Digital Solutions was incorporated in Malaysia under Act as a private limited company on 18 May 2020, under the name of Agmo Digital Solutions Sdn. Bhd. Agmo Digital Solutions commenced its operations in September 2020.

(b) Principal place of business

Agmo Digital Solutions' principal place of business is located at our Group's headquarters located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(c) Principal activities and products / services

Agmo Digital Solutions is principally involved in software development, provision of information technology related services and the intended reselling of third-party software. In general, Agmo Digital Solutions provides ready-made digital solutions (i.e. digital platforms built by our Group and offered as a service to customers on a usage basis) to corporates and small and medium enterprises. Further details of the digital platforms are set out in Section 7.3.2 of this Prospectus.

(d) Share capital

As at the LPD, the issued share capital of Agmo Digital Solutions is RM50,000.00 comprising 50,000 ordinary shares.

The changes in Agmo Digital Solutions' issued share capital since incorporation are as follows:

| <u>Date of allotment</u> | <u>No. of ordinary shares allotted</u> | <u>Cash consideration (RM)</u> | <u>Cumulative no. of shares</u> | <u>Cumulative share capital (RM)</u> |
|--------------------------|--|--------------------------------|---------------------------------|--------------------------------------|
| 18 May 2020 | 1,000 | 1,000.00 | 1,000 | 1,000.00 |
| 18 September 2020 | 49,000 | 49,000.00 | 50,000 | 50,000.00 |

(e) Shareholder

As at the LPD, Agmo Digital Solutions is our wholly-owned subsidiary.

(f) Subsidiary, joint venture or associated company

As at the LPD, Agmo Digital Solutions does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (CONT'D)**(iv) Agmo Tech****(a) Background and history**

Agmo Tech was incorporated in Malaysia under the Act as a private limited company on 14 September 2020, under the name of Agmo Tech Sdn. Bhd. Agmo Tech commenced its operations in October 2020.

(b) Principal place of business

Agmo Tech's principal place of business is located at our Group's headquarters located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(c) Principal activities and products / services

Agmo Tech is principally involved in software development, provision of information technology related services and the intended reselling of third-party software. In general, Agmo Tech uses new technologies such as blockchain and extended reality to assist corporate and small and medium enterprises in their digital transformation with customised digital solutions.

(d) Share capital

As at the LPD, the issued share capital of Agmo Tech is RM250,000.00 comprising 24,901,000 ordinary shares.

The changes in Agmo Tech's issued share capital since incorporation are as follows:

| <u>Date of allotment</u> | <u>No. of ordinary shares allotted</u> | <u>Cash consideration (RM)</u> | <u>Cumulative no. of shares</u> | <u>Cumulative share capital (RM)</u> |
|--------------------------|--|--------------------------------|---------------------------------|--------------------------------------|
| 14 September 2020 | 1,000 | 1,000.00 | 1,000 | 1,000.00 |
| 11 January 2021 | 24,900,000 | 249,000.00 | 24,901,000 | 250,000.00 |

(e) Shareholder

As at the LPD, Agmo Tech is our wholly-owned subsidiary.

(f) Subsidiary, joint venture or associated company

As at the LPD, Agmo Tech does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (CONT'D)**(v) Agmo Sierra****(a) Background and history**

Agmo Sierra was incorporated in Malaysia under the Act as a private limited company on 12 January 2021, under the name of Agmo Strongbyte Holdings Sdn. Bhd. and subsequently changed its name to Agmo Sierra Holdings Sdn. Bhd. on 6 September 2021. Agmo Sierra commenced its operations in August 2021.

(b) Principal place of business

Agmo Sierra's principal place of business is located at our Group's headquarters located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU 8, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

(c) Principal activities and products / services

Agmo Sierra is principally involved as an investment holding company but is currently not holding shares in any company, computer consultancy and provision of information technology related services.

(d) Share capital

As at the LPD, the issued share capital of Agmo Sierra is RM1,000.00 comprising 1,000 ordinary shares.

The changes in Agmo Sierra's issued share capital since incorporation are as follows:

| <u>Date of allotment</u> | <u>No. of ordinary shares allotted</u> | <u>Cash consideration (RM)</u> | <u>Cumulative no. of shares</u> | <u>Cumulative share capital (RM)</u> |
|--------------------------|--|--------------------------------|---------------------------------|--------------------------------------|
| 12 January 2021 | 1 | 1.00 | 1 | 1.00 |
| 28 October 2021 | 999 | 999.00 | 1,000 | 1,000.00 |

(e) Shareholder

As at the LPD, the shareholders of Agmo Sierra are as follows:

| <u>Shareholder</u> | <u>Direct</u> | | <u>Indirect</u> | |
|--------------------|----------------------|------------|----------------------|------------|
| | <u>No. of shares</u> | <u>(%)</u> | <u>No. of shares</u> | <u>(%)</u> |
| Agmo | 700 | 70.0 | - | - |
| Tang Tung Ai | 150 | 15.0 | - | - |
| Fong Huang Yee | 150 | 15.0 | - | - |

(f) Subsidiary, joint venture or associated company

As at the LPD, Agmo Sierra does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (CONT'D)**(vi) WorkGrowth Technology****(a) Background and History**

WorkGrowth Technology was incorporated in Malaysia under the Act as a private limited company on 10 March 2021, under the name of WorkGrowth Technology Sdn. Bhd. WorkGrowth Technology commenced its operations in September 2021.

(b) Principal place of business

WorkGrowth Technology's principal place of business is located at Plot 23, Lorong Perusahaan 2A, Kulim Industri Estate, Kulim, Kedah Darul Aman, Malaysia.

(c) Principal activities and products / services

WorkGrowth Technology is principally involved in business and other applications and other information technology service activities.

(d) Share capital

As at the LPD, the issued share capital of WorkGrowth Technology is RM600,000.00 comprising 600,000 ordinary shares.

The changes in WorkGrowth Technology's issued share capital since incorporation are as follows:

| <u>Date of allotment</u> | <u>No. of ordinary shares allotted</u> | <u>Cash consideration (RM)</u> | <u>Cumulative no. of shares</u> | <u>Cumulative share capital (RM)</u> |
|--------------------------|--|--------------------------------|---------------------------------|--------------------------------------|
| 10 March 2021 | 100 | 100.00 | 100 | 100.00 |
| 9 August 2021 | 99,900 | 99,900.00 | 100,000 | 100,000.00 |
| 25 November 2021 | 500,000 | 500,000.00 | 600,000 | 600,000.00 |

(e) Shareholder

As at the LPD, the shareholders of WorkGrowth Technology are as follows:

| <u>Shareholder</u> | <u>Direct</u> | | <u>Indirect</u> | |
|----------------------------------|----------------------|------------|----------------------|------------|
| | <u>No. of shares</u> | <u>(%)</u> | <u>No. of shares</u> | <u>(%)</u> |
| Agmo Capital | 210,000 | 35.0 | - | - |
| LKC Advance Technology Sdn. Bhd. | 390,000 | 65.0 | - | - |
| Agmo | - | - | (1) 210,000 | 35.0 |

Note:

(1) Deemed interested by virtue of its shareholdings in Agmo Capital pursuant to Section 8(4)(c) of the Act.

6. INFORMATION ON OUR GROUP (CONT'D)

(f) Subsidiary, joint venture or associated company

As at the LPD, WorkGrowth Technology does not have any subsidiary, joint venture or associated company.

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6. INFORMATION ON OUR GROUP (CONT'D)

6.5 LISTING SCHEME

6.5.1 Details of the Listing Scheme

In conjunction with and as an integral part of our listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, our Company undertook a Listing Scheme which involved the following which are inter-conditional among each other:

(i) Share Consolidation

We undertook a share consolidation of 400,000,000 existing Shares into 240,000,000 Shares, on the basis of 5 existing Shares into 3 Shares. The purpose of the Share Consolidation is to rationalise the share capital of our Company by reducing the number of Agmo Shares issued in anticipation of our listing on the ACE Market of Bursa Securities. Our Promoters' and substantial shareholders' shareholdings in our Company after the Share Consolidation are as follows:

| | Before Share Consolidation | | | | After Share Consolidation | | | | |
|--|----------------------------|------|----------------------------|------|---------------------------|------|---------------------------|------|--|
| | Direct | | Indirect | | Direct | | Indirect | | |
| | No. of Shares | (%) | No. of Shares | (%) | No. of Shares | (%) | No. of Shares | (%) | |
| <u>Promoters and substantial shareholders</u> | | | | | | | | | |
| Tan Aik Keong | 105,230,770 | 26.3 | ⁽¹⁾ 40,000,000 | 10.0 | 63,138,462 | 26.3 | ⁽¹⁾ 24,000,000 | 10.0 | |
| Low Kang Wen | 38,769,230 | 9.7 | ⁽¹⁾ 40,000,000 | 10.0 | 23,261,538 | 9.7 | ⁽¹⁾ 24,000,000 | 10.0 | |
| Tham Chin Seng | 36,000,000 | 9.0 | ⁽¹⁾ 40,000,000 | 10.0 | 21,600,000 | 9.0 | ⁽¹⁾ 24,000,000 | 10.0 | |
| Agmoian Sdn. Bhd. | 40,000,000 | 10.0 | - | - | 24,000,000 | 10.0 | - | - | |
| <u>Substantial shareholders</u> | | | | | | | | | |
| MY E.G. Capital Sdn. Bhd. | 140,000,000 | 35.0 | - | - | 84,000,000 | 35.0 | - | - | |
| Jason Chan Ling Khee | 28,000,000 | 7.0 | - | - | 16,800,000 | 7.0 | - | - | |
| MY E.G. Services Berhad | - | - | ⁽²⁾ 140,000,000 | 35.0 | - | - | ⁽²⁾ 84,000,000 | 35.0 | |
| Wong Thean Soon | - | - | ⁽³⁾ 140,000,000 | 35.0 | - | - | ⁽³⁾ 84,000,000 | 35.0 | |

Notes:

(1) Deemed interested by virtue of his shareholdings in Agmoian Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.

6. INFORMATION ON OUR GROUP (CONT'D)

(2) *Deemed interested by virtue of its shareholdings in MY E.G. Capital Sdn. Bhd. pursuant to Section 8(4)(c) of the Act.*

(3) *Deemed interested by virtue of his (i) direct shareholdings of 12.1% and (ii) indirect shareholdings of 19.4% (arising from his 100.0% shareholdings in Asia Internet Holdings Sdn. Bhd.) held in MY E.G. Services Berhad as at the LPD, pursuant to Section 8 of the Act.*

(ii) IPO

Subsequently, we will undertake an IPO, the details of which are set out in Section 4 of this Prospectus.

(iii) Listing of and quotation for our Shares

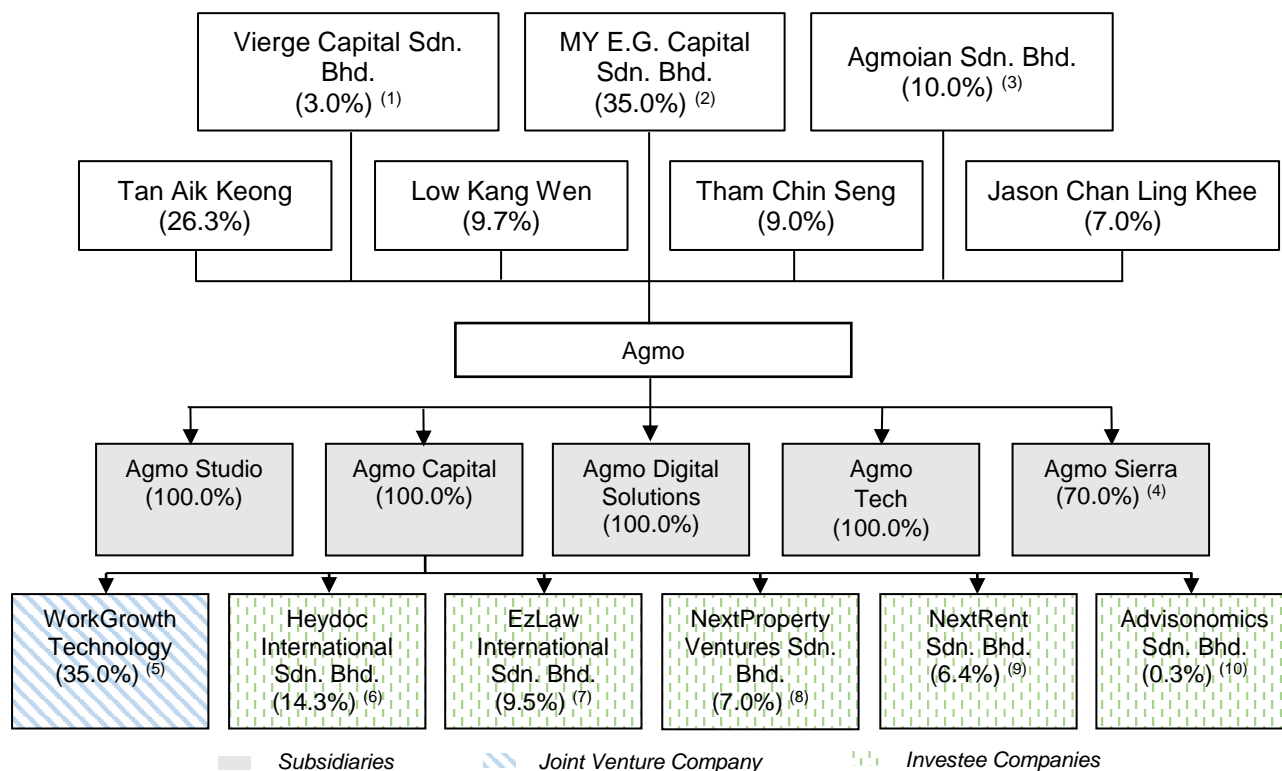
Upon completion of our IPO, our Company will seek the admission of our Shares into the Official List and the listing of and quotation for our enlarged issued share capital on the ACE Market of Bursa Securities.

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6. INFORMATION ON OUR GROUP (CONT'D)

6.5.2 The structure of our Group and Investee Companies before and after the IPO

The structure of our Group and Investee Companies after the completion of the Share Consolidation on [•] and before the IPO is as follows:



Notes:

- (1) The ordinary shares are held by Koh Yeow Lay (95.0%) and Then Pei Kee (5.0%), who are not related to our Directors, Promoters and substantial shareholders.
- (2) MY E.G. Capital Sdn. Bhd. is wholly-owned by MY E.G. Services Berhad, a company whose shares are listed on the Main Market of Bursa Securities. Please refer to Section 5.1.2(vii) of this Prospectus for details of the substantial shareholders of MY E.G. Services Berhad.
- (3) The ordinary shares are held by Tan Aik Keong (58.5%), Low Kang Wen (21.5%) and Tham Chin Seng (20.0%). Tan Aik Keong and Low Kang Wen are our Promoters, Directors and substantial shareholders while Tham Chin Seng is our Promoter and substantial shareholder.
- (4) Remaining ordinary shares are held by Tang Tung Ai (15.0%) and Fong Huang Yee (15.0%), who are our employees but not related to our Directors and Promoters. Please refer to Note (1) of Section 6.2 of this Prospectus for further details on the equity participation of Tang Tung Ai and Fong Huang Yee.
- (5) Remaining ordinary shares are held by LKC Advance Technology Sdn. Bhd., a company principally involved in other information technology service activities, business and other applications. LKC Advance Technology Sdn. Bhd. is wholly-owned by Lee Kah Chye & Sons Sdn. Bhd., an investment holding company. The ordinary shares of Lee Kah Chye & Sons Sdn. Bhd. are held by Lee Kah Chye (99.0%) and Lee Say Chuan (1.0%), who are not related to our Directors and Promoters.
- (6) Remaining ordinary shares are held by Choy Wai Mun (71.4%), Lee Choon Keat (9.4%) and Lee Zhi Yong (5.0%), who are not related to our Directors and Promoters.

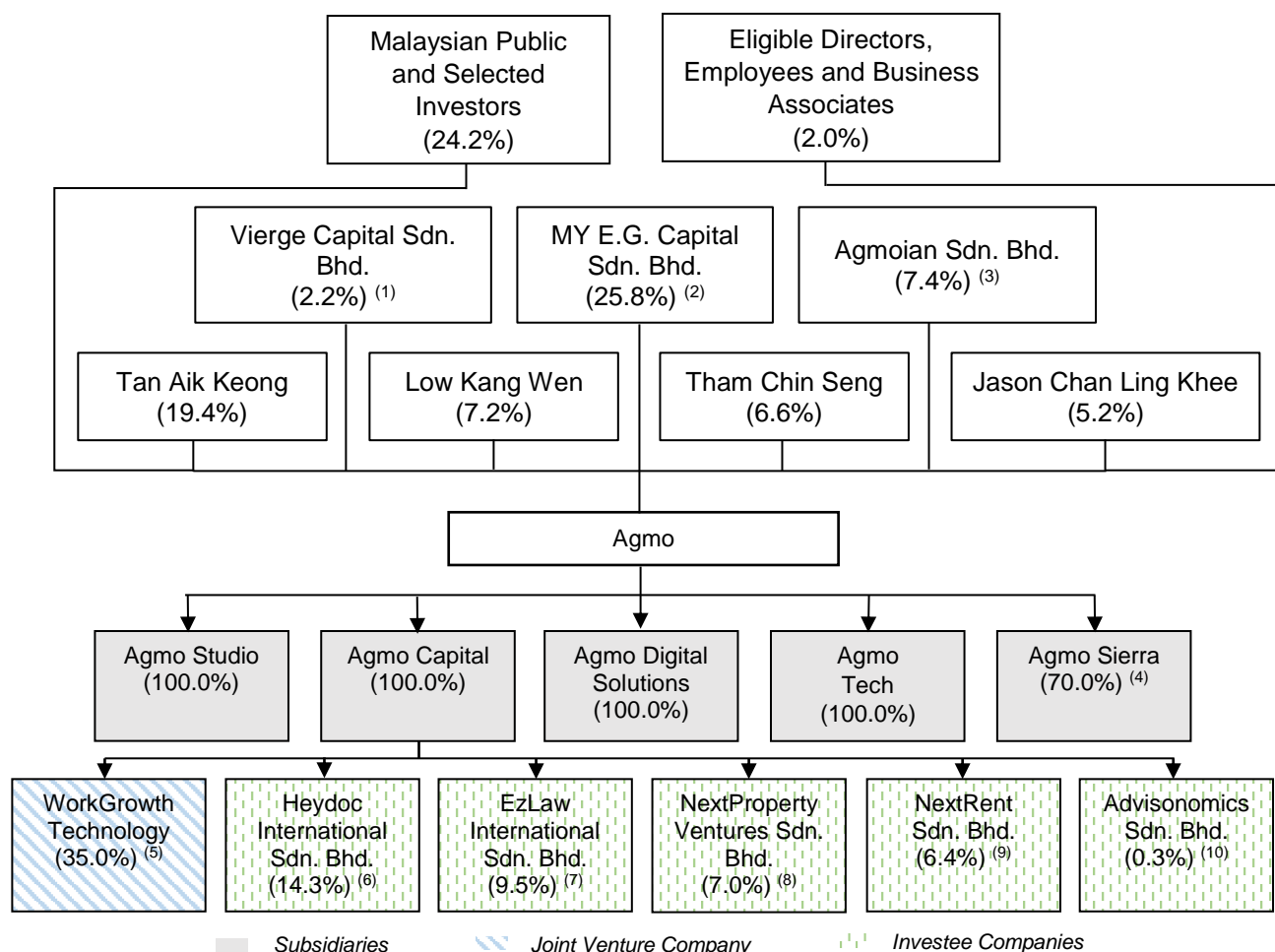
6. INFORMATION ON OUR GROUP (CONT'D)

- (7) *Remaining ordinary shares are held by June Low Ee Lyn (89.1%), Cheng Kah Hoo (1.4%) and Low Kang Wen (<0.1%) (being our Non-Independent Executive Director and Chief Operating Officer). June Low Ee Lyn is the sister of Dato' Low Hann Yong (being our Non-Independent Non-Executive Chairman). The remaining shareholder, Cheng Kah Hoo, is not related to our Directors and Promoters.*
- (8) *Remaining ordinary shares are held by Pee See Tat (83.0%) and Chan Pik Zen (10.0%), who are not related to our Directors and Promoters.*
- (9) *Remaining ordinary shares are held by Pee See Tat (78.4%), Chan Pik Zen (8.3%), Yong Sze Qin (4.9%) and Dickson Lee Yee Lun (2.0%), who are not related to our Directors and Promoters.*
- (10) *Remaining ordinary shares are held by R. Raevendren A/L S. Ramachandran (69.5%), Asgari bin Mohd Fuad Stephens (29.9%) and Sharman A/L Arumugam (0.2%), who are not related to our Directors and Promoters.*

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6. INFORMATION ON OUR GROUP (CONT'D)

The structure of our Group and Investee Companies after the IPO is as follows:



Notes:

- (1) The ordinary shares are held by Koh Yeow Lay (95.0%) and Then Pei Kee (5.0%), who are not related to our Directors, Promoters and substantial shareholders.
- (2) MY E.G. Capital Sdn. Bhd. is wholly-owned by MY E.G. Services Berhad, a company whose shares are listed on the Main Market of Bursa Securities. Please refer to Section 5.1.2(vii) of this Prospectus for details of the substantial shareholders of MY E.G. Services Berhad.
- (3) The ordinary shares are held by Tan Aik Keong (58.5%), Low Kang Wen (21.5%) and Tham Chin Seng (20.0%). Tan Aik Keong and Low Kang Wen are our Promoters, Directors and substantial shareholders while Tham Chin Seng is our Promoter and substantial shareholder.
- (4) Remaining ordinary shares are held by Tang Tung Ai (15.0%) and Fong Huang Yee (15.0%), who are our employees but not related to our Directors and Promoters. Please refer to Note (1) of Section 6.2 of this Prospectus for further details on the equity participation of Tang Tung Ai and Fong Huang Yee.
- (5) Remaining ordinary shares are held by LKC Advance Technology Sdn. Bhd., a company principally involved in other information technology service activities, business and other applications. LKC Advance Technology Sdn. Bhd. is wholly-owned by Lee Kah Chye & Sons Sdn. Bhd., an investment holding company. The ordinary shares of Lee Kah Chye & Sons Sdn. Bhd. are held by Lee Kah Chye (99.0%) and Lee Say Chuan (1.0%), who are not related to our Directors and Promoters.

6. INFORMATION ON OUR GROUP (CONT'D)

- (6) *Remaining ordinary shares are held by Choy Wai Mun (71.4%), Lee Choon Keat (9.4%) and Lee Zhi Yong (5.0%), who are not related to our Directors and Promoters.*
- (7) *Remaining ordinary shares are held by June Low Ee Lyn (89.1%), Cheng Kah Hoo (1.4%) and Low Kang Wen (<0.1%) (being our Non-Independent Executive Director and Chief Operating Officer). June Low Ee Lyn is the sister of Dato' Low Hann Yong (being our Non-Independent Non-Executive Chairman). The remaining shareholder, Cheng Kah Hoo, is not related to our Directors and Promoters.*
- (8) *Remaining ordinary shares are held by Pee See Tat (83.0%) and Chan Pik Zen (10.0%), who are not related to our Directors and Promoters.*
- (9) *Remaining ordinary shares are held by Pee See Tat (78.4%), Chan Pik Zen (8.3%), Yong Sze Qin (4.9%) and Dickson Lee Yee Lun (2.0%), who are not related to our Directors and Promoters.*
- (10) *Remaining ordinary shares are held by R. Raevendren A/L S. Ramachandran (69.5%), Asgari bin Mohd Fuad Stephens (29.9%) and Sharman A/L Arumugam (0.2%), who are not related to our Directors and Promoters.*

Details of our Subsidiaries, Joint Venture Company and Investee Companies are set out in Section 6.4 of this Prospectus.

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7. BUSINESS OVERVIEW

7.1 HISTORY AND MILESTONES

Our history can be traced back to 2011 when Tan Aik Keong, Low Kang Wen and Tham Chin Seng successfully secured an investment of RM300,000.00 through participation in a start-up investment programme, namely 'Make the Pitch', which led to the incorporation of Agmo Studio by Tan Aik Keong and Low Kang Wen on 11 January 2012, as well as Tham Chin Seng who joined as a shareholder on 18 June 2012. At the point of incorporation, Tan Aik Keong and Low Kang Wen each held 50.0% equity interest in Agmo Studio. On 18 June 2012, Tham Chin Seng joined as a shareholder with an equity interest of 13.0%. At the same time, other shareholders namely, MY E.G. Capital Sdn. Bhd., Jason Chan Ling Khee, Koomerang Ventures Inc Sdn. Bhd. and Optimax Investments (Pte) Ltd became shareholders of Agmo Studio with their respective interests of 20.0%, 7.0%, 3.0% and 5.0%. The equity interest of Tan Aik Keong and Low Kang Wen were diluted to 38.0% and 14.0% respectively. On 16 November 2016, Optimax Investments (Pte) Ltd disposed its shares to MY E.G. Capital Sdn. Bhd. and ceased to be a shareholder of Agmo Studio. Upon the incorporation of Agmo Studio, we began to develop our own mobile applications which are owned by our Group and made available for download by consumers, as well as mobile applications for our customers (i.e. businesses and companies) to digitalise their business operations.

In 2012, we launched our maiden consumer mobile application namely '*Masatu*', a social networking and photo-sharing application based on a time capsule concept whereby the idea was initiated by our founders for the 'Make the Pitch' programme. The time capsule concept enabled users to post text messages, images and video recordings on *Masatu*, whereby the posts can only be accessed at specific times in the future by specific groups of persons set by the respective post creators. Further, we also developed and launched several consumer mobile applications available for free download to the public. Apart from developing consumer mobile applications, we also secured mobile application development projects from customers (i.e. businesses and companies). In the same year, Agmo Studio was awarded the MSC Malaysia Status and was granted Pioneer Status which entitled it to a 100.0% exemption on taxable statutory income derived from approved MSC activities for 5 years, which was renewed for a further period of 5 years in December 2017 and is valid until December 2022. Thereafter, the Pioneer Status can no longer be extended upon expiry. Please refer to Section 7.20 of this Prospectus for further details on our MSC Malaysia Status and Pioneer Status.

As our business expanded along with increasing mobile application development projects in 2013, we decided to focus our business on the development of mobile applications for our customers and to place less emphasis on the development of our own consumer mobile applications for better business sustainability. In the same year, we also secured our first web application project with a project value of RM1,500, which was an enhancement to the customer's existing web application whereby we developed an import and export function for the customer's existing web application, marking an expansion of our range of offerings to our customers. In the subsequent years, we have secured web application development projects, which refer to the development of new web applications, whereby the web applications developed are generally an extended / additional application to complement the mobile applications developed for our customers.

In the same year, we also developed a mobile CMS application comprising several basic components and functions such as pushing notifications, authentication and data analytics, to enable our team to develop mobile applications at a lower cost and shorter lifecycle. The mobile CMS served as a foundation for the development of our Agmo Genesis framework which was formalised in 2015.

In 2014, we secured our first project with a government agency, namely Jabatan Landskap Negara with a project value of RM48,000, whereby we developed a mobile application that enables users to browse for public parks by states and / or nearby the users' current locations using Augmented Reality technology. In the same year, we were approached by Next Horizon (a sole proprietorship owned by a third-party shareholder of NextProperty Ventures Sdn. Bhd.), to develop a mobile application known as NextProperty, with a project value of RM35,500. NextProperty allows property developers to showcase their property project launches to the

7. BUSINESS OVERVIEW (CONT'D)

public. NextProperty was launched in 2015 under NextProperty Ventures Sdn. Bhd. While we were developing the mobile application, we foresaw the potential prospects of NextProperty Ventures Sdn. Bhd. and agreed to take a stake in the company in the form of non-cash consideration, leading to NextProperty Ventures Sdn. Bhd. becoming an investee company of Agmo Studio in 2015, where we hold a 7.0% equity interest as at the LPD.

As we developed applications for our customers, we continued to write software code for standard functions for our mobile and web applications. This resulted in us embarking on a R&D project in 2015 to gather and consolidate all relevant software codes for these standard functions, which we progressively enhanced and streamlined, to develop our in-house proprietary framework, namely Agmo Genesis. Agmo Genesis comprises several core components that are used as the fundamental framework for our mobile and web application development projects to enhance the efficiency and speed of our project development lifecycles, which enables us to accept and deliver more projects with better resource management. As at the LPD, there are 8 components under our Agmo Genesis framework. Please refer to Section 7.3.1 of this Prospectus for further details of our Agmo Genesis framework.

Further, we also secured a mobile application development project with a project value of RM67,740 from Heydoc International Sdn. Bhd. (“**Heydoc**”) in 2015 for the development of a mobile application called DOC2US, a platform that connects its users with a variety of certified medical practitioners to obtain medical consultations and prescriptions. DOC2US was launched in the same year. Given the proliferation of telemedicine technology start-ups and as we anticipated the potential prospects of the company, we took the opportunity to invest in Heydoc in the form of non-cash consideration, leading to Heydoc becoming our investee company in 2017 under Agmo Capital. Agmo Capital was incorporated on 5 January 2017 as an investment holding company to hold the equity interests of our investee companies as part of the reorganisation of our Group structure. As such, the equity interest in NextProperty Ventures Sdn. Bhd. held by Agmo Studio since 2015 was also transferred to Agmo Capital in 2021. As at the LPD, we hold a 14.3% equity interest in Heydoc. In the same year, Agmo was concurrently incorporated on 5 January 2017 as an investment holding company of Agmo Studio and Agmo Capital, and eventually became the holding entity to our subsidiaries incorporated in the following years.

In 2017, as we continued to enlarge our customer portfolio, we secured a mobile application development project with a project value of RM48,250, from EzLaw International Sdn. Bhd. whereby we were engaged to develop a mobile application called EasyLaw which allows users (i.e. conveyancing lawyers) to perform land searches and access to other functions such as calculators for legal fees, stamp duty fees, real property gains tax and mortgage loan payment, amongst others. EasyLaw was launched in the same year. EzLaw International Sdn. Bhd. also eventually became our investee company in 2018 through Agmo Capital in the form of non-cash consideration, representing our first investment in the legal sector, whereby we hold a 9.5% equity interest in the company as at the LPD.

In 2019, we launched a food ordering and delivery application called Eat2U targeting restaurants seeking to expand their customer reach by listing their food and beverage offerings on this application. Eat2U is a platform connecting restaurants and consumers to facilitate online food ordering and delivery. As at the LPD, there had been 1 customer who subscribed to Eat2U. In the same year, we collaborated with Multimedia University to launch an electronic-voting (“**e-voting**”) mobile application developed using blockchain technology. We were responsible for the development of the e-voting mobile application while Multimedia University provided the relevant data and input in terms of user requirements and user acceptance testing by its election committee. There is no profit-sharing arrangement in relation to the e-voting mobile application developed. The e-voting mobile application allows voters to cast votes virtually via online attendance through the mobile application, and the blockchain technology allows recording, storage and tracking of voting results in a secured and non-rewritable manner, thereby upholding the integrity of the voting results.

7. BUSINESS OVERVIEW (CONT'D)

In 2020, with the outbreak of COVID-19 and the declaration of pandemic by the World Health Organisation, we had anticipated the demand for an e-voting system for public listed companies to conduct AGMs and EGMs virtually. With the e-voting system developed in collaboration with Multimedia University as a precursor, we began the R&D of a RPV platform in March 2020 and successfully launched a blockchain-based RPV application namely Vote2U in May 2020. Vote2U enables public listed companies in Malaysia to conduct AGMs and EGMs virtually and shareholders to perform online voting for resolutions proposed by the companies, amongst others. This expanded our service offerings and created an additional revenue stream for our Group under our provision of digital platform-based services business segment. As at the LPD, there had been 90 customers who subscribed to Vote2U. Please refer to Section 7.3.2 of this Prospectus for further details of Vote2U.

On 18 May 2020, we incorporated Agmo Digital Solutions to manage the provision of our digital platform-based services business segment.

On 14 September 2020, we incorporated Agmo Tech to provide our customers with customised digital solutions such as the development of mobile and web applications which are integrated with emerging technologies including blockchain and / or XR. These emerging technologies will serve as additional features to enhance the mobile and web applications. For example, mobile and web applications which are integrated with blockchain technology enable storage of data such as monetary transaction records, voting records and health records in a decentralised, inalterable and non-rewritable manner, thereby providing data transparency and security as well as enabling the traceability for the stored data. Further, mobile and web applications which are integrated with XR provide users with an immersive experience whereby the applications enable the interaction of the real world with virtual reality (i.e. computer-simulated environment), and vice versa, thereby enhancing the mobile and web applications in terms of user experience.

In October 2020, we launched another application under our digital platform-based service segment, namely Agmo Loyalty, which is a customer loyalty application developed for our customers (i.e. businesses and companies) to enhance the loyalty of their customers via functions such as points collection and points redemption. Please refer to Section 7.3.2 of this Prospectus for further details of Agmo Loyalty.

In 2020, our investee company, Heydoc, won the Merit Award of Health and Wellbeing in MSC Malaysia Asia Pacific ICT Alliance (APICTA) 2020 Award, for the DOC2US mobile application developed by our Group. With the same application, in 2021, Heydoc received the Winner Award of Health Technology Segment in Asian-Oceanian Computing Industry Organization (ASOCIO) 2021 Award.

On 12 January 2021, we incorporated Agmo Sierra (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.) for the development of customised digital solutions such as mobile and web applications using Java programming software including Java Play Framework and Java Spring Boot Framework, to expand our product offerings. Java programming software is a programming language used in the development of customised digital solutions. On 28 October 2021, a total of 30.0% equity interests were issued to 2 third-party individuals namely Tang Tung Ai and Fong Huang Yee, which resulted in them becoming the shareholders of Agmo Sierra. Leveraging on their technical experience in Java programming language, this equity participation complements our Group's expertise in application development and thus enhancing our digital solutions offerings to our customers.

On 9 August 2021, Agmo Capital became a shareholder of WorkGrowth Technology Sdn. Bhd., which is a joint venture company established with LKC Advance Technology Sdn. Bhd. and was tasked to develop a mobile application with a project value of RM500,000, for WorkGrowth Technology Sdn. Bhd., namely WorkGrowth HRMS. WorkGrowth HRMS was launched in 2021 as a human resources management system that automates and enhances the efficiency of human resources functions. The roles and responsibilities of our Group is in relation to the technical design, development and testing of WorkGrowth HRMS, server hosting of WorkGrowth HRMS and providing second tier onwards maintenance support (including

7. BUSINESS OVERVIEW (CONT'D)

resolving software bugs and software deficiency) to users. Please refer to Section 6.4 of this Prospectus for further details of the roles and responsibilities of LKC Advance Technology Sdn. Bhd. As at the LPD, we hold a 35.0% equity interest in WorkGrowth Technology Sdn. Bhd.

On 1 September 2021, Agmo Capital became a shareholder of NextRent Sdn. Bhd. in the form of cash consideration and concurrently, our Group also acts as a technical partner to the company. As a technical partner, we may be involved in the development of mobile and web applications for NextRent Sdn. Bhd. in the future to facilitate and / or enhance their business operations, whereby this will also enable our Group to expand our track record in the future. As at the LPD, we hold a 6.4% equity interest in NextRent Sdn. Bhd.

In the same year, Agmo entered into a shareholders' agreement with Mydigitalcoin Sdn. Bhd., Bubi Technologies Co. Ltd and Star Jewel Capital Inc to regulate the relationship inter se of shareholders and other parties who will become shareholders of Zetrix Sdn. Bhd. (formerly known as MYBB Techchain Sdn. Bhd.). Zetrix Sdn. Bhd. was set up as a joint venture collaboration between Agmo, Mydigitalcoin Sdn. Bhd., Bubi Technologies Co. Ltd and Star Jewel Capital Inc, and is intended to be principally involved in blockchain businesses development in Malaysia and overseas. Zetrix Sdn. Bhd.'s principal activities involve providing information technology service activities such as the development and set up of the first supernode in Malaysia, which will be fully compatible and interoperable to China's national blockchain infrastructure, enabling seamless integration and exchange of data blocks. The platform will enable provision of solutions for end-to-end product traceability and financing along the entire supply chain in relation to the two-way flow of goods between China and the rest of the world. Zetrix Sdn. Bhd. has commenced development of the Zetrix blockchain platform. Bubi Technologies Co. Ltd. is a private limited company incorporated in the People's Republic of China and is principally involved in software development. Star Jewel Capital Inc. is a company incorporated in the British Virgin Islands and is an investment holding company. On behalf of Zetrix Sdn. Bhd., Agmo is responsible for procuring and obtaining the relevant technical compliance required by Zetrix Sdn. Bhd. to establish and maintain its business in Malaysia, and to project manage the development and roll out of the products and services of Zetrix Sdn. Bhd. at a retainer fee of RM5,000 per month for a duration of 42 months starting 1 October 2021 which is payable by Mydigitalcoin Sdn. Bhd. at the end of the contract period. Subject to mutual agreement, the accumulated retainer fee of RM210,000 representing the total project value will be converted to 5.0% of Zetrix Sdn. Bhd.'s fully diluted shareholding. Mydigitalcoin Sdn. Bhd. is, amongst others, responsible for the overall day to day operations, business plan, budget, marketing, sales and delivery of the business of Zetrix Sdn. Bhd. from time to time. Bubi Technologies Co. Ltd is, amongst others, responsible for providing its expertise to develop and undertake the R&D of any new infrastructures and products identified by the shareholders of Zetrix Sdn. Bhd. Star Jewel Capital Inc is, amongst others, responsible for providing its expertise to market and promote the products and services of Zetrix Sdn. Bhd. outside Malaysia. As at the LPD, our Group does not have any shareholdings in Zetrix Sdn. Bhd.

In November 2021, we launched another application under our digital platform-based service segment, namely Agmo Health, which is an online health consultation and prescription application that connects our customers (i.e. pharmacies) with licensed medical practitioners (i.e. doctors or health professionals) for medical consultation and prescription sought by consumers (i.e. patients). As at the LPD, there is 1 company currently subscribing to Agmo Health. Please refer to Section 7.3.2 of this Prospectus for further details of Agmo Health.

On 30 August 2021, Agmo Studio and Agmo Capital entered into a share transfer agreement with Advisonomics Sdn. Bhd. As part of the share transfer agreement, Agmo Studio will assign one or more of its personnel from time-to-time to serve as the technology advisor of Advisonomics Sdn. Bhd. for a period of 3 consecutive years commencing 30 August 2021 at a total consideration of RM200,000 which will be settled via the transfer of ordinary shares of Advisonomics Sdn. Bhd. to Agmo Capital via 3 equal tranches over 3 years period. Upon the full settlement of the advisory fees, Agmo Capital's shareholdings in Advisonomics Sdn. Bhd. will increase to 0.947%. Up to the LPD, Agmo Studio has assigned one personnel to serve as

7. BUSINESS OVERVIEW (CONT'D)

the technology advisor of Advisonomics Sdn. Bhd. On 15 November 2021, Agmo Capital became a shareholder of Advisonomics Sdn. Bhd. in the form of non-cash consideration. As at the LPD, we hold a 0.3% equity interest in Advisonomics Sdn. Bhd. Further, Agmo Studio was also tasked to develop a mobile application namely 'cashku', with a project value of RM300,000 which is payable in cash, for Advisonomics Sdn. Bhd. *cashku* is a financial management application that allows users to keep track of and manage their financial portfolio through the mobile application. *cashku* is targeted to be launched in May 2022.

7.2 KEY AWARDS, CERTIFICATIONS AND RECOGNITIONS

The awards, certifications and recognitions received by one of our subsidiaries, Agmo Studio, 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 | Gold Award of Mobile App Category | The Institution of Engineering and Technology Malaysia Industry Excellence Award 2019 |
| 2020 | Winner Award of Community Services (for application named Vote2U) | MSC Malaysia APICTA 2020 Award |
| | Certificate of Merit (for application named DOC2US) | Asia Smart App Awards 2020 |

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

7.3 PRINCIPAL BUSINESS ACTIVITIES AND PRODUCTS / SERVICES

We are a digital solutions and application development specialist. Our solutions involve digitalising our customers' business operations through the development of mobile and web applications as well as provision of digital platform-based services, as follows:

- (i) Development of mobile and web applications;
- (ii) Provision of digital platform-based services; and
- (iii) Provision of subscription, hosting, technical support and maintenance services.

Our business can be summarised in the business model below, with further explanations set out in Sections 7.3.1, 7.3.2 and 7.3.3 of this Prospectus.

7. BUSINESS OVERVIEW (CONT'D)

| Agmo Group | | | |
|--------------------------------------|---|---|---|
| Principal business activities | Development of mobile and web applications | Provision of digital platform-based services | Provision of subscription, hosting, technical support and maintenance services |
| Our offerings | <ul style="list-style-type: none"> • Mobile applications • Web applications | <ul style="list-style-type: none"> • Vote2U • Eat2U • Agmo Health • Agmo Loyalty | <ul style="list-style-type: none"> • Subscription and hosting services on Microsoft Azure, Amazon Web Services ("AWS") and Huawei Cloud • Technical support and maintenance services on mobile and web applications |
| Our customers | Businesses and companies from multiple industries / sectors, such as: <ul style="list-style-type: none"> • Healthcare • Logistics • Oil and gas • Automotive • Financial services • Government agencies | Businesses and companies including: <ul style="list-style-type: none"> • Public listed companies • Restaurants • Pharmacies • Retailers | <ul style="list-style-type: none"> • Businesses and companies that engage our application development services • Businesses and companies that do not engage our application development services |
| Our suppliers | <ul style="list-style-type: none"> • Third party developers • Application providers (for the usage of third party applications such as augmented reality and payment gateways in our applications) | <ul style="list-style-type: none"> • Live streaming service providers • Application providers (for the usage of third party applications such as payment gateways, electronic Know-Your-Customer ("e-KYC") and customer support software in our applications) • Scrutineers (for Vote2U) • Healthcare professionals (for Agmo Health) | <ul style="list-style-type: none"> • Third party cloud computing platforms (i.e. Microsoft Azure, AWS and Huawei Cloud) |
| Our markets* | <ul style="list-style-type: none"> • Malaysia • Hong Kong • Singapore • Sri Lanka | <ul style="list-style-type: none"> • Malaysia | <ul style="list-style-type: none"> • Malaysia • Singapore |

Note:

* Based on our customers' countries of domicile in the Financial Years Under Review, which also comprise Cambodia, Germany, People's Republic of China, United Kingdom and Vietnam whereby their collective revenue in the Financial Years Under Review were minimal (FYE 2019: RM0.06 million, FYE 2020: RM0.14 million, FYE 2021: RM0.03 million and FYE 2022: RM0.07 million).

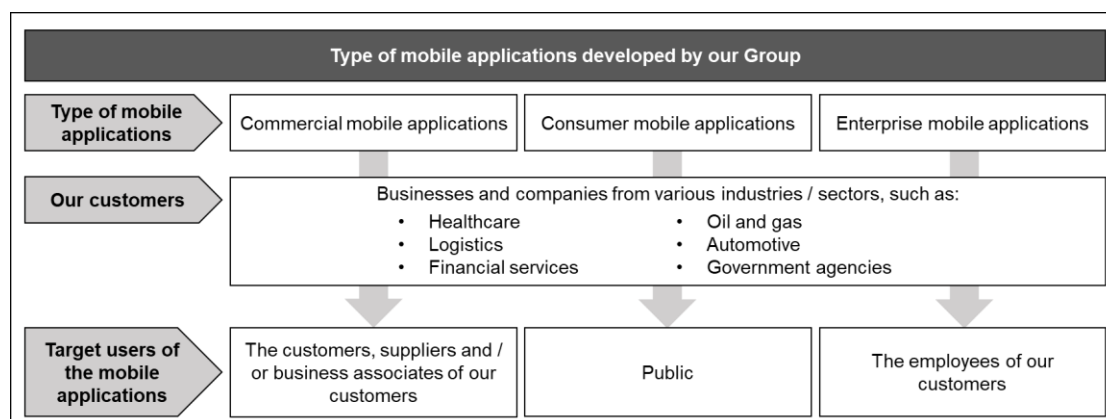
7.3.1 Development of mobile and web applications

Mobile and web applications are software applications designed to digitalise and improve a specific task or function of businesses and companies such as sales and marketing, customer service, warehousing and human resource; as well as to digitalise and improve consumers' daily lives for communication and entertainment purposes, amongst others. By digitalising these tasks or functions, businesses and companies are able to automate their routine operations and improve their overall operational efficiency such as efficiency in managing customer relationships, reaching out to potential customers, conveying messages (e.g. promotional events, latest news and important announcements) to customers, managing warehousing activities as well as managing human resources, with the intention to drive business growth.

A mobile application is a type of software application designed to run on mobile devices such as smartphones or tablets, whereby they are accessed by users by downloading and installing them from online application stores such as Google Play Store, Apple App Store and Huawei AppGallery. Meanwhile, a web application is a type of software application designed to run on web-browser interfaces, whereby they are accessed by users directly through the web browser functions in their devices such as laptops, personal computers or mobile devices, without the need to download or install the web applications.

7. BUSINESS OVERVIEW (CONT'D)

We are principally involved in the development of mobile applications for customers (i.e. businesses and companies) from various industries / sectors such as healthcare, logistics, oil and gas, automotive, financial services and government agencies. The mobile applications developed for businesses and companies comprise commercial applications that are made available to their customers, suppliers and / or business associates; as well as consumer mobile applications which are made available to the public whereby users can download these mobile applications from Google Play Store, Apple App Store and Huawei AppGallery. We also develop enterprise mobile applications which are for our customers' internal use by their employees whereby users can download these mobile applications from the customers' internal distribution platform (i.e. intranet) or online application stores (i.e. Google Play Store, Apple App Store and Huawei AppGallery).



Apart from the development of mobile applications, we also develop web applications for businesses and companies. The web applications developed for our customers are generally an extended / additional application to complement the mobile applications developed for them as a complete digital solution, notwithstanding, we also provide web application development services on a standalone basis. The revenue contribution from the development of web applications on a standalone basis, the development of mobile applications on a standalone basis, and the development of mobile and web applications as a bundled package for the Financial Years Under Review and up to the LPD are as follows:

| Type of application development | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|--|--------------|--------------------|--------------|--------------------|--------------|--------------------|---------------|--------------------|
| | RM'000 | % of total revenue | RM'000 | % of total revenue | RM'000 | % of total revenue | RM'000 | % of total revenue |
| Mobile and web applications as a bundled package | 4,111 | 80.2 | 3,824 | 70.6 | 5,731 | 78.8 | 5,852 | 45.2 |
| Mobile applications on a standalone basis | 824 | 16.1 | 1,341 | 24.8 | 387 | 5.3 | 4,625 | 35.7 |
| Web applications on a standalone basis | 189 | 3.7 | 249 | 4.6 | 1,151 | 15.8 | 2,479 | 19.1 |
| Total revenue from development of mobile and web applications | 5,124 | 100.0 | 5,414 | 100.0 | 7,269 | 100.0 | 12,956 | 100.0 |

7. BUSINESS OVERVIEW (CONT'D)

Our Group's expertise in mobile and web application development ranges from design and development to deployment, as follows:

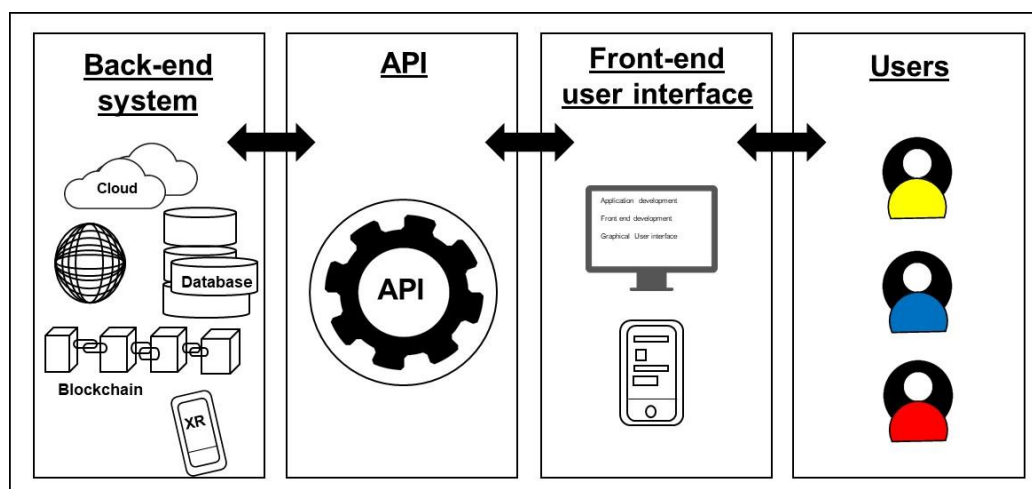
(i) Design and development

Prior to developing a mobile or web application, we will study the requirements of our customers, including the goals and objectives, functions and target users of the application. Each mobile and web applications developed for our customers are customised according to their requirements and hence, the components, technologies and type of development toolkit used for the development of these applications vary accordingly. Our Group also incorporates emerging technologies such as blockchain and / or XR in the development of mobile and web applications when required.

Blockchain technology is used for applications that require tamper-proof storage of data such as monetary transaction records, voting records and health records. Blockchain technology enables storage of data in a decentralised and inalterable manner, thereby providing data transparency and security as well as enabling the traceability for the stored data.

XR comprises Virtual Reality (VR), Augmented Reality (AR) and Mixed Reality (MR) to provide users with experience in real / physical and virtual combined environment. Please refer to Section 7.4 of this Prospectus for further details on the emerging technologies used by our Group in the development of mobile and web applications.

Every mobile or web application developed by our Group generally comprises back-end system, front-end user interface and API.



Back-end system

The back-end system of mobile and web applications is a core system that stores and processes data input from front-end user interface, through its processing mechanisms embedded in programmed coding developed by our Group to perform the intended functions of the applications. Notwithstanding that all mobile and web applications developed by our Group are customised according to customer requirements, certain functions of these applications are similar and can be developed based on standard framework. This has led to the development of our in-house proprietary development framework, namely Agmo Genesis. Agmo Genesis consists of several standard components (i.e. programmed coding of standard functions) that can be used in the development of back-end systems of the mobile and web applications that we develop. The Agmo Genesis framework is not registered as a patent as it is not at this juncture considered a patentable invention which is eligible for patent protection (i.e. a non-public invention involving an inventive step and which is industrially applicable), in view

7. BUSINESS OVERVIEW (CONT'D)

that functions developed using the Agmo Genesis framework are functions that can be commonly found in many applications, and such functions can be developed by other industry players using different programmed coding or their own internal framework. Nevertheless, it is worthwhile noting that notwithstanding the absence of patent registration and the possibility of functions found in the Agmo Genesis framework being independently developed by other industry players, the Agmo Genesis framework has been self-developed by our Group and accordingly our Group as the creator is the owner of intellectual property rights in and to the Agmo Genesis framework and such rights enjoy protection under legal principles relating to protection of trade secrets. As such, we treat the Agmo Genesis framework (and refer to it for all intents and purposes) as being proprietary to us.

As at the LPD, our Group has developed 8 components under our Agmo Genesis framework based on our experience accumulated from our past projects. Some of the components also comprise functions that allow integrations with third party applications / software such as social media platforms and payment gateways for enhanced user experience. An overview of our Agmo Genesis framework is outlined below:

| Components | Description |
|-------------------|--|
| Agmo Auth | An authentication and authorisation module used to verify and authenticate users during system login. It also comprises a function that allows integration with third party applications (e.g. social media platforms) using API to obtain user login credentials stored in the third party applications (e.g. logging in to our applications using the users' Facebook login credentials). |
| Agmo Push | A module used to push notifications to users. |
| Agmo Social | A module that consists of several core functions and features that are commonly found in social media applications. These core functions and features include post feeds, comment, like, share and follow. |
| Agmo Payment | A module that integrates with third-party payment gateways using API to enable monetary transactions via various payment methods such as financial process exchange (FPX), credit card, debit card and electronic wallet (e-wallet). |
| Agmo Loyalty | A module that consists of several functions to assist businesses and companies to maintain user loyalty. These functions include point earning, point redemption and redemption catalogue. |
| Agmo Forms | A module that consists of several functions related to form submission that are commonly found in businesses' and companies' internal mobile and web applications to cater for different workflows of the business processes. These functions include form template creation, form submission and form approval workflow. |
| Agmo Gamification | A module used to increase user-stickiness of a mobile or web application through gamification elements such as point accumulation, leaderboard, missions, challenges and rewards. |
| Agmo Analytics | A module integrated with data analytics to collect and analyse users' behavioural data while using the mobile applications, thereafter derive meaningful information on user behaviour and preference to assist businesses and companies to better understand their users, in order to push relevant notifications to entice engagement / sales from customers and / or develop relevant products / services in response to customer demand identified through analytics on user behavioural data. |

7. BUSINESS OVERVIEW (CONT'D)

All the components under our Agmo Genesis framework can be used in the development of mobile applications for all operating systems including iOS, Android and Huawei, as well as the development of all web applications. Based on our customer requirements, our Group includes the relevant components from our Agmo Genesis framework into the development of the back-end systems of the applications, with some modification if needed. In addition to the standard functions which can be developed based on these existing components, our Group also develops other customised functions based on our customer requirements by developing new modules based on new programmed coding / programming / software coding using our development toolkits, in the event that our Group does not have such readily-built components under our framework. Please refer to Section 7.4 of this Prospectus for further details on the technology used in back-end development.

With the readily-built components under our Agmo Genesis framework to be used as a base in every application development project, it eliminates repetitive programming for the development of similar functions, thereby accelerating our application development process and allowing us to accept more projects concurrently.

Front-end user interface

As part of our mobile and web application development process, we also design and develop front-end user interfaces of the applications in accordance to our customer requirements which are dependent on various factors such as our customers' corporate identity, function and features of the applications, and any integration with third party applications / software (e.g. third party social media platforms and payment gateways). Our Agmo Genesis framework can also be used to develop the front-end user interface.

A user-friendly front-end user interface is crucial in enhancing user experience and retaining users. Therefore, our Group places emphasis in understanding the requirements of our customers and the intended target users in order to develop optimised front-end user interfaces for each mobile and web application. Please refer to Section 7.4 of this Prospectus for further details on the technology used in front-end user interface development.

API

Due to the different functions in back-end system and customisation of front-end user interface, our Group designs and customises the API to ensure seamless connection between back-end system and front-end user interface of each mobile and web application. This is to ensure the applications developed are able to perform its intended functions smoothly and to achieve user satisfaction. Further, we also develop API for the integration between our back-end systems and third party applications / software, if any.

(ii) Deployment

Prior to the deployment of mobile and web applications, our applications undergo user acceptance testing such as user experience testing, functional testing, performance testing, security testing as well as device and platform testing to ensure meeting our customer requirements. All testings are conducted in-house. Security testing may be performed by third party testers (i.e. companies involved in the provision of cyber security services including cyber security infrastructure review and assessment, database security assessment and host assessment) based on our customer requirements. Please refer to Section 7.9 of this Prospectus for further details on these testing carried out by our Group.

7. BUSINESS OVERVIEW (CONT'D)

To enable mobile and web applications for deployment, commercialisation and continuous usage, the applications are required to be run on a computing platform and hosted on cloud servers. Hence, following the testing of applications, we will deploy the applications on a cloud computing platform and host them on a cloud server subscribed through our Group or subscribed directly by our customers. Please refer to Section 7.3.3 of this Prospectus for further details on our subscription and hosting services. For customers that do not engage our subscription and hosting services, we will hand over the source programming codes to the customers.

All the application development projects carried out by our Group cover project planning and application development to application deployment. Typically, the duration of an application development project from project planning to handover of application, ranges from 3 months to 6 months for a single phase, depending on the complexity of the project. An application development project may comprise multiple phases, depending on the customer's requirements, budget and project roadmap. Each phase of an application development project typically covers certain areas of focus specified by our customers. For example, a customer may engage us for an application development project which comprises 2 phases, whereby the first phase covers the development of a mobile application that lists all products offered by our customers, and the second phase covers the inclusion of product purchasing function to allow purchasing of products through the application. After completion of the application development projects, businesses or companies may engage us for application modification or enhancement to include additional functions or features to the applications developed.

The development of mobile and web applications is mainly carried out in-house by our software development team. While we may outsource some development works to third party developers in the event of limited resources, most of the development works are conducted in-house. During the Financial Years Under Review, we outsourced some development works to a foreign third party developer in FYE 2019, and to a local third party developer in FYE 2021 and to several local third party developers in FYE 2022, whereby the costs incurred were RM13,000, RM8,500 and RM0.28 million respectively, representing approximately 3.7%, 1.0% and 18.2% of our cost of sales (excluding payroll and related costs) respectively. The outsourced development works were due to software developer capacity constraints in completing the projects within the agreed timeline with our customers.

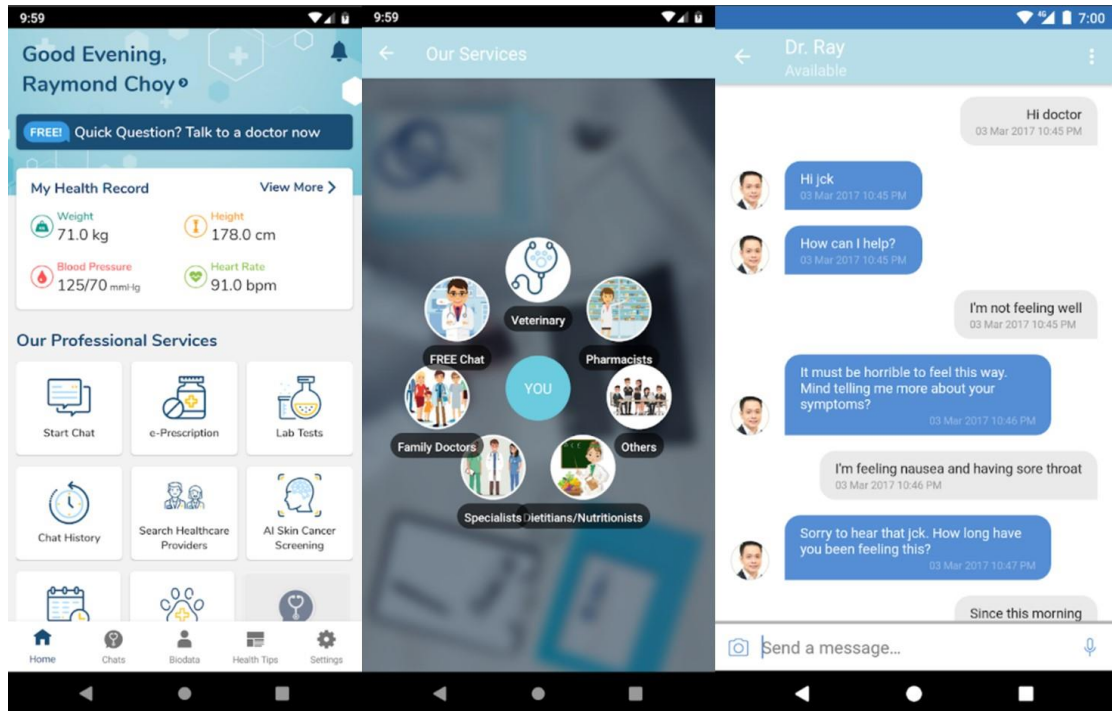
Since the commencement of our business and up to the LPD, our Group has developed over 100 new mobile and web applications. These applications developed by our Group spread across many industries / sectors including healthcare, logistics, oil and gas, automotive, financial services and government agencies. Please refer to Section 7.5 of this Prospectus for our track record in the development of mobile and web applications.

The intellectual property rights and ownerships of mobile and web applications developed based on our customers' requirements belong to the respective customers. Further, our Group's sales of application development are derived on project basis. The revenue generated from each project varies depending on various factors, such as the number of software developers and / or estimated manhours required for the project, as well as the complexity of the applications developed. As at the LPD, we have an outstanding order book, comprising secured projects yet to be fulfilled, of approximately RM7.85 million. Please refer to Section 12.12 of this Prospectus for further details of our order book.

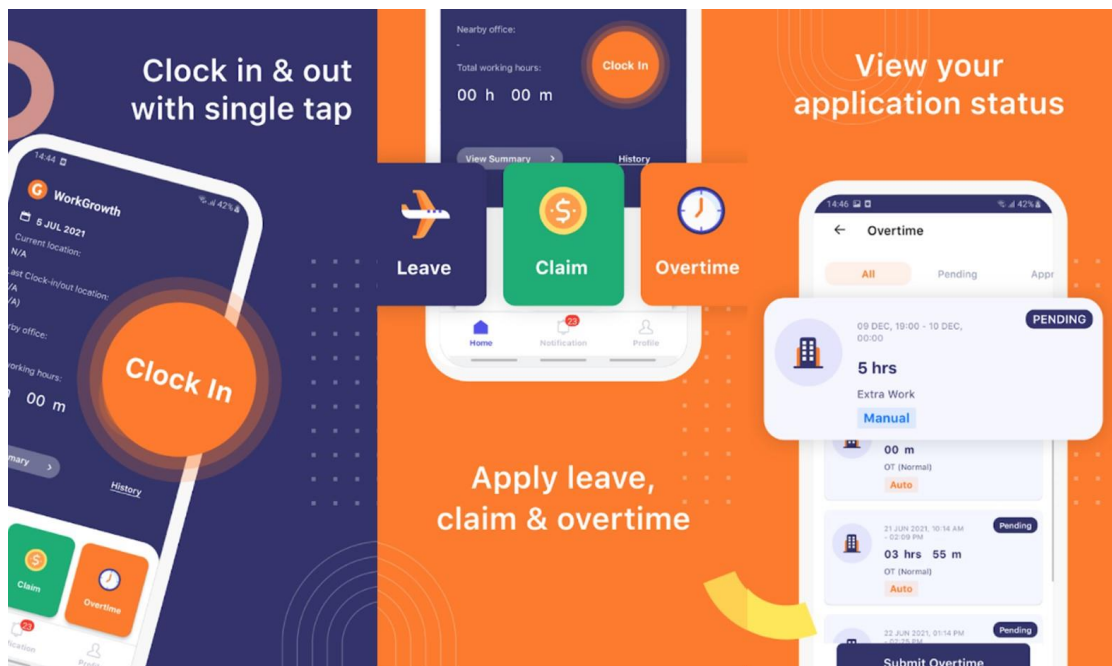
The following are the mobile applications developed for our customers, who are also our investee companies:

7. BUSINESS OVERVIEW (CONT'D)

DOC2US



WorkGrowth HRMS



In addition to mobile and web applications developed for our customers, our Group also develops consumer mobile applications which are owned by our Group and made available for download by consumers on Google Play Store, Apple App Store and Huawei AppGallery. Our consumer mobile applications are available for download for free to the public. As at the LPD, there are several consumer mobile applications developed by our Group and are available for download, which include Malaysia Car Loan Calculator and Malaysia Home Loan Calculator.

7. BUSINESS OVERVIEW (CONT'D)

7.3.2 Digital platform-based services

Our provision of digital platform-based services is intended for our customers (i.e. businesses and companies) to perform different tasks such as hosting events and connecting to / interacting with customers as well as for e-commerce related transactions, amongst others. These digital platform-based services are provided through mobile or web applications developed and owned by our Group, and our customers and authorised users can use these applications when given access by our Group. Our customers can also integrate some of these applications to their own mobile and / or web applications via API, whereby in such cases, our applications serve as a mini-application that allows our customers to carry out additional functions on their mobile and / or web applications. These digital platform-based services are provided to our customers on a subscription model and / or per-usage / per-event basis based on the pre-agreed rates with our Group.

As at the LPD, our Group has 4 applications under our provision of digital platform-based services, namely Vote2U, Eat2U, Agmo Health and Agmo Loyalty, with details as follows:

(i) Vote2U



Vote2U is RPV platform developed using blockchain technology to facilitate the organisation of virtual AGMs and EGMs of public listed companies in Malaysia. It comprises several key functions such as online voting for resolutions proposed by companies, as well as livestreaming and interactions between participants / shareholders and representatives from the companies. Due to the movement restrictions imposed by the Government pursuant to the COVID-19 pandemic, large-scale physical events including AGM and EGM were prohibited. To cater to the demand for virtual AGMs and EGMs as well as online voting by public listed companies, Vote2U was developed in March 2020 and launched in May 2020. The first online AGM conducted by Vote2U was held on 22 May 2020.

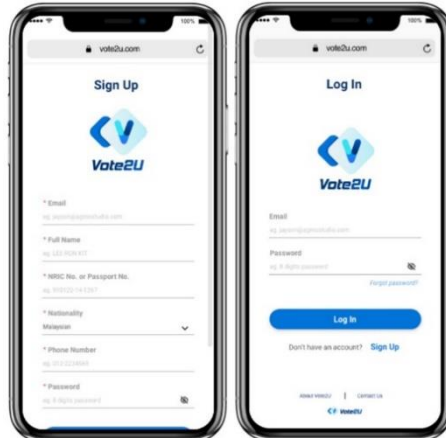
Vote2U is developed with various key functions and features covering:

- online voting;
- livestreaming;
- interaction between participants (i.e. shareholders and proxies) and companies which allows participants to post questions to companies;
- report generation including attendance report, voting report and proxy report; and
- security and authentication features including e-KYC registration, records of depositors (ROD) integration and blockchain audit trail.

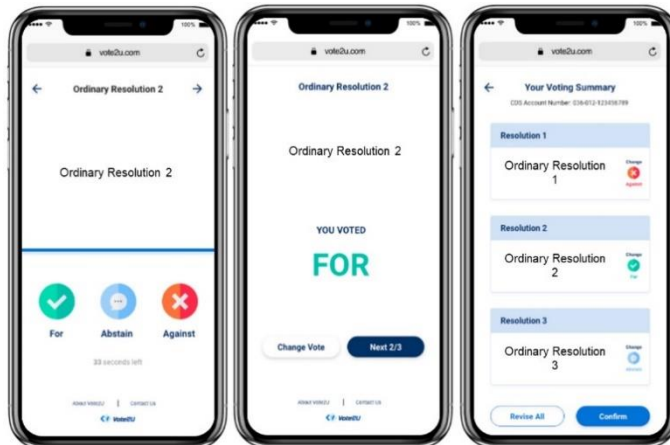
7. BUSINESS OVERVIEW (CONT'D)

The user interfaces for some of the features and functions of Vote2U are as follows:

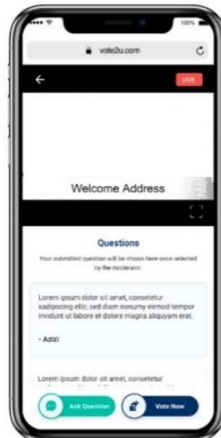
Sign up and log in :



Online voting :

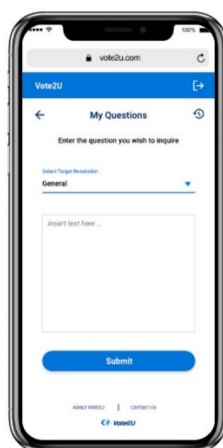


Livestreaming :



7. BUSINESS OVERVIEW (CONT'D)

Question
submission :



As at the LPD, we have hosted more than 90 AGMs and EGMs for public-listed companies in Malaysia through Vote2U. Vote2U is accessed by our customers (i.e. public listed companies in Malaysia) and their authorised participants (i.e. shareholders, proxies and other invitees such as consultants, advisors and solicitors) through a web browser of any device including laptops and mobile phones, without the need to download and install on these devices. Vote2U is able to host a maximum participation capacity of approximately 10,000 participants at any one time. The revenue generated from Vote2U are on a per event basis as our customers are charged for each event hosted on Vote2U.

In addition, Vote2U can also be used for events that require identity verification and audit trails such as meetings for creditors and private and public associations, to prevent false identities or fraud commission. With the use of blockchain technology in Vote2U, it is able to track the voting records and store them in a secure manner.

Since the launch of Vote2U and up to the LPD, our Group has generated revenue amounting to approximately RM1.73 million.

(ii) Eat2U

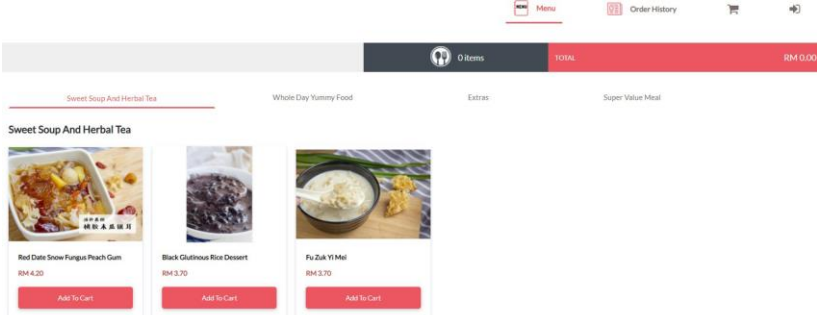


Eat2U is an online food ordering and delivery application that serves as a platform for restaurants seeking to expand their customer reach by listing their food and beverage offerings on this application. It connects our customers (i.e. restaurants) and consumers to facilitate online food ordering and delivery, whereby the delivery services are provided by third party service providers. Eat2U was developed and launched in July 2019.

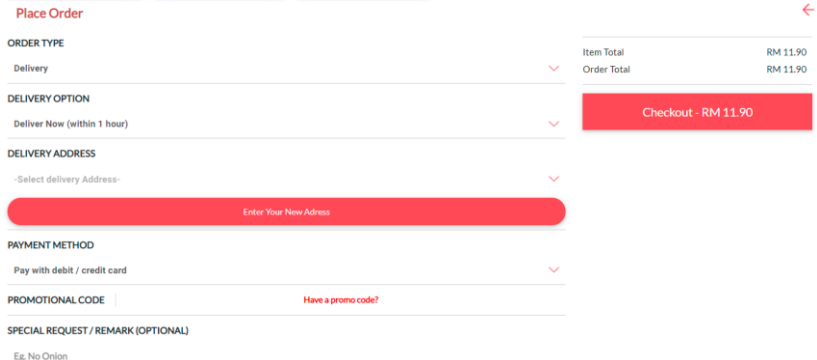
7. BUSINESS OVERVIEW (CONT'D)

The user interfaces for some of the features and functions of Eat2U are as follows:

Menu :



Order checkout :



Since the launch of Eat2U, the revenue generated from Eat2U has been minimal due to minimal marketing exposure. We intend to increase marketing activities upon our Listing to promote the use of Eat2U as detailed in Section 7.8.2 of this Prospectus. Eat2U is accessed by our customers (i.e. restaurants) and users (i.e. consumers) through a web browser without the need to download and install on any devices. The revenue generated from Eat2U are based on monthly subscription fees charged to our customers (i.e. restaurants) for subscribing to Eat2U platform.

Since the launch of Eat2U and up to the LPD, our Group has generated revenue of less than RM1,000.

(iii) Agmo Health



Agmo Health is an online health consultation and prescription application that can be accessed by our customers (i.e. pharmacies) and users (i.e. patients). It can also function as a mini-application integrated within our customers' mobile applications as an additional service offering.

The users will access into Agmo Health to connect with licensed medical practitioners (i.e. doctors or health professionals) for virtual medical consultation. The users are able to communicate virtually with medical practitioners regarding his or her ailments using the integrated instant text and voice message functions. The users may also attach images through the text message function to share ailment images (e.g. dermatological-related conditions) with the medical practitioners as reference.

7. BUSINESS OVERVIEW (CONT'D)

Following which, the medical practitioners may issue electronic prescriptions (“e-prescriptions”) to the users using the integrated electronic prescribing (“e-prescribing”) system in Agmo Health. The users can obtain the prescribed medication from our customers using the e-prescriptions, which our customers can access via the e-prescribing system. Agmo Health was launched in November 2021.

The user interfaces for some of the features and functions of Agmo Health are as follows:

Customer’s dashboard :

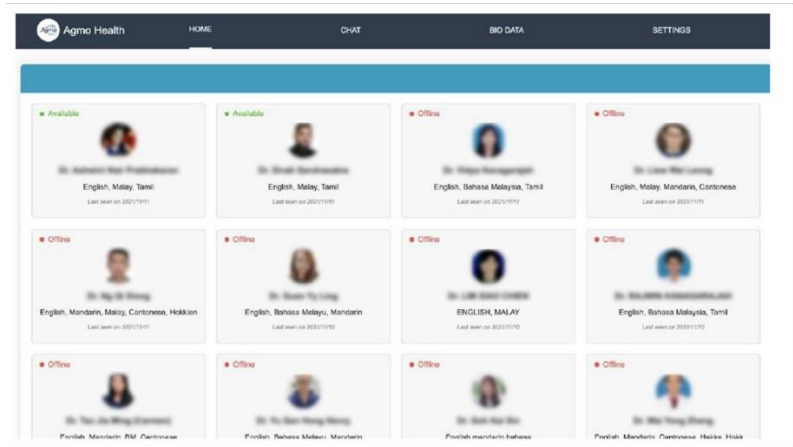
Customer’s search function :

Customer’s view on a user’s e-prescriptions record :

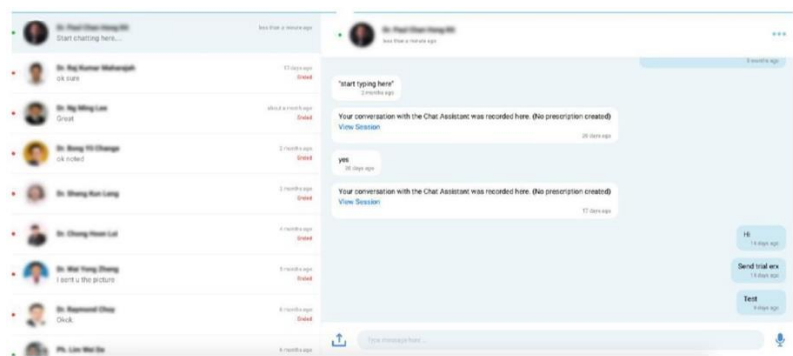
| Medication Record ID | Status | Created by | Created On | Medication Supply Status | |
|----------------------|--------------------|------------|-------------------|--------------------------|----------------------------------|
| #165321 | Approved By [User] | [User] | 16/04/2020, 13:41 | Supplied | Mark as Supplied View Medication |
| #165197 | Approved By [User] | [User] | 16/04/2020, 09:50 | Supplied | Mark as Supplied View Medication |
| #165190 | Approved By [User] | [User] | 16/04/2020, 09:26 | Supplied | Mark as Supplied View Medication |
| #165179 | Approved By [User] | [User] | 16/04/2020, 09:20 | Supplied | Mark as Supplied View Medication |
| #165167 | Approved By [User] | [User] | 16/04/2020, 09:16 | Cancelled | Mark as Supplied View Medication |

7. BUSINESS OVERVIEW (CONT'D)

Available medical practitioners to users :



Instant messenger (text and voice messages) used by users :



As at the LPD, Agmo Health is subscribed by a major supermarket chain-store retailer which also operates a chain of pharmacies in Malaysia. Agmo Health is accessed by our customers and the users through web browser without the need to download and install on any devices, and / or by users through our customers' mobile applications as an integrated mini-application. The revenue generated from Agmo Health is based on monthly subscription fees and transaction fee for each prescription issued by the medical practitioners, charged to our customers.

Since the launch of Agmo Health and up to the LPD, our Group has generated revenue amounting to approximately RM0.01 million.

Notwithstanding that Agmo Health has similar functions (i.e. virtual medical consultation and prescription) as DOC2US (an application which we developed for our investee company, namely Heydoc), certain customers require customisation of which Agmo Health is able to cater for. Furthermore, our investment in Heydoc does not restrict us in conducting business with other customers. Moreover, the customer that subscribed to Agmo Health as at the LPD was introduced to our Group by Heydoc. As such, this does not give rise to any potential competition or conflict of interest situations.

7. BUSINESS OVERVIEW (CONT'D)

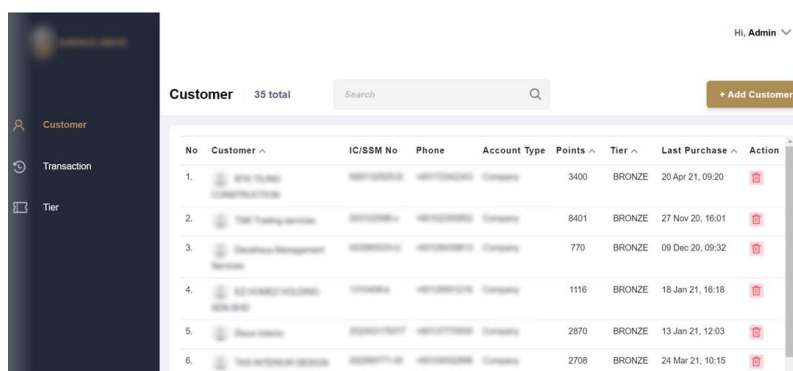
(iv) Agmo Loyalty



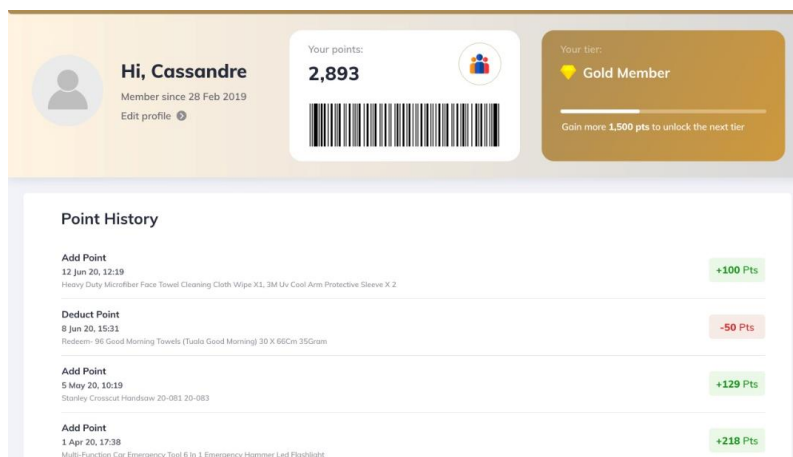
Agmo Loyalty is a customer loyalty application developed for our customers (i.e. businesses and companies) to enhance the loyalty of their customers (i.e. users). It incorporates loyalty and lifestyle features designed to assist our customers to gain customer loyalty via several functions such as points collection and points redemption. Through Agmo Loyalty, our customers are able to view their customers' profile, purchase history and points collected, and their customers are also able to view the points available as well as points collection and redemption history. Agmo Loyalty was launched in October 2020.

The user interfaces for some of the features and functions of Agmo Loyalty are as follows:

Customer's view on their customers' profile, purchase history and points collected



User's profile showing points available, points collected and points redemption history



As at the LPD, Agmo Loyalty is currently used by a customer involved in the provision of surface furnishing products. As this is our pilot deployment for Agmo Loyalty, we do not charge any subscription fee to this customer. Since the launch of Agmo Loyalty and up to the LPD, our Group has yet to generate any revenue from Agmo Loyalty due to minimal marketing exposure. We intend to increase marketing activities upon our Listing to promote the use of Agmo Loyalty as detailed in Section 7.8.2 of this Prospectus. Agmo Loyalty is accessed by our customers through web browser without the need to download and install on any devices. The revenue generated from Agmo Loyalty is based on monthly subscription fees.

7. BUSINESS OVERVIEW (CONT'D)

7.3.3 Subscription, hosting, technical support and maintenance services

We provide subscription, hosting, technical support and maintenance services to businesses and companies for their mobile and web applications. These services are provided for a pre-agreed period typically ranging from 3 months to 12 months, thus generating recurring revenue for our Group.

(i) Subscription and hosting

To enable mobile and web applications for deployment, commercialisation and continuous usage, mobile and web applications are required to run on a computing platform and hosted on cloud servers or on-premises servers at our customers' designated sites. A computing platform allows mobile and web applications to be deployed and managed; and a server is used as storage and backup of the applications' coding and data. Our Group provides subscription and hosting services to our customers under several third party cloud computing platforms. The cloud computing platforms used by our Group for our subscription and hosting services comprise Microsoft Azure, AWS and Huawei Cloud.

As part of our application development projects, we provide subscription and hosting services of the applications upon deployment if required by our customers by bundling the services to our application development services. Our subscription and hosting services for mobile and web applications are on quarterly or annual basis and are subject to renewal by our customers. The minimum period for our subscription and hosting services is 3 months, and as at the LPD, we have existing subscription and hosting engagements with 12 customers for up to 1 year. Among these 12 customers, 9 of them have engaged our subscription and hosting services for at least 2 years.

Our Group has been registered as partners with Microsoft Regional Sales Pte Ltd for Microsoft Azure since 2012 under a Microsoft Partner Network Agreement entered into on 2 May 2012, Amazon Web Services, Inc for AWS since 2018 under a AWS Partner Network Agreement entered into on 5 October 2018, and Huawei Services (Hong Kong) Co., Limited for Huawei Cloud since 2021 under Huawei Cloud Solution Partner Cooperation Agreement and Huawei Cloud Partner Network Certification Agreement entered into on 28 April 2021, respectively. With these partnerships, it has strengthened our reputation and has provided our customers with greater confidence to engage us as an application developer and digital solution provider, from application development to application hosting. The table below outlines the benefits obtained through the partnerships.

| Partners | Partnership | Benefits |
|-----------------|-----------------------------------|---|
| Microsoft Azure | Gold Partner status | <ul style="list-style-type: none"> • receive prioritised listing in Microsoft partner directory which enhances our exposure to attract customers • receive product licences for the usage of certain software under Microsoft • advisory hours for technical consultation • access to Microsoft's Signature Cloud support programme |
| AWS | Independent Software Vendor (ISV) | <ul style="list-style-type: none"> • access to a wide range of programs to market and sell products via AWS • access to marketing tools and resources for promotional activities • access to funding to market and sell products with AWS |

7. BUSINESS OVERVIEW (CONT'D)

| Partners | Partnership | Benefits |
|-----------------|------------------------------|---|
| Huawei Cloud | Standard-tier Partner status | <ul style="list-style-type: none"> • access to Huawei Cloud’s support plans designed for developers, businesses and enterprises to assist our service provision to customers • access to content, information, sales tools, documentation and other resources • access to offers, incentive and partner programs • access to Huawei Cloud’s services, products and technologies |

In order to maintain our Gold Partner Status with Microsoft Azure, we are required to meet the requirements set out by Microsoft such as achieving a minimum annual subscription value of USD100,000 for Microsoft Azure through direct subscriptions from our Group or through subscriptions from our customers for hosting of their applications which are developed by us, and maintaining 2 employees who passed certain examinations required by Microsoft.

In order to renew our ISV status with AWS, we are required to meet the requirements set out by AWS such as achieving a total minimum annual subscription value of USD1,500 from a minimum of 3 customers for hosting their applications with AWS as well as maintaining 2 employees who are accredited technical professionals, 2 employees who are accredited business professionals, 2 AWS Foundational Certified Individuals and 2 AWS Technical Certified Individuals.

In order to renew our Standard-tier Partner status with Huawei Cloud, we are required to meet the requirements set out by Huawei Cloud such as achieving a minimum annual subscription value of USD12,000 for Huawei Cloud, maintaining 2 customer references and maintaining 2 employees who have obtained certain Huawei Cloud Professional Accreditation.

Our Group has not encountered any difficulties in maintaining or renewing our partnerships with Microsoft Regional Sales Pte Ltd, Amazon Web Services, Inc and Huawei Services (Hong Kong) Co., Limited.

(ii) Technical support and maintenance

As part of our after-sales service following the completion of application development projects, we generally provide complimentary technical support and maintenance services for a period of 2 months, after the applications go live. Subsequent to that, our customers have the option to continue to engage us for technical support and maintenance for their mobile and web applications on a quarterly / bi-annual / annual basis. Among our customers who have previously engaged us for application development projects, 38 of these customers engaged our Group for technical support and maintenance services in the Financial Years Under Review, which represented 31.7% of the total number of our application development customers which was 120 customers. However, 4 out of these 120 customers engaged us for application development prior to the Financial Years Under Review. The continuous engagements for our technical support and maintenance services are subject to renewal by our customers depending on the customers’ requirements. Apart from that, upon customers’ request, we also provide technical support and maintenance services to businesses and companies that do not engage us for application development and digital solution.

The minimum period of our technical support and maintenance services is 3 months, and as at the LPD, we have existing technical support and maintenance engagements with 18 customers for up to 1 year. Among these 18 customers, 9 of them have engaged our technical support and maintenance services for at least 2 years.

7. BUSINESS OVERVIEW (CONT'D)

Our technical support services comprise troubleshooting and rectification of faults and issues faced by the users. Our maintenance services comprise adaptive maintenance, corrective maintenance and preventive maintenance. All technical support and maintenance services are carried out in-house.

We generally provide off-site technical support services to customers remotely from our office. Users can log their problems through a third party online ticketing system, and our support team will address and provide solutions accordingly. If the issues cannot be resolved by our off-site support team, the issues will be escalated and we may provide on-site technical support whereby our support personnel will attend to the issues at our customers' premises.

7.3.4 Warranty

For businesses and companies which engage our Group for application development services, upon completion of the project and when the applications are deployed, we generally provide complimentary technical support and maintenance services (i.e. warranty) for 2 months. During this period, we will rectify and resolve technical issues faced by the users, if any, at no additional cost to our customers. Upon expiry of the complimentary technical support and maintenance services, customers have the option to continue to engage us for technical support and maintenance for their mobile and web applications on a quarterly / bi-annual / annual contract basis. Please refer to Section 7.3.3 of this Prospectus for further details on our technical support and maintenance services.

Warranty is not applicable for our digital platform-based services.

7.4 TECHNOLOGY USED

The technology used by our Group can be categorised into several categories, as follows:

(i) Development toolkits / software used to develop mobile and web applications

Our Group uses, and will continue to use, the following development toolkits / software to develop mobile and web applications for our customers:

| Function / purpose | Development toolkit / software used | Description |
|---------------------------------------|---|--|
| Design of mobile and web applications | Adobe Creative Suites, MarvelApp, Figma, Adobe XD, Adobe Photoshop, Adobe Illustrator | – Various tools used to design the overall UI / UX of mobile and web applications |
| Development of back-end system | C# .NET, C# .NET Core, Node JS | – Various types of programming languages used to develop the back-end system of mobile and web applications |
| Programming of mobile application | iOS native, Android native, Flutter, React Native | – A set of software used to enhance user experience as it includes post go live support with integration of Firebase Analytics and mobile attribution platform |
| Development and Operations (DevOps) | TFS, Sonarqube | – A process used for the development, testing, integration, deployment and monitoring of systems |

7. BUSINESS OVERVIEW (CONT'D)

| Function / purpose | Development toolkit / software used | Description |
|--|---|---|
| Integrated Development Environment (IDE) | VS Code, Visual Studio, Android studio, Xcode | – A set of development and programming environment that are used for the development of back-end systems |
| Quality assurance | Appium, Katalon, Jmeter, Jira, Redmine | – Software used to test the mobile and web applications developed by our Group to ensure that they meet our customers' functional and technical requirements |
| Programming of web application | Angular, ASP.NET MVC | – Software used to develop web applications to enhance user experience with the integration of Google Analytics |
| Customer support | Zendesk | – A customer support software used to manage our customer service, sales and communications with customers, which is subscribed on a software as a service (SaaS) basis, whereby the software is managed and hosted by the software provider and we subscribe for the usage of the software and access it through the internet. |

Apart from developing mobile and web applications for our customers, some of the development toolkits / software above (e.g. C# .NET, C# .NET Core, Angular, iOS native and Android native) were also used by our Group to develop the programmed coding of the components for our Agmo Genesis framework.

(ii) Technology used to develop mobile and web applications with enhanced features

To ensure the mobile and web applications developed by our Group are in line with the latest market trends and demands, we stay abreast with the latest technologies used in the industry, and adopt these technologies in the applications developed by our Group, where applicable. As at the LPD, we have incorporated the following technologies into some applications developed by our Group:

| Technology | Software used | Description |
|-------------------|----------------------------------|--|
| Blockchain | Hyperledger, Ethereum and Quorum | <ul style="list-style-type: none"> – A decentralised system used to record and track data in a secured and non-rewritable manner, thereby upholding the integrity of the data – Blockchain is incorporated in some of our customers' mobile and web applications that are related to healthcare and finance – It is also used in Vote2U to record and store voting results in a secured and non-rewritable manner to uphold the integrity of the voting results |

7. BUSINESS OVERVIEW (CONT'D)

| | | |
|----------------|----------|--|
| Data Analytics | Power BI | <ul style="list-style-type: none"> – A statistical tool used to analyse users' behavioural data while using the mobile and web applications, thereafter derive meaningful information on user behaviour and preference to assist application owners to better understand their users – Data analytics is incorporated in one of the components under our Agmo Genesis framework and used in some of the development of mobile and web applications |
| XR | Unity3D | <ul style="list-style-type: none"> – A combination of augmented reality, virtual reality and mixed reality used in enhancing applications which is ideal for demonstration purposes such as education and training |

(iii) Platform / infrastructure used to deploy, manage and / or host mobile and web applications

As at the LPD, our Group partners with 3 cloud computing platforms and cloud hosting service providers for our subscription and hosting services, namely Microsoft Azure, AWS and Huawei Cloud. A cloud computing platform allows mobile and web applications developed by our Group to be deployed and managed; while a cloud hosting platform acts as a storage and backup of the applications' coding and data. Please refer to Section 7.3.3(i) of this Prospectus for the benefits under our partnerships with these service providers.

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7. BUSINESS OVERVIEW (CONT'D)**7.5 OUR TRACK RECORD**

The following sets out our track record, based on some notable customers in various industries / sectors for which we have provided business digitalisation solutions such as application development and subscription, hosting, technical support and maintenance services in the Financial Years Under Review and up to the LPD. As at the LPD, most of the following notable customers continue to engage our Group for business digitalisation solutions.

| Industry / sectors | Customer | Types of application | Length of business relationship ⁽¹⁾ | Service offerings ⁽²⁾⁽³⁾ | Total revenue contribution for the Financial Years Under Review (RM'000) | Description of key digital solutions developed |
|---------------------------|-----------------------------------|-----------------------------|---|--|---|---|
| Healthcare | Heydoc International Sdn. Bhd. | Mobile and web | 7 | (a), (b), (c), (d) | 2,669 | A commercial mobile application and web application developed for our customer's registered users to obtain medical consultations and prescriptions with licensed medical practitioners |
| | BIG Pharmacy Healthcare Sdn. Bhd. | Mobile and web | 4 | (a), (b), (c), (d) | 276 | A commercial mobile and web application targeted at marketing our customer's products to their existing and potential customers and driving sales to their outlets |
| | Alpro Pharmacy Sdn. Bhd. | Mobile | 3 | (a), (b) | 529 | A commercial mobile application that serves as a healthcare ecosystem which includes membership system / loyalty program and automated reminders on medication replenishments |
| Logistics | Asian Supply Base Sdn Bhd | Mobile and web | 5 | (a), (b), (c), (d) | 923 | A commercial mobile and web application developed to digitalise the logistical operations of our customer's registered users in the oil and gas industry |
| | Pos Malaysia Berhad | Mobile and web application | 3 | (a), (b), (c), (d) | 1,712 | An enterprise mobile application used by our customer internally to digitalise their logistical operations and related functions |

7. BUSINESS OVERVIEW (CONT'D)

| Industry / sectors | Customer | Types of application | Length of business relationship ⁽¹⁾ | Service offerings ⁽²⁾⁽³⁾ | Total revenue contribution for the Financial Years Under Review (RM'000) | Description of key digital solutions developed |
|---------------------------|-------------------------------------|-----------------------------|---|--|---|---|
| Oil and gas | Petron Fuel International Sdn. Bhd. | Mobile | 8 | (a), (b), (c), (d) | 88 | An enterprise mobile application developed for our customer to facilitate decision-making to improve our customer's existing chain of petrol stations |
| | Petroliam Nasional Berhad | Mobile | 7 | (a), (b), (c), (d) | 3,290 | An enterprise mobile application with communication functionalities to facilitate real time communication among our customer's employees |
| Automotive | UMW Toyota Motor Sdn. Bhd. | Mobile | 8 | (a), (b), (d) | 42 | An enterprise mobile application to facilitate a standardised and streamlined pre-owned vehicle appraisal process |
| | Honda Malaysia Sdn. Bhd. | Mobile | 7 | (a), (b), (c), (d) | 37 | A commercial mobile application with customer service functionalities |
| Financial services | CTOS Data Systems Sdn. Bhd. | Mobile | 9 | (a), (b), (c), (d) | 280 | A commercial mobile application to facilitate the marketing and sales of our customer's products and services |
| | Advisonomics Sdn. Bhd. | Mobile | Less than 1 year | (a) | 129 | A commercial mobile application to facilitate the marketing of our customer's financial advisory services |
| | Pitch Platforms Sdn. Bhd. | Web | 1 | (a) | 547 | An enterprise web application developed for our customer's equity crowdfunding business and ecosystem |

7. BUSINESS OVERVIEW (CONT'D)

| Industry / sectors | Customer | Types of application | Length of business relationship ⁽¹⁾ | Service offerings ⁽²⁾⁽³⁾ | Total revenue contribution for the Financial Years Under Review (RM'000) | Description of key digital solutions developed |
|---------------------------|--|-----------------------------|---|--|---|---|
| | NFT Pangolin Technologies Sdn. Bhd ⁽⁴⁾ | Web | Less than 1 year | (a), (b) | 195 | A commercial web application functioning as our customer's platform for issuance and trading of non-fungible tokens. |
| Government-agencies | Malaysia Digital Economy Corporation Sdn. Bhd. ⁽⁴⁾ | Mobile | 5 | (a), (b) | 176 | An enterprise mobile application developed for our customer's internal facilities maintenance purposes using crowd-reporting functionalities |
| | Cradle Fund Sdn. Bhd. | Web | Less than 1 year | (a) | 210 | A commercial web application functioning as an information portal for startup businesses. The application incorporates various functionalities to enable users to self-navigate and obtain details of resources for their startup businesses. |
| Others ⁽⁵⁾ | Digi Telecommunications Sdn. Bhd. | Mobile | 7 | (a), (b), (c), (d) | 403 | An enterprise mobile application developed for our customer's employees to monitor their health and well-being in compliance with its health, safety, security and environment (HSSE) requirements |
| | Shangri-La International Hotel Management Pte Ltd ⁽⁴⁾ | Mobile | 2 | (a), (b), (d) | 532 | A commercial mobile application serves as a loyalty platform for our customer to improve their customer loyalty. The application is incorporated with point redemption and point collection features |

7. BUSINESS OVERVIEW (CONT'D)

| Industry / sectors | Customer | Types of application | Length of business relationship ⁽¹⁾ | Service offerings ⁽²⁾⁽³⁾ | Total revenue contribution for the Financial Years Under Review (RM'000) | Description of key digital solutions developed |
|---------------------------|---------------------------|-----------------------------|---|--|---|--|
| | Bulb Communique Sdn. Bhd. | Mobile and web | 3 | (a), (b) | 388 | An enterprise mobile application developed to facilitate our customer's branding, communication and marketing programs for its users |

Notes:

- (1) *Length of business relationship with our customers is calculated based on the commencement date of our first business transaction up to the LPD.*
- (2) *Service offerings provided since the commencement of business relationship.*
- (3) *Category of offerings provided:*
- (a) *Development of new applications*
 - (b) *Enhancement / upgrade of existing applications*
 - (c) *Subscription and hosting services*
 - (d) *Technical support and maintenance services*
- (4) *As at the LPD, our Group does not have on-going service engagements with these customers.*
- (5) *Comprises industries / sectors such as telecommunication, hospitality and consultancy.*

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7. BUSINESS OVERVIEW (CONT'D)**7.6 PRINCIPAL BUSINESS SEGMENTS AND MARKETS**

For the Financial Years Under Review, development of mobile and web applications was the largest revenue contributor to our Group as it contributed approximately 94.3%, 87.1%, 80.4% and 78.4% to our Group's total revenue, respectively. This was followed by the revenue generated from the subscription, hosting, technical support and maintenance services in the FYE 2019, FYE 2020, FYE 2021 and FYE 2022 with revenue contribution of approximately 5.7%, 12.9%, 11.8% and 14.4% respectively. In FYE 2021, we ventured into the provision of digital platform-based services when we launched our in-house RPV platform, namely Vote2U. The revenue from our provision of digital platform-based services accounted for approximately 7.8% and 7.2% of our Group's total revenue for FYE 2021 and FYE 2022, respectively.

The breakdown of our Group's revenue by principal activities for the Financial Years Under Review is as follows:

| Principal business segment | Audited | | | | | | | |
|--|--------------|--------------------|--------------|--------------------|--------------|--------------------|---------------|--------------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % of total revenue | RM'000 | % of total revenue | RM'000 | % of total revenue | RM'000 | % of total revenue |
| Development of mobile and web applications | 5,124 | 94.3 | 5,414 | 87.1 | 7,269 | 80.4 | 12,956 | 78.4 |
| Digital platform-based services | - | - | - | - | 703 | 7.8 | 1,192 | 7.2 |
| Subscription, hosting, technical support and maintenance services ⁽¹⁾ | 311 | 5.7 | 800 | 12.9 | 1,068 | 11.8 | 2,377 | 14.4 |
| Total | 5,435 | 100.0 | 6,214 | 100.0 | 9,040 | 100.0 | 16,525 | 100.0 |

Note:

- (1) *The services for subscription and hosting as well as technical support and maintenance are ancillary services in comparison to the other business activities, namely development of mobile and web application and digital platform-based services. Whilst subscription and hosting as well as technical support and maintenance services can be offered on a standalone basis, our Group has been offering both services as a single package to our customers, comprising customers who have, and customers who have not, previously engaged our Group for application development projects and digital solutions. Accordingly, the revenue for subscription and hosting as well as technical support and maintenance services are combined and captured under one revenue stream.*

Our revenue from the local market contributed approximately 84.2%, 76.7%, 80.8% and 87.5% to our Group's total revenue for the Financial Years Under Review. Our Group's revenue from the overseas market accounted for approximately 15.8%, 23.3%, 19.2% and 12.5% of our Group's total revenue for the Financial Years Under Review. The classification of our Group's revenue by geographical market is based on our customers' countries of domicile, whereby the revenue from overseas was for services rendered by our Group in Malaysia. The breakdown of our Group's revenue by geographical market for the Financial Years Under Review are as follows:

7. BUSINESS OVERVIEW (CONT'D)

| | Audited ⁽¹⁾ | | | | | | | |
|-----------------------|------------------------|--------------------|--------------|--------------------|--------------|--------------------|---------------|--------------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % of total revenue | RM'000 | % of total revenue | RM'000 | % of total revenue | RM'000 | % of total revenue |
| Malaysia | 4,578 | 84.2 | 4,766 | 76.7 | 7,301 | 80.8 | 14,462 | 87.5 |
| Overseas: | | | | | | | | |
| Hong Kong | 663 | 12.2 | 858 | 13.8 | 987 | 10.9 | 1,350 | 8.2 |
| Singapore | - | - | 18 | 0.3 | 722 | 8.0 | 647 | 3.9 |
| Sri Lanka | 137 | 2.5 | 428 | 6.9 | - | - | - | - |
| Others ⁽²⁾ | 57 | 1.1 | 144 | 2.3 | 30 | 0.3 | 66 | 0.4 |
| Subtotal | 857 | 15.8 | 1,448 | 23.3 | 1,739 | 19.2 | 2,063 | 12.5 |
| Total | 5,435 | 100.0 | 6,214 | 100.0 | 9,040 | 100.0 | 16,525 | 100.0 |

Notes:

(1) The revenue by geographical location is derived based on our customers' countries of domicile. The revenue from overseas was for the services rendered by our Group in Malaysia.

(2) Others comprise Cambodia, People's Republic of China, Germany, United Kingdom and Vietnam.

7.7 OUR COMPETITIVE STRENGTHS

Our competitive strengths are important in sustaining our business and providing our Group with future growth opportunities.

7.7.1 We have an established track record involving notable customers across multiple industries / sectors

Since the commencement of our business in 2012, we have developed over 100 mobile and web applications for many customers including public listed companies, large enterprises, GLCs, MNCs and SMEs in Malaysia. The customers under our portfolio spread across various industries / sectors including healthcare, logistics, oil and gas, automotive, financial services and government agencies, and some of which are notable companies within the respective industries such as Alpro Pharmacy Sdn. Bhd., Pos Malaysia Berhad, Petroliam Nasional Berhad, Honda Malaysia Sdn. Bhd., CTOS Data Systems Sdn. Bhd. and Digi Telecommunications Sdn. Bhd. Please refer to Section 7.5 of this Prospectus for our project track record over the years.

Our ability in securing and completing application development projects for many notable customers demonstrates our capabilities in providing digital solutions and application development services that are customised according to each of our customers' requirements. Our solutions and applications support the transformation from traditional methods of carrying out specific tasks or functions of businesses and companies such as sales and marketing, customer service, warehousing and human resource, enabling the digitalisation of such processes which improves the overall efficiency of business operations. This is attributed to our experience and efforts that we put in to understand our customers' business operations, before we customise digital solutions through the development of mobile and web applications that meet their business and operational needs. In addition to the development of mobile and web applications, many of our notable customers have become our repeat customers by engaging us for the development of new applications, modification and / or enhancement of existing applications as well as technical support and maintenance services. Out of the 18 notable customers as disclosed in Section 7.5 of this Prospectus, 14 customers are our repeat customers. Please refer to Section 7.5 of this Prospectus for further details on our track record. This is a testament of our ability in consistently delivering high quality services to meet our customers' expectations.

7. BUSINESS OVERVIEW (CONT'D)

With an established portfolio of customers, we have built a proven reputation in the application development industry. This provides our Group with the credentials to attract and secure more projects and business opportunities, which will contribute positively to our business expansion and financial performance moving forward.

7.7.2 We have a proprietary development framework, namely Agmo Genesis, which enhances our efficiency in application development

Our Group recognised that the ability in developing mobile and web applications efficiently is key to our business success. As such, we strive to continuously improve and enhance the efficiency of our application development processes to enable us to secure more projects from new and existing customers. We have developed an in-house proprietary development framework, namely Agmo Genesis, that consists of multiple components embedding programmed coding of standard core functions that are commonly found in many mobile and web applications. Please refer to Section 7.3.1 of this Prospectus for more details on the components under our Agmo Genesis framework.

By using the readily-built components in our Agmo Genesis framework, the need to duplicate the development of the same functions in our mobile and web applications are eliminated, thereby increasing our time and cost efficiencies during the development phase of the applications. It also allows us to better utilise our resources and enables us to accept more projects from our customers, thereby enlarging our project portfolio and track record.

In addition, it is also our Group's focus to continuously enhance and expand our Agmo Genesis framework to develop new components as well as enhance the existing components by staying abreast with the latest technologies and market demand in order for our applications to remain relevant with the current market trends and to meet customers' requirements. Therefore, the R&D activities to enhance our Agmo Genesis framework is an on-going process, with further details set out in Section 7.13 of this Prospectus.

Our Group believes that the existing components under our Agmo Genesis framework and our continuous efforts in enhancing the framework will continue to improve our operational efficiency, and continue to drive the growth and expansion of our Group.

7.7.3 Our technical expertise and knowledge on emerging technologies including blockchain and XR enable us to develop digital solutions that align with current market demand

Having been in the industry for approximately 10 years, our Group has accumulated relevant experience and knowledge in application development to digitalise our customers' business operations. The development of our Group's digital solutions which are based on emerging technologies are led by Tan Aik Keong, Low Kang Wen and Tham Chin Seng, and supported by our software development team. Our Group has a software development team comprising 59 permanent software developers and 5 contract software developers as at the LPD, who are equipped with relevant technical knowledge in the development of customised mobile and web applications in accordance to the different needs of our customers.

In addition to being equipped with relevant technical knowledge, our software developers also stay abreast with the latest technologies introduced to the market and identify any possible opportunities to integrate these technologies into our mobile and web applications to enhance our digital solutions. For example, our Group, led by our co-founders and supported by our software development team, has integrated some emerging technologies such as blockchain and XR into our mobile and web applications. Both blockchain and XR technologies are used to enhance the features of the applications developed by us, in which blockchain provides security and traceability of the stored data, while XR provides users with experience in real / physical and virtual combined.

7. BUSINESS OVERVIEW (CONT'D)

Further, we also constantly monitor market developments and observe the changes in industry trends and market demand for digital solutions in order to develop relevant mobile and web applications that are aligned with current needs. For example, we foresaw the potential demand for RPV platform in light of the COVID-19 pandemic which has prohibited large-scale events including AGMs and EGMs of public listed companies. In response to this, we began R&D activities in March 2020 and successfully launched our in-house RPV platform named Vote2U in May 2020. Vote2U was developed with blockchain technology and it allows public listed companies to carry out virtual AGMs and EGMs amidst the lockdown. The introduction of Vote2U has also provided our Group with an additional revenue stream that contributes to our financial performance.

Our expertise in the provision of digital solutions and application development is also attested by numerous awards received by our subsidiaries and our investee company, Heydoc (in relation to the application named DOC2US developed by our Group), as set out in Section 7.3.1 of this Prospectus. We believe that our technical expertise as well as our ability in integrating the latest technologies into our digital solutions and responding to current market needs by developing relevant digital solutions will continue to drive the growth and expansion of our Group. It is also our Group's core values and beliefs to continuously endeavour for improvement, and as such we strive to ensure that we remain at the forefront of the application development industry by continuously investing in our employees and staying abreast with the latest technologies, industry trends and market demands. All of these will serve as a foundation for our Group to further grow and expand our range of digital solutions moving forward.

7.7.4 We have an experienced and hands-on key senior management team

We have a team of experienced key senior management that are equipped with in-depth knowledge in their respective fields which contribute to the continued success of our Group. The composition of our key senior management team is set out as follows:

| <u>Name</u> | <u>Designation</u> | <u>Years of relevant experience</u> |
|-----------------------|--------------------------|-------------------------------------|
| Tan Aik Keong | Chief Executive Officer | 14 |
| Low Kang Wen | Chief Operating Officer | 14 |
| Tham Chin Seng | Chief Technology Officer | 15 |
| Cynthia Wong Yoke Wah | Head of Finance | 12 |

Our key senior management personnel have in-depth knowledge and capabilities as a result of years of experience in their respective fields. Please refer to Sections 5.1.2 and 5.4.2 of this Prospectus for further details on the experience of our key senior management. Further, each of our key senior management takes an active, hands-on role in spearheading their respective divisions to support the growth of our Group. As a result, there is a transference of skills and knowledge to employees at all levels in our organisational structure. This is in line with our management succession plan which we have in place to identify key competencies and requirements of managers and higher ranking personnel, to take positive approach towards addressing talent management to ensure our Group has talent readily available from a capability perspective to undertake leadership positions, and to frequently train our middle management to ensure they are well equipped with all the necessary knowledge to succeed at senior management positions in the future in our Group. Our key senior management's hands-on involvement in our Group demonstrates their strong commitment to our growth as we continue to expand.

7. BUSINESS OVERVIEW (CONT'D)

7.7.5 We have established partnerships with our suppliers and industry stakeholders which strengthen our reputation in the industry

As our Group is involved in the provision of subscription and hosting services for mobile and web applications on cloud computing platforms and cloud servers, it is crucial for our Group to maintain partnerships and good relationships with cloud computing platform providers.

We have obtained Microsoft Gold Partner status since 2020 (while we have been registered as a partner with Microsoft Regional Sales Pte Ltd for Microsoft Azure since 2012), AWS Independent Software Vendor (ISV) status since 2018 and Huawei Cloud Standard-tier Partner status since 2021. Prior to obtaining these partner status, we are required to demonstrate our capabilities and competencies in various aspects including meeting a minimum annual sales and financial performance threshold, having a minimum number of software developers who are certified by the respective service providers, demonstrating our knowledge and expertise on the platforms and / or successfully securing customers to subscribe to the platforms. Our ability in obtaining these partner status is a testament to our technical capability and expertise which are recognised by the respective service providers.

The partnerships with these cloud computing platforms have enabled our Group to secure more customers due to the credibility of these service providers, as they are trusted service providers committed to data trust policies which provides security assurance to our customers' data stored in the respective cloud platforms. In addition, the use of Microsoft Azure, AWS and Huawei Cloud also increase our brand exposure and customer reach as these service providers support us by offering marketing resources to promote and market our offerings via their platforms.

Our Group has been an approved Technology Solutions Provider ("TSP") by MDEC under the SME Digitalisation Grant since 2020. Based on latest information available from MDEC, as of 3 July 2021, there are 534 TSP approved by MDEC. As a TSP, we have the opportunity to support SMEs registered under the SME Digitalisation Grant that are seeking to implement digital solutions in their business operations. As our Group is a digital solution provider and application developer recognised by MDEC, it strengthens our reputation and provides our customers with greater confidence when they engage our services.

By leveraging on our partnerships with industry stakeholders, we are able to establish our brand and presence in the industry, and continue to secure projects to enlarge our customer base and enhance our project portfolio and track record.

7.8 OUR BUSINESS STRATEGIES AND FUTURE PLANS

7.8.1 We intend to invest in a dedicated R&D division

Our Group recognises the importance of having a dedicated R&D team for the development and enhancement of new and current products and services in order to remain competitive and relevant in the industry. As such, we intend to set up a dedicated R&D development team that will focus solely on R&D activities such as development of new products, services and emerging technology development tools. Through extensive R&D, our software development team has developed the Agmo Genesis framework which is used as a base when developing applications. The Agmo Genesis framework comprises several components and this framework will be continuously enhanced to incorporate more components to be in line with the latest technological trends such as blockchain, applied artificial intelligence, XR and robotic / intelligence process automation. Please refer to Section 7.13 of this Prospectus for further details on the research and development activities of our Group.

Since the commencement of our business in 2012 and up to the LPD, our R&D has been carried out by our software development team that work on both project deliverables to customers as well as on the R&D of new products and / or services. With the expansion of our Group, we plan to increase our structured R&D activities to continuously:

7. BUSINESS OVERVIEW (CONT'D)

- (i) enhance our digital solutions and application development; and
- (ii) develop new digital solutions that are in line with the latest market trend.

The setting up of a dedicated R&D division will also enable the team members under the R&D division to be solely responsible for the research and development work required from ideation until commercialisation of any new products and / or services. This will result in a more efficient and quicker solution-driven R&D process.

We plan to hire 18 additional software developers and / or programmers to form our initial dedicated R&D team. These software developers and / or programmers will be employed based on their expertise in various software and technology background. Since the outbreak of the COVID-19 pandemic which has led to many businesses and companies adopting digitalisation in their business operations, there has been an increasing need for technology talents including software developers in the market. This may lead to a shortage of experienced software developers in the market, thereby posing challenges to our Group in hiring suitable software developers. As such, our Group plans to leverage on multiple recruitment channels such as job postings on numerous hiring platforms, hiring through recruitment agencies to explore both local and overseas talents and implementing a referral programme to encourage our existing employees in recommending suitable talents to our Group. Further, our Group will also leverage on our training and development centre to identify potential talents, with further details set out in Section 7.8.4 of this Prospectus.

We expect to commence the set-up of this new R&D division within 6 months upon our Listing. We intend to allocate approximately RM[●] million from our IPO proceeds for the setup of the dedicated R&D team. This comprises the payroll cost of new employees which amounts to approximately RM[●] million, and operational expenditure of approximately RM[●] million for the cost of software subscriptions, both over the initial 18 months upon the setup of the new R&D division; as well as capital expenditure of approximately RM[●] million for the purchase of new hardware comprising laptops and monitors. Please refer to Section 4.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

7.8.2 We intend to invest in a dedicated sales, marketing and business development team

To enhance our business activities, our Group intends to set up a dedicated sales, marketing and business development team. The sales, marketing and business development team will be responsible for planning and executing sales and marketing activities, attending inquiries from potential customers and preparation of proposals and demo systems, presentation to customers as well as preparation of quotation.

Since the commencement of our business, our sales, marketing and business development activities have been carried out by Tan Aik Keong, Low Kang Wen and Tham Chin Seng, as well as through referrals from several corporate service providers which we partner with for the sales and marketing of Vote2U. With the set-up of a dedicated team to manage all sales, marketing and business development activities, we will be able to further expand our capacity by approaching more prospective clients and increasing the exposure of our Group and our services to a wider target market. With this, Tan Aik Keong, Low Kang Wen and Tham Chin Seng will be able to focus on strategic planning, overseeing R&D activities and daily operations, as well as the implementation of key projects of our Group.

We plan to hire 16 additional employees to form the sales, marketing and business development team, which will comprise 2 Managers, 2 Senior Executives and 12 Executives. We expect to commence the set-up of this new team within 6 months upon our Listing. We intend to allocate approximately RM[●] million from our IPO proceeds for the setup of the dedicated sales, marketing and business development team. This comprises the payroll cost of new employees of RM[●] million, and operational expenditure of RM[●] million for software subscriptions, both over the initial 30 months upon the setup of the team; as well as capital expenditure of RM[●] million for the purchase of new hardware comprising laptops, tablets and other accessories. Please refer to Section 4.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

7. BUSINESS OVERVIEW (CONT'D)

7.8.3 We intend to invest in a dedicated technical support and maintenance services division

For the Financial Years Under Review, the technical support and maintenance services provided by our Group generated revenue of approximately RM0.23 million in FYE 2019, RM0.52 million in FYE 2020, RM0.82 million in FYE 2021 and RM1.90 million in FYE 2022, contributing approximately 4.3%, 8.3%, 9.1% and 11.5% of our Group's total revenue, respectively. While the revenue contribution of our technical support and maintenance services to our Group's total revenue is relatively minimal compared to the revenue contribution of our mobile and web application development, our technical support and maintenance services offering is an important business segment as it generates recurring revenue to our Group. Since the commencement of our business, technical support and maintenance services have been managed by our software development team, which carries out this function in addition to developing mobile and web applications for our customers.

With the expansion of our Group, we will continue to undertake more projects and more platform-based subscriptions which increases the resources required for our technical support and maintenance teams. As such, our Group intends to set up a dedicated team that will focus on technical support and maintenance services. The offering of our technical support and maintenance services will be expanded to include applications not developed by our Group as well. With the set-up of a dedicated team to carry out technical support and maintenance services, we will formalise the technical support and maintenance functions of our Group, where our technical support and maintenance services will be available 24 hours a day and 7 days a week, with 3 levels of technical support and maintenance, as follows:

| Level | Functions |
|-------|--|
| 1 | To support customers via phone call, email and ticketing system. In the event the issues reported by our customers cannot be resolved by standard troubleshooting guides, it will then be escalated to Level 2 |
| 2 | To check if these are due to software, database and / or hardware configuration issues. If it cannot be rectified without changes in the software code, it will then be escalated to Level 3 |
| 3 | To perform software code changes, testing and deployments to resolve these issues |

In addition, we intend to develop a customised technical support and maintenance system to replace the third party online ticketing system currently used by our Group. Our customised technical support and maintenance system will comprise a ticketing system, a customer service software and a work management software which are customised according to our Group's technical support and maintenance workflow. By customising our own technical support and maintenance system, we will be able to streamline our technical support and maintenance workflow, from the receipt of issue report from customers to the resolution of the error. In addition, through the customised technical support and maintenance system, we will be able to monitor and manage the performance of our technical support and maintenance teams efficiently, which will enable us to enhance the quality of our technical support and maintenance services.

We plan to hire 16 additional employees to form our initial technical support and maintenance services division which will comprise 1 Manager, 2 Supervisors, 3 Level 1 Support Executives, 5 Level 2 Support Executives and 5 Level 3 Support Executives. The Level 2 and Level 3 Support Executives will be divided into 3 shifts in order to operate on 24-hour shifts, hence accounting for the additional 2 personnel for Level 2 and Level 3 Support teams. In addition, the Level 2 Support Executives will also provide the necessary cover for the Level 1 Support Executives after regular working hours.

7. BUSINESS OVERVIEW (CONT'D)

We expect to commence the set-up of this new division within 6 months upon our Listing. We intend to allocate approximately RM[●] million from our IPO proceeds for the setup of the dedicated technical support and maintenance services division. This comprises payroll cost of RM[●] million over the initial 30 months upon the setup of the new team; and capital and operational expenditure of RM[●] million for the development of customised technical support and maintenance system, purchase of hardware and infrastructure comprising laptops, communications equipment and other accessories, and software subscriptions. Please refer to Section 4.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

The set-up of a dedicated technical support and maintenance team will enable the software development team to focus primarily on application development work, which we expect to result in a more efficient and productive application development process in order to support our future expansion.

7.8.4 We intend to establish a training and development centre to generate additional revenue and recruit new industry talent for our Group

Since the commencement of our business, our Group has been conducting external training, seminars and workshops with third parties such as private and public universities and professional associations pertaining to topics relevant to digital solutions such as mobile application development, XR development and blockchain. As our main objective in conducting these external training, seminars and workshops was to enable our Group to showcase our offerings and create brand awareness in the market, these were provided free of charge to participants. These external training, seminars and workshops are conducted by Tan Aik Keong, Low Kang Wen and Tham Chin Seng.

Given our Group's experience in conducting external training, seminars and workshops, as well as our technical expertise in the digital solutions industry, we plan to establish a training and development centre as a new business for our Group which will be open for enrolment to our personnel as well as to the public. We plan to incorporate a new subsidiary under our Group to undertake this business venture. We intend to rent an office in the Klang Valley to operate the training and development centre whereby training spaces will be set up for physical training classes, comprising computers / laptops, each installed with the necessary software, for the students. We intend to hire up to 11 personnel comprising 1 Manager, 2 Recruitment Executives, 2 Administrative Executives, and 6 Course Trainers to manage and operate the training and development centre.

In addition, we intend to develop our own training syllabuses. As a start, we intend to offer training courses on subjects comprising artificial intelligence, blockchain, chatbot, mobile programming and web programming whereby these syllabuses currently have commercial and practical relevance in the digital solution industry. Our Group is of the view that these courses will remain relevant when we execute this business strategy as the application of the knowledge or skill required in the industry is expected to increase over time. For each training course, we plan to develop beginner, intermediate and advanced levels to cater to the demand for different levels of skills. Our syllabuses will be designed to accommodate the existing skills and knowledge of university undergraduates and graduates from relevant academic backgrounds (e.g. software engineering) and existing industry talents, as they are our target market. The fees for the training courses will be determined upon finalisation of the training syllabuses including the training schedules. Further, our Group is constantly monitoring for the latest technology developments in Malaysia. In the event that an emerging technology is found to have potential for industry adoption, we will consider adopting such emerging technologies as part of the training syllabus. Upon completion of training courses, our Group may issue completion certificates to students. As at the LPD, our Group is not aware of any licences / permits required for the issuance of such completion certificates.

7. BUSINESS OVERVIEW (CONT'D)

Furthermore, we intend to develop our own training system which is a learning management software that will be used to conduct our training courses. We plan to develop the training system as a web application which will be accessible to our trainers and students. The training system will be integrated with administrative functions that will allow the trainers to create online training classes, add and remove students to and from the online training classes and edit students' information. The trainers will also be able to carry out training-related activities via the training system such as upload training materials as well as create and review online quizzes. The training system will be developed in-house by our software development team.

In addition to generating additional revenue through the provision of training courses, the training and development centre will also enable our Group to identify potential talent for our Group. Through the training courses, our Group will be able to monitor the progress and development of the students in terms of their technical skillsets, which will help us to identify suitable candidates from amongst the students to join our Group.

Further, save for the standard licences to be obtained such as business premise licence, advertisement licence, fire certificate and certificate of completion and compliance, if any, there are no licences or approval required for our Group to set up the training and development centre. The estimated timeframe for the set-up of the training and development centre is within 18 months for the development of training syllabuses, hiring of new personnel, renovation and fit-out of the training centre, procurement of the relevant licences and commencement of business.

We intend to utilise RM[●] million from the IPO proceeds to facilitate the setup of the training and development centre. This comprises RM[●] million to set up the training and development centre, RM[●] million for payroll costs over the initial 18 months upon commencement of business and approximately RM[●] million for the development of the training system. Please refer to Section 4.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

7.8.5 We intend to expand our regional presence by expanding into Singapore

For the Financial Years Under Review, we have secured and completed digital solution projects and provided support, hosting, technical support and maintenance services for customers in Cambodia, People's Republic of China, Germany, Hong Kong, Singapore, Sri Lanka and United Kingdom. The revenue contribution by these overseas customers amounted to approximately RM0.86 million in FYE 2019, RM1.45 million in FYE 2020, RM1.74 million in FYE 2021 and RM2.06 million in FYE 2022, contributing to approximately 15.8%, 23.3%, 19.2% and 12.5% of our Group's total revenue, respectively. This has provided our Group with the experience for further expansion and growth in the overseas market.

In line with our regional expansion plans, we intend to enlarge our footprint in South East Asia by expanding into Singapore. According to the IMR report, the mobile and web application development industry in Singapore, measured in terms of sales revenue, increased from USD18.08 million in 2018 to USD26.37 million in 2020 at a CAGR of 20.8%. In line with this, our Group believes that there are growth opportunities in the digital solutions industry in Singapore. For the Financial Years Under Review, 7 out of 14 overseas customers were from Singapore. The revenue derived from our customers in Singapore for the Financial Years Under Review is approximately RM1.39 million, of which the major contributor of our revenue from Singapore is our recurrent customer. Since the commencement of our business, all communications with and inquiries from our overseas customers, including in Singapore, have been handled by our team in Malaysia.

To facilitate our expansion into Singapore, we intend to establish a Business Development and Customer Relations team to be based in Singapore, which will comprise 2 Business Development Representatives. We plan to rent a space in a co-working office in Singapore for this team. The Business Development and Customer Relations team will be tasked to carry out business development and sales activities in Singapore, as well as manage relationships with customers in Singapore. Any software development projects secured through the Business Development and Customer Relations team in Singapore will be managed and developed by our team in Malaysia.

7. BUSINESS OVERVIEW (CONT'D)

By dedicating a team in Singapore, our Group will be able to focus on growing our business in Singapore as well as enhance the quality of our customer relationship management and communication efficiency with customers in Singapore. In addition, the establishment of our business presence in Singapore is expected to increase our Group's profile in the region.

We expect to set up our Business Development and Customer Relations team in Singapore within 18 months upon our Listing, comprising the hiring process of new personnel and the set-up of our new office (i.e. search for suitable co-working office space and purchase of hardware). We intend to allocate RM[●] million from the IPO proceeds for the expansion. This comprises RM[●] million for the purchase of hardware, RM[●] million for the rental of the co-working office, RM[●] million for the salaries of the 2 Business Development Representatives and RM[●] million for marketing activities for the initial 18 months upon commencement of operations. Please refer to Section 4.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

7.8.6 We plan to continue expanding our mobile and web application development and digital platform-based services

For the Financial Years Under Review, the total revenue contribution from our mobile and web application development and digital platform-based services was recorded at approximately 94.3%, 87.1%, 88.2% and 85.6% of our total revenue respectively. The number of mobile and web application development projects, including enhancement of applications, secured by our Group were recorded at 46 projects, 44 projects, 47 projects and 51 projects in the Financial Years Under Review respectively. According to the IMR report, the mobile and web application development industry size in Malaysia, measured in terms of sales revenue, increased from RM269.08 million in 2018 to RM397.30 million in 2020, at a CAGR of 21.5%. Despite the outbreak of the COVID-19 pandemic in 2020, the mobile and web application development industry in Malaysia recorded a year-on-year growth of 21.0% in 2020, which was attributed to amongst others, increasing need for digitalisation from businesses during the pandemic. The outbreak of the COVID-19 pandemic has further driven the usage of mobile and web applications among businesses as businesses are urged to undertake or accelerate digitalisation efforts for business sustainability in the changing business environment as a result of the pandemic. In the long term, the demand for mobile and web application will continue to be driven by digitalised consumer behaviour and attachment to mobile devices by the general public, businesses' need for digitalisation, continuous technology advancement which drives businesses to continuously adopt new or upgrade existing mobile and web applications, and the implementation of initiatives for digital transformation by the Government.

In view of these long term prospects, we intend to continue expanding our mobile and web application development and digital platform-based services by recruiting additional personnel to enable our Group to secure and manage more projects. As mobile and web application development is our core business activity, we intend to recruit 14 additional software developers for our software development team, whereby 8 personnel will be tasked to develop mobile and web applications based on the Agmo Genesis framework while the remaining 6 personnel will be tasked to develop mobile and web applications using emerging technologies such as blockchain and XR. Please refer to Section 7.8.1 of this Prospectus for details on our hiring plan for additional software developers. We also intend to recruit 6 additional personnel, comprising managerial personnel and executives for the digital platform-based services team to support the growth of our digital platform-based services. These personnel will be tasked to carry out the daily operations of our digital platform-based services, including liaising and coordinating with our customers for the virtual events to be held on Vote2U.

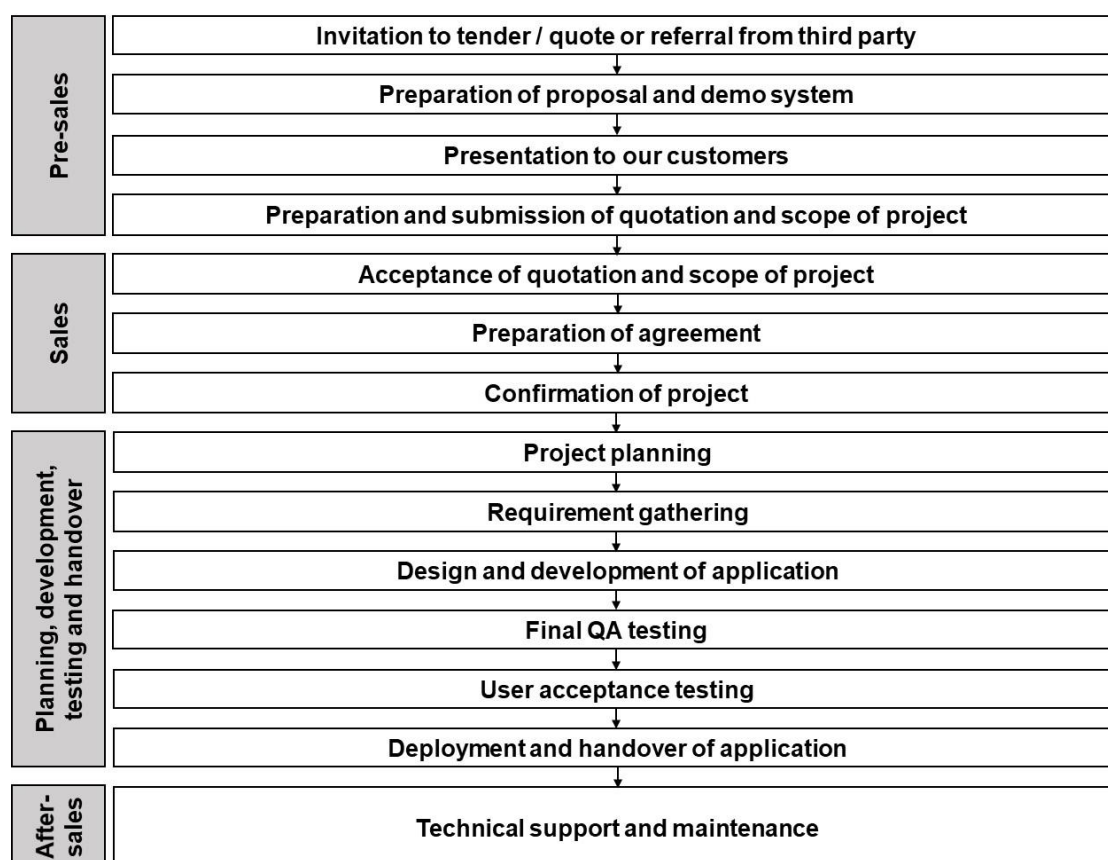
The expansion of our mobile and web application development and digital platform-based services is in line with our plan to set up a dedicated sales, marketing and business development team. With the set-up of a dedicated team to manage all sales, marketing and business development activities, we will be able to further expand our capacity and secure more projects in the market. As such, we also plan to recruit 4 additional personnel under our finance, human resource and administrative team to support our business growth. Further, we intend to set up a new office by renting an office space in the Klang Valley to accommodate the increase in the size of our team.

7. BUSINESS OVERVIEW (CONT'D)

As at the LPD, we have not identified a suitable office lot. We expect to set up the new office and commence operations in the new office within 12 months; while the hiring of the new personnel to be within 6 months upon our Listing. We intend to allocate approximately RM[●] million from our IPO proceeds as part of the working capital. This comprises RM[●] million for the rental of and renovation works for the new office, purchase of laptops and software subscriptions; as well as RM[●] million for payroll cost of new personnel for a period of 24 months, upon hiring. Please refer to Section 4.8 of this Prospectus for further details on the utilisation of our IPO proceeds.

7.9 OUR OPERATIONAL PROCESS

The typical process flow of our application development business is depicted below:



Pre-sales

(i) Invitation to tender / quote or referral from third party

We participate in tenders and quotations after receiving invitations to tender or invitations to quote from potential customers, or through tender portals as disclosed in Section 7.10(ii) of this Prospectus. We may also be referred to potential customers via third parties such as past and existing customers, investee companies and technology partners as set out in Section 7.10(i) of this Prospectus.

At this stage, we receive basic information and requirements of the project such as the application type (mobile and / or web), basic functions required, operating system (for mobile applications) (i.e. iOS and / or Android), supported browser (for web applications) (i.e. Google Chrome, Mozilla Firefox and / or Opera) and specific technical requirements (where applicable), which allow us to evaluate the feasibility of the project.

7. BUSINESS OVERVIEW (CONT'D)

(ii) Preparation of proposal and demo system

If the project is feasible, we will prepare a proposal and demo system according to the basic requirements provided, for presentation to our customers. The demo system is a prototype incorporated with some basic modules and is designed for the purpose of presentation to our customers only. We may also include additional functions in the prototype depending on the basic requirements provided.

(iii) Presentation to our customers

Prior to the presentation, we may submit the proposal to our customers if requested. Otherwise, we may submit the proposals to our customers after the presentation.

During the presentation, we will gather additional details of the project from our customers, including detailed requirements of the mobile and / or web application, project timeline and budget. In addition, we will also understand the issue faced by our customers with their existing operational processes or workflows in order for us to propose suitable digital solutions to our customers through application development.

(iv) Preparation and submission of quotation and scope of project

Thereafter, we will prepare a quotation and scope of project specifying our responsibilities, detailed requirements of our customers' mobile and / or web application, cloud computing platform and project timeline, amongst others, which will be submitted to our customers for approval.

Sales

(i) Acceptance of quotation and scope of project

If our quotation and scope of project are approved by our customers, we will receive a letter of acceptance or purchase order from the customers and if required by the customers, we will proceed to the preparation of agreement.

(i) Preparation of agreement

Our agreement outlines the scope of project, project timeline, project fees, payment terms as well as clauses in relation to our responsibilities including user acceptance testing as well as warranty period, where applicable.

(ii) Confirmation of project

Once all requirements of the project are finalised, a signed agreement will be provided to us to confirm our appointment. The details of the project will then be used for project planning.

Planning, development, testing and handover

(i) Project planning

During the project planning stage, we will prepare a project charter and assemble a project team to kick-off the project. A detailed project charter outlines items such as the project's objectives, requirements, risks, stakeholders as well as schedules and milestones. A project team generally comprises a project leader, a project manager, a Subject Matter Expert (if required), software developers, quality assurance personnel as well as technical support and maintenance personnel. In the event of limited resources, we may outsource some development works to third party developers. The project team will be responsible for the development and delivery of the project.

7. BUSINESS OVERVIEW (CONT'D)

If the project secured is an extension / revamp of a legacy application, we will obtain the details of the legacy application such as its source code, design source file and prototype link (if applicable) and access to hosting.

(ii) Requirement gathering

Prior to the design and development of application, our project team will gather information to understand the customers' business workflow which the customers intend to digitalise through application development. We may also request for detailed operational and / or administrative information / records for the application development if needed. In addition, we will also need to understand our customers' specific requirements such as software requirements, unit testing, coding standard and preparation of audit trail, where applicable.

(iii) Design and development of application

Based on all the information provided by our customers, we will plan the product design such as the components under our Agmo Genesis framework to be used, customised functions to be developed, integration and linkage between components, user interface layouts, colour schemes, type of programming language to be used, system server design and database relationship, amongst others.

Upon the completion of the product design plan, the project team will begin developing the mobile or web application based on the product design specifications. The development process of our customers' applications is divided into several stages depending on the complexity of the project. Each stage focuses on the development of a function of the application and undergoes quality assurance ("QA") testing upon completion.

(iv) Final QA testing

Upon the completion of the development of the application, our QA team will perform tests on the application to ensure it meets the requirements stipulated in the agreement. The following are the tests carried out by our QA team:

| QA test | Description |
|-----------------------------|--|
| User experience testing | A test to ensure the final design complements the user experience based on the customised design guidelines. |
| Functional testing | A test to ensure the functionality of the application are in line with our customer's requirements. |
| Performance testing | A test to ensure the application is able to perform under continuous expected load (i.e. user traffic) in terms of the speed, scalability and stability of the system. |
| Security testing | A test to ensure the application is secured by identifying potential threats within the system. Security testing may be outsourced to third party testers based on our customer requirements as some customers may request for independent testing by third party testers to ensure the security and independence of their applications. |
| Device and platform testing | A test to ensure the application developed is compatible in multiple mobile devices and platforms. |

7. BUSINESS OVERVIEW (CONT'D)

(v) User acceptance testing

Following our internal QA testing, we will conduct user acceptance testing by providing access to our customers to download and test the application for a specific duration stipulated in the agreement. Our customers' data will be imported into the application and all the functions within the application will be tested to ensure the application performs correctly as per the requirements before the application is deployed into use (i.e. go live). During this period, we will amend the application accordingly should any bugs are discovered and reported by our customers to our team.

(vi) Deployment and handover of application

Following the approval of user acceptance testing by our customers, we will deploy the mobile and web applications into use (i.e. go live) and handover to our customers together with all the source programming codes.

We may conduct user training to train our customers on the features and functions of the mobile and web applications if requested.

After-sales

(i) Technical support and maintenance

Once the mobile and web applications are deployed, we generally provide complimentary technical support and maintenance services for 2 months. Upon the expiry of the complimentary technical support and maintenance services, our customers may engage us for continuing technical support and maintenance services on a quarterly / bi-annual / annual basis.

Typically, the duration required under the pre-sales and sales of an application development project, ranges from 1 month to 3 months, and the duration required from project planning to handover of an application development project ranges from 3 months to 6 months for a single phase, depending on the complexity of the project. The number of phases involved for each application development project varies as it depends on the customer's requirements, budget and project roadmap.

7.10 SALES AND MARKETING STRATEGIES

Our Group's sales and marketing activities include planning and executing sales and marketing strategies, maintaining relationships with our existing customers, attending inquiries from potential customers and preparation of proposals and demo systems, presentation to customers as well as preparation of scope of projects and quotations.

We actively engage in the following sales and marketing strategies:

(i) Referrals from past and existing customers, investee companies and technology partners

Our track record in providing digital solutions to customers via application development has brought in project referrals and enquiries from potential customers through recommendations by our past and existing customers, investee companies and technology partners.

Further, we are able to maintain our business relationships with our customers when we provide subscription, hosting, technical support and maintenance services after the development of mobile and web applications. This provides us with business opportunities for any further enhancement and modifications to their applications to our existing customers.

7. BUSINESS OVERVIEW (CONT'D)

(ii) Tenders

Our Group is registered on several tendering platforms which include, ePerolehan by the Government, eTender by Bank Negara Malaysia, eDaftar by Felda Global Ventures Holdings Berhad and eTender by MDEC, all of which often have tenders posted by the respective parties.

Through these tendering platforms, we are provided with access to tenders for application development, if any. We will review the tenders and participate in tenders that we are interested in and qualified for. Apart from the tendering platforms, we also participate in closed tenders when we are invited by potential customers (i.e. businesses and companies) directly.

(iii) Online marketing

We leverage on social media platforms to increase our exposure and market our offerings through Facebook, Instagram, LinkedIn, and YouTube. We manage and regularly update our social media pages with the latest news and trends in the industry, our on-going promotions and offerings and our company activities.

In addition to that, we also create additional online exposure by publishing articles with our latest achievements / new offerings or trending topics as well as engaging in online media interviews which help to increase our exposure to potential customers.

We also leverage on digital advertising to increase the visibility of our corporate website by providing immediate searchable information on our Group as well as the details on our offerings to attract potential customers. Besides that, we also include a “powered by Agmo” statement on some mobile and web applications developed by our Group. With this, we are able to increase our brand awareness among the application users.

Our active online presence and exposure allow us to reach out to a wider group of audience comprising businesses and companies which may be interested in our offerings.

(iv) Direct approach

Our sales and marketing activities are carried out by Tan Aik Keong, Low Kang Wen and Tham Chin Seng, who promote our digital solutions and new offerings to our existing and new customers. They are responsible for recommending our new offerings that are suitable for our existing customers, as well as following up and informing them on the renewal of their existing contracts with us and the necessity of upgrading / enhancing their current applications with the latest technologies.

Besides that, we also identify and directly approach potential customers to promote our services to them. This allows us to engage these potential customers directly and explain our service offerings to them including our expertise and any technical details.

(v) Collaboration with corporate service providers

For our provision of RPV platform services via Vote2U, we collaborate with several corporate service providers (e.g. share registrars / corporate secretarial service providers) in Malaysia to market and sell our Vote2U platform services in order to be used by public listed companies in their AGMs and EGMs. As corporate service providers are involved in facilitating and organising AGMs and EGMs for public listed companies, it is an efficient way for us to promote our Vote2U platform services to corporate service providers as they have wide access to our target customers (i.e. public listed companies in Malaysia). These corporate service providers will recommend our Vote2U as the RPV platform to public listed companies, and receive referral fees in return.

7. BUSINESS OVERVIEW (CONT'D)**(vi) Participation in conferences, exhibitions, seminars and webinars**

We participate in conferences, seminars and webinars relating to development of new technologies, latest technology trends and business digitalisation. We believe that participation in these events enhances our Group's visibility as it enables us to showcase our offerings and provides us with significant opportunities to meet potential customers. It also enables us to stay updated with the latest software developments, solutions and technology. The following are conferences, seminars and webinars we participated over the Financial Years Under Review and up to the LPD:

| FYE | Name of conference, exhibition, seminar and webinar | Organiser | Location |
|------------------------|--|---|-----------------|
| 2019 | Blockchain and Smart Contract Development Talk | Technological Association Malaysia | Selangor |
| | Digital Ninja 2018 | MDEC | Kuala Lumpur |
| | Gulf Information Technology Exhibition (GITEX) | Dubai World Trade Centre | Dubai |
| | Tokyo Game Show 2018 | Computer Entertainment Supplier's Association (CESA) and Nikkei Business Publications, Inc. | Japan |
| 2020 | Export Acceleration Mission (EAM) | Malaysia External Trade Development Corporation (MATRADE) | New Zealand |
| | Microsoft ISV Empowerment Day | Microsoft Malaysia | Kuala Lumpur |
| | MaGIC Healthcare Bootcamp | Malaysian Global Innovation & Creativity Centre (MaGIC) | Selangor |
| | Digital Health Malaysia Telemedicine Conference | Digital Health Malaysia | Selangor |
| 2021 | - | - | - |
| 2022 and up to the LPD | Blockchain for enterprise | Technological Association Malaysia | Online |
| | Launch Opening | Alibaba Cloud | Online |
| | Blockchain: The Decentralised Future | Xiamen University | Online |
| | Blockchain | Talk Chain | Online |
| | Excel Force: Blockchain and Decentralised Finance | Xifu Sdn. Bhd. | Online |
| | Digital Banking & Blockchain Webinar | Affin Hwang Investment Bank | Online |

Further, in addition to the above events, in the Financial Years Under Review, Tan Aik Keong, Low Kang Wen and Tham Chin Seng, were also invited as guest speakers in talent development programmes, lecture classes, seminars and training organised by several universities such as Sunway University, University of Southampton Malaysia, University of Malaya, Monash University Malaysia, University of Technology Malaysia (UTM), UTAR, Universiti Kebangsaan Malaysia (UKM) and Asia Pacific University of

7. BUSINESS OVERVIEW (CONT'D)

Technology & Innovation (APU). As guest speakers, we shared our knowledge and experience in application development with students, which enables our Group to create brand awareness and attract talents to enlarge our workforce as part of our expansion plan.

(vii) Corporate website

We have established our corporate website at *www.agmo.group* which provides information on our Group and our offerings. In addition, we have also established individual primary websites specifically for our digital platform-based services at *www.vote2u.my* for our Vote2U application and *www.eat2u.com* for our Eat2U application.

Any parties who are interested in our offerings are able to contact us, and either Tan Aik Keong, Low Kang Wen or Tham Chin Seng will attend to the inquiries accordingly. The current widespread use of the internet as a source of information enables us to cross geographical boundaries and facilitates access from any part of the world, enhancing our potential market reach and exposure.

7.11 TYPES, SOURCES AND AVAILABILITY OF SUPPLIES

Our main supplies and services are subscription and hosting fees for several third party cloud computing platforms namely Microsoft Azure, AWS and Huawei Cloud, for our provision of subscription and hosting services. The subscription and hosting fees also include the fees paid to suppliers for the usage of third party applications in our business, such as augmented reality, payment gateways, e-KYC and customer support software. This is followed by live streaming expenses and other supplies and services which include outsourced development services, software licenses and verification services by scrutineers. The amount of our purchases for supplies and services are dependent on the number, milestones and requirements of our projects in the particular Financial Years Under Review.

During the Financial Years Under Review and up to the LPD, our Group has not experienced any difficulties in sourcing for supplies and services from our suppliers, and these supplies and services are not subject to price fluctuations.

The breakdown of our purchases for supplies and services in the Financial Years Under Review is as follows:

| Supplies and services | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|--|------------|----------------------|------------|----------------------|------------|----------------------|--------------|----------------------|
| | RM'000 | % of total purchases | RM'000 | % of total purchases | RM'000 | % of total purchases | RM'000 | % of total purchases |
| Subscription and hosting fees ⁽¹⁾ | 317 | 91.4 | 330 | 95.1 | 677 | 75.1 | 959 | 63.1 |
| Live streaming expenses | - | - | - | - | 188 | 20.8 | 220 | 14.5 |
| Outsourced development services ⁽²⁾ | 13 | 3.7 | - | - | 9 | 1.0 | 277 | 18.2 |
| Others ⁽³⁾ | 17 | 4.9 | 17 | 4.9 | 28 | 3.1 | 63 | 4.1 |
| Total | 347 | 100.0 | 347 | 100.0 | 902 | 100.0 | 1,519 | 100.0 |

7. BUSINESS OVERVIEW (CONT'D)**Notes:**

- (1) *Subscription and hosting fees comprise subscription and hosting services sourced from several third party cloud computing platforms namely Microsoft Azure, AWS and Huawei Cloud, for our provision of subscription and hosting services; and application charges (for the usage of third party applications such as augmented reality, payment gateways, e-KYC and customer support software in our business).*
- (2) *Our Group incurred the costs for outsourced development services due to software developer capacity constraints in completing the projects within the agreed timeline with our customers.*
- (3) *Others comprise mainly software licenses (for software licenses purchased from suppliers such as Adobe for the design of UI/UX of applications) and verification services by scrutineers on the voting results of resolutions under Vote2U.*

During the Financial Years Under Review, our Group sourced for the above supplies and services from local and overseas suppliers. Some of the supplies and services purchased from overseas suppliers were denominated in USD, while the remaining purchases from overseas suppliers and local suppliers were denominated in RM. Please refer to Sections 9.1.8 and 12.11.1 of this Prospectus for further details on the breakdown of our purchases in currencies. The breakdown of our purchases for supplies and services by the country of suppliers in the Financial Years Under Review is as follows:

| Supplies and services | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
|----------------------------|------------|----------------------|------------|----------------------|------------|----------------------|--------------|----------------------|
| | RM'000 | % of total purchases | RM'000 | % of total purchases | RM'000 | % of total purchases | RM'000 | % of total purchases |
| Malaysia | 176 | 50.7 | 150 | 43.2 | 470 | 52.1 | 827 | 54.4 |
| Singapore | 136 | 39.2 | 172 | 49.6 | 378 | 41.9 | 585 | 38.5 |
| United States of America | 11 | 3.2 | 18 | 5.2 | 54 | 6.0 | 101 | 6.7 |
| People's Republic of China | 13 | 3.7 | 4 | 1.1 | - | - | - | - |
| United Kingdom | 11 | 3.2 | 3 | 0.9 | - | - | - | - |
| Denmark | - | - | - | - | - | - | 5 | 0.3 |
| Ireland | - | - | - | - | - | - | 1 | 0.1 |
| Total | 347 | 100.0 | 347 | 100.0 | 902 | 100.0 | 1,519 | 100.0 |

7.12 OPERATING CAPACITIES AND OUTPUTS

As a digital solution and application development specialist involved in the development of mobile and web applications; provision of digital platform-based services; and provision of subscription, hosting, technical support and maintenance services, the calculations of operating capacities and output are not applicable to us.

7. BUSINESS OVERVIEW (CONT'D)

7.13 RESEARCH AND DEVELOPMENT

Since the commencement of our business, we have recognised the importance of continuous improvement in our offerings and our efficiency in application development to ensure our competitiveness in the industry, in order to sustain the continuous growth of our business. We also strive to introduce relevant digital solutions that are in line with market demands along with the advancement of technology and introduction of new technology in the market. As such, our R&D efforts are catered for continuous enhancement of digital solutions and application development as well as development of new digital solutions that are in line with the latest market demand.

Our R&D activities are currently carried out by our software development team. Our historical R&D achievements as well as on-going R&D projects are summarised as follows:

| Achievement / project | Description | Commencement year | Completion year |
|--|--|--------------------------|------------------------|
| <u>Historical R&D achievements</u> | | | |
| Masatu | - A social networking and photo-sharing application based on a time capsule concept | January 2012 | May 2012 |
| Mobile CMS | - A mobile content management application that comprises several basic components and functions such as pushing notifications, authentication and data analytics, to enable our team to develop mobile applications at a lower cost and shorter lifecycle | March 2013 | April 2013 |
| E-Voting | - A blockchain-based application that enables voters to cast votes virtually through the application in a secured manner | April 2019 | November 2019 |
| Eat2U | - An online food ordering and delivery application that allows restaurants to list their food and beverage offerings, and consumers to order food and beverages through the application | September 2019 | December 2019 |
| Vote2U | - A blockchain-based application that serves as a RPV platform and enables the organisation of virtual AGMs and EGMs of public listed companies in Malaysia - It was built using blockchain technology to track and record voting results in a secured and non-rewritable manner, thereby upholding the integrity of the voting results - Further details on Vote2U are outlined in Section 7.3.2 of this Prospectus | March 2020 | May 2020 |

7. BUSINESS OVERVIEW (CONT'D)

| <u>Achievement / project</u> | <u>Description</u> | <u>Commencement year</u> | <u>Completion year</u> |
|----------------------------------|---|--------------------------|------------------------|
| <u>On-going R&D projects</u> | | | |
| Agmo Genesis | <ul style="list-style-type: none"> - An in-house proprietary development framework that is used as a base when developing new applications - It comprises several standard components (i.e., programmed coding of standard functions) that can be used in the development of the back-end systems of our applications, with some modification if needed - This framework enables us to eliminates repetitive programming for the development of similar functions, thereby accelerating the process of application development - Further details on Agmo Genesis are outlined in Section 7.3.1 of this Prospectus | January 2015 | N/A ⁽¹⁾ |

Note:

- (1) *The R&D of Agmo Genesis framework has no completion date as the framework will be continuously enhanced in order to maintain the relevance and quality of the components under the framework, as well as to ensure that the components align with the latest market trends and requirements of mobile and web applications from our customers.*

Moving forward, we will continue to undertake R&D activities to continuously enhance our digital solutions and application development as well as to develop new digital solutions that are in line with the latest market demand. Please refer to Section 7.8.1 for further details on our future R&D undertakings.

7.14 SEASONALITY AND CYCLICALITY

For the Financial Years Under Review, our Group's business had recorded marginally higher sales in every fourth quarter of the calendar year (third quarter of our Group's financial year, i.e. month of October until December) due to the increase in projects engaged by our customers. This has led to higher sales generated for our application development business during this period which has been our largest revenue contributor in the Financial Years Under Review. Nevertheless, there has been no material adverse impact to our Group arising from this seasonality effect.

There was no cyclical pattern in the revenue of our Group during the Financial Years Under Review.

7. BUSINESS OVERVIEW (CONT'D)

7.15 INTERRUPTIONS TO THE BUSINESS AND OPERATIONS**(i) Impact on our business operations**

On 11 March 2020, COVID-19 virus, also known as the novel coronavirus was declared a worldwide pandemic by the World Health Organisation. In light of the COVID-19 pandemic, the Government of Malaysia has imposed various degrees of nationwide movement restrictions (i.e. MCO, conditional MCO, recovery MCO, enhanced MCO and various phases under the NRP) to curb the spread of COVID-19 since 18 March 2020, depending on the severity of the COVID-19 infections in each state, federal territory and area.

In Petaling Jaya, Selangor, in which our office is located, was subject to MCO 1.0, conditional MCO, recovery MCO, MCO 2.0 and MCO 3.0 from 18 March 2020 until 31 May 2021. Following the resurgence of cases in the first half of 2021, the Government implemented a four-phase recovery plan, known as the NRP. Petaling Jaya was placed under the first phase of the NRP from 1 June 2021 to 9 September 2021, the second phase of the NRP from 10 September 2021 to 30 September 2021, the third phase of NRP from 1 October 2021 to 17 October 2021, and the fourth phase of the NRP from 18 October 2021 to 31 March 2022. During the first phase of the NRP, Petaling Jaya was placed under enhanced MCO for 2 weeks from 3 July 2021 to 16 July 2021. On 1 April 2022, Malaysia began its transition to the Endemic Phase with relaxed COVID-19 restrictions.

During the movement restriction periods, there were several rounds of office closure, including during the periods of MCO 1.0, MCO 2.0, MCO 3.0 and the first phase of the NRP, as our business is not deemed as essential services and we were not allowed to open our office. During the periods of office closure, our employees continued to work from home and hence, our business operations have been able to continue and there has neither been interruption to our business operations nor delay in project timelines pursuant to the office closure.

During this period of movement restrictions, we have encountered one project deferment by a customer, in which the total value of project deferred was RM51,410. The project was initially planned for completion in June 2021. However, due to the deferment, the project was completed in November 2021. As the project was completed within the same FYE, there was no impact to our financial performance and the revenue recognition of FYE 2022. Apart from this, there was no other project deferment or project cancellation leading to material impact to our financial performance. Further, we did not face any disruption in the procurement and receipt of supplies from our suppliers nor face any disruption in delivery schedules to our customers.

(ii) Impact on our business cash flows, liquidity, financial position and financial performance

Our financial performance for the FYE 2020 was not adversely impacted by the COVID-19 pandemic as the MCO 1.0 was imposed approximately 2 weeks before the closing of our financial year in March 2020.

Notwithstanding the imposition of various degrees of movement restrictions throughout the FYE 2021 and FYE 2022, our financial performance for the FYE 2021 and FYE 2022 were not impacted as there were no material delays or cancellation of projects, except for the project deferment by one customer in June 2021 which did not impact the revenue recognition as disclosed in Section 7.15(i) of this Prospectus. There was also no material impact on the collectability of our trade receivables.

7. BUSINESS OVERVIEW (CONT'D)

Further details on our cash and bank balances are as set out in Section 12.4 of this Prospectus. Our Board is confident that, after taking into account our cash and bank balances currently available to our Group, our working capital will be sufficient for our capital/operating expenditure and to sustain our business.

Based on the above, we do not expect any material impact to our cash flows, liquidity, financial position and financial performance.

(iii) Impact to our business and earning prospect

According to the IMR Report, despite the outbreak of the COVID-19 pandemic in 2020, the mobile and web application development industry in Malaysia recorded a year-on-year growth of 21.02% in 2020, which was attributed to amongst others, increasing need for digitalisation from businesses during the pandemic, and implementation of initiatives for digital transformation by the Government.

The mobile and web application development industry is expected to continuously grow and driven by the digitalised consumer behaviour and the attachment to mobile devices by the general public to perform daily activities, digitalisation of businesses, continuous technology advancement which drives businesses to continuously adopt new or upgrade their existing mobile and web applications, and the implementation of initiatives for digital transformation by the Government of Malaysia and the Government of Singapore. Further, the high number of COVID-19 cases and the discovery of new COVID-19 variants are expected to continue driving the usage of mobile and web applications among businesses as businesses are urged to undertake or accelerate digitalisation efforts for business sustainability in the changing business environments as a result of the pandemic.

Further, subscription and hosting services are essential for the deployment, commercialisation and continuous usage of mobile and web applications; while technical support and maintenance services are essential for the resolution of technical issues and for on-going maintenance of mobile and web applications.

As such, our Group believes that the positive outlook of the mobile and web application development industry will bode well for the continuous demand for our application development, subscription, hosting, technical support and maintenance services. Premised on the above, we expect positive impact to our business earning prospects for our application development business as well as subscription, hosting, technical support and maintenance business.

However, for our provision of digital platform-based services, there is a risk of decline in the demand for our RPV services which are provided through Vote2U, due to organisations such as public listed companies and private and public associations may gradually revert to conducting AGMs, EGMs and meetings physically as movement restrictions and physical distancing measures are being uplifted gradually. This may consequently impact our earnings prospects for this business segment, as Vote2U is currently the main revenue contributor in this segment. Please refer to Section 9.1.9 of this Prospectus for further details on this risk. Nevertheless, as part of our business strategies and future plans, we plan to set up a dedicated sales, marketing and business development team which will aid in increasing the exposure of our Group and our services to a wider target market, including our other offerings under the digital platform-based services such as Eat2U, Agmo Health and Agmo Loyalty. Please refer to Section 7.8.2 of this Prospectus for further details on this future plan. Our Group believes that with this business strategy in place, we will be able to increase our sales and contribute to the growth of our financial performance.

7. BUSINESS OVERVIEW (CONT'D)

Further, as at the LPD, we do not expect any negative impact to our business strategies and future plans that are Malaysia-centric (i.e. investing in a dedicated R&D division, a dedicated sales, marketing and business development team, and a dedicated technical support and maintenance services division; establishment of a training and development centre; as well as continuous expansion of our mobile and web application development and digital platform-based services) as there are no restrictions that prohibit the implementation of these business strategies and future plans. While some of these business strategies and future plans may cover the provision of our solutions / services to overseas customers, these plans can generally be carried out by personnel in Malaysia. As for our plan to expand our regional presence by expanding into Singapore, we also do not expect any negative impact to this plan as we will be able to travel to Singapore for the preparation of office setup in Singapore, following the announcement of border re-opening effective 1 April 2022 by the Government of Malaysia and the Government of Singapore.

(iv) Strategy and steps taken to address the impact of COVID-19

In response to the COVID-19 pandemic, our Group has established a standard safety protocol in accordance to the guidelines and standard operating procedures on COVID-19 prevention to protect our staffs and customers against potential COVID-19 infection. The infection control measures include amongst others:

- (i) Wearing of face masks in our premise;
- (ii) Taking and recording of body temperature before entering our premise;
- (iii) Scanning of MySejahtera mobile application before entering our premise;
- (iv) Frequent sanitising and washing of hands prior to entering our premise;
- (v) Sanitising all common areas of our business premise and work place at all times after usage or attendance of customers;
- (vi) Enforcing and practicing 1 metre physical distancing;
- (vii) Any infected employee will be quarantined and we will close our work place for disinfection and for all employees to undergo health screening test; and
- (viii) Implementing work from home initiative where all employees are allowed to work from home and only enter our office as and when necessary to minimise the number of employees present in the office at any one time.

Notwithstanding the above, our Group has put in place a business contingency plan in the event of any infection cases at our business premise, which is summarised as follows:

(i) Employee relief plan

Each employee has been assigned with a relief person for their tasks. Both personnel in-charge are not allowed to make any external appointments or business trips together to mitigate the risk of infection.

(ii) Employee rotational program

To mitigate the risk of infection, when our office was first re-opened, all employees have been segregated into various teams and each team has specified days to report to work at office or to work from home. In the event that any of our employees are infected with the COVID-19 virus, the particular team members of the infected employee(s) will be quarantined while the other teams will be able to work as usual to maintain business continuity.

7. BUSINESS OVERVIEW (CONT'D)

Since the outbreak of the COVID-19 pandemic and up to the LPD, 5 of our employees were tested positive for COVID-19 and have since recovered. Nevertheless, with the above business contingency plans in place and as these employees were working from home during the time of infection, there was no impact to our business operations arising from these positive cases.

To comply with the standard operating procedures imposed since 18 March 2020 and up until the LPD, our Group has incurred testing costs and disinfection costs amounting to approximately RM0.02 million, which is not material to our Group. We also received wage subsidies amounting to a total of approximately RM0.06 million from the Government under the Wage Subsidy Programme during FYE 2021 and up to the LPD. As at the LPD, we are not in breach of any laws relating to COVID-19 restrictions which may lead to penalties by the relevant authorities. Save for the abovementioned, we have not experienced any other major interruptions to our business and our operations for the past 12 months preceding the LPD.

7.16 MAJOR CUSTOMERS

Our Group's top 5 major customers for the Financial Years Under Review are as follows:

FYE 2019

| Major customer | Industry / sector | Revenue contribution | | Offerings (1) | Country | Length of business relationship (years) ⁽²⁾ |
|---------------------------|-----------------------|----------------------|--------------|------------------|-----------|---|
| | | RM'000 | % | | | |
| Petroliam Nasional Berhad | Oil and gas | 967 | 17.8 | (b) | Malaysia | 7 |
| Company A ⁽³⁾ | Logistics | 740 | 13.6 | (b) | Hong Kong | 6 |
| Petronas Dagangan Berhad | Oil and gas | 394 | 7.2 | (a) | Malaysia | 4 |
| Company B ⁽⁴⁾ | Financial services | 374 | 6.9 | (a) and (b) | Malaysia | 4 |
| Company C ⁽⁵⁾ | Professional services | 302 | 5.6 | (a) and (d) | Malaysia | 4 |
| Sub-total | | 2,777 | 51.1 | | | |
| Total | | 5,435 | 100.0 | | | |

FYE 2020

| Major customer | Industry / sector | Revenue contribution | | Offerings (1) | Country | Length of business relationship (years) ⁽²⁾ |
|---------------------------|---------------------------|----------------------|--------------|------------------|-----------|---|
| | | RM'000 | % | | | |
| Company A ⁽³⁾ | Logistics | 1,194 | 19.2 | (a) and (b) | Hong Kong | 6 |
| Petroliam Nasional Berhad | Oil and gas | 555 | 8.9 | (b) and (d) | Malaysia | 7 |
| Company D ⁽⁶⁾ | Hospitality | 428 | 6.9 | (a) and (b) | Sri Lanka | 4 |
| Bulb Communique Sdn. Bhd. | Marketing and advertising | 340 | 5.5 | (a) | Malaysia | 3 |
| Pos Malaysia Berhad | Postal and courier | 309 | 5.0 | (a) | Malaysia | 3 |
| Sub-total | | 2,826 | 45.5 | | | |
| Total | | 6,214 | 100.0 | | | |

7. BUSINESS OVERVIEW (CONT'D)**FYE 2021**

| Major customer | Industry / sector | Revenue contribution | | Offerings (1) | Country | Length of business relationship (years) (2) |
|---|---------------------------|----------------------|--------------|------------------|-----------|--|
| | | RM'000 | % | | | |
| Company A (3) | Logistics | 1,793 | 19.8 | (b) | Hong Kong | 6 |
| Petroliam Nasional Berhad | Oil and gas | 1,180 | 13.1 | (b), (c) and (d) | Malaysia | 7 |
| Company E (7) | Marketing and advertising | 547 | 6.1 | (a), (b) and (d) | Malaysia | 2 |
| Shangri-La International Hotel Management Pte Ltd | Hospitality | 532 | 5.9 | (b) and (d) | Singapore | 2 |
| Company F (8) | Manufacturing | 365 | 4.0 | (a) | Malaysia | 3 |
| Sub-total | | 4,417 | 48.9 | | | |
| Total | | 9,040 | 100.0 | | | |

FYE 2022

| Major customer | Industry / sector | Revenue contribution | | Offerings (1) | Country | Length of business relationship (years) (2) |
|--|--------------------|----------------------|--------------|-----------------------|-----------|--|
| | | RM'000 | % | | | |
| Heydoc International Sdn. Bhd. | Healthcare | 2,267 | 13.7 | (a), (b), (c) and (d) | Malaysia | 7 |
| Company A (3) | Logistics | 1,997 | 12.1 | (a), (b) | Hong Kong | 6 |
| Pos Malaysia Berhad | Postal and courier | 1,228 | 7.4 | (a), (b), (c) and (d) | Malaysia | 3 |
| Petroliam Nasional Berhad | Oil and gas | 587 | 3.6 | (b), (c) and (d) | Malaysia | 7 |
| GFK Retail and Technology Malaysia Sdn. Bhd. | Technology | 529 | 3.2 | (a) | Malaysia | 8 |
| Sub-total | | 6,608 | 40.0 | | | |
| Total | | 16,525 | 100.0 | | | |

Notes:

(1) Category of offerings provided:

- (a) Development of new applications
- (b) Enhancement / upgrade of existing applications
- (c) Subscription and hosting services
- (d) Technical support and maintenance services

(2) Length of business relationship with our major customers is calculated based on the commencement date of our first project / business transaction with these customers up to the LPD.

All our top 5 major customers in the FYE 2019 continued to become our customers in the FYE 2020, FYE 2021 and FYE 2022, except for Petronas Dagangan Berhad which did not engage our Group for any services in the FYE 2020, FYE 2021 and FYE 2022.

7. BUSINESS OVERVIEW (CONT'D)

All our top 5 major customers in the FYE 2020 were also our customers in the FYE 2019, FYE 2021 and FYE 2022, except for Company D which did not engage our Group for any services in the FYE 2021 and FYE 2022, as well as Bulb Communique Sdn. Bhd. and Pos Malaysia Berhad which were not our customers yet in FYE 2019 as our first business transactions with them were in the FYE 2020.

All our top 5 major customers in the FYE 2021 were also our customers in the FYE 2019, FYE 2020 and FYE 2022, except for Company E which was not our customer yet in FYE 2019 as our first business transaction with Company E was in the FYE 2020, as well as Shangri-La International Hotel Management Pte Ltd and Company F which were not our customers yet in the FYE 2019 and FYE 2020 as our first business transactions with them were in the FYE 2021. Shangri-La International Hotel Management Pte Ltd and Company F were also not our customers in FYE 2022 as they did not engage our Group for any services during the financial year.

All our top 5 major customers in the FYE 2022 were also our customers in the FYE 2019, FYE 2020 and FYE 2021, except for Pos Malaysia Berhad which did not engage our Group for any services in the FYE 2019, as well as GFK Retail and Technology Malaysia Sdn Bhd which did not engage our Group for any services in the FYE 2020 and FYE 2021.

- (3) *Company A is a group of companies comprising entities in Hong Kong and Malaysia, which are subsidiaries of a multinational logistics company (a company listed on Hong Kong Stock Exchange) with headquarters in Hong Kong that is principally involved in supply chain solutions covering amongst others, international freight forwarding, multimodal transportation, land freight, industrial project logistics and cross-border e-commerce across multiple countries in Asia, Oceania, Europe, North America, Latin America, Middle East, Africa and Commonwealth of Independent States (CIS). There is a non-disclosure agreement entered into between Agmo Studio and Company A which restricts Agmo Studio from disclosing the information relating to the existing and proposed business affairs of Company A. However, the non-disclosure agreement does not restrict Agmo Studio from disclosing the information under Section 7.16 above. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company A to seek consent for disclosure of the name and financial information of Company A pursuant to the IPO but the consent to disclosure was refused.*
- (4) *Company B is a Malaysian company incorporated through a joint venture between a Taiwanese company (a company listed on Taiwan Stock Exchange) and a Malaysian company (a company listed on Bursa Securities). Company B is principally involved in the provision of financial services including auto finance, car insurance, equipment finance and cross border finance. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company B which restricts Agmo Studio from disclosing the information under Section 7.16 above. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company B to seek consent for disclosure of the name and financial information of Company B pursuant to the IPO but the consent to disclosure was refused.*
- (5) *Company C is a Malaysian audit firm which is principally involved in the provision of services related to audit and assurance, tax, financial advisory, risk advisory, consulting and related services. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company C which restricts Agmo Studio from disclosing the information under Section 7.16 above. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company C to seek consent for disclosure of the name and financial information of Company C pursuant to the IPO but the consent to disclosure was refused.*
- (6) *Company D is a Sri Lankan company, which is a subsidiary of a multinational hospitality company (a company listed on Hong Kong Stock Exchange and Singapore Exchange) with headquarters in Hong Kong that is principally involved in hotel management and the provision of hospitality services across multiple countries in Asia, Middle East, Europe, North America, Oceania and Africa. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company D which restricts Agmo Studio from disclosing the information under Section 7.16 above. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company D to seek consent for disclosure of the name and financial information of Company D pursuant to the IPO but the consent to disclosure was refused.*

7. BUSINESS OVERVIEW (CONT'D)

- (7) *Company E is a Malaysian digital marketing agency that specialises in e-commerce and multimedia consulting services. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company E which restricts Agmo Studio from disclosing the information under Section 7.16 above. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company E to seek consent for disclosure of the name and financial information of Company E pursuant to the IPO but the consent to disclosure was refused.*
- (8) *Company F is a Malaysian manufacturing company that is principally involved in the manufacturing of radioactive coolant, brake fluids and related products to support the automotive industry. Company F is headquartered in Malaysia with an oversea office in Singapore. There is no confidentiality clause in the agreement entered into between Agmo Studio and Company F which restricts Agmo Studio from disclosing the information under Section 7.16 above. Nonetheless as a matter of courtesy and maintaining good business relations, we have written to Company F to seek consent for disclosure of the name and financial information of Company F pursuant to the IPO but the consent to disclosure was refused.*

For the Financial Years Under Review, we have a customer base of 43 customers, 51 customers, 86 customers and 111 customers respectively. For the Financial Years Under Review, the percentage of revenue contributed by our top 5 major customers were approximately 51.1%, 45.5%, 48.9% and 40.0% of our Group's total revenue respectively. The revenue contribution from our major customers were mainly derived from the development of mobile and web applications which are project-based, as well as subscription, hosting, technical support and maintenance services which are recurring revenue to our Group.

Our sales of development of mobile and web applications are derived on project basis, hence we are not dependent on any one of our major customers and we may derive substantial revenue from different customers based on their investment budgets. In addition, following the completion of application development projects, our customers may engage us for any modifications, enhancements and / or upgrades to their applications if required, hence some customers may be listed as our top 5 major customers for consecutive years. For information purposes, our Group did not enter into any long-term contracts with a duration of more than 12 months with our top 5 major customers for the Financial Years Under Review.

7.17 MAJOR SUPPLIERS

Our Group's top 5 major suppliers for the Financial Years Under Review are as follows:

FYE 2019

| Major suppliers | Purchase contribution | | Products / services sourced | Country | Length of business relationship (years)⁽¹⁾ |
|----------------------------------|------------------------------|--------------|------------------------------------|----------------------------|--|
| | RM'000 | % | | | |
| Microsoft Regional Sales Pte Ltd | 136 | 39.2 | Subscription and hosting services | Singapore | 10 |
| Rhipe Malaysia Sdn. Bhd. | 126 | 36.3 | Subscription and hosting services | Malaysia | 5 |
| Han Wei ⁽²⁾ | 13 | 3.7 | Outsource development services | People's Republic of China | 7 |
| SNS Network (M) Sdn. Bhd. | 12 | 3.5 | Software license | Malaysia | 6 |
| Injoit Ltd (Quickblox) | 11 | 3.2 | Application charges | United Kingdom | 5 |
| Sub-total | 298 | 85.9 | | | |
| Total | 347 | 100.0 | | | |

7. BUSINESS OVERVIEW (CONT'D)**FYE 2020**

| Major suppliers | Purchase contribution | | Products / services sourced | Country | Length of business relationship (years) ⁽¹⁾ |
|----------------------------------|------------------------------|--------------|------------------------------------|----------------------------|---|
| | RM'000 | % | | | |
| Microsoft Regional Sales Pte Ltd | 172 | 49.6 | Subscription and hosting services | Singapore | 10 |
| Rhipe Malaysia Sdn. Bhd. | 131 | 37.8 | Subscription and hosting services | Malaysia | 5 |
| SNS Network (M) Sdn. Bhd. | 12 | 3.5 | Software license | Malaysia | 6 |
| Applzic, Inc | 6 | 1.7 | Application charges | United States of America | 4 |
| EasyAR | 4 | 1.2 | Application charges | People's Republic of China | 3 |
| Sub-total | 325 | 93.7 | | | |
| Total | 347 | 100.0 | | | |

FYE 2021

| Major suppliers | Purchase contribution | | Products / services sourced | Country | Length of business relationship (years) ⁽¹⁾ |
|----------------------------------|------------------------------|--------------|------------------------------------|--------------------------|---|
| | RM'000 | % | | | |
| Microsoft Regional Sales Pte Ltd | 368 | 40.8 | Subscription and hosting services | Singapore | 10 |
| Rhipe Malaysia Sdn. Bhd. | 239 | 26.5 | Subscription and hosting services | Malaysia | 5 |
| Hurr TV Sdn. Bhd. | 179 | 19.8 | Live streaming services | Malaysia | 2 |
| Applzic Inc | 11 | 1.2 | Application charges | United States of America | 4 |
| Google Asia Pacific Pte Ltd | 11 | 1.2 | Subscription and hosting services | Singapore | 7 |
| Sub-total | 808 | 89.6 | | | |
| Total | 902 | 100.0 | | | |

FYE 2022

| Major suppliers | Purchase contribution | | Products / services sourced | Country | Length of business relationship (years) ⁽¹⁾ |
|------------------------------------|------------------------------|--------------|------------------------------------|----------------|---|
| | RM'000 | % | | | |
| Microsoft Regional Sales Pte Ltd | 530 | 34.9 | Subscription and hosting services | Singapore | 10 |
| Rhipe Malaysia Sdn. Bhd. | 283 | 18.6 | Subscription and hosting services | Malaysia | 5 |
| Skill Quotient Resources Sdn. Bhd. | 210 | 13.8 | Outsource development services | Malaysia | 1 |
| Hurr TV Sdn. Bhd. | 195 | 12.8 | Live streaming services | Malaysia | 2 |
| Google Asia Pacific Pte Ltd | 41 | 2.7 | Subscription and hosting services | Singapore | 7 |
| Sub-total | 1,259 | 82.9 | | | |
| Total | 1,519 | 100.0 | | | |

7. BUSINESS OVERVIEW (CONT'D)

Notes:

- (1) *Length of business relationship with our major suppliers is calculated based on the date of our first business transaction with these suppliers up to the LPD.*
- (2) *Han Wei, who is our former employee, was engaged by our Group as a third party developer to assist in some development works of an application development project due to software developer capacity constraints in completing the projects within the agreed timeline with our customers and his technical abilities to meet the project requirements.*

In the Financial Years Under Review, we have an approximate supplier base of 23 suppliers, 18 suppliers, 34 suppliers and 49 suppliers respectively. During the same period, the percentage of purchases contributed by our top 5 major suppliers are approximately 85.9%, 93.7%, 89.6% and 82.9% of our Group's total purchases respectively. The main products and services sourced from these major suppliers were subscription and hosting services on third party cloud computing platform(s), software licences, application charges for Adobe and outsourced development services.

Our top supplier in the Financial Years Under Review was Microsoft Regional Sales Pte Ltd, which we sourced cloud subscription and hosting services from. Notwithstanding its contribution of approximately 39.2%, 49.6%, 40.8% and 34.9% to our total purchases in the Financial Years Under Review, we are not dependent on Microsoft Regional Sales Pte Ltd. As at the LPD, we are a registered Gold Partner under Microsoft Regional Sales Pte Ltd where the partner status has to be renewed on a yearly basis. Please refer to Section 7.3.3 of this Prospectus for further details on our partnership with Microsoft Regional Sales Pte Ltd. If we are unable to renew our partnership status with Microsoft Regional Sales Pte Ltd yearly, we can source for cloud subscription and hosting services from other registered partners under Microsoft Regional Sales Pte Ltd. In such circumstances, we will still be able to source for cloud subscription and hosting services from these registered partners at comparable terms and charges as per the terms and charges offered by Microsoft Regional Sales Pte Ltd. Nevertheless, with our long-standing and mutually beneficial business relationship with Microsoft Regional Sales Pte Ltd as well as our reputation in the industry, our Group believes that we will be able to continue to source for cloud hosting services from Microsoft Regional Sales Pte Ltd, thus assuring the supply of cloud hosting services.

Further, we are also not dependent on AWS and Huawei Cloud. As at the LPD, we are registered partners with both AWS and Huawei Cloud where the partner status has to be renewed on a yearly basis. Please refer to Section 7.3.3 of this Prospectus for further details on our partnership with AWS and Huawei Cloud. If we are unable to renew our partnership status with AWS and Huawei Cloud yearly, we can source for cloud subscription and hosting services from other registered partners. With our mutually beneficial business relationships with AWS and Huawei Cloud as well as our reputation in the industry, our Group believes that we will be able to continue to source for cloud hosting services from AWS and Huawei Cloud, thus assuring the supply of cloud hosting services.

In the Financial Years Under Review, our second largest supplier was Rhip Malaysia Sdn. Bhd. which we sourced cloud subscription and hosting services from. The cloud platform that we sourced from Rhip Malaysia Sdn. Bhd. is Microsoft Azure. Notwithstanding its contributions of approximately 36.3%, 37.8%, 26.5% and 18.6% respectively to our total purchases in the Financial Years Under Review, we are not dependent on Rhip Malaysia Sdn. Bhd. as we can source for cloud subscription and hosting services from other registered partners of cloud computing platforms and cloud hosting service providers available in the market.

In FYE 2021 and FYE 2022, Hurr TV Sdn. Bhd. was our third and fourth largest supplier respectively, with a purchase contribution of approximately 19.8% and 12.8% respectively. We sourced for live streaming services from Hurr TV Sdn. Bhd. to support the live streaming feature of Vote2U. We are not dependent on Hurr TV Sdn. Bhd. as live streaming services can be obtained from other suppliers in the market.

7. BUSINESS OVERVIEW (CONT'D)

Save for the agreements for our partnership status with Microsoft Regional Sales Pte Ltd for Microsoft Azure, Amazon Web Services, Inc for AWS and Huawei Services (Hong Kong) Co., Limited for Huawei Cloud, our Group does not enter into any contracts with our suppliers.

7.18 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENT AND OTHER ARRANGEMENTS

As at the LPD, our Group is not highly dependent on any material contracts, agreements, documents or other arrangements that could affect our Group's business or profitability.

7.19 EMPLOYEES

As at the LPD, we have a total workforce of 96 employees whereby 91 of our employees are permanent employees and the remaining 5 are contract / temporary employees who are interns. Out of the 96 employees, 2 are foreign employees; whereby 1 foreign employee is residing in Malaysia as at the LPD and has a valid working permit issued in compliance with immigration laws, while the other foreign employee is residing in and working from his home country due to the restrictions imposed during the COVID-19 pandemic.

The breakdown of our employees by department as at 31 March 2021 is depicted as follows:

| Department | Permanent | | Contract / temporary | | Total employee |
|---------------------------------------|-----------|----------|----------------------|----------|----------------|
| | Local | Foreign | Local | Foreign | |
| Directors | 2 | - | - | - | 2 |
| Key senior management | 1 | - | - | - | 1 |
| Admin / Accounts / HR | 1 | - | - | - | 1 |
| Software development ⁽¹⁾ | | | | | |
| - Back-end | 14 | 2 | ⁽²⁾ 1 | - | 17 |
| - UI / UX design | 3 | - | ⁽²⁾ 2 | - | 5 |
| - Front-end | 22 | - | - | - | 22 |
| Project management ⁽³⁾ | 9 | - | - | - | 9 |
| Quality assurance (QA) ⁽⁴⁾ | 1 | - | - | - | 1 |
| Total | 53 | 2 | 3 | - | 58 |

The breakdown of our employees by department as at 31 March 2022 is depicted as follows:

| Department | Permanent | | Contract / temporary | | Total employee |
|---------------------------------------|------------|----------|----------------------|----------|----------------|
| | Local | Foreign | Local | Foreign | |
| Directors | 2 | - | - | - | 2 |
| Key senior management | 2 | - | - | - | 2 |
| Admin / Accounts / HR | 1 | - | - | - | 1 |
| Software development ⁽¹⁾ | | | | | |
| - Back-end | 34 | 2 | - | - | 36 |
| - UI / UX design | 8 | - | ⁽²⁾ 2 | - | 10 |
| - Front-end | 28 | - | ⁽²⁾ 2 | - | 30 |
| Project management ⁽³⁾ | 26 | - | - | - | 26 |
| Quality assurance (QA) ⁽⁴⁾ | 5 | - | ⁽²⁾ 1 | - | 6 |
| Total | 106 | 2 | 5 | - | 113 |

7. BUSINESS OVERVIEW (CONT'D)

The breakdown of our employees by department as at the LPD is depicted as follows:

| Department | Permanent | | Contract / temporary | | Total employee |
|---------------------------------------|------------------|----------------|-----------------------------|----------------|-----------------------|
| | Local | Foreign | Local | Foreign | |
| Directors | 2 | - | - | - | 2 |
| Key senior management | 2 | - | - | - | 2 |
| Admin / Accounts / HR | 1 | - | - | - | 1 |
| Software development ⁽¹⁾ | | | | | |
| - Back-end | 33 | 2 | - | - | 35 |
| - UI / UX design | 5 | - | - | - | 5 |
| - Front-end | 19 | - | ⁽²⁾ 5 | - | 24 |
| Project management ⁽³⁾ | 23 | - | - | - | 23 |
| Quality assurance (QA) ⁽⁴⁾ | 4 | - | - | - | 4 |
| Total | 89 | 2 | 5 | - | 96 |

Notes:

- (1) *Comprises back-end, UI / UX design and front-end developers. Our software development team is responsible for the development of mobile and web applications, technical support and maintenance services and R&D activities. Our software development personnel have the relevant working and technical experience of up to 20 years. There are no specific qualifications or certifications required for our software development personnel to carry out their job responsibilities.*
- (2) *Refers to interns.*
- (3) *Responsible for managing application development projects (including schedule planning, requirements gathering, workflow coordination and progress monitoring); subscription, hosting, technical support and maintenance service engagements; and digital platform-based services.*
- (4) *Responsible for QA testing outlined in Section 7.9 of this Prospectus, whereby the QA personnel are involved in creating test scripts, performing tests and reporting issues arising from testing, to ensure the applications developed by our Group meet the requirements of our customers.*

None of our employees belong to any labour union. During the Financial Years Under Review and up to the LPD, there were no industrial disputes pertaining to our employees. Our Group is also compliant with the directive on COVID-19 screening for foreign employees.

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7. BUSINESS OVERVIEW (CONT'D)

7.20 APPROVALS, MAJOR LICENSES AND PERMITS OBTAINED

As at the LPD, we hold the following approvals, major licences and permits for our business operations:

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|--------------------|-------------------------------------|---|--|---|--|-----------------------------|
| Agmo Studio | | | | | | |
| 1. | MDEC | MSC Malaysia Status | Reference no.: CS/3/7817(7) and CS/3/7817 (11b) Certificate no.: 3036 | Date of issuance: 7.12.2012 Date of expiration: Not applicable | In consideration of MDEC granting the MSC Malaysia Status, Agmo Studio agrees to: (i) complete business registration of the proposed entity as a locally incorporated company under the Companies Act 1965 within one month from the date of MDEC's letter dated 7 December 2012 (reference no. CS/3/7817(7)), commence operations of the proposed entity within 6 months from the date of the letter and undertake such activities specified in Agmo Studio's business plan (" Business Plan ") as approved by MDEC below (" MSC Malaysia Qualifying Activities ") within 6 months from the date of the letter or by such date(s) as may be specified in the Business Plan (which date(s) may be extended or modified with the written consent of MDEC) and thereafter continue with such business and activities unless otherwise approved by MDEC. The MSC Malaysia Qualifying Activities are as follows: (a) Research, development and commercialisation of the following solutions: | Complied |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|------------|-------------------------------------|---|---|------------------------------------|--|--|
| | | | | | <p>(1) Agmo Solution – Mobile Content Development</p> <p>(2) Agmo Solution – Content Management Platform (CMP)</p> <p>(b) Provision of implementation, technical services and maintenance related to the above solution.</p> <p>Any changes proposed to the above MSC Malaysia Qualifying Activities as detailed in the Business Plan must receive the prior written consent of MDEC;</p> | |
| | | | | | <p>(ii) ensure that at all times at least 15% of the total number of employees (excluding support staff) of Agmo Studio shall be “knowledge workers” (as defined by MDEC). “Knowledge workers” shall be recruited, employed and/or appointed solely for the purpose of undertaking the MSC Malaysia Qualifying Activities. The recruitment, employment and/or appointment of foreign “knowledge workers” (if any) shall be the sole responsibility of Agmo Studio and MDEC shall not be held responsible for any liability arising from such recruitment, employment and/or appointment;</p> | <p>Complied. As at the LPD, Agmo Studio has 56 employees, representing 100% of total employees of Agmo Studio, of which all are knowledge workers.</p> |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|------------|-------------------------------------|---|---|------------------------------------|---|-----------------------------|
| | | | | | <ul style="list-style-type: none"> (iii) ensure that any products produced pursuant to the MSC Malaysia Qualifying Activities are original, and that no part or portion of such product is an infringement or violation of any intellectual property or any proprietary rights of any third party, or constitutes a misappropriation of know-how belonging to any third party; (iv) ensure that all information and/or documents furnished by Agmo Studio to MDEC or any other authority or agency do not contain any false, untrue or inaccurate statements or omit to state any facts, the omission of which would make any statements made therein in the light of the circumstances under which they are made, misleading; (v) inform and obtain the prior approval of MDEC for any proposed change in the name of Agmo Studio; (vi) inform MDEC of any change in the equity structure or shareholding structure of Agmo Studio, or such other changes that may affect the direction or operation of Agmo Studio. MDEC must be informed of any change before steps are taken to effect such change; and | |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|-----|--|--|--|--|--|----------------------|
| | | | | | (vii) comply with all such statutory, regulatory and/or licensing requirements as may be applicable, including but not limited to the Transfer Pricing Guidelines issued by the Inland Revenue Board of Malaysia on 2 July 2003, and such other amendments as may be applicable from time to time. | |
| | | | | | The MSC Malaysia Status granted to Agmo Studio shall not be transferable or assignable in any way whatsoever without the prior written consent of MDEC. | |
| 2. | Ministry of International Trade and Industry Malaysia ("MITI") | <p>Pioneer status under the Promotion of Investments Act 1986*</p> <p><i>*Note: The provision of application and web development and provision of subscription, hosting and technical support and maintenance which is undertaken by Agmo Studio qualifies for the tax exemption under pioneer status. All other business activities undertaken by other subsidiaries of our Group (namely Agmo Tech, Agmo Digital Solutions, Agmo Sierra and Agmo</i></p> | <p>Reference no.: 020/00029/0448 54/000001MSC</p> <p>Certificate no.: 4398</p> | <p>Validity period: 11.12.2012 to 10.12.2017</p> <p>Extension period: 11.12.2017 to 10.12.2022</p> | <p>(i) Pioneer status issued pursuant to the Promotion of Investments Act 1986 certifying that Agmo Studio is a company carrying out pioneer status activities as follows:</p> <p>(a) Research, development and commercialisation of the following solutions:</p> <p>(1) Agmo Solution – Mobile Content Development</p> <p>(2) Agmo Solution – Content Management Platform (CMP)</p> <p>(b) Provision of implementation, technical services and maintenance related to the above-mentioned solution.</p> | Complied |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|-----|--------------------------------------|---|---|---|---|--------------------------|
| | | <i>Capital) are not entitled for tax exemption under pioneer status.</i> | | | (ii) The pioneer status is subject to Agmo Studio's compliance with the conditions imposed by MDEC vide its letter dated 7 December 2012 in respect of Agmo Studio's MSC Malaysia Status, details of which have been set out above under item 1 of this Section 7.20. | Complied |
| 3. | Ministry of Finance Malaysia ("MOF") | Certificate of registration of Agmo Studio with MOF for the following supply/service sector, field and sub-field: | Certificate no.: K659375945825 41025 Reference no.: 357-02214848 | Validity period: 22.4.2020 to 30.4.2023 | (i) Any changes to the information submitted to MOF must be updated online within 21 days from the date the changes occur. (ii) Agmo Studio shall ensure that the fields that have been registered in the certificate do not overlap with the fields that have been approved on any of the following companies: (a) companies that have the same owners or board of directors/ directors, management and employees; or (b) companies that operate at the same premise. | Complied Complied |
| | | (a) Information Communication Technology ("ICT")/ computer equipment and fittings, hardware and components/ hardware (low end technology) | | | | |
| | | (b) ICT/ computer equipment and fittings, hardware and components/ hardware (high end technology) | | | | |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|-----|------------------------------|---|----------------------------------|-----------------------------|--------------------------|----------------------|
| | | (c) ICT/ computer equipment and fittings, hardware and components/ computer software, operating system, database, off-the-shelf packages including maintenance | | | | |
| | | (d) ICT/ computer equipment and fittings, hardware and components/ software/ system development/ customisation and maintenance | | | | |
| | | (e) ICT/ computer equipment and fittings, hardware and components/ telecommunication/ networking-supply product, infrastructure, services including maintenance | | | | |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|-----|------------------------------|---|----------------------------------|-----------------------------|--------------------------|----------------------|
| | | (f) ICT/ computer equipment and fittings, hardware and components/ data management - provide services including disaster | | | | |
| | | (g) ICT/ computer equipment and fittings, hardware and components/ ICT security and firewall, encryption, public key infrastructure, anti-virus | | | | |
| | | (h) ICT/ computer equipment and fittings, hardware and components/ multimedia-products, services and maintenance | | | | |
| | | (i) services/ employment/ professional staff - not including consultancy services | | | | |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|-----|------------------------------|---|---|---|--------------------------|----------------------|
| | | (j) services/ employment/ semi-professional staff - not including consultancy services | | | | |
| | | (k) services/ employment/ training services, teaching staff and moderator/ negotiator | | | | |
| 4. | Petroliam Nasional Berhad | Special registration for tender participation certificate in respect of the umbrella contract for professional services of software engineering works for Petronas group of companies | Tender no.: PET- ICT/PS/SOFTW ARE ENGINEERING/ 20/04 | Date of contract: 27.11.2020 to 26.11.2023 | Nil | Not applicable |
| 5. | Petaling Jaya City Council | Licence to operate a business office at our main office located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU8, Damansara Perdana, 47820 Petaling Jaya | Account no.: L254000062696 9 | Validity period: 11.11.2021 to 31.12.2022 | Nil | Not applicable |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|--------------------------------------|-------------------------------------|---|---|--|---------------------------------|-----------------------------|
| 6. | Petaling Jaya City Council | Licence to operate a business office at our satellite office located at Lot 7.08C, 1 Tech Park, Jalan Tanjung Bandar Utama, Bandar Utama, 47410 Petaling Jaya, Selangor | Account no.: L254000062716 8 | Validity period: 16.11.2021 to 31.12.2022 | Nil | Not applicable |
| <u>Agmo Tech</u> | | | | | | |
| 1. | Petaling Jaya City Council | Licence to operate a business office at our main office located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU8, Damansara Perdana, 47820 Petaling Jaya | Account no.: L254000062697 3 | Validity period: 11.11.2021 to 31.12.2022 | Nil | Not applicable |
| <u>Agmo Digital Solutions</u> | | | | | | |
| 1. | Petaling Jaya City Council | Licence to operate a business office at our main office located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU8, Damansara Perdana, 47820 Petaling Jaya | Account no.: L254000062697 1 | Validity period: 11.11.2021 to 31.12.2022 | Nil | Not applicable |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Approving authority / issuer | Type of approvals / licences / permits | Licence / Permit / Reference no. | Date of issuance / Validity | Major conditions imposed | Status of compliance |
|---------------------------|-------------------------------------|---|---|--|---------------------------------|-----------------------------|
| <u>Agmo Sierra</u> | | | | | | |
| 1. | Petaling Jaya City Council | Licence to operate a business office at our main office located at Level 38, MYEG Tower, Empire City Damansara, Jalan PJU8, Damansara Perdana, 47820 Petaling Jaya* | Account no.: L254000062697 5 | Validity period: 11.11.2021 to 31.12.2022 | Nil | Not applicable |
| | | <i>*Note: The licence was issued to Agmo Strongbyte Holdings Sdn. Bhd. (now known as Agmo Sierra)</i> | | | | |

Our Group is not in breach or non-compliance of the terms and conditions of the approvals, licenses and permits set out above and has not encountered any difficulties in renewing the approvals, licenses and permits, where applicable, in the past.

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7. BUSINESS OVERVIEW (CONT'D)

7.21 INTELLECTUAL PROPERTY RIGHTS


Our Group is not highly dependent on any of the trademarks and patent. We do not foresee any material impact to the Group's business or profitability in the event of non-approval for registration / renewal of the trademarks and patent.

7.21.1 Trademarks

As at the LPD, our Group holds the following trademarks:

| No. | Trademark | Name of applicant / Registration no. | Issuing authority | Class / Description | Status / Validity period |
|-----|---|---|----------------------|--|--|
| 1. |  | Agmo Studio / 2013063255 | MyIPO | Class 42 / Advice and consultancy in relation to mobile and computer applications; computer programming; computer software design and development; computer system analysis; computer system design; creation, design, development and maintenance of mobile application and web sites for third parties; development of computer software application solutions; hosting websites and web services; installation of computer software; maintenance of computer software; monitoring of computer systems by remote access; mobile application development; research and development of computer software; website development services; all included in class 42 | Registered / 6.12.2013 – 6.12.2023 |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Trademark | Name of applicant / Registration no. | Issuing authority | Class / Description | Status / Validity period |
|-----|---|--|----------------------|--|--|
| 2. |  | Agmo Digital Solutions / TM2021001199 | MylPO | Class 35 / Advertising and marketing services; arranging of voting and opinion polling events; automated data processing; business consultancy services relating to data processing; business data analysis; business assistance, management and administrative services; business research, investigation and inquiries and consultation services in the field of corporate governance and proxy voting; collection, systematisation, compilation and analysis of business data and information stored in computer databases; compilation and analysis of business data in the field of blockchain technology and cryptocurrency; compilation of information into computer databases; data processing; database management; opinion polling; providing proxy voting services in shareholders meetings; proxy voting services; vote counting services; corporate management assistance; providing business advice in the field of blockchain technology and cryptocurrency | Registered / 13.1.2021 – 13.1.2031 |

7. BUSINESS OVERVIEW (CONT'D)

3.



Agmo Digital Solutions /
TM2021001200


MyIPO

Class 42 / Design, programming and maintenance of computer programs using blockchain technology for use in data management; design, programming and maintenance of computer software platforms using blockchain technology; data encryption and decoding services using blockchain technology; data encryption services; data decryption services; data security consultancy; software development; software as a service (saas); providing computer programs on data networks using blockchain technology; cloud computing; computer programming services for electronic data security; providing scientific research information and results in the field of blockchain technology; providing temporary use of on-line non-downloadable software for database management; provision of computer programs on data networks; provision of information and data relating to scientific and technological research and development; rental of data processing software; rental of database management software; research, design and development of data processing systems; research, design and development of software for data management; technical data analysis; technological consultancy and information services in the field of computer networks and data transmission networks; hosting computerized data, files, applications and information; hosting of databases; hosting online facilities for conducting interactive discussions; hosting platforms on the internet; server hosting; providing, via an internet platform, interactive computer applications enabling users to note (personal evaluation) on a subject matter or personnel, to vote for a subject matter or personnel, as well as record their comments, and also enable them to consult ratings, notes and comments from other users; hosting and providing an internet platform enabling users to identify and vote for a personnel or subject matter; providing on-line non-downloadable software for use in voting process


Registered /
13.1.2021 –
13.1.2031

7. BUSINESS OVERVIEW (CONT'D)

In addition, our Group has submitted applications for registration of the following trademarks, which are currently pending approval:

| No. | Trademark | Name of applicant / Registration no. | Issuing authority | Class / Description | Status / Validity period |
|-----|---|---|----------------------|---|--|
| 1. |  | Agmo / TM2021036558 | MyIPO | Class 9 / Apparatus for data storage; application software for cloud computing; artificial intelligence software; augmented reality software; bioinformatics software; browser extension being downloadable software; cloud computing software; communication software; computer application software for mobile phones; computer game software; computer hardware and computer software for database management; computer hardware and software for blockchain technology; computer hardware, firmware and software; computer operating software; computer software; computer software applications, downloadable; computer software for blockchain data mining; computer software for blockchain mobile applications and wallets; computer software for blockchain technology and cryptocurrency; computer software for controlling and managing access server applications; computer software for cross blockchain transfers; computer software for data processing; computer software for database management; computer software for developing, building, and operating consumer blockchain applications; computer software for interacting with blockchain platforms; computer software for synchronising data between handheld or portable computers and host computers; computer utility programs for file management; cryptocurrency hardware wallets; data storage apparatus; downloadable e-wallets; software and applications for mobile devices; virtual reality software; web site development software | Application filed, under formality validation ⁽¹⁾ |

7. BUSINESS OVERVIEW (CONT'D)

| No. | Trademark | Name of applicant / Registration no. | Issuing authority | Class / Description | Status / Validity period |
|-----|---|---|----------------------|--|--|
| 2. |  | Agmo / TM2021036560 | MyIPO | <p>Class 42 / Advisory and consultancy services relating to computer software; cloud computing consultancy; computer programming and design of software; computer software and hardware design; computer system design and analysis; configuration, installation, fault diagnosis, repair, upgrading and maintenance of computer software; consultancy and information services relating to information technology architecture and infrastructure; consultancy and information services relating to the design, programming and maintenance of computer software; consultancy in the field of computer system analysis; creation, design, development, and maintenance of websites; design and development of computer software for cloud computing; design and development of computer software for data processing; design and development of computer software for database management; design and development of software in the field of mobile applications; design, development, maintenance and updating of computer software; development of software application solutions; hosting computer databases; hosting computer software applications for others; hosting computerised data, files, applications and information; hosting multimedia and interactive applications; hosting of websites; hosting platforms on the internet; information technology consultancy; monitoring of computer systems by remote access; platform as a service (paas); provision of online non-downloadable software (application service provider); research and development services relating to computer hardware and software; software design; software development; technical data analysis</p> | Application filed, under formality validation ⁽¹⁾ |

7. BUSINESS OVERVIEW (CONT'D)

Note:

- (1) MyIPO received the said registration application on 29 December 2021 and it is currently under formality validation by MyIPO. Pursuant to Section 29 of the Trademarks Act 2019, the registrar will examine whether an application for registration of trademark fulfils the requirements for registration under the Trademarks Act 2019 and the registrar will accept the application if the application fulfils the requirements. The registrar will generally take about 6 to 12 months to examine a trademark application. If approved/accepted, the trademark will be published in the Intellectual Property Official Journal in accordance with Section 31(1) of the Trademarks Act 2019. Pursuant to Regulation 23(1) of the Trademarks Regulations 2019, a notice of opposition to the application may be filed with the registrar within 2 months from the date of publication of the acceptance of such application for the registration of trademark. Pursuant to Section 36(1) of the Trademarks Act 2019, the registrar shall register the trademark in the name of the proprietor if such application has not been opposed and the period for opposition has expired. The Registrar's decision for the said registration application is expected to be obtained by March 2023.

7.21.2 Patents

As at the LPD, the patent application submitted by our Group is set out as below:

| <u>Title of invention</u> | <u>Name of applicant</u> | <u>Application no.</u> | <u>Filing date</u> | <u>Country of registration</u> | <u>Issuing authority</u> | <u>Status</u> |
|---|--------------------------|------------------------|--------------------|--------------------------------|--------------------------|---|
| System and Method for Conducting Election | Agmo Studio | PI2019003101 | 29.5.2019 | Malaysia | MyIPO | Application filed, under substantive examination ⁽¹⁾ |

Note:

- (1) MyIPO received the said registration application on 29 May 2019 and it is currently under substantive examination by MyIPO. Pursuant to Section 30 of the Patents Act 1983, the application will be examined and determined if it complies with the requirements under the Patents Act 1983 and the relevant regulations. If the application is reported to be complied with the requirements under the Patents Act 1983, then the application will be processed accordingly. The examination process will generally take about 3 to 5 years. Thereafter, if the registrar being satisfied that the application complies with the requirements under the Patents Act 1983, shall issue a certificate of grant of the patent to the applicant and record the patent in the register. The decision for the said registration application is expected to be obtained in 2024.

7. BUSINESS OVERVIEW (CONT'D)

7.22 MATERIAL PROPERTIES

7.22.1 Properties

As at the LPD, we do not own any properties.

7.22.2 Rented Properties

As at the LPD, the details of the properties rented by our Group are set out as follows:

| Landlord | Tenant | Postal Address | Description / Existing Use | Date of CFO / CCC or equivalent | Approximate Floor Area | Tenure | Rental Per Annum (RM) |
|-------------------------|------------------------|---|---|---------------------------------|------------------------|--|--------------------------|
| MY E.G. Services Berhad | Agmo Studio | Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor | Part of one of the office units on Level 38 of MYEG Tower / Used as the main office | 4.7.2016 ⁽¹⁾ | 3,500 square feet | 3 years Commencing from 1 October 2021 to 30 September 2024 | ⁽²⁾ 68,250.00 |
| MY E.G. Services Berhad | Agmo Digital Solutions | Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor | Part of one of the office units on Level 38 of MYEG Tower / Used as the main office | 4.7.2016 ⁽¹⁾ | 500 square feet | 3 years Commencing from 1 October 2021 to 30 September 2024 | ⁽³⁾ 9,750.00 |

7. BUSINESS OVERVIEW (CONT'D)

| <u>Landlord</u> | <u>Tenant</u> | <u>Postal Address</u> | <u>Description / Existing Use</u> | <u>Date of CFO / CCC or equivalent</u> | <u>Approximate Floor Area</u> | <u>Tenure</u> | <u>Rental Per Annum (RM)</u> |
|--|---------------|--|---|--|-------------------------------|--|------------------------------|
| MY E.G. Services Berhad | Agmo Tech | Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor | Part of one of the office units on Level 38 of MYEG Tower / Used as the main office | 4.7.2016 ⁽¹⁾ | 2,000 square feet | 3 years Commencing from 1 October 2021 to 30 September 2024 | ⁽⁴⁾ 39,000.00 |
| MY E.G. Services Berhad | Agmo Sierra | Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor | Part of one of the office units on Level 38 of MYEG Tower / Used as the main office | 4.7.2016 ⁽¹⁾ | 500 square feet | 3 years Commencing from 1 October 2021 to 30 September 2024 | ⁽⁵⁾ 9,750.00 |
| Bandar Utama Technology Park Sdn. Bhd. | Agmo Studio | Lot 7.08C, Level 7, 1 Tech Park, Jalan Tanjung Bandar Utama, Bandar Utama, 47410 Petaling Jaya, Selangor | One of the office units on Level 7 of 1 Tech Park / Used as a satellite office | 16.10.2008 | 1,106 square feet | 2 years Commencing from 1 November 2021 to 31 October 2023 | ⁽⁶⁾ 46,452.00 |

Notes:

(1) *The tenanted property has only been issued with a partial CCC dated 4 July 2016. Pursuant to By-Law 27 of the Uniform Building By-Laws 1984, it provides that the local authority may in its discretion grant a partial CCC of any part of a building partially completed and may impose any conditions that it deems necessary. A partial CCC once issued shall remain effective until the whole of the building is completed and a CCC is issued. As at the LPD, the development of the entire project is still ongoing and the full CCC shall be issued subject to the completion of the whole development project.*

7. BUSINESS OVERVIEW (CONT'D)

- (2) Pursuant to the tenancy agreement dated 1 October 2021 entered into between Agmo Studio and MY E.G. Services Berhad, the monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM5,250.00 per month. Subsequently, the monthly rental shall be increased to RM7,000.00 per month. Thereafter, the rental per annum will amount to RM84,000.00.
- (3) Pursuant to the tenancy agreement dated 1 October 2021 entered into between Agmo Digital Solutions and MY E.G. Services Berhad, the monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM750.00 per month. Subsequently, the monthly rental shall be increased to RM1,000.00 per month. Thereafter, the rental per annum will amount to RM12,000.00.
- (4) Pursuant to the tenancy agreement dated 1 October 2021 entered into between Agmo Tech and MY E.G. Services Berhad, the monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM3,000.00 per month. Subsequently, the monthly rental shall be increased to RM4,000.00 per month. Thereafter, the rental per annum will amount to RM48,000.00.
- (5) Pursuant to the tenancy agreement dated 1 October 2021 entered into between Agmo Sierra and MY E.G. Services Berhad, the monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM750.00 per month. Subsequently, the monthly rental shall be increased to RM1,000.00 per month. Thereafter, the rental per annum will amount to RM12,000.00.
- (6) Pursuant to the tenancy agreement dated 1 October 2021 entered into between Agmo Studio and Bandar Utama Technology Park Sdn. Bhd., the monthly rental is RM3,871.00 per month.

7.22.3 Material plans to construct, expand or improve property, plant and equipment

As at the LPD, our Group does not have any existing properties or plants. Save as disclosed in Sections 4.8 and 7.8 of this Prospectus, our Group has no immediate material plans to expand or improve any of our existing equipment.

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7. BUSINESS OVERVIEW (CONT'D)

7.23 GOVERNING LAWS AND REGULATIONS INCLUDING ENVIRONMENTAL CONCERNS

7.23.1 Governing Laws and Regulations

Our business is regulated by and in some instances required to be licensed under specific laws of Malaysia. As such, the following is an overview of the material laws and regulations that are relevant to the business operations of our Group in Malaysia.

(A) LAWS AND REGULATIONS RELATING TO OUR BUSINESS

(1) Local Government Act 1976 (“LGA 1976”)

According to the LGA 1976 and the by-laws of the relevant local authorities in Peninsular Malaysia, we are required to obtain and maintain business and advertisement licences to carry out our operations and to display our signboard at our offices. The business and advertisement licences granted by the local authority are generally valid for a period not exceeding 3 years and are subject to renewal. A person to whom such licence has been granted is generally required to exhibit the licence at all times in some prominent place of the licensed premises and to produce the licence if required to do so by any officer of the local authority authorised to demand the same. Any person who contravenes any of the provisions of the LGA 1976 and / or the by-laws of the relevant local authorities in Peninsular Malaysia shall be liable for an offence and shall on conviction, be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both.

Our tenanted properties are issued with valid business licences to carry out our operations at our main and satellite offices. As our Group does not intend to put up any signboard at our offices at this juncture, our Group has not applied for the advertisement licence.

(2) Promotion of Investments Act 1986 (“PIA 1986”)

The PIA 1986 provides provision for promoting by way of relief from income tax in respect of the establishment and development in Malaysia of industrial, agricultural and other commercial enterprises, for the promotion of exports and for incidental and related purposes. Under the PIA 1986, a pioneer company means a company certified by a pioneer certificate to be a pioneer company in relation to a promoted activity or promoted product in respect of which the tax relief period has not ended or has not ceased. The period of tax exemption shall begin on its production day and continue for a period of 5 years and is extendable, subject to the requirements prescribed in the PIA 1986.

Agmo Studio has been granted pioneer status by MITI, the details of which are as set out in Section 7.20 of this Prospectus.

(3) Personal Data Protection Act 2010 (“PDPA 2010”)

The PDPA 2010 regulates the processing of personal data in commercial transactions and provides for connected and incidental matters. The PDPA 2010 applies to (a) any person who processes and (b) any person who has control over or authorises the processing of any personal data in respect of commercial transactions (“**Data User**”).

The Group’s business activities customarily involve the processing of personal data belonging to third parties. The processing of personal data by a Data User shall be in compliance with the personal data protection principles as stipulated in the PDPA 2010, namely (a) the General Principle; (b) the Notice and Choice Principle; (c) the Disclosure Principle; (d) the Security Principle; (e) the

7. BUSINESS OVERVIEW (CONT'D)

Retention Principle; (f) the Data Integrity Principle; and (g) the Access Principle (collectively, “**the Personal Data Protection Principles**”). A Data User who contravenes the Personal Data Protection Principles commits an offence and shall, on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 2 years or to both.

Our Group has adopted data processing and protection policies which are in line with the PDPA 2010.

(B) LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

(1) Trademarks Act 2019 (“TMA 2019”)

The TMA 2019 provides for the registration of trademarks in relation to goods and services and to implement the relevant treaties and for other connected matters. A trademark is defined under the TMA 2019 as any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings. A sign may constitute a trademark even though it is used in relation to a service ancillary to the trade or business of an undertaking and whether or not the service is provided for money or money's worth.

A registered trademark shall be a property right obtained by the registration of trademark under the TMA 2019 and a registered proprietor of the trademark has the rights and remedies provided under the TMA 2019. The registration of a trademark shall be for a period of 10 years and may be renewed for a further period of 10 years in accordance with the TMA 2019.

Our Group currently holds 3 registered trademarks which have been registered under the Trade Marks Act 1976 (“**TMA 1976**”) and has submitted applications for 2 other trademarks which are currently pending for approval. Notwithstanding that the TMA 1976 has been repealed, any existing marks registered under the TMA 1976 shall be a registered trademark for the purpose of the TMA 2019. Please refer to Section 7.21.1 of this Prospectus for a list of our registered trademarks and trademarks that are currently pending approval.

(2) Patents Act 1983 (“PA 1983”) and Patents Regulations 1986 (“PR 1986”)

The PA 1983 and PR 1986 are the laws and regulations which govern patent protection in Malaysia. PA 1983 would cover amongst others, the criteria for patentability, rights attached to patents, duration of patents and acts relating to infringement, whereas the PR 1986 predominantly encompass the procedures for the application of patents.

An invention is patentable if it is new, involves an inventive step, is industrially applicable and is not explicitly excluded by the PA 1983. An invention which may relate to a product or process means an idea of an inventor which permits in practice the solution to a specific problem in the field of technology. Registration of a patent grants the patent owner rights to exploit the patented invention, to assign or transmit the patent and to conclude licence contacts.

A patent shall be deemed granted and shall take effect on the date the certificate of grant of patent is issued. The duration of a patent will generally be for a period of 20 years from the filing date of the application.

Our Group has submitted 1 patent application which is currently pending for approval. Please refer to Section 7.21.2 of this Prospectus for details in relation to the patent application.

7. BUSINESS OVERVIEW (CONT'D)

(C) LAWS AND REGULATIONS RELATING TO LAND

(1) Street, Drainage and Building Act 1974 (“SDBA”) and Uniform Building By-Laws 1984 (“UBBL”)

The SDBA regulates laws relating to street, drainage and buildings in local authority areas in Peninsular Malaysia. It provides for the requirement to have a CFO or CCC to ensure that a building is safe and fit for occupation.

The UBBL has been put into force pursuant to the exercise of the powers conferred by Section 133 of the SDBA. Under the UBBL, a CFO or CCC in respect of a building shall be issued upon satisfaction of amongst others, the following requirements:

- (a) the qualified persons (i.e. the architect, registered building draughtsman or engineer) (“**Qualified Persons**”) have certified that they have supervised the erection of the building and that the building has been constructed in accordance with the relevant laws and regulations and any conditions imposed by the local authority;
- (b) the building has been constructed in accordance with the UBBL and any conditions imposed by the local authority have been satisfied;
- (c) the Qualified Persons accept full responsibility for those portions which they are respectively concerned with; and
- (d) all essential services have been provided.

Any person who occupies or permits to be occupied any building or any part thereof without a CFO / CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

All of the Group’s tenanted properties have been issued with a partial or full CFO / CCC (as the case may be). Please refer to Section 7.22.2 of this Prospectus for details in relation to the partial or full CFO / CCC (as the case may be) issued to our Group’s tenanted properties.

(2) National Land Code (“NLC”)

The NLC is the primary land law legislation in Malaysia which applies to land located in Peninsular Malaysia and the Federal Territory of Labuan. Under the NLC, there are three categories of land use, being “building”, “industry” and “agriculture”. The category of land use, if any, is endorsed on the documents of title issued by the state authority. All alienated lands in Peninsular Malaysia and the Federal Territory of Labuan are also subject to implied conditions as more particularly described in the NLC and express conditions imposed by the state authority.

Upon any breach arising of any condition to which any alienated land is for the time being subjected to, (i) the land shall become liable to forfeiture to the state authority and (ii) except in a case where a fine is imposed, or where action for the purpose of causing the breach to be remedied is first required to be taken, the land administrator shall proceed with the enforcement of the forfeiture in accordance to the provisions of the NLC.

There is no breach and / or non-compliance of any property or land use conditions in relation to the premises rented by our Group to carry out our business operations.

7. BUSINESS OVERVIEW (CONT'D)

(3) Fire Services Act 1988 (“FSA 1988”) and Fire Services (Designated Premises) (Amendment) Order 2020 (“FSO 2020”)

Pursuant to Sections 28(1) and 28(2) of the FSA 1988, every designated premises shall require a fire certificate and a fire certificate shall be renewable annually.

Further, under the FSO 2020, the Director-General of Fire Services has determined that premises of which the use, size and location are specified in the schedule of the FSO 2020, shall be designated premises for the purpose of issuance of a fire certificate under the FSA 1988. Such designated premises include offices, with the following description:

Offices – 30 metres and above in height or 10,000 square metres and over (total floor area)

Under the FSA 1988, where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or both. The owner or occupier of the premises may also be prohibited or restricted to use of such premises.

Our tenanted properties in Malaysia are in compliance with the FSA 1988.

(D) LAWS AND REGULATIONS IN RELATION TO EMPLOYMENT AND SOCIAL WELFARE

(1) Employment Act 1955 (“EA 1955”)

The EA 1955 governs the laws of employment in Peninsular Malaysia and the Federal Territory of Labuan. Such legislation set out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under such legislation. Under the EA 1955, an ‘employee’ is defined as any person, irrespective of his occupation, who has entered into a contract of service with an employer under which such person’s wages do not exceed RM2,000 a month.

Malaysia has also implemented a minimum wage policy that has raised the basic wages of all employees (except for domestic servants) to RM1,200 per month under the Minimum Wages Order 2020.

Our Group has ensured and will continue to ensure that we comply with such legislation.

(2) Employees Provident Fund Act 1991 (“EPF Act”)

The EPF Act which applies throughout Malaysia governs the mandatory scheme of savings for employees' retirement and the management of savings for retirement purposes and for incidental matters.

Pursuant to Section 43(1) of the EPF Act, every employee and every employer of a person who is an employee within the meaning of the EPF Act shall be liable to pay monthly contributions on the amount of wages at the rate respectively set out in the third schedule of the EPF Act.

Pursuant to Section 43(2) of the EPF Act, any employer who fails, within such period as may be prescribed by the minister, to pay any contributions for which he is liable under the EPF Act to pay in respect of or on behalf of any employee in respect of any month, shall be guilty of an offence and shall, on conviction,

7. BUSINESS OVERVIEW (CONT'D)

be liable to imprisonment for a term not exceeding 3 years or to a fine not exceeding RM10,000 or both.

Our Group has ensured and will continue to ensure that contributions payable under the EPF Act in respect of our employees are paid in a timely manner.

(3) Employees' Social Security Act 1969 ("SOCSO Act")

The SOCSO Act provides social security in certain contingencies and makes provision for certain other matters in relation to it and applies throughout Malaysia to all industries having one or more employees.

Pursuant to Section 5(1) of the SOCSO Act, all employees, irrespective of the amount of wages, shall be insured in the manner provided by the SOCSO Act.

Pursuant to Section 6 of the SOCSO Act, the contribution payable under the SOCSO Act in respect of an employee shall comprise contribution payable by the employer (being the employer's contribution) and contribution payable by the employee (being the employee's contribution) and shall be paid to the social security organisation. The contributions fall into 2 categories, namely:

- (a) the contributions payable by or on behalf of the employees insured against the contingencies of invalidity and employment injury; and
- (b) the contributions payable by or on behalf of employees insured only against the contingency of employment injury.

The various categories of contributions shall be paid in accordance with the rates specified in the third schedule of the SOCSO Act.

According to Section 94 of the SOCSO Act, if any person amongst others fails to pay any contribution or any part thereof which is payable by him under the SOCSO Act or fails to pay within the time prescribed by regulations any interest payable or is guilty of any contravention of or non-compliance with any of the requirements of the SOCSO Act or the rules or the regulations in respect of which no special penalty is provided, he shall be punishable with imprisonment for a term which may extend to 2 years, or with fine not exceeding RM10,000, or both.

Our Group has ensured and will continue to ensure that contributions payable under the SOCSO Act are paid in a timely manner.

(4) Employment Insurance System Act 2017 ("EIS Act")

The EIS Act provides certain benefits and a re-employment placement programme for insured persons in the event of loss of employment and for matters connected therewith and applies throughout Malaysia to all industries having one or more employees.

Pursuant to Section 14 of the EIS Act, every employer shall register his industry to which the EIS Act applies with the social security organisation within such period and in such manner as prescribed. Any person who contravenes this requirement commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding 2 years or to both.

7. BUSINESS OVERVIEW (CONT'D)

Pursuant to Section 18 of the EIS Act, contributions payable under the EIS Act in respect of an employee shall comprise a contribution payable by the employer and a contribution payable by the employee and shall be paid to the social security organisation, according to the rates as specified in the second schedule of the EIS Act.

Pursuant to Section 88 of the EIS Act, if an employer which is a body corporate commits an offence under the EIS Act, any person who at the time of the commission of the offence was a director, manager, secretary or other similar officer of the body corporate may be charged severally or jointly in the same proceedings with the body corporate.

Our Group has ensured and will continue to ensure that contributions payable under the EIS Act are paid in a timely manner.

(5) Occupational Safety and Health Act 1994 (“OSHA”)

The OSHA provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risk to safety or health in connection with the activities of persons at work and for matters connected therewith and applies throughout Malaysia to the industries specified in the OSHA. The OSHA applies to our Group as we are in the business services industry.

Employers and every self-employed person must as far as is practicable, ensure the safety, health and welfare at work of all their employees by (including but without limitation):

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of its employees;
- (d) so far as is practicable, as regards any place of work under the control of the employer or self-employed person, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and
- (e) the provision and maintenance of a working environment for its employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work.

Failure to comply with any of the above provisions constitutes an offence and the employer is liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both.

Our Group has ensured and will continue to ensure compliance with the applicable OSHA provisions.

7. BUSINESS OVERVIEW (CONT'D)

Our Group is not required to comply with the laws and regulations of other countries where the customers domiciled / where the mobile or web applications are used by the customers because the applications are developed by our Group in Malaysia based on requirements stipulated by the relevant foreign customers. Further, following the delivery of the developed applications to the foreign customers, our Group is not responsible for the usage of the applications by the foreign customers in their respective foreign jurisdictions, including any obligation to ensure compliance of the applications or their use with the laws of the foreign jurisdictions. The foreign customers themselves are responsible for ensuring compliance of the applications and their use in accordance with the applicable laws of the foreign jurisdictions.

7.23.2 Environmental Concerns

As at the LPD, there are no environmental issues which may materially affect our Group's business or operations and usage of properties rented by our Group as set out in Section 7.22 of this Prospectus.

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8. INDEPENDENT MARKET RESEARCH REPORT

SMITH ZANDER INTERNATIONAL SDN BHD 201301028298 (1058128-V)
15-01, Level 15, Menara MBMR, 1 Jalan Syed Putra, 58000 Kuala Lumpur, Malaysia
T : +603 2732 7537 W : www.smith-zander.com

SMITH ZANDER

Date:

The Board of Directors

Agmo Holdings Berhad
Level 38, MYEG Tower, Empire City Damansara
Jalan PJU 8, Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs / Madams,

Independent Market Research Report on the Mobile and Web Application (“App”) Development Industry in Malaysia and Singapore (“IMR Report”)

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD (“SMITH ZANDER”) for inclusion in the Prospectus in conjunction with the listing of Agmo Holdings Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry in which Agmo Holdings Berhad and its subsidiaries (“Agmo Group”) operate and to offer a clear understanding of the industry dynamics. As Agmo Group is principally involved in digitalising its customers business operations through the development of mobile and web apps, the scope of work for this IMR Report will thus address the following areas:

- (i) Mobile and web app development industry in Malaysia;
- (ii) Key industry drivers, risks and challenges of the mobile and web app development industry in Malaysia;
- (iii) Competitive overview of the mobile and web app development industry in Malaysia;
- (iv) Mobile and web app development industry in Singapore; and
- (v) Outlook and prospects.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the limitations of, among others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an “overall industry” perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held responsible for the decisions and / or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies mentioned in this report or otherwise.

For and on behalf of SMITH ZANDER:

DENNIS TAN TZE WEN
MANAGING PARTNER

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

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No part of this IMR Report may be given, lent, resold, or disclosed to non-customers or any other parties, in any format, either for commercial or non-commercial reasons, without expressed consent from SMITH ZANDER. Further, no part of this IMR Report may be extracted, reproduced, altered, abridged, adapted, modified, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, for purposes other than the listing of Agmo Holdings Berhad on the ACE Market of Bursa Malaysia Securities Berhad, without express consent from SMITH ZANDER.

Any part of this IMR Report used in third party publications, where the publication is based on the content, in whole or in part, of this IMR Report, or where the content of this IMR Report is combined with any other material, must be cited and sourced to SMITH ZANDER.

The research for this IMR Report was completed on 23 May 2022.

For further information, please contact:

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has 24 years of experience in market research and strategy consulting, including over 19 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



1 MOBILE AND WEB APP DEVELOPMENT INDUSTRY IN MALAYSIA

With the growing proliferation and continuous innovation of computing devices (e.g. desktops, laptops, smartphones and tablets) together with the increasing usage of the internet, many individuals have been increasingly relying on these computing devices and the internet to perform daily tasks. Businesses and organisations are also required to adapt and keep up with the changing business environment along with the advancement of technology, to continuously improve their operational efficiency and to remain competitive. This has urged businesses and organisations to embark on digitalisation efforts through various means, including the utilisation of mobile and web apps in their business operations.

Mobile apps are software apps that are developed specifically for use on portable and wireless computing devices, such as smartphones and tablets. The usage of mobile apps requires users to download from app stores (e.g. Apple App Store, Google Play Store and Huawei AppGallery) and install in devices.

Web apps on the other hand, are software apps that are developed to be fully functional and accessible on web browsers of any computing devices which can scale to the size of desktops, laptops and smaller portable devices such as tablets and smartphones. Web apps do not require users to download and install them in devices.

In general, mobile and web apps can be categorised into 3 categories, namely enterprise apps, commercial apps and consumer apps, based on their usage and intended purpose.

Types of apps

| Types of apps | Enterprise apps | Commercial apps | Consumer apps |
|----------------------------|--|---|---|
| Usage and intended purpose | <ul style="list-style-type: none"> Improve efficiency of business operations | <ul style="list-style-type: none"> Sales | <ul style="list-style-type: none"> Improve users' lifestyle Entertainment |
| Examples of applications | <ul style="list-style-type: none"> Resource management Customer relationship management Marketing Inventory and supply chain management Internal communication and team collaboration | <ul style="list-style-type: none"> E-commerce Banking and finance Travel booking and ticketing Ride hailing Online food delivery Express delivery | <ul style="list-style-type: none"> Social and networking Communication Maps and navigation Gaming Music Photography |

Source: SMITH ZANDER

- **Enterprise apps** are used by businesses and organisations to digitalise and improve a specific task or function such as procurement, production / manufacturing, warehousing, logistics and human resource. By digitalising these tasks or functions, businesses and organisations are able to simplify their operations and improve their overall operational efficiency such as in resource management, customer relationship management, marketing as well as inventory and supply chain management. Further, businesses and organisations also utilise enterprise apps for employees to interact, collaborate, schedule meetings and activities, and track social and sports involvement, thereby improving collaboration and interaction amongst employees.
- **Commercial apps** are utilised by businesses and organisations to digitalise sales activities and customer service for the purpose of amongst others, e-commerce, reaching out to potential customers and conveying messages (e.g. promotional events, latest news and important announcements) to customers, with the purpose of driving sales and improving competitiveness. Further, commercial apps are often used by businesses and organisations to connect with their customers to enable services to be rendered through online platforms. These services include banking and finance, travel booking and ticketing, ride-hailing, online food delivery and express delivery.
- **Consumer apps**, or also known as lifestyle apps are utilised by individuals to digitalise and improve their lifestyle for amongst others, social and networking, communication, navigation, gaming and music.

These apps can be developed internally if the businesses or organisations have the relevant app development expertise, or the development may be outsourced to external app developers. Businesses and organisations embark on digitalisation through utilising mobile and / or web apps for different intended purposes and target audiences, and thus may have different requirements and budgets. As such, app developers, either in-house or external developers have to study the requirements of businesses and organisations to be able to develop customised apps in accordance to requirements. Further, technical support and maintenance services, which

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



are auxiliary services related to the development of mobile and web apps, are essential for the resolution of technical issues and for on-going maintenance of the apps. These services are usually provided by app developers as continuing services to customers, or by the customers' in-house information technology ("IT") teams.

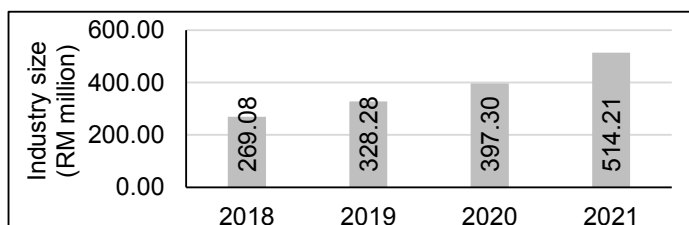
Prior to the proliferation of mobile devices, businesses and organisations have been utilising web apps which are only compatible on desktops and laptops. The introduction of smartphones which enable users to scroll through websites just like on desktops and laptops, has revolutionised the app industry. Further, app stores were also introduced, enabling users to download mobile apps from app stores and install them in smartphones, making it possible for users to access the apps at one click without the need to key in the web addresses of the web apps in web browsers. Businesses and organisations enhanced their digitalisation efforts from having web apps compatible on desktops to also include web apps and mobile apps with interfaces that are compatible on smartphones, to enable better user experience for smartphone users. As of 22 May 2022, worldwide, there were 2.98 million mobile apps available for download, with an estimated 651.15 billion downloads in total. In Malaysia, there were 7,780 apps available for download, with an estimated 720.89 million total downloads, as of 22 May 2022.

Due to the COVID-19 pandemic since early 2020, movement restrictions and physical distancing rules were imposed by most governments around the world to curb the spread of the virus. Non-essential business premises, governmental agencies and educational institutions were temporarily closed, employees and students were directed to work from home or attend online classes, and business and social events were cancelled. As a result, stakeholders in businesses, government agencies and educational institutions were required to collaborate or interact mainly through mobile and web apps (e.g. employees use communication apps or video conferencing apps to communicate with each other for work purposes; businesses utilise e-commerce apps to interact with customers and drive online sales; and public listed companies utilise remote participation and voting apps to conduct virtual annual general meetings ("AGMs") or extraordinary general meetings ("EGMs")), which drove the usage of mobile and / or web apps in businesses and organisations. Collaborations or interactions through mobile and web apps have continued even when countries around the world transit into the endemic phase of COVID-19, which will continue to drive the usage of mobile and / or web apps in businesses and organisations.

Industry Performance, Size and Growth

Mobile and web app development industry size (Malaysia), 2018 – 2021

The size of the mobile and web app development industry in Malaysia, measured in terms of sales revenue, increased from RM269.08 million in 2018 to RM514.21 million in 2021, at a CAGR of 24.09%.



Source: Malaysia Mobile and Web App Development Market by Allied Market Research

Despite the COVID-19 pandemic, the mobile and web app development industry in Malaysia recorded a year-on-year growth of 21.02% in 2020 and 29.43% in 2021, which was attributed to amongst others, increasing need for digitalisation from businesses during the pandemic, and implementation of initiatives for digital transformation by the Government of Malaysia. Please refer to **Key Industry Drivers** below for further information on the drivers of the mobile and web app development industry in Malaysia.

2 KEY INDUSTRY DRIVERS, RISKS AND CHALLENGES OF THE MOBILE AND WEB APP DEVELOPMENT INDUSTRY IN MALAYSIA

Key Industry Drivers

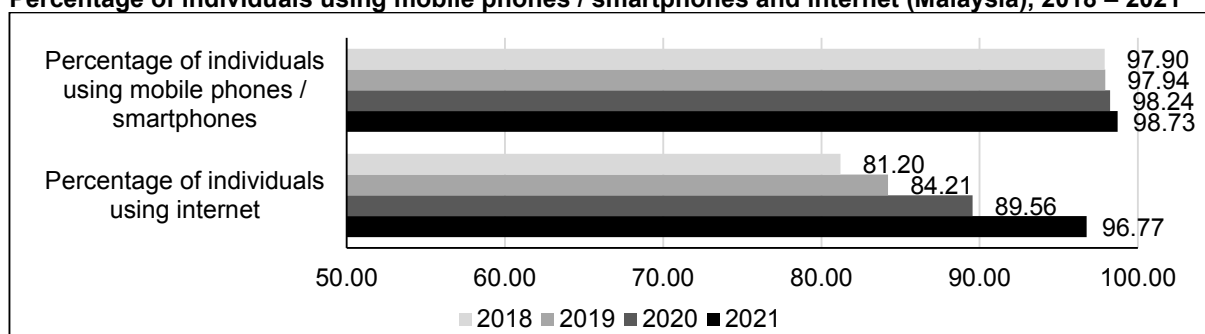
► **Digitalised consumer behaviour and attachment to mobile devices by the general public leads to businesses and organisations utilising mobile and web apps in their operations**

Mobile devices such as smartphones and tablets have become an essential part of everyday lives, and the general public is becoming dependent on mobile devices to perform daily activities such as communications, social networking, information searches, online shopping, gaming, entertainment, handling work-related tasks and studying. This is evident by the growth in the percentage of individuals using mobile phones / smartphones from 97.90% in 2018 to 98.73% in 2021, as well as the growth in the percentage of individuals using the internet from 81.20% in 2018 to 96.77% in 2021.

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



Percentage of individuals using mobile phones / smartphones and internet (Malaysia), 2018 – 2021



Source: Department of Statistics Malaysia

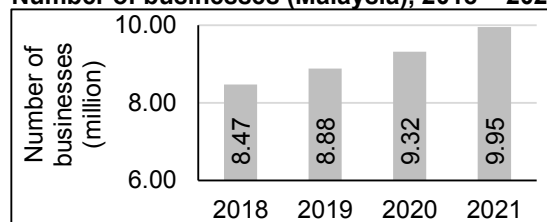
The proliferation and wide acceptance of mobile devices have led businesses and organisations to digitalise their operations through the utilisation of mobile and web apps. The preference for mobile apps is due to minimal effort required to drive users to use mobile apps as many are already mobile device users, and are familiar with using mobile apps. As such, the existing pool of mobile device users is the market for mobile apps. For example, organisations can easily implement the usage of mobile apps to enhance collaboration among employees as employees are generally existing mobile device users; and retailers with existing e-commerce websites expand their customer reach by venturing into mobile commerce through the introduction of e-commerce mobile apps.

Businesses and organisations which own existing mobile and web apps continue to integrate new functionalities based on the latest technological trends to stay connected with users, and to improve user experience and user interface design to increase stickiness of users on the mobile and web apps. Businesses and organisations which do not own existing mobile and web apps are beginning to adopt mobile and web apps in their operations to gain wider exposure, provide users with convenience when obtaining information, performing transactions and staying connected, thereby increasing the competitiveness of businesses and organisations.

► **Businesses' need for digitalisation drives the mobile and web app development industry**

The number of businesses (i.e. companies, sole proprietorships and partnerships) in Malaysia increased from 8.47 million in 2018 to 9.95 million in 2021, at a CAGR of 5.51%, which indicate the growth potential of the mobile and web app development industry in Malaysia. This is coupled by the growing need for business digital transformation including the adoption of mobile and web apps in order to remain competitive and relevant within their respective industries.

Number of businesses (Malaysia), 2018 – 2021



Source: Companies Commission of Malaysia ("CCM")

Businesses adopt mobile and web enterprise apps to enable their employees to perform tasks and business functions through mobile devices anywhere. Information can be reached and off-site control can be conducted with a few taps on the apps, thereby simplifying business operations and improving overall business operational efficiency and productivity. Businesses can use enterprise apps for stakeholders (e.g. employees and suppliers) to interact, collaborate, schedule meetings and activities, thereby improving collaboration and interaction amongst stakeholders. As a result of digitalisation through the usage of these apps, meaningful data can be collected, allowing the management to identify shortcomings through analysis from the data and implement necessary strategies in the respective business functions.

Further, mobile and web commercial apps connect businesses and their customers where customers use the apps to engage with businesses, obtain information, make online purchases and bookings, amongst others. With the adoption of mobile and web commercial apps, businesses can extend their reach and provide real-time assistance to customers, thereby increasing customer satisfaction and increasing the chance of purchasing or service rendering by these customers. Further, the current technology of mobile and web apps enables many revolutionised features such as gamification where users can participate in games and earn benefits from the engagement, and extended reality where users can interact with products virtually for purchase decisions. Such features promote user stickiness to the mobile and web apps, which retains customers and improves brand loyalty.

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)


Digitalisation efforts have been seen in various industries, with some examples as follows:

- Healthcare – Health and medical consultation, prescription of medication, as well as assessment of health conditions through mobile and web apps enable consumers to seek medical assistance virtually and immediately without the need to be physically present at medical facilities. Patients' electronic health records can also be retrieved for reference, thereby reducing administrative tasks by medical practitioners.
- Real estate – Mobile and web apps which incorporate various property technologies enhance the efficiency of buying, selling, renting and management of properties. The property technologies include amongst others, virtual reality which allows prospective buyers / tenants to view properties without the need to be physically present; and big data analytics which generate insights on home prices, home value trends and the potential value of certain locations to expedite decision making amongst prospective buyers.
- Financial services – Mobile and web apps such as banking apps and trading apps provide users with convenience as users are able to immediately and remotely access financial services, amongst others, view current balance and transaction history, transfer funds, make bill / loan payments and manage investment portfolios. Related to the above, the number of mobile banking subscribers in Malaysia reached 24.53 million subscribers as of March 2022¹.

The outbreak of the COVID-19 pandemic has further driven the usage of mobile and web apps among businesses as they are urged to undertake or accelerate digitalisation efforts for business sustainability in the changing business environments as a result of the pandemic. Organisations have also implemented employee collaboration apps to maintain effective communication among employees while they are working from home; and businesses which conduct sales and marketing activities on a face-to-face manner are adopting e-commerce and / or video conferencing apps to carry out online marketing activities for their products and services.

► **Continuous technology advancement drives businesses to continuously adopt new, or upgrade, existing mobile and web apps using the latest technologies**

The mobile and web app development industry has undergone rapid technology advancement, in tandem with new and more robust technologies introduced in the market such as cloud computing and storage, big data analytics and blockchain. Businesses and organisations have integrated these new technologies into mobile and web apps to improve decision making, enhance user experience and stickiness, and increase the security of the apps.

The advancement in cloud computing and storage enables collection, aggregation and storage of large amounts of data on the internet at a lower cost, as it eliminates the need for companies to own and maintain expensive IT infrastructure, making it more affordable for companies to store data for analysis. In addition, the advancement in big data analytics enables analysis of large and complex data such as customer behaviour data which allows for a fast and accurate delivery of insights for business decision making. With the integration of these 2 technologies in mobile and web apps, data collected through app usage can be extracted, analysed and transformed into insights which allow businesses and organisations to make data-driven action plans and decisions.

Due to the COVID-19 pandemic, many large-scale company meetings have been conducted virtually since 2020. For instance, many public listed companies in Malaysia have been holding virtual AGMs / EGMs to meet their obligations under the law and with shareholders as well so as to comply with physical distancing rules. These AGMs / EGMs are held on remote participation and voting apps which can be developed using blockchain technology, for shareholders or proxies to exercise their rights to participate, pose questions and vote remotely in a secure manner.

As technology continues to evolve, there will be continuous demand from businesses and organisations for new or upgraded mobile and web apps which are more robust and with enhanced functions to assist in realising their digitalisation plans. This will in turn create growth opportunities in the mobile and web app development industry.

► **Implementation of digital transformation initiatives by the Government of Malaysia drives the mobile and web app development industry**

The Government of Malaysia has introduced initiatives to support business digitalisation efforts which drive the mobile and web app development industry. The latest blueprint introduced to accelerate the growth of the digital economy is known as the Malaysian Digital Economy Blueprint ("MyDigital"), which was launched on 19 February 2021. The blueprint serves as a foundation for Malaysia's transformation into a "regional digital pulse" by 2030 with some targets listed below:

¹ Source: Bank Negara Malaysia (Latest available as at 23 May 2022)

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

SMITH ZANDER

- Accelerating digitally-powered businesses by having 875,000 micro, small and medium enterprises (“SME”) adopt e-commerce, attracting local and foreign companies into the country, investing RM70.00 billion in digitalisation, and increasing the number of start-ups to 5,000; and
 - Accelerating a digitally enabled government by having 100.00% of government servants possess digital literacy, 80.00% of end-to-end government services available online, all ministries and agencies to provide cashless payment options and 80.00% usage of cloud storage across the Government of Malaysia in 2022.
- In the Budget 2021, in support of automation and modernisation, the Government of Malaysia allocated funds amounting to RM150.00 million to businesses, including micro enterprises, SMEs and start-ups that have been operating for at least 6 months under the SME Digitalisation Grant Scheme and the Automation Grant. Further in the Budget 2022, the Government of Malaysia allocated RM200.00 million with RM50.00 million dedicated towards Bumiputera micro entrepreneurs in rural areas in the SME Digitisation Grant Scheme initiative. These budget allocations will continue to drive businesses to digitalise business functions, including the adoption of mobile and web apps, thereby driving the mobile and web app industry.

Key Industry Risks and Challenges

► **Dependency on the availability of software developers who are equipped with knowledge and skills in the latest technologies**

As the technologies used for the development of mobile and web apps have been rapidly evolving, it is crucial for industry players in the mobile and web app development industry to hire and retain software developers who are equipped with knowledge and skills in the latest technologies. The basic skillsets which are required by software developers include backend and user interface design, cross platform app development, backend computing and programming language skills, amongst others. In addition to being equipped with these skillsets, software developers are also required to stay abreast with the latest technologies in the market, and integrate these technologies into mobile and web apps to enhance functionality and features. Any failure of the industry players to hire and / or retain skilled software developers may lead to losing competitive edge and eventually affecting ability to secure projects.

► **Competition amongst industry players**

The mobile and web app development industry is fragmented and competitive due to the large number and fragmented nature of industry players including large companies and SMEs which develop mobile and web apps for businesses.

The factors affecting businesses’ decisions to appoint developers are price, ability to provide suitable digital solutions, project track record, customer service and after-sales service. Industry players need to maintain their competitive edge by taking measures such as providing apps which are robust and user friendly, ensuring good customer and after-sales service, and employing effective marketing strategies. Any failure on the industry players’ part to remain competitive would lead to reduced sales and impact their profitability.

► **Users’ privacy and security concerns towards mobile and web apps**

A major concern that deters users from engaging in mobile apps and web apps is the privacy and security in their personal data when downloading mobile apps and registering accounts which often requires users to provide their personal information. The accessibility and connectivity aspects of mobile and web apps render the industry vulnerable to threats from hackers, who may mount attacks on the providers’ network to steal confidential information.

The Personal Data Protection Act 2010 was introduced to regulate the processing of personal data by data users in commercial transactions, and to safeguard the interests and rights of individuals or data subjects. This regulation applies to anyone who processes the personal data of an individual in commercial transactions. Aside from the negative publicity, penalties for non-compliance include fines and / or imprisonment.

Hence, it is crucial for mobile app and web app development industry players or owners to place importance on this aspect, as the breach of security which leads to misuse of personal data could have a negative impact on the industry player’s or owners’ business operations and financial performance.

3 COMPETITIVE OVERVIEW OF THE MOBILE AND WEB APP DEVELOPMENT INDUSTRY IN MALAYSIA

Competitive Landscape

The mobile and web app development industry in Malaysia is competitive due to the large number and fragmented nature of industry players which are involved in the development of mobile and web apps.

Mobile and web apps are developed by:

- Software development companies whose principal activities include the development of mobile and web apps, and may provide related services (e.g. provision of digital platform-based services and provision of

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)


subscription, hosting, technical support and maintenance services) to businesses and organisations, such as Agmo Group. These companies are typically involved in the development of enterprise apps and commercial apps and are the service providers for businesses and organisations seeking digital solutions and app development;

- IT services companies which are involved in IT services such as IT infrastructure services, cybersecurity services, cloud computing, data management and analytics, and process automation. These players may include the development of mobile and web apps as part of their service offerings. Examples of these companies include Accenture Solutions Sdn Bhd, CogDev Malaysia Sdn Bhd, FPT Software Malaysia Sdn Bhd, IBM Malaysia Sdn Bhd, Microlink Solutions Berhad and Tata Consultancy Services Malaysia Sdn Bhd;
- Digital marketing companies which are involved in providing solutions across marketing, digital transformation and strategies, search engine optimisation, e-commerce solutions, social media management, design services and data analytics. These players may include the development of mobile and web apps as part of their service offerings. Examples of these companies include Capslock Pixel Sdn Bhd, Forelogix Sdn Bhd, Magnus Digital Sdn Bhd and Vintedge Sdn Bhd; and
- Companies that are involved in e-commerce, ride-hailing, food delivery, hospitality, gaming, audio streaming and media services, whose businesses typically revolve around the usage of mobile and web apps by consumer end-users. These companies may develop commercial and consumer mobile and web apps through their in-house IT teams, or may outsource the development of the apps to external app developers, or a combination of both.

The mobile and web app development industry in Malaysia comprises both local and foreign industry players. Foreign industry players may establish local entities in Malaysia to support their business operations. They may also deploy services from their base countries to customers' sites in Malaysia without establishing local entities as their business operations are not subject to locality restrictions. Examples of foreign app development companies without local entities in Malaysia include IPIX Technologies Pvt Ltd and RootSquare Technologies Pvt Ltd which operate from India, and Neshes Global Inc which operates from the United Kingdom.

Industry players compete in terms of price, ability to provide suitable digital solutions, project track record, customer service and after-sales service. The barriers to entry are generally low, if a new industry player intends to operate a small technical team and develop mobile and web apps without extensive and complex functionalities. Nevertheless, to remain competitive in the industry and to have a sustainable business over the long term, industry players are required to hire and retain software developers who are equipped with knowledge and skills in the latest technologies due to the rapidly evolving industry. Further, industry players are required to continuously improve their service quality, ensuring good customer and after-sales service, and employing effective marketing strategies to maintain their competitive edge.

Closest Competitors to Agmo Group

Agmo Group is a software development company whose solutions involve digitalising customers' business operations through the development of mobile and web applications as well as provision of digital platform-based services. As such, the basis for selection of the closest competitors to Agmo Group is as follows:

- Software development companies incorporated in Malaysia which are involved in the development of mobile and web apps, and may provide related services (e.g. provision of digital platform-based services and provision of subscription, hosting, technical support and maintenance services) for businesses and organisations; and
- Companies which recorded more than RM1.00 million in revenue based on their respective latest available financial years.

The closest competitors below were identified by SMITH ZANDER on the abovementioned basis based on the research carried out by SMITH ZANDER and the availability of information. It is not an exhaustive list and it is important to note that Agmo Group competes with their closest competitors listed below as well as other industry players that are not included in this list, but which have been mentioned in page 6 of this IMR Report. For example, Agmo Group also competes with IT services companies and digital marketing companies with mobile and web app development as part of their service offering, however, these companies are excluded as closest competitors to Agmo Group as they are principally involved in other business activities. Further, Agmo Group also competes with foreign industry players which provide mobile and web app development services from their base countries to customers' sites in Malaysia without establishing local entities, however, these companies are excluded as closest competitors to Agmo Group as they are based in other countries.

Details on the business activities and financial information of the closest competitors to Agmo Group identified based on the basis for selection above are disclosed as follows:

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

| Company name | Business activities | MSC Status | Latest available financial year | Revenue (RM'000) | Gross profit (RM'000) | Gross profit margin (%) | Profit after tax (RM '000) | Profit after tax margin (%) | Effective tax rate (%) |
|--|--|------------|---------------------------------|------------------|-----------------------|-------------------------|----------------------------|-----------------------------|------------------------|
| Ciro Solution Sdn Bhd | Mobile and web app development | No | 31 December 2020 | 17,506.01 | 6,739.32 | 38.50 | 1,634.05 | 9.33 | 16.44 |
| Agmo Group | Mobile and web app development, provision of digital platform-based services, provision of subscription, hosting, technical support and maintenance services | Yes | 31 March 2022 | 16,525.00 | 7,380.00 | 44.70 | 6,738.00 | 40.80 | 3.10 |
| Ingenious Lab Sdn Bhd | Mobile and web app development | Yes | 30 June 2021 | 7,697.27 | 3,091.07 | 40.16 | 2,680.85 | 34.83 | 1.24 |
| Snappymob Sdn Bhd | Mobile and web app development, marketing consultancy, technical support and maintenance services | Yes | 31 December 2020 | 3,425.30 | 3,230.87 | 94.32 | -96.37 | -2.81 | -8.41 ⁽ⁱ⁾ |
| The Mobile Life Sdn Bhd | Mobile and web app development, development of backend, product management, system architecture, cloud hosting, cyber security, project management and support and maintenance | No | 31 December 2020 | 3,099.55 | 1,102.12 | 35.56 | 427.14 | 13.78 | 13.87 |
| Suria Labs Development Sdn Bhd | Mobile and web app development, blockchain solutions | Yes | 31 October 2019 | 2,967.61 | 2,603.76 | 87.74 | -219.22 | -7.39 | -2.48 ⁽ⁱ⁾ |
| Lizard Apps Malaysian Development Centre Sdn Bhd | Mobile and web app development, technical and digital consultancy, digital marketing strategy consultancy | Yes | 31 December 2020 | 2,752.54 | 350.41 | 12.73 | 324.41 | 11.79 | 7.42 |
| Fireworks Solutions Sdn Bhd | Mobile and web app development, digital marketing consultancy | Yes | 30 June 2020 | 1,661.75 | 818.47 | 49.25 | 30.11 | 1.81 | 23.95 |
| Alphapod Sdn Bhd | Mobile and web app development, system integration and development | Yes | 31 December 2020 | 1,426.20 | 1,224.79 | 85.88 | -29.54 | -2.07 | -216.55 ⁽ⁱ⁾ |

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

| Company name | Business activities | MSC Status | Latest available financial year | Revenue (RM'000) | Gross profit (RM'000) | Gross profit margin (%) | Profit after tax (RM '000) | Profit after tax margin (%) | Effective tax rate (%) |
|-----------------------------------|--|------------|---------------------------------|------------------|-----------------------|-------------------------|----------------------------|-----------------------------|--------------------------------|
| Ant Internet Sdn Bhd | of backend and application programming interface Mobile and web app development, strategy consultancy, revenue model digitalisation | No | 31 December 2020 | 1,350.51 | 538.34 | 39.86 | 74.18 | 5.49 | Not applicable ⁽ⁱⁱ⁾ |
| Lava X Technologies Sdn Bhd | Mobile and web app development, technical consultancy | No | 31 December 2020 | 1,076.64 | 1,076.64 | 100.00 ⁽ⁱⁱⁱ⁾ | 108.94 | 10.12 | 16.98 |
| Virtual Spirit Technology Sdn Bhd | Mobile and web app development, business technology consultancy, artificial intelligence and blockchain solutions | No | 30 June 2020 ^(iv) | 1,063.56 | 312.14 | 29.35 | 105.01 | 9.87 | 23.05 |

Notes:

- Latest available as at 23 May 2022.
- (i) Recorded a negative profit before tax in the latest available financial year. Hence, a negative effective tax rate was recorded.
- (ii) Ant Internet Sdn Bhd has no chargeable income in the latest available financial year. Hence the effective tax rate could not be tabulated.
- (iii) Lava X Technologies Sdn Bhd has no cost of sales recorded in the latest available financial year. Hence, the GP margin was recorded at 100.00%.
- (iv) The review for this financial year is based on the audited financial period beginning 6 March 2019 to 30 June 2020.

Sources: Agmo Group, various company websites, CCM, SMITH ZANDER analysis

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8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)

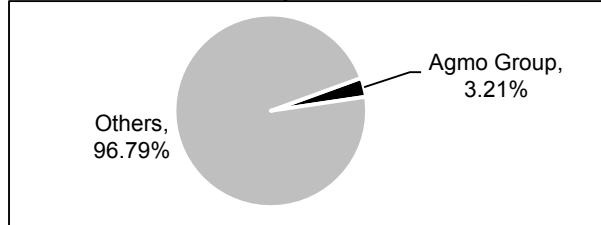


Market Share

In 2021, the size of the mobile and web app development industry in Malaysia was recorded at RM514.21 million.

For the financial year ended 31 March 2022, the revenue of Agmo Group was recorded at RM16.53 million and thereby Agmo Group captured a market share of 3.21% in Malaysia.

Mobile and web development market share, 2021

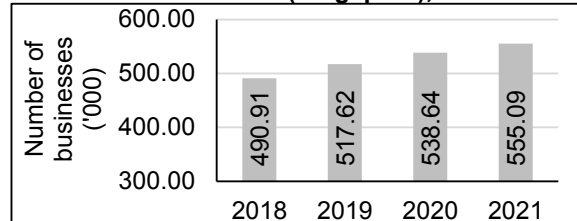


Sources: Agmo Group, SMITH ZANDER analysis

4 MOBILE AND WEB APP DEVELOPMENT INDUSTRY IN SINGAPORE

Singapore has one of the world's most business-friendly regulatory environment for local entrepreneurs and foreign entities, as evident by its 2nd ranking in the ease of doing business by the World Bank Group. It is also one of the key global financial centres and a regional base for many technology-related multinationals such as Microsoft, Oracle, Amazon Web Services and Google. The number of businesses (i.e. companies, sole proprietorships and partnerships) in Singapore increased from 490,911 in 2018 to 555,090 in 2021, at a CAGR of 4.18%, which indicates the growth potential of the mobile and web app development industry in Singapore as businesses adopt mobile and web apps to digitalise their businesses to remain competitive.

Number of businesses (Singapore), 2018 – 2021



Source: Accounting and Corporate Regulatory Authority, Singapore

The Government of Singapore also launched several initiatives to drive business digitalisation, including the adoption of mobile and web apps. The SMEs Go Digital programme, which was launched in 2017, aims to accelerate the digital transformation of SMEs in Singapore. There are several initiatives launched under the SMEs Go Digital programme, namely:

- Start Digital Pack – to provide newly incorporated SMEs or those who have yet to digitalise their businesses with competitively priced digital solution packages to help them start their digitalisation journey;
- Grow Digital – to enable SMEs to participate in various e-commerce platforms that have regional or global reach to sell their products without the need for physical presence;
- Industry Digital Plans – to provide SMEs with step-by-step guide in adopting digital solutions and training programmes to enhance employees' digital skills, and provide up to 80% grant support to SMEs for adopting digital solutions recommended in the Industry Digital Plans;
- SME Digital Tech Hub – to provide digital technology advisory to SMEs in specialised areas, including data analytics, cybersecurity, artificial intelligence and internet of things; and
- Chief Technology Officer-as-a-service – to explore and provide SMEs with digital solutions, digital advisory and project management services.

In the Budget 2022, the Government of Singapore announced several more initiatives to help accelerate the digital transformation of SMEs to seize growth opportunities in the digital economy. These initiatives include:

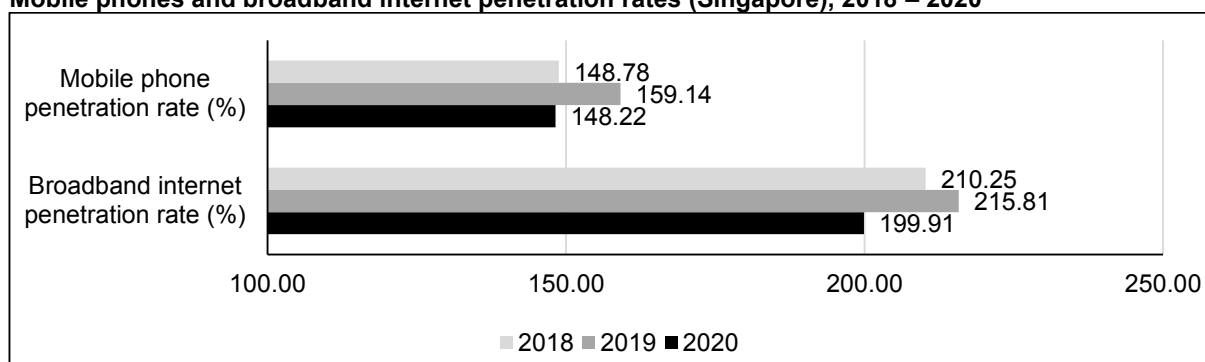
- Extending the Advance Digital Solution Programme that was introduced in 2020 and provide up to 80% grant support to SMEs for the adoption of advanced technologies (e.g. artificial intelligence, robotics, blockchain and internet of things) and integrated solutions (e.g. business-to-business (B2B) solutions that integrate inventory management, e-invoicing and e-payments); and
- Implementation of TechSkills Accelerator to develop a skilled information and communications technology (ICT) workforce for the economy of Singapore and enhance employability outcomes for individuals.

Further, the mobile and web app development industry in Singapore is also driven by the digitalised consumer behaviour, as mobile devices such as smartphones and tablets have become essential part in everyday lives for the general public to perform many daily activities. This is evident by the mobile phone (comprising pre-paid and post-paid) penetration rate and broadband internet penetration rate which both exceeded 100.00% for the period between 2018 and 2020, indicating the usage / subscription of more than 1 mobile phones and broadband internet packages by some individuals in Singapore. The slight decrease in mobile phone and broadband internet penetration rates in 2020 may be due to users not using or unsubscribing the additional subscriptions as a cost reduction measure in view of the COVID-19 pandemic.

8. INDEPENDENT MARKET RESEARCH REPORT (CONT'D)



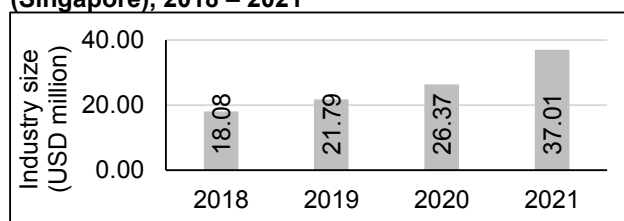
Mobile phones and broadband internet penetration rates (Singapore), 2018 – 2020 ²



Source: Department of Statistics Singapore

Premised on the above, the size of the mobile and web app development industry in Singapore, measured in terms of sales revenue, increased from USD18.08 million in 2018 to USD37.01 million in 2021, at a CAGR of 26.97%. As of 21 May 2022, there were 6,159 apps available for download in Singapore, with an estimated 18.91 billion total downloads.

Mobile and web app development industry size (Singapore), 2018 – 2021



Source: Singapore Mobile and Web App Development Market by Allied Market Research

5 OUTLOOK AND PROSPECTS

The size of the mobile and web app development industry in Malaysia and Singapore is represented by the sales revenue of mobile and web app development. The sales revenue of mobile and web app development in Malaysia increased from RM269.08 million in 2018 to RM514.21 million in 2021, at a CAGR of 24.09%, while the sales revenue of mobile and web app development in Singapore, increased from USD18.08 million in 2018 to USD37.01 million in 2021, at a CAGR of 26.97%.

The mobile and web app development industry is expected to continue on its strong growth trajectory, driven by digitalised consumer behaviour and attachment to mobile devices by the general public to perform daily activities, digitalisation of businesses as businesses are urged to undertake or accelerate digitalisation efforts for business sustainability in the changing business environment, continuous technology advancement which drives businesses to continuously adopt new or upgrade existing mobile and web apps, and the implementation of digital transformation initiatives by the Government of Malaysia and the Government of Singapore.

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² Latest available as at 23 May 2022.

9. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING KEY RISK FACTORS WHICH MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE INVESTING IN OUR COMPANY.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS**9.1.1 The project-based nature of our business and / or the timing of delivery may lead to fluctuations in our Group's revenue, profit and operating cash flow**

Our revenue is derived from the provision of mobile and web application development; digital platform-based services; as well as subscription, hosting, technical support and maintenance services. Amongst these services, the provision of our application development and digital platform-based services (particularly Vote2U) are carried out on project basis and per-usage / per-event basis respectively, whereby these business activities collectively contributed approximately 94.3% to our Group's total revenue in FYE 2019, 87.1% in FYE 2020, 88.2% in FYE 2021 and 85.6% in FYE 2022.

Our revenue from the delivery of the application development projects is recognised upon issuance of invoices based on project delivery milestones over the tenure of the projects. As such, the timing of project delivery will affect our billing schedule which will in turn affect our revenue recognition, and may cause our profit and operating cash flow to fluctuate. Our application development projects generally range for a period of 3 months to 6 months for a single phase, depending on the complexity of the project. Any enhancements or upgrades are subject to our customers' operational needs and business decisions, which may be dependent on the user adoption rate of the application, additional features required based on feedback by end-users and the customer's budget. On the other hand, our revenue from Vote2U is based on each event / usage by our customers on the pre-agreed rates with our Group.

Our Group's inability to secure new projects and customers for these business segments in a timely manner will materially affect our Group's overall profitability and financial performance. Since the commencement of our business and up to the LPD, our Group has not experienced any shortage of projects that has adversely affected the revenue of our Group. Hence, the non-recurrent nature of application development projects and digital platform-based services (particularly Vote2U) secured from customers may cause our revenue, profit and operating cash flow to fluctuate.

9.1.2 We are dependent on our Executive Directors and key senior management team for continued success and growth of our business

Since inception, the success of our Group has been attributed to the experience, industry knowledge and network, and skills of our Executive Directors and key senior management. The growth and future success of our Group will continue to be dependent on the continuous contribution from Tan Aik Keong for his leadership in setting the strategic direction and driving the business development of our Group. Additionally, we also attribute our continuous success to the abilities, skills, experience and efforts of Low Kang Wen and Tham Chin Seng, in assisting Tan Aik Keong in implementing operational strategies and policies. Further, we are also dependent on the continued service of Cynthia Wong Yoke Wah, who possesses the relevant knowledge in finance, human resources and administrative matters to support our business operations. Please refer to Sections 5.1.2 and 5.4.2 of this Prospectus for the profiles of our Executive Directors and key senior management respectively.

9. RISK FACTORS (CONT'D)

As such, the loss of any of our Executive Directors and key senior management simultaneously or within a short period may create an unfavourable impact on our Group's operations and the future growth of our business. All of which may eventually affect the results of operations, financial performance and prospects of our Group, if we are unable to replace or attract suitable talents in a timely manner.

9.1.3 We are dependent on our software development team

The provision of mobile and web application development, as well as subscription, hosting, technical support and maintenance services, require the expertise of our software development team who are equipped with extensive technical knowledge as well as experience in various technology and software for application development such as Adobe Creative Suites, MarvelApp, Figma, C# .NET, VS Code, Visual Studio and other development toolkits and software detailed in Section 7.4(i) of this Prospectus. As at the LPD, we have a total 64 in-house software developers, of which 59 are permanent employees, while the remaining 5 are contract employees.

Our ability to retain and to attract competent and skilled software developers is crucial for our continued success, future business growth and expansion. Any loss of our software developers and our inability to find suitable replacements in a timely and cost-efficient (i.e. at competitive salary rates which are within our hiring budget) manner may cause disruptions to our project deliverables. Consequently, if our Group is unable to adhere to our project delivery schedules due to loss of any of our software developers, our project delivery milestones may be delayed, which may consequently affect our revenue recognition. Any delays to our project delivery schedules may lead to dissatisfaction from our customers and may impact our ability to secure future projects from these customers. Additionally, we may lose our competitive edge if we are unable to recruit competent and skilled software developers at a rate consistent with our business growth. In the Financial Years Under Review, the turnover rates of our software development team were 56.6%, 39.0%, 25.7% and 35.4% respectively. During the same period, there were instances whereby we face resource constraints which led to our Group outsourcing some development works to third party developers, details of which are set out in Section 7.3.1 of this Prospectus.

9.1.4 We may not be able to successfully implement our business strategies

We plan to grow our Group's business by expanding and enhancing our service offerings, through our business strategies and future plans as follows:

- (i) investing in a dedicated R&D division;
- (ii) investing in a dedicated sales, marketing and business development team;
- (iii) investing in a dedicated technical support and maintenance services division;
- (iv) establishing a training and development centre;
- (v) expanding our regional presence in Singapore; and
- (vi) expanding our mobile and web application development and digital platform-based services.

In order to successfully implement these business strategies, we are required to attract suitable talents, intensify our R&D activities and increase our sales and marketing activities. Please refer to Section 7.8 of this Prospectus for further details of our business strategies.

9. RISK FACTORS (CONT'D)

The execution of our business strategies is subject to additional expenditures including operational expenditures, capital expenditures and other working capital requirements. Such additional expenditure will increase our Group's operational cost including overhead costs, which may adversely affect our profit margin if we are unable to gain sufficient revenue by securing more sales or projects following the implementation of our business strategies. Furthermore, the implementation of our business strategies may be influenced by factors beyond our control, such as changes in general market conditions, economic climate as well as political environment in Malaysia, Hong Kong, Singapore and countries in which our customers are domiciled, which may affect the commercial viability of our business strategies. The implementation of our business strategies could also be adversely affected by a variety of other factors such as new and unforeseen technologies used or introduced by our competitors or attractive pricing offered by our competitors, which may affect the attractiveness of our offerings.

Hence, there can be no assurance that the effort and expenditures spent on the implementation of our business strategies will yield expected results in growing our business in terms of financial performance and market presence. We are not able to guarantee that we will be successful in executing our business strategies, nor can we assure that we will be able to anticipate all the business, operational and industry risks arising from our business strategies. Such failure may lead to adverse effect on our business operations and financial performance.

9.1.5 We may be exposed to the risk of security breaches

Our customers who engage our subscription and hosting services, have their personal information and all data generated stored on third party cloud platform(s). Further, our customers who engage our RPV service through Vote2U, have data and information such as personal details of voters and attendees as well as voting results of the AGMs and / or EGMs stored on a third party cloud platform. Storage of data electronically may expose our database to external security threats such as malware attacks, hacking, espionage or cyber intrusions, as well as internal security breaches which include unauthorised access to restricted information by our employees.

Further, under the Personal Data Protection Act 2010, any service provider that collects customer information has the responsibility to adopt and implement a policy that protects the privacy of identifiable information. Failure to protect our customers' information from security breaches may result in the termination of subscriptions by our customers as well as exposure to legal action by the customers for breach of confidentiality including, but not limited to, lawsuits for damages arising from such breaches, which could adversely affect our business reputation. The Personal Data Protection Act 2010 is applicable to all our business activities, comprising development of mobile and web applications, provision of digital platform-based services and provision of subscription, hosting, technical support and maintenance services.

Our Group offers subscription and hosting services for storage of customers' information on several third party cloud computing platforms which our Group partners with, namely Microsoft Azure, AWS and Huawei Cloud. However, in the event where there are security breaches on Microsoft Azure, AWS and / or Huawei Cloud which lead to leakage of our customers' information to unauthorised parties, as a partner involving in selling their subscription and hosting services, our reputation and relationship with our customers may be adversely affected. Additionally, Our Group may be subjected to lawsuit, if the security breaches are caused by our Group's negligence. Further, it may also lead to loss of customers' confidence in our Group which will adversely affect our industry reputation.

While we have taken the necessary measures to minimise the risk of potential security breaches such as the usage of firewalls, secured coding practices, automated patching infrastructure (which enable automated process of correcting an issue without the need of amending the software programming) and security monitoring software (which enables automated monitoring and alerting to system administrators if any violation or breach to the software system is detected), there can be no assurance that there will not be cases of security breaches in the

9. RISK FACTORS (CONT'D)

future which could lead to adverse impact to our Group as described above. Since the commencement of our business and up to the LPD, there has been no occurrence of security breaches which led to leakage of customers' information.

9.1.6 Our intellectual property rights may be infringed and / or we may inadvertently infringe on third party's intellectual property rights

We retain the ownership rights of the applications and systems developed by us that relates to system and method for conducting election using blockchain technology. Our Group had on 29 May 2019 submitted a patent application with the title of "system and method for conducting election" to the MyIPO. This patent application covers any current and future invention by our Group in relation to systems and methods for conducting elections based on blockchain technology. This includes the e-voting mobile application developed in collaboration with Multimedia University which was launched in 2019.

As at the LPD, our patent application is pending approval. As such, our e-voting mobile application for Multimedia University is exposed to infringement by external party(s). Nevertheless, after we receive the relevant approvals for the patent application, there can also be no assurance that our intellectual property rights will adequately protect against any external infringement of the e-voting mobile application for Multimedia University, as well as any future applications related to conducting elections based on blockchain technology.

Further, for all other applications developed by our Group, including all on-going and future enhancements and modifications, there are also possibilities that we could inadvertently infringe intellectual property rights held by third party(s). This would result in the risk of the third party challenging our Group's intellectual property rights or taking legal action against us.

There is no assurance that any of the above incidents will be resolved in our favour. In the event that we are unsuccessful in pursuing any action against third party infringers, or a third party has successfully established that we have infringed its intellectual property, we may suffer significant loss arising from financial penalties and / or litigation costs. We may also be exposed to other risks such as adverse reputation and / or being prevented from selling any of our applications which may impact our range of offerings and financial performance. Since the launching of the e-voting mobile application for Multimedia University in 2019, our Group has not encountered any issues relating to the infringement of our intellectual property rights.

However, our Group has encountered an instance of inadvertent infringement of a third party's intellectual property rights in 2020 as a result of a development of a mobile application by Agmo Studio which inadvertently incorporated trademarks and copyrights of a third party corporation ("**Third Party**") without its consent. Third Party's lawyer wrote to Agmo Studio on 31 December 2020 and requested us to, amongst others, cease all unauthorised use of all the trademarks and copyrights works. They had also requested Agmo Studio to pay Third Party a sum of HKD30,000 as compensation. Agmo Studio had immediately taken down the mobile application from the App Store and Google Play Store upon receiving the letter from Third Party's lawyer. Agmo Studio had on 5 January 2021 replied to the said lawyer to provide explanation and undertake to cease using the trademarks and copyrights from there on. Third Party's lawyer responded on 24 August 2021 that should the mobile application remain taken down, there will be no further actions to be taken against Agmo Studio. The matter has been resolved between Agmo Studio and Third Party without the likelihood of any legal or financial implications on our Group and the payment of HKD30,000 as compensation is not required to be made to Third Party as the matter has been resolved. As at the LPD, the management is not aware of any inadvertent infringement by our Group of any third parties' intellectual property rights which remains unresolved.

9. RISK FACTORS (CONT'D)

9.1.7 Our financial performance may be impacted after the expiration of our Pioneer Status, and / or by any changes in the conditions or loss of MSC Malaysia status

In 2012, our subsidiary, Agmo Studio was awarded the MSC Malaysia status. Presently, all MSC Malaysia status companies are granted with certain financial and non-financial incentives. MDEC is the responsible body for monitoring all MSC Malaysia status companies, and MDEC has the right to revoke a company's MSC Malaysia status at any time in the event that there is non-compliance of the stipulated conditions.

Pursuant to the MSC Malaysia status, we were granted Pioneer Status which entitles us to a 100% exemption on taxable statutory income derived from approved MSC activities in the first 5 years upon the grant of MSC Malaysia status. Upon the expiry of the first 5 years, the grant of tax exemption can be renewed for a further period of 5 years. Please refer to Section 7.20 of this Prospectus for the salient conditions imposed by MDEC on our MSC Malaysia status and MITI on our Pioneer Status respectively.

Our Pioneer Status, which was effective from 11 December 2012, had expired on 10 December 2017. On 6 December 2017, we received the approval for renewal of the Pioneer Status effective from 11 December 2017 to 10 December 2022. This has allowed Agmo Studio to continue to be 100% exempted from taxation on its statutory income derived from approved MSC activities until the expiry of the Pioneer Status. However, upon the expiry of the Pioneer Status on 10 December 2022 which can no longer be renewed, Agmo Studio will be subjected to the applicable statutory tax rate going forward, which may affect the overall profitability of our Group. The table below illustrates the impact to our Group's PAT in the event that Agmo Studio did not enjoy the 100% tax exemption under the Pioneer status in the Financial Years Under Review:

| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
|------------------------|----------|----------|----------|----------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| PAT | | | | |
| With Pioneer Status | 2,411 | 2,496 | 4,004 | 6,738 |
| Without Pioneer Status | 1,823 | 1,878 | 2,772 | 4,919 |
| | % | % | % | % |
| PAT reduction | | | | |
| Without Pioneer Status | 24.4 | 24.8 | 30.8 | 27.0 |

Please refer to Section 12.3.2(ix) of this Prospectus for further details on our Group's taxation and effective tax rate for the Financial Years Under Review.

Further, there can be no assurance that we will continue to retain our MSC Malaysia status or to enjoy the access to incentives granted to all MSC Malaysia status companies. There can also be no assurance that the incentives will not be changed or modified in the future. All of these could have an adverse effect on our Group's financial performance.

9.1.8 We are exposed to foreign exchange transaction risks which may impact the profitability of our Group

For the Financial Years Under Review, our local sales were the largest contributor to our Group's revenue at approximately 84.2%, 76.7%, 80.8% and 87.5% respectively. Our customers are primarily based in Malaysia with an exception for a few foreign customers that are from Singapore, Hong Kong, Sri Lanka, Cambodia, People's Republic of China, Germany, United Kingdom and Vietnam based on their countries of domicile. For the Financial Years Under Review, our Group had 14 foreign customers. Revenue generated from certain customers in Cambodia, Hong Kong, Singapore and Vietnam were denominated in USD and SGD; while revenue generated from local customers and the remaining customers from overseas markets were denominated in RM.

9. RISK FACTORS (CONT'D)

For the Financial Years Under Review, our purchases for supplies and services comprise subscription and hosting services from third party cloud computing platforms and other services / charges which include outsourced development services, application charges, software licences and live streaming expenses. Some of the supplies and services purchased from overseas suppliers comprising subscription and hosting services, application charges and software licences were denominated in USD, while the remaining purchases from overseas suppliers and local suppliers were denominated in RM.

The breakdown of our revenue and purchases by currencies in the Financial Years Under Review are as follows:

| Currency | Audited | | | | | | | |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Revenue | | | | | | | | |
| RM | 4,772 | 87.8 | 5,317 | 85.6 | 7,872 | 87.1 | 14,785 | 89.5 |
| USD | 663 | 12.2 | 897 | 14.4 | 1,002 | 11.1 | 1,416 | 8.5 |
| SGD | - | - | - | - | 166 | 1.8 | 324 | 2.0 |
| Total | 5,435 | 100.0 | 6,214 | 100.0 | 9,040 | 100.0 | 16,525 | 100.0 |
| Purchases | | | | | | | | |
| RM | 284 | 81.8 | 308 | 88.8 | 783 | 86.8 | 1,341 | 88.3 |
| USD | 63 | 18.2 | 39 | 11.2 | 119 | 13.2 | 178 | 11.7 |
| Total | 347 | 100.0 | 347 | 100.0 | 902 | 100.0 | 1,519 | 100.0 |

Our Group does not hedge our exposure to fluctuations in foreign currency exchange rates. Further, as at the LPD, we have not entered into any forward foreign exchange contracts. As such, we are subject to foreign exchange fluctuation risk for our revenue and purchases denominated in foreign currencies which we transact.

A depreciation of the RM against the currencies which we transact will lead to higher revenue in RM after conversion, whereas it will also lead to higher cost of purchases in RM after conversion. Conversely, appreciation of the RM against the currencies which we transact will lead to lower revenue and lower cost of purchases in RM after conversion. Overall, our foreign exchange gains and losses for the Financial Years Under Review are as follows:

| Foreign exchange gain / (loss) | Audited | | | |
|--------------------------------|------------|-----------|----------|-------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Realised gain / (loss) | (6) | # | 2 | (19) |
| Unrealised gain / (loss) | - | 12 | (1) | 3 |
| Total | (6) | 12 | 1 | (16) |

Note:

Less than RM1,000

9. RISK FACTORS (CONT'D)

Our Group has generally been able to pass on increase in cost arising from foreign exchange rates to customers by factoring the impact of foreign exchange rate in the quotation to our customers

9.1.9 The demand for our RPV services via Vote2U may be affected when the COVID-19 pandemic subsides

In May 2020, we launched a blockchain-based RPV application, namely Vote2U, which allows public listed companies to conduct AGMs and EGMs virtually, as well as events that require identity verification and audit trails such as virtual meetings for creditors and private and public associations. In view of the movement restrictions and physical distancing measures introduced by the Government to curb the spread of COVID-19, Vote2U has become a viable option for organisations to hold virtual large-scale events that involve large groups of participants. As at the LPD, we have hosted more than 90 AGMs and EGMs for public-listed companies in Malaysia through Vote2U. The launch of Vote2U has also created a new revenue stream for our Group and enabled us to venture into the digital platform-based services business. The revenue derived from the provision of our RPV services via Vote2U was approximately RM0.70 million or 7.8% of our total revenue for FYE 2021 and RM1.15 million or 7.0% of our total revenue for FYE 2022.

However, as movement restrictions and physical distancing measures are being uplifted gradually, organisations such as public listed companies and private and public associations may gradually revert to conducting AGMs, EGMs and meetings physically. As such, the demand for virtual events and meetings may be reduced when the COVID-19 pandemic subsides, and thus, the revenue generated from Vote2U may be adversely impacted, which will in turn affect our overall financial performance.

9.1.10 We are exposed to credit risk and default payment by customers

We generally grant our customers credit periods between 30 days to 90 days upon issuance of invoices. In the event that payment is not received within the credit period or there is a default in payment by our customers, our operating cash flows or financial results of operations may be adversely affected.

Our impairment loss on trade receivables and bad debt written off for the Financial Years Under Review are as follows:

| | Audited | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | FYE 2019 RM'000 | FYE 2020 RM'000 | FYE 2021 RM'000 | FYE 2022 RM'000 |
| Impairment loss on trade receivables / (Reversal of impairment loss on trade receivables) ⁽¹⁾ | 11 | (11) | 225 | (192) |
| Bad debts written off ⁽²⁾ | 44 | 11 | 45 | - |

Notes:

- (1) Comprise the recognition and reversal of loss allowances on trade receivables. In accordance with MFRS 9, an impairment analysis is performed at each reporting date for expected credit losses on trade receivables with reference to historical credit loss experience on a general basis as well as for individually impaired trade receivables.
- (2) Bad debts written off were due to long outstanding debts that had no reasonable expectation of recovery. The bad debts written off during the Financial Years Under Review were not from our major customers, and our Group has ceased to provide services to these customers.

9. RISK FACTORS (CONT'D)

Please refer to Section 12.8.1 of this Prospectus for further details on our trade receivables past due but not impaired as at the LPD. In the event that there is any default or delay in the collection of payment, it will lead to impairment losses on trade receivables or bad debts which may have material adverse impact on our financial performance.

9.1.11 Our project deliverables are exposed to unexpected delays, interruptions or contract termination caused by operational factors, accidents and natural disasters beyond our control

The deliverables of our projects are subject to unexpected delays, interruptions or contract termination caused by factors beyond our control. For example, our customers may delay the completion of projects due to unforeseen circumstances such as unavailability of persons-in-charge at the customers' sites to facilitate the launch of the application, or unexpected difficulties in accessing our customers' IT infrastructure due to sudden breakdowns or unscheduled system maintenance. Our customers may also terminate our contract due to various reasons such as budget constraint or change of business decision.

If there are any delays caused by our customers which result in delays in our timing of project delivery, our financial performance will be affected. Please refer to Section 9.1.1 of this Prospectus for further details on the impact of timing of project delivery on our financial performance. Hence, we are dependent on the availability and cooperation of our customers to minimise delays in our deliverables.

Any other unexpected events such as accidents and natural disasters may cause temporary disruptions to our projects. As our project deliverables are dependent on our software development team and cannot be replaced or automated with machines, any unexpected significant interruptions to our manpower which are not resolved in a timely manner may affect the timing of delivery of our projects and subsequently affect our financial performance. Please refer to Section 9.1.1 of this Prospectus for further details on the impact of timing of project delivery on our financial performance. Since the commencement of our business and up to the LPD, save for a project deferment during the COVID-19 pandemic as disclosed in Section 7.15 and Section 9.1.13 of this Prospectus, we have not encountered any delays or interruptions caused by operational factors, accidents and natural disasters beyond our control which adversely affected the financial performance and business operations of our Group.

9.1.12 Our insurance coverage may not be adequate to cover all losses or liabilities that may arise in the course of our business operations

We maintain insurance at levels that are customary in our industry to protect against various losses and liabilities. As at the LPD, the insurance policies taken by our Group in regards to the protection against various losses and liabilities are as follows:

- (i) insurance related to 'contractors all risks', of up to RM1.00 million and 'workmen compensation', of up to RM0.10 million for projects as requested by our customer; and
- (ii) comprehensive general liability insurance related to 'manpower supply' for a project as requested by our customer of up to RM0.50 million.

However, in the event of claims, our insurance may not be adequate to cover all losses or liabilities that might be incurred in our operations as a result of any unforeseen circumstances. Moreover, we will be subject to the risk that, in the future, we may not be able to maintain or obtain insurance of the type and amount desired at reasonable rates. If we were to incur a significant liability for which we were not fully insured, it could have a material adverse effect on our business operations and financial performance.

9. RISK FACTORS (CONT'D)

9.1.13 Our business and operations are exposed to sudden disruptions caused by serious pandemic and epidemic outbreaks

On 11 March 2020, COVID-19 virus, also known as the novel coronavirus was declared a worldwide pandemic by the World Health Organisation. In light of the COVID-19 pandemic, the Government has imposed various degrees of nationwide movement restrictions (i.e. MCO, conditional MCO, recovery MCO, enhanced MCO and various phases under the NRP) to curb the spread of COVID-19 since 18 March 2020, depending on the severity of the COVID-19 infections in each state, federal territory and area.

Since the outbreak of the COVID-19 pandemic and up to the LPD, 5 of our employees were tested positive for COVID-19 and have since recovered. As these employees were working from home during the time of infection, there was no impact to our business operations arising from these positive cases. Further, while there has not been material impact to our business operations as our employees continued to work from home during the periods of office closure, there was a request for project deferment received from one customer. Please refer to Section 7.15 of this Prospectus for further details on this project deferment. Notwithstanding that our Group has not experienced any material interruptions to our business operations arising from the COVID-19 pandemic up to the LPD, there can be no assurance that there will not be any unfavourable impact or any project deferments / cancellations in the future, in the event of resurgence in COVID-19 cases and re-imposition of movement restriction measures which are beyond our control.

Any such future pandemic outbreaks, as well as epidemic outbreaks affecting a significantly large but more localised population, may result in similar interruptions to our Group's business and operations, which may subsequently have a material adverse impact on our financial performance.

9.1.14 The intellectual property rights of our Agmo Genesis framework are not formally protected by registration

The success of our Group, to a certain extent, depends on our ability to protect our technology know-how. However, the Agmo Genesis framework that we have developed over time is not registered as a patent as it is not at this juncture considered a patentable invention which is eligible for patent protection (i.e. a non-public invention involving an inventive step and which is industrially applicable), in view that functions developed using the Agmo Genesis framework are functions that can be commonly found in many applications, and such functions can be developed by other industry players using different programmed coding or their own internal framework. Our Group may therefore be unable to fully protect the intellectual property rights of our Agmo Genesis framework in the event that our Group's competitors were to develop their own version of the framework which is similar in features or functions to the Agmo Genesis framework. There can also be no assurance that our Group will be able to protect our intellectual property rights in the Agmo Genesis framework against unauthorised third party attempts to steal, use or exploit the framework. Nevertheless, it is worthwhile noting that notwithstanding the absence of patent registration, our Group as the creator is the owner of intellectual property rights in and to the Agmo Genesis framework and such rights are protected by legal principles relating to protection of trade secrets. The unauthorised acquisition, use, disclosure or exploitation of trade secrets (i.e. information which is not in the public domain and which has the quality of being confidential or which was disclosed in circumstances imposing a duty of confidence on the recipient of the information) is regarded as an unfair practice which is in violation of the trade secret protection provided by Malaysian law.

Our Group carries out continuous R&D work, enhancements and modifications on the Agmo Genesis framework to ensure that it meets our application development requirements and to ensure that our customers' expectations are met, delivered and maintained. In this regard, our management believes that as ongoing enhancements and modifications to the Agmo Genesis framework are necessary to keep up with ever-changing industry requirements and the rapid

9. RISK FACTORS (CONT'D)

development of information technology in order to ensure that it retains its utility and effectiveness, the continued development of the Agmo Genesis framework would to a certain extent require the technological know-how and expertise carried by our Group. Hence, the ability of external parties who are unfamiliar with the framework to be able to utilise the framework is limited.

Further, the management of our Group believes that the risk of unauthorised copying of our Agmo Genesis framework is relatively low due to the strict access authorisation to the framework. The back-end system of the Agmo Genesis framework including the application source code is only accessible by the back-end team while the front-end team is only able to access the front-end system (i.e. the user interface) of the framework. In order to mitigate the risk of unauthorised copying of the framework, only Tan Aik Keong, Low Kang Wen and Tham Chin Seng have access to both the front-end and back-end systems. Therefore, the risk of an unauthorised person being able to access the entire framework is relatively limited.

When there is access by any authorised person to the framework's front-end or back-end system and any attempts to make any changes to the framework, the system log will record the user identification, date, time and any changes made. The risk of leakage of information is therefore mitigated with such control and tracking system being in place. Furthermore, we also have a means of controlling and assigning user access / identification and effecting the revocation of access of employees who cease working with our Group. We also review our information access procedures from time to time to strengthen our access control and reporting mechanism.

Nevertheless, we recognise that despite such controls being in place, there is no assurance that we can completely prevent existing and / or outgoing employees from copying any of our Group's know-how which is inherent in the Agmo Genesis framework. Therefore, our Group ensures that all our employees including our executive directors and our key senior management team each sign a non-disclosure agreement with our Group, which contains prohibitions against the unauthorised copying or use of our technological know-how and trade secrets. Upon the termination of any employee's employment with our Group or upon instruction by our Group, the employee must return to our Group all confidential information received and all documents and property of our Group, including copies made or obtained by the employee during the course of the employee's employment.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We face competition from existing and new digital solution providers and application developers

The mobile and web application development industry in Malaysia is competitive due to the large number and fragmented nature of industry players which are involved in the development of mobile and web applications. We face competition from existing and new digital solution providers and application developers. These include software development companies whose principal activities include the development of mobile and web applications; as well as IT services companies which may also include the development of mobile and web applications as part of their service offerings. These digital solution providers and application developers may comprise local companies in Malaysia and overseas companies that may or may not have presence in Malaysia. The fragmented and competitive nature of the mobile and web application development industry in Malaysia could also be due to low barriers of entry, particularly if a new industry player operates a small technical team and develop mobile and web applications without extensive and complex functionalities.

According to the IMR report, there are 11 industry players which have been identified as the closest competitors to our Group. For more information on the industry players that are deemed closest competitors to our Group, please refer to Section 8 of this Prospectus.

9. RISK FACTORS (CONT'D)

In addition, other digital solution providers and application developers may adapt to the latest digital technologies at a quicker pace and thus be able to secure projects which require the development of digital solutions using these latest digital technologies. As such, these digital solution providers and application developers may gain a competitive edge over our Group, should we face challenges in adapting to the latest digital technologies in a timely manner. Additionally, competition from other digital solution providers and application developers may have an impact on our financial performance by way of lower sales for our Group or added difficulty for us in securing future projects.

9.2.2 We are affected by the availability of suitable talent in the market

Successful hires for our software development team are subject to the suitability and availability of software development talent in the market that matches the requirements of our Group. We require our software developers to possess certain fundamental skillsets such as the abilities to code in certain programming languages; conduct software testing including acceptance testing; performance testing, functional testing and security testing; and debug the software if errors are discovered during software testing.

In the mobile and web application industry, these technical skillsets may be difficult to source. For example, talents that are equipped with specific technical knowledge as well as experience in various technology and software for application development such as Adobe Creative Suites, MarvelApp, Figma, C# .NET, VS Code and Visual Studio may not be available in the market at competitive salary rates at the time when we are hiring. If we are unable to source for suitable talents that meet our Group's requirements timely and in sufficient numbers, we may be unable to deliver projects that require these talents or it may limit the scope and number of projects for which our Group can secure. Thus, our financial performance may be adversely affected. Since the commencement of our business and up to the LPD, our Group has not encountered any difficulties in hiring suitable talents that have led to our inability to deliver projects secured, or in limiting our ability to secure projects from customers. Notwithstanding that there were instances whereby we faced resource constraints which led to our Group outsourcing some development works to third party developers in the Financial Years Under Review, these arrangements were due to temporary heavy workloads and were not due to our inability to source suitable talents.

9.2.3 We face risks of not adapting quickly to latest technological developments

The mobile and web application development industry undergoes continuous and rapid technological developments, with increasing levels of complexity and capabilities to digitalise business operations, as well as the development of new processes and functions that can be digitalised. The business operations and processes that our customers intend to digitalise may require the usage of the latest digital technologies for the development of their digital solutions.

Our ability to adapt to these changes and to remain technologically relevant will determine the sustainability of our business. There can be no assurance that we would have sufficient resources to successfully and accurately anticipate technological changes and market trends as well as adopting these latest digital technologies for the development of our digital solutions on a timely and cost-effective manner, which may have a negative impact on our business and financial performance.

9. RISK FACTORS (CONT'D)

9.2.4 We are exposed to risks relating to the economic, political, legal and regulatory environments in the countries in which our customers are domiciled

Our Group operates in Malaysia. In addition to our customers in Malaysia, we also have customers from countries overseas such as Hong Kong, Singapore, Sri Lanka, Cambodia, People's Republic of China, Germany, United Kingdom and Vietnam in the Financial Years Under Review. Our business, prospects, financial condition and results of operations may be affected by any adverse developments, changes and / or uncertainties in the economic, political, legal and regulatory environments that are beyond our control in the countries in we operate and transact business. These risks include unfavourable changes in political conditions, economic conditions, interest rates, government policies and regulations, import and export restrictions, duties and tariffs, civil unrests, methods of taxation, inflation and foreign exchange controls.

Any changes to the economic, political, legal and regulatory environments in the countries in which we have customers may cause disruptions in our project delivery schedules, which may consequently cause a decline in our revenue; or may cause a decline in demand for our Group's products and services. Such events may have a material adverse impact on our business and financial performance. Since the commencement of our business and up to the LPD, our Group has not experienced any disruptions in our project delivery schedules arising from adverse developments, changes and / or uncertainties in the economic, political, legal and regulatory environments in the countries in which our customers are domiciled.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 No prior market for our Shares and it is uncertain whether a sustainable market will ever develop

Prior to our IPO, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for our Shares will develop, or if developed, that such a market will be sustainable. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the selling prices at which holders would be able to obtain for our Shares.

We and our Promoters have no obligation to cause our Shares to be marketable. The Issue Price was determined after taking into consideration various factors and these factors could cause our Share price to fluctuate which may adversely affect the market price of our Shares.

There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing and that the market price of our Shares will not decline below the Issue Price.

9.3.2 Capital market risks and share price volatility

The performance of capital market is very much dependent on external factors such as the performance of the regional and global stock market and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes in the capital market, thus adding risks to the market price of our listed Shares. Nevertheless, the profitability of our Group is not dependent on the performance of the capital market as the business activities of our Group have no direct correlation with the performance of securities listed in the capital market.

9. RISK FACTORS (CONT'D)

Our Shares could trade at prices lower than the Issue Price depending on various factors, including current economic, financial and fiscal condition in Malaysia, our operations and financial results and the price volatility in the markets for securities in similar or related industries in Malaysia or emerging markets. There is no assurance that any market for our Shares will not be disrupted by price volatility or other factors, which may have a material adverse effect on the market price of our Shares.

In addition, the market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, amongst others, the following factors, some of which are beyond our control:

- (i) variation in our results and operations;
- (ii) success or failure in our management team in implementing business and growth strategies;
- (iii) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (iv) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events and factors;
- (v) additions or departures of our key senior management personnel;
- (vi) fluctuations in stock market prices and volumes; or
- (vii) involvement in litigation.

In addition, many of the risks described herein could materially and adversely affect the market price of our Shares. Furthermore, if the trading volume of our Shares is low, price fluctuation may be exacerbated. Accordingly, there can be no assurance that our Shares will not trade lower than the Issue Price.

9.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after our IPO

As disclosed in Section 5.1.1 of this Prospectus, our Promoters will collectively hold in aggregate 40.6% of our enlarged issued share capital after our IPO. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group by way of passing or blocking ordinary and / or special resolutions and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and / or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders.

9.3.4 The sale or the possible sale of a substantial number of Shares in the public market following our IPO and Listing could adversely affect the price of our Shares

Following the completion of our IPO and Listing, assuming full subscription of the Pink Form Shares reserved for our eligible Directors, approximately 25.8% of our enlarged issued share capital will be publicly held by investors participating in our IPO, while approximately 71.6% of our enlarged issued share capital, will be held by our Promoters and substantial shareholders.

It is possible that our Promoters and substantial shareholders may dispose of some or all of their Shares after their respective moratorium period, pursuant to their own investment objectives. If our Promoters and substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares, the market price of our Shares could be adversely affected.

9. RISK FACTORS (CONT'D)

9.3.5 Delay in or cancellation of our Listing

The occurrence of certain events, including the following, may cause a delay in or termination of our Listing:

- (i) our Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations under such agreement;
- (ii) our inability to meet the minimum public spread requirement under the Listing Requirements of having at least 25.0% of the total number of our Shares for which our Listing is sought being in the hands of at least 200 public shareholders holding at least 100 Shares each at the point of our Listing; or
- (iii) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest within 14 days.

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules to the extent that our IPO Shares form part of our share capital. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either (aa) consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances, or (bb) a solvency statement from the directors.

9. RISK FACTORS (CONT'D)

9.3.6 Payment of dividends

Our ability to declare dividends to our shareholders will depend on, amongst others, our future financial performance, distributable reserves and cash flows. This, in turn, is dependent on our operating results, capital requirements and on our ability to implement our future plans, demand for and selling prices of our products, general economic conditions, and other factors specific to our industry, many of which are beyond our control. As such, there is no assurance that we will be able to pay dividends to our shareholders.

We are a holding company and conduct substantially all of our operations through our subsidiaries. Accordingly, dividends and other distributions received from our subsidiaries are our principal source of income. The receipt of dividends from our subsidiaries may also be affected by the passage of new laws, adoption of new regulations and other events outside our control, and our subsidiaries may not continue to meet the applicable legal and regulatory requirements for the payment of dividends in the future. In addition, changes in accounting standards may also affect the ability of our subsidiaries, and consequently, our ability to pay dividends.

Further, our payment of dividends may adversely affect our ability to fund unexpected capital expenditure as well as our ability to make interest and principal repayments on any borrowings that we may have outstanding at the time. As a result, we may be required to borrow additional money or raise capital by issuing equity securities, which may not be on favourable terms or available at all. Further, if we incur new borrowings subsequent to our Listing, we may be subject to additional covenants restricting our ability to pay dividends.

Dividend payments are not guaranteed and our Board may decide, at its sole and absolute discretion, at any time and for any reason, not to pay dividends. If we do not pay dividends, or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected and the value of any investment in our Shares may be reduced.

Further details of our dividend policy are set out in Section 12.15 of this Prospectus.

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10. RELATED PARTY TRANSACTIONS**10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS****10.1.1 Related party transactions**

Save as disclosed below, there are no other related party transactions entered into by our Group which involves the interest, direct or indirect, of our Directors, substantial shareholders and / or persons connected with them for the past 4 financial years and up to the LPD:

(i) Agmo Studio and MY E.G. Services Berhad

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and it is wholly-owned by MY E.G. Services Berhad.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD |
|--|--|---|---|---|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| • Provision of development of mobile and web application services by Agmo Studio to MY E.G. Services Berhad ⁽¹⁾ | 151 (represents 2.8% of our revenue) | 75 (represents 1.2% of our revenue) | 97 (represents 1.1% of our revenue) | 452 (represents 2.7% of our revenue) | [•] |
| • Rental payable by Agmo Studio to MY E.G. Services Berhad in respect of the rental of office ⁽²⁾ | - | - | - | 31 (represents 0.5% of our profit after tax) | [•] |

Notes:

- (1) Agmo Studio provided the development of mobile and web application services to MY E.G. Services Berhad for its internal and consumer facing applications. The development services provided by Agmo Studio to MY E.G. Services Berhad were completed in April 2022. The fees charged by Agmo Studio to MY E.G. Services Berhad are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.
- (2) Agmo Studio entered into a tenancy agreement dated 1 October 2021 with MY E.G. Services Berhad for the rental of part of an office space located at Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor for a period commencing from 1 October 2021 to 30 September 2024. The monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM5,250.00 per month (approximately RM1.50 per square feet ("psf")). Subsequently, the monthly rental shall be increased to RM7,000.00 per month (approximately RM2.00 psf). Based on comparable properties, the range of monthly market rental rate is between RM1.33 to RM4.65 psf. As such, the monthly rental rates paid / payable

10. RELATED PARTY TRANSACTIONS (CONT'D)

by Agmo Studio to MY E.G. Services Berhad of RM1.50 psf and RM2.00 psf, are considered at arms' length as the rates are within the monthly market rental rate.

Agmo Studio may terminate the tenancy at any time by giving 2 months prior written notice to MY E.G. Services Berhad or by paying to MY E.G. Services Berhad an amount equivalent to 2 months rental. This transaction is recurrent in nature and is expected to subsist after Listing.

(ii) Agmo Digital Solutions and MY E.G. Services Berhad

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and it is wholly-owned by MY E.G. Services Berhad.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|---|----------------------|----------------------|----------------------|--|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| <ul style="list-style-type: none"> Provision of digital platform-based services for general meetings by Agmo Digital Solutions to MY E.G. Services Berhad ⁽¹⁾ | - | - | - | 66 (represents 0.4% of our revenue) | [•] |
| <ul style="list-style-type: none"> Rental payable by Agmo Digital Solutions to MY E.G. Services Berhad in respect of the rental of office ⁽²⁾ | - | - | - | 5 (represents 0.1% of our profit after tax) | [•] |

Notes:

(1) Agmo Digital Solutions provided digital platform-based services to My E.G. Services Berhad for the purposes of hosting the general meetings proceedings of MY E.G. Services Berhad on the Vote2U platform. The digital platform-based services are provided by Agmo Digital Solutions on engagement basis and are expected to be continued in the foreseeable future on engagement basis. The fees charged by Agmo Digital Solutions to MY E.G. Services Berhad are considered at arms' length as the fees are charged based on event basis within the range of rates the Group normally charges its customers.

(2) Agmo Digital Solutions entered into a tenancy agreement dated 1 October 2021 with MY E.G. Services Berhad for the rental of part of an office space located at Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor for a period commencing from 1 October 2021 to 30 September 2024. The monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM750.00 per month (approximately RM1.50 psf). Subsequently, the monthly rental shall be increased to RM1,000.00 per month (approximately RM2.00 psf). Based on

10. RELATED PARTY TRANSACTIONS (CONT'D)

comparable properties, the range of monthly market rental rate is between RM1.33 to RM4.65 psf. As such, the monthly rental rates paid / payable by Agmo Digital Solutions to MY E.G. Services Berhad of RM1.50 psf and RM2.00 psf, are considered at arms' length as the rates are within the monthly market rental rate.

Agmo Digital Solutions may terminate the tenancy at any time by giving 2 months prior written notice to MY E.G. Services Berhad or by paying to MY E.G. Services Berhad an amount equivalent to 2 months rental. This transaction is recurrent in nature and is expected to subsist after Listing.

(iii) Agmo Tech and MY E.G. Services Berhad

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and it is wholly-owned by MY E.G. Services Berhad.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|----------------------|----------------------|----------------------|---|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| • Rental payable by Agmo Tech to MY E.G. Services Berhad in respect of the rental of office ⁽¹⁾ | - | - | - | 18 (represents 0.3% of our profit after tax) | [•] |

Note:

(1) Agmo Tech entered into a tenancy agreement dated 1 October 2021 with MY E.G. Services Berhad for the rental of part of an office space located at Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor for a period commencing from 1 October 2021 to 30 September 2024. The monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM3,000.00 per month (approximately RM1.50 psf). Subsequently, the monthly rental shall be increased to RM4,000.00 per month (approximately RM2.00 psf). Based on comparable properties, the range of monthly market rental rate is between RM1.33 to RM4.65 psf. As such, the monthly rental rates paid / payable by Agmo Tech to MY E.G. Services Berhad of RM1.50 psf and RM2.00 psf, are considered at arms' length as the rates are within the monthly market rental rate.

Agmo Tech may terminate the tenancy at any time by giving 2 months prior written notice to MY E.G. Services Berhad or by paying to MY E.G. Services Berhad an amount equivalent to 2 months rental. This transaction is recurrent in nature and is expected to subsist after Listing.

10. RELATED PARTY TRANSACTIONS (CONT'D)

(iv) Agmo Sierra and MY E.G. Services Berhad

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and it is wholly-owned by MY E.G. Services Berhad.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|----------------------|----------------------|----------------------|--|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| <ul style="list-style-type: none"> Rental payable by Agmo Sierra to MY E.G. Services Berhad in respect of the rental of office ⁽¹⁾ | - | - | - | 5 (represents 0.1% of our profit after tax) | [●] |

Note:

(1) *Agmo Sierra entered into a tenancy agreement dated 1 October 2021 with MY E.G. Services Berhad for the rental of an office space located at Level 38, MYEG Tower, Empire City, No. 8, Jalan Damansara, PJU 8, 47820 Petaling Jaya, Selangor for a period commencing from 1 October 2021 to 30 September 2024. The monthly rental for the first 9 months (i.e. 1 October 2021 to 30 June 2022) is RM750.00 per month (approximately RM1.50 psf). Subsequently, the monthly rental shall be increased to RM1,000.00 per month (approximately RM2.00 psf). Based on comparable properties, the range of monthly market rental rate is between RM1.33 to RM4.65 psf. As such, the monthly rental rates paid / payable by Agmo Sierra to MY E.G. Services Berhad of RM1.50 psf and RM2.00 psf, are considered at arms' length as the rates are within the monthly market rental rate.*

Agmo Sierra may terminate the tenancy at any time by giving 2 months prior written notice to MY E.G. Services Berhad or by paying to MY E.G. Services Berhad an amount equivalent to 2 months rental. This transaction is recurrent in nature and is expected to subsist after Listing.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

(v) Agmo Studio and Hurr TV Sdn. Bhd.

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and also a substantial shareholder of Hurr TV Sdn. Bhd., with a 60.0% direct equity interest.

| Nature of transaction | Transaction value | | | | | Between 1 April 2022 and the LPD (RM'000) |
|---|----------------------|----------------------|---|----------------------|-----|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | | |
| <ul style="list-style-type: none"> Provision of live streaming services by Hurr TV Sdn. Bhd. to Agmo Studio ⁽¹⁾ | - | - | 92 | - | [●] | |
| | | | (⁽²⁾ represents 10.2% of our cost of sales) | | | |

Notes:

(1) *Hurr TV Sdn. Bhd. provided live streaming services to Agmo Studio for the purposes of live streaming the general meetings proceedings of listed companies which are hosted on the Vote2U platform. Provision of digital platform-based solution, Vote2U was undertaken by Agmo Studio prior to the commencement of operation of Agmo Digital Solution in September 2020. The live streaming services are provided by Hurr TV Sdn. Bhd. per engagement basis and are not expected to be continued. The fees charged by Hurr TV Sdn. Bhd. to Agmo Studio were considered at arms' length as the fees were charged based on quotations by other similar live streaming services providers which were comparable with the rates quoted by Hurr TV Sdn. Bhd.*

(2) *Staff cost is excluded from the cost of sales.*

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10. RELATED PARTY TRANSACTIONS (CONT'D)

(vi) Agmo Digital Solutions and Hurr TV Sdn. Bhd.

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and also a substantial shareholder of Hurr TV Sdn. Bhd., with a 60.0% direct equity interest.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|----------------------|----------------------|--|--|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| <ul style="list-style-type: none"> Provision of live streaming services by Hurr TV Sdn. Bhd. to Agmo Digital Solutions ⁽¹⁾ | - | - | 87 ⁽²⁾ represents 9.7% of our cost of sales) | 195 ⁽²⁾ represents 12.8% of our cost of sales) | [●] |

Notes:

(1) *Hurr TV Sdn. Bhd. provided live streaming services to Agmo Digital Solutions for the purposes of live streaming the general meetings proceedings of listed companies which are hosted on the Vote2U platform. The live streaming services are provided by Hurr TV Sdn. Bhd. per engagement basis and are expected to be continued in the foreseeable future. The fees charged by Hurr TV Sdn. Bhd. to Agmo Digital Solutions are considered at arms' length as the fees are charged based on quotation by other similar live streaming services provider which are comparable with the rates as quoted by Hurr TV Sdn. Bhd.*

(2) *Staff cost is excluded from the cost of sales.*

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10. RELATED PARTY TRANSACTIONS (CONT'D)

(vii) Agmo Studio and Cardbiz Solutions Sdn. Bhd.

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and also a substantial shareholder of Cardbiz Solutions Sdn. Bhd. with a deemed 100.0% indirect interest held via Cardbiz Holding Sdn. Bhd. which in turn holds 100.0% direct equity interest in Cardbiz Solutions Sdn. Bhd.

| Nature of transaction | Transaction value | | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|-------------------------------------|----------------------|----------------------|----------------------|---|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | | |
| <ul style="list-style-type: none"> Provision of development of mobile application services by Agmo Studio to Cardbiz Solutions Sdn. Bhd. ⁽¹⁾ | 19 (represents 0.4% of our revenue) | - | - | - | - | [●] |

Note:

(1) *Agmo Studio provided the development of mobile application services to Cardbiz Solutions Sdn. Bhd. for its consumer facing application. The development services provided by Agmo Studio to Cardbiz Solutions Sdn. Bhd. have been completed since March 2019. The fees charged by Agmo Studio to Cardbiz Solutions Sdn. Bhd. are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.*

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10. RELATED PARTY TRANSACTIONS (CONT'D)

(viii) Agmo Studio and NFT Pangolin Technologies Sdn. Bhd.

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and also a substantial shareholder of NFT Pangolin Technologies Sdn. Bhd., with a 51.0% direct equity interest.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|---|----------------------|----------------------|----------------------|--|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| <ul style="list-style-type: none"> Provision of development of web application services by Agmo Studio to NFT Pangolin Technologies Sdn. Bhd. ⁽¹⁾ | - | - | - | 195 (represents 1.2% of our revenue) | [•] |

Note:

(1) *Agmo Studio provided the development of web application services to NFT Pangolin Technologies Sdn. Bhd. for its consumer facing application. The development services provided by Agmo Studio to NFT Pangolin Technologies Sdn. Bhd. have been completed since October 2021. The fees charged by Agmo Studio to NFT Pangolin Technologies Sdn. Bhd. are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.*

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10. RELATED PARTY TRANSACTIONS (CONT'D)**(ix) Agmo Studio and Zetrix Sdn. Bhd. (formerly known as MYBB Techchain Sdn. Bhd.)**

MY E.G. Capital Sdn. Bhd. is our substantial shareholder and also a substantial shareholder of Zetrix Sdn. Bhd., with a deemed 56.0% indirect equity interest held via Mydigitalcoin Sdn. Bhd., which in turn holds 56.0% direct equity interest in Zetrix Sdn. Bhd.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|----------------------|----------------------|----------------------|---|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| <ul style="list-style-type: none"> Provision of project management services by Agmo Studio to Zetrix Sdn. Bhd. ⁽¹⁾ | - | - | - | 30 (represents 0.2% of our revenue) | [•] |

Note:

- (1) Pursuant to a letter of award dated 21 September 2021 issued by Zetrix Sdn. Bhd. to Agmo, Agmo or any of its wholly-owned subsidiaries agree to procure and obtain on behalf of Zetrix Sdn. Bhd. the relevant technical compliance required by Zetrix Sdn. Bhd. to establish and maintain Zetrix Sdn. Bhd.'s blockchain business development in Malaysia and to provide its expertise to project manage the development and roll out of the products and services of Zetrix Sdn. Bhd., at a retainer fee of RM5,000.00 per month commencing from 1 October 2021 for a period of 42 months ("**Contract Period**") which is payable by Mydigitalcoin Sdn. Bhd. at the end of the Contract Period. This arrangement is to enable Agmo to determine whether it would like to participate in the equity of Zetrix Sdn. Bhd. based on the development of the project and / or business of Zetrix Sdn. Bhd. over the next 42 months. Payment is to be made in cash or shares equivalent to 5% of the issued share capital of Zetrix Sdn. Bhd., subject to mutual agreement between Mydigitalcoin Sdn. Bhd. and Agmo at the end of the Contract Period.

Pursuant to the letter of award, the arrangement above may be terminated by either party by giving the other party 30 days' prior written notice and the accumulated fees up to the month of termination will be payable in cash. The fees charged by Agmo Studio to Zetrix Sdn. Bhd. are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers. This transaction is expected to subsist after Listing.

10. RELATED PARTY TRANSACTIONS (CONT'D)**(x) Agmo Studio and WorkGrowth Technology**

Tan Aik Keong is our Promoter, substantial shareholder and Director and he is also a director of WorkGrowth Technology. For information, Agmo is a substantial shareholder of WorkGrowth Technology, with a deemed 35.0% indirect interest held via Agmo Capital which in turn holds 35.0% direct equity interest in WorkGrowth Technology.

| Nature of transaction | Transaction value | | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|----------------------|----------------------|----------------------|--|--|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | | |
| • Provision of development of mobile application services by Agmo Studio to WorkGrowth Technology ⁽¹⁾ | - | - | - | 350 (represents 2.1% of our revenue) | | [•] |
| • Provision of maintenance services by Agmo Studio to WorkGrowth Technology ⁽²⁾ | - | - | - | ⁽³⁾ # | | [•] |

Notes:

(1) Agmo and Agmo Capital had on 15 March 2021 entered into a joint venture agreement with LKC Advance Technology Sdn. Bhd. and WorkGrowth Technology wherein Agmo and Agmo Capital agree to provide services through Agmo's wholly-owned subsidiary, Agmo Studio, in relation to the development of mobile application services to WorkGrowth Technology for its consumer facing application at a development cost of RM500,000.00 and a monthly maintenance cost depending on the total number of users of the software at the rates prescribed in the joint venture agreement. The fees charged by Agmo Capital to WorkGrowth Technology are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.

The development of the mobile application has been completed since August 2021. As the joint venture agreement with WorkGrowth Technology includes the provision of maintenance services, our Group expects to continue with this agreement for the foreseeable future. The non-defaulting party may terminate this agreement upon material breach by the defaulting party provided that the non-defaulting party has served a default notice of the material breach to the defaulting party and such breach is not remedied within 14 days from the date of the default notice or such extended time as the non-defaulting party may grant.

(2) Agmo Studio provided maintenance services to WorkGrowth Technology for its consumer facing application. The maintenance services provided by Agmo Studio to WorkGrowth Technology is expected to continue after listing. The fees charged by Agmo Studio to WorkGrowth Technology are considered at arms' length as the fees are charged based on normal range of rates the Group normally charges its customers.

10. RELATED PARTY TRANSACTIONS (CONT'D)

(3) *The amount is less than RM1,000.00.*

(xi) Agmo Studio and Appstremely Sdn. Bhd.

Tan Aik Keong is our Promoter, substantial shareholder and Director and prior to 19 October 2021, he was Agmo's nominated director in Appstremely Sdn. Bhd. For information, prior to 6 September 2021, Agmo was a substantial shareholder of Appstremely Sdn. Bhd. with a deemed 35.0% indirect interest held via Agmo Studio which in turn holds 35.0% direct equity interest in Appstremely Sdn. Bhd.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD |
|--|-------------------------------------|----------------------|----------------------|----------------------|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| <ul style="list-style-type: none"> Provision of development of mobile and web application services by Agmo Studio to Appstremely Sdn. Bhd. ⁽¹⁾ | 20 (represents 0.4% of our revenue) | - | - | - | [•] |

Note:

(1) *Agmo Studio provided the development of mobile and web application services to Appstremely Sdn. Bhd. for its consumer facing application. The development services provided by Agmo Studio to Appstremely Sdn. Bhd. have been completed since April 2018. The fees charged by Agmo Studio to Appstremely Sdn. Bhd. are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.*

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10. RELATED PARTY TRANSACTIONS (CONT'D)

(xii) Agmo Studio and Mama Dessert (M) Sdn. Bhd.

Tan Aik Keong is our Promoter, substantial shareholder and Director and prior to 27 October 2021, he was a director and substantial shareholder of Mama Dessert (M) Sdn. Bhd., with a 75.0% direct equity interest.

| Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|----------------------|----------------------|--|---|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| <ul style="list-style-type: none"> Provision of hosting of sales system services by Agmo Studio for Mama Dessert (M) Sdn. Bhd. ⁽¹⁾ | - | - | 7 (represents 0.1% of our revenue) | 2 (represents less than 0.1% of our revenue) | [•] |
| <ul style="list-style-type: none"> Commission payable by Mama Dessert (M) Sdn. Bhd. to Agmo Studio for the usage by Mama Dessert (M) Sdn. Bhd. of a merchant platform developed by Agmo Studio ⁽²⁾ | | | ⁽³⁾ # | ⁽³⁾ # | [•] |

Notes:

(1) *Agmo Studio provided hosting of sales system services to Mama Dessert (M) Sdn. Bhd for its business use. The hosting services have ceased since 30 June 2021. The fees charged by Agmo Studio to Mama Dessert (M) Sdn. Bhd. are considered at arms' length as the fees are charged based on normal range of rates the Group normally charges its customers.*

(2) *The commission payable by Mama Dessert (M) Sdn. Bhd. to Agmo Studio is considered at arms' length as the rate of commission is based on the rate that the merchant platform plans to charge other merchants.*

(3) *The amount is less than RM1,000.00.*

10. RELATED PARTY TRANSACTIONS (CONT'D)

(xiii) Agmo Studio and GoConsult Sdn. Bhd.

Tan Aik Keong is our Promoter, substantial shareholder and Director and prior to 29 October 2021, he was a director and substantial shareholder of GoConsult Sdn. Bhd., with a 35.0% direct equity interest.

| Nature of transaction | Transaction value | | | | | Between 1 April 2022 and the LPD (RM'000) |
|--|--|----------------------|----------------------|----------------------|---|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | | |
| • Provision of development of mobile application services by Agmo Studio to GoConsult Sdn. Bhd. ⁽¹⁾ | 235 (represents 4.3% of our revenue) | - | - | - | - | [•] |
| • Provision of hosting of server and database services by Agmo Studio to GoConsult Sdn. Bhd. ⁽²⁾ | - | ⁽³⁾ # | - | - | - | [•] |

Notes:

- (1) *Agmo Studio provided the development of mobile and web application services to GoConsult Sdn. Bhd. for its consumer facing application. The development services provided by Agmo Studio to GoConsult Sdn. Bhd. have been completed since January 2019. The fees charged by Agmo Studio to GoConsult Sdn. Bhd. are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.*
- (2) *Agmo Studio provided hosting of server and database services to GoConsult Sdn. Bhd. The hosting services have ceased since January 2020. The fees charged by Agmo Studio to GoConsult Sdn. Bhd. are considered at arms' length as the fees are charged based on the rate the Group normally charges its customers.*
- (3) *The amount is less than RM1,000.00.*

10. RELATED PARTY TRANSACTIONS (CONT'D)

(xiv) Agmo Studio and Syok Driver Sdn. Bhd.

Tan Aik Keong and Low Kang Wen are our Promoters, substantial shareholders and Directors and prior to 25 August 2021 and 22 October 2021 respectively, they were directors and substantial shareholders of Syok Driver Sdn. Bhd., each having a 50.0% direct equity interest.

| Nature of transaction | Transaction value | | | | | Between 1 April 2022 and the LPD (RM'000) |
|---|----------------------|----------------------|---|----------------------|-----|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | | |
| <ul style="list-style-type: none"> Provision of development of web application services by Agmo Studio to Syok Driver Sdn. Bhd. ⁽¹⁾ | - | - | 93 (represents 1.0% of our revenue) | - | [•] | |

Note:

(1) *Agmo Studio provided the development of web application services to Syok Driver Sdn. Bhd. for its internal application. The development services provided by Agmo Studio to Syok Driver Sdn. Bhd. have been completed since February 2021. The fees charged by Agmo Studio to Syok Driver Sdn. Bhd. are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.*

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10. RELATED PARTY TRANSACTIONS (CONT'D)

(xv) Agmo Studio and Getcoinapp Sdn. Bhd.

Tan Aik Keong and Low Kang Wen are our Promoters, substantial shareholders and Directors and prior to 30 September 2021 and 22 October 2021 respectively, they were directors and substantial shareholders of Getcoinapp Sdn. Bhd., each having a 50.0% direct equity interest.

| Nature of transaction | Transaction value | | | | | Between 1 April 2022 and the LPD (RM'000) |
|---|----------------------|----------------------|--|----------------------|-----|--|
| | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | | |
| <ul style="list-style-type: none"> Provision of development of mobile and web application services by Agmo Studio to Getcoinapp Sdn. Bhd. ⁽¹⁾ | - | - | 154 (represents 1.7% of our revenue) | - | [•] | |

Note:

(1) *Agmo Studio provided the development of mobile and web application services to Getcoinapp Sdn. Bhd. for its consumer facing application. The development services provided by Agmo Studio to Getcoinapp Sdn. Bhd. have been completed since February 2021. The fees charged by Agmo Studio to Getcoinapp Sdn. Bhd. are considered at arms' length as the fees are charged based on man-day rate which is within the range of rates the Group normally charges its customers.*

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.2 Summary of related party transactions entered by our Group

Below is a summary of the related party transactions listed in Section 10.1.1 of this Prospectus aggregated on the basis that such transactions have been entered into by our Group with the same related party:

| Related party | Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|-----------------------------|---|---|--|--|--|--|
| | | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| MY E.G. Services Berhad | • Provision of development of mobile and web application services by Agmo Studio to MY E.G. Services Berhad | 151 (represents 2.8% of our revenue) | 75 (represents 1.2% of our revenue) | 97 (represents 1.1% of our revenue) | 452 (represents 2.7% of our revenue) | [•] |
| | • Rental payable by our Group to MY E.G. Services Berhad in respect of the rental of office ⁽³⁾ | - | - | - | 59 (represents 0.9% of our profit after tax) | [•] |
| | • Provision of digital platform-based services for general meetings by Agmo Digital Solutions to MY E.G. Services Berhad ⁽³⁾ | - | - | - | 66 (represents 0.4% of our revenue) | [•] |
| Hurr TV Sdn. Bhd. | • Provision of live streaming services by Hurr TV Sdn. Bhd. to our Group ⁽³⁾ | - | - | 179 ⁽¹⁾ represents 19.8% of our cost of sales) | 195 ⁽¹⁾ represents 12.8% of our cost of sales) | [•] |
| Cardbiz Solutions Sdn. Bhd. | • Provision of development of mobile application services by Agmo Studio to Cardbiz Solutions Sdn. Bhd. | 19 (represents 0.4% of our revenue) | - | - | - | [•] |

10. RELATED PARTY TRANSACTIONS (CONT'D)

| Related party | Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|---|--|--|----------------------|---------------------------------------|---|--|
| | | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| NFT Pangolin Technologies Sdn. Bhd. | • Provision of development of web application services by Agmo Studio to NFT Pangolin Technologies Sdn. Bhd. | - | - | - | 195 (represents 1.2% of our revenue) | [•] |
| Zetrix Sdn. Bhd. (formerly known as MYBB Techchain Sdn. Bhd.) | • Provision of project management services by Agmo Studio to Zetrix Sdn. Bhd. ⁽³⁾ | - | - | - | 30 (represents 0.2% of our revenue) | [•] |
| WorkGrowth Technology | • Provision of development of mobile application services by Agmo Studio to WorkGrowth Technology | - | - | - | 350 (represents 2.1% of our revenue) | [•] |
| | • Provision of maintenance services by Agmo Studio to WorkGrowth Technology ⁽³⁾ | - | - | - | ⁽²⁾ # | [•] |
| Appstremely Sdn. Bhd. | • Provision of development of mobile and web application services by Agmo Studio to Appstremely Sdn. Bhd. | 20 (represents 0.4% of our revenue) | - | - | - | [•] |
| Mama Dessert (M) Sdn. Bhd. | • Provision of hosting of sales system services by Agmo Studio for Mama Dessert (M) Sdn. Bhd. | - | - | 7 (represents 0.1% of our revenue) | 2 (represents less than 0.1% of our revenue) | [•] |

10. RELATED PARTY TRANSACTIONS (CONT'D)

| Related party | Nature of transaction | Transaction value | | | | Between 1 April 2022 and the LPD (RM'000) |
|-----------------------|---|---|----------------------|---|----------------------|--|
| | | FYE 2019 (RM'000) | FYE 2020 (RM'000) | FYE 2021 (RM'000) | FYE 2022 (RM'000) | |
| | <ul style="list-style-type: none"> Commission payable by Mama Dessert (M) Sdn. Bhd. to Agmo Studio for the usage by Mama Dessert (M) Sdn. Bhd. of a merchant platform developed by Agmo Studio | - | - | (2) # | (2) # | [•] |
| GoConsult Sdn. Bhd. | <ul style="list-style-type: none"> Provision of development of mobile application services by Agmo Studio to GoConsult Sdn. Bhd. | 235 (represents 4.3% of our revenue) | - | - | - | [•] |
| | <ul style="list-style-type: none"> Provision of hosting of server and database services by Agmo Studio to GoConsult Sdn. Bhd. | - | (2) # | - | - | [•] |
| Syok Driver Sdn. Bhd. | <ul style="list-style-type: none"> Provision of development of web application services by Agmo Studio to Syok Driver Sdn. Bhd. | - | - | 93 (represents 1.0% of our revenue) | - | [•] |
| Getcoinapp Sdn. Bhd. | <ul style="list-style-type: none"> Provision of development of mobile and web application services by Agmo Studio to Getcoinapp Sdn. Bhd. | - | - | 154 (represents 1.7% of our revenue) | - | [•] |

Notes:

(1) Staff cost is excluded from the cost of sales.

(2) The amount is less than RM1,000.00.

(3) The related party transaction is expected to continue after our listing.

10. RELATED PARTY TRANSACTIONS (CONT'D)

Our Directors are of the opinion that the related party transactions were carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.

Our Directors also confirm that there are no other related party transactions that have been entered by our Group that involves the interest, direct or indirect, of our Directors, major shareholders and / or persons connected to them but not yet effected up to the date of this Prospectus.

After our Listing and in accordance with the Listing Requirements, our Company will be required to seek our shareholders' approval each time our Company enters into a material related party transaction. However, if the related party transactions can be deemed as recurrent related party transactions, our Company may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time it wishes to enter into such recurrent related party transactions during the validity period of the mandate.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit and Risk Management Committee will, among others, supervise and monitor any related party transactions and the terms thereof and report to our Board for further action, as set out in Section 10.2 of this Prospectus. When necessary, our Board will make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

In the event that there are any proposed related party transactions that require the prior approval of our shareholders, the Directors and major shareholders, and / or persons connected with them which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of his direct and / or indirect shareholdings. Such interested Director and / or major shareholders will also undertake to ensure that the person connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting.

10.1.3 Transactions entered into that are unusual in their nature or conditions

There were no transactions entered into that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets to which we or any of our Subsidiaries were a party to in respect of the past 4 financial years and up to the LPD and for the subsequent financial period immediately preceding the date of this Prospectus.

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10. RELATED PARTY TRANSACTIONS (CONT'D)

10.1.4 Advances and / or loans made to or for the benefit of related parties

Save as disclosed below, there are no outstanding advances and / or loans (including guarantees of any kind) made by us to or for the benefit of our related parties for the past 4 financial years and up to the LPD:

| Related party | Relationship | Nature of transaction and purpose | Outstanding balance | | | | As at the LPD (RM'000) |
|---------------|--------------|---|---------------------|------------------|------------------|------------------|---------------------------|
| | | | As at 31 March | | | | |
| | | | 2019 (RM'000) | 2020 (RM'000) | 2021 (RM'000) | 2022 (RM'000) | |
| Tan Keong | Aik | Tan Aik Keong is our Promoter, substantial shareholder and Director | 12 | 25 | - | - | [●] |
| Tan Keong | Aik | Tan Aik Keong is our Promoter, substantial shareholder and Director | - | (2) # | - | - | [●] |

Notes:

(1) *These loans were made in the normal course of business under negotiated terms and conditions and are mutually agreed with respective parties. The loans were not made on arm's length basis as they were unsecured, non-interest bearing and receivable up to 3 years from disbursement date. As at the LPD, all of these amounts have been fully repaid. Our Group does not intend to provide any such loans (including guarantees of any kind) to or for the benefit of our related parties in the future, other than in the ordinary course of business in accordance with the law.*

(2) *The amount is less than RM1,000.00.*

10. RELATED PARTY TRANSACTIONS (CONT'D)

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS**10.2.1 Audit and Risk Management Committee review**

Our Audit and Risk Management Committee reviews related party transactions to ensure no conflicts of interest arise within our Company or our Group. The Audit and Risk Management Committee reviews the procedures set by our Company to monitor related party transactions to ensure the integrity of these transactions, procedures or course of conducts. In reviewing the related party transactions, the following, amongst other things will be considered:

- (i) the rationale and the cost / benefit to our Company is first considered;
- (ii) where possible, comparative quotes will be taken into consideration;
- (iii) that the transactions are carried out on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not to the detriment of our Group; and
- (iv) that the transactions are not detrimental to our Company's non-interested shareholders.

All reviews by the Audit and Risk Management Committee are reported to our Board for its further action.

10.2.2 Our Group's policy on related party transactions

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom our Group has entered into such transactions. As disclosed in this Prospectus, some of our Directors and / or major shareholders are also directors and in some cases, shareholders of the related parties of our Group, and with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions shall be reviewed by the Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of the Group, on arm's length basis and are based on normal commercial terms which are not more favourable to the related parties than those generally available to third parties dealing at arm's length and are not to the detriment of our Group.

In addition, we plan to adopt a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and the MCGG upon our Listing. The procedures which may form part of the framework include, amongst others, the following:

- (i) our Board shall ensure that majority of our Board members are independent directors and will undertake an annual assessment of our Independent Directors;
- (ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit and Risk Management Committee for evaluation and assessment who would in turn, make a recommendation to our Board.

11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS OR CONFLICT OF INTEREST

As at the LPD, none of our Directors and / or substantial shareholders of our Group have any interest, whether direct or indirect, in other businesses or corporations which are carrying on a similar trade to that of our Group or which are the customers and / or suppliers of our Group save and except as disclosed below:

| No. | Corporation(s) | Nature | Principal activities | Nature of interest |
|-----|-------------------------------|----------------------------|--|---|
| 1. | Mr Savvy Sdn. Bhd. | Similar trade as our Group | Providing information technology service and solutions, software and hardware consultancy and other related services | Dato' Low Hann Yong is our Non-Independent Non-Executive Chairman. He is also the substantial shareholder of Mr Savvy Sdn. Bhd. with a 51.0% direct equity interest. |
| 2. | Cloudbooks Sdn. Bhd. | Similar trade as our Group | Business of providing software consulting, development, training and solution services | Datin Yap Shin Siang is our Independent Non-Executive Director. She is also a director and substantial shareholder of Cloudbooks Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽¹⁾ |
| 3. | Hachiman Technology Sdn. Bhd. | Similar trade as our Group | <ul style="list-style-type: none"> • Computer programming activities ⁽²⁾ • Retail sale of computers, computer equipment and supplies ⁽²⁾ | Jason Chan Ling Khee is our substantial shareholder. He is also a director and the shareholder of Hachiman Technology Sdn. Bhd. with a 100.0% direct equity interest. |
| 4. | MX Global Sdn. Bhd. | Similar trade as our Group | Information communication technology (ICT) system security | Jason Chan Ling Khee is our substantial shareholder. He is also a director and substantial shareholder of MX Global Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽³⁾ |
| 5. | Intrepid Ventures Pte. Ltd. | Similar trade as our Group | <ul style="list-style-type: none"> • Information technology consulting • Wholesale trade of a variety of goods without a dominant product | Jason Chan Ling Khee is our substantial shareholder. He is also a director of Intrepid Ventures Pte. Ltd. |

11. CONFLICT OF INTEREST (CONT'D)

| No. | Corporation(s) | Nature | Principal activities | Nature of interest |
|------------|--------------------------------------|--|--|--|
| 6. | Stampede Solution Sdn. Bhd. | Similar trade as our Group | Computer software, hardware and accessories and its related services | MY E.G. Capital Sdn. Bhd. is our substantial shareholder. It is also the substantial shareholder of Stampede Solution Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽⁴⁾ |
| 7. | Telefonix Sdn. Bhd. | Similar trade as our Group | Sales and services of computer and telecommunication, telecommunication activities and software provider | MY E.G. Capital Sdn. Bhd. is our substantial shareholder. It is also the substantial shareholder of Telefonix Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽⁵⁾ |
| 8. | New Era Strategic Thinking Sdn. Bhd. | Similar trade as our Group | Software development and related technology activities | MY E.G. Capital Sdn. Bhd. is our substantial shareholder. It is also the shareholder of New Era Strategic Thinking Sdn. Bhd. with a 30.0% direct equity interest. |
| 9. | Essential Reviews Sdn. Bhd. | Similar trade as our Group | Provision of digital platform for reviews and news on restaurants and food and beverage businesses, with advertising or marketing possibilities for related brands | MY E.G. Capital Sdn. Bhd. is our substantial shareholder. It is also the shareholder of Essential Reviews Sdn. Bhd. with a 67.0% direct equity interest. |
| 10. | Hurr TV Sdn. Bhd. | Similar trade as our Group and is our supplier | Build, own and operate an online television channel and e-commerce platform | MY E.G. Capital Sdn. Bhd. is our substantial shareholder. It is also the shareholder of Hurr TV Sdn. Bhd. with a 60.0% direct equity interest. |

11. CONFLICT OF INTEREST (CONT'D)

| No. | Corporation(s) | Nature | Principal activities | Nature of interest |
|------------|------------------------------------|----------------------------|---|--|
| 11. | Cardbiz Payment Services Sdn. Bhd. | Similar trade as our Group | Information technology and credit card terminal rental and other related activities | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also the substantial shareholder of Cardbiz Payment Services Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽⁶⁾</p> |
| 12. | Buy Now Asia Sdn. Bhd. | Similar trade as our Group | E-commerce service provider, online purchase and redemption and other related activities | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also the substantial shareholder of Buy Now Asia Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽⁷⁾</p> |
| 13. | Cardbiz Solutions Sdn. Bhd. | Similar trade as our Group | <ul style="list-style-type: none"> • Software customisation and development • Dealer and general merchant in computer software and hardware, computer peripherals and all computer related products | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also the substantial shareholder of Cardbiz Solutions Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽⁸⁾</p> |
| 14. | Cardbiz Technologies Sdn. Bhd. | Similar trade as our Group | Selling computer hardware, software, printer, accessories, peripherals, equipments and electronic products | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also the substantial shareholder of Cardbiz Technologies Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽⁹⁾</p> |
| 15. | Cardbiz eServices Sdn. Bhd. | Similar trade as our Group | Providing infrastructure for hosting, data processing services and related activities | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also the substantial shareholder of Cardbiz eServices Sdn. Bhd. with a deemed 100.0% indirect equity interest. ⁽¹⁰⁾</p> |

11. CONFLICT OF INTEREST (CONT'D)

| No. | Corporation(s) | Nature | Principal activities | Nature of interest |
|------------|---|----------------------------|--|---|
| 16. | NFT Pangolin Technologies Sdn. Bhd. | Our customer | Investment holding company that is currently not holding shares in any company | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also the substantial shareholder of NFT Pangolin Technologies Sdn. Bhd. with a 51.0% direct equity interest.</p> |
| 17. | Zetrix Sdn. Bhd. (formerly known as MYBB Techchain Sdn. Bhd.) | Our customer | Other information technology service activities | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also the substantial shareholder of Zetrix Sdn. Bhd., with a deemed 56.0% indirect equity interest. ⁽¹¹⁾</p> |
| 18. | MY E.G. Services Berhad | Our supplier | Engaged in the businesses of development and implementation of the electronic government services project and the provision of other related services for the electronic government services project as well as investment holding | <p>MY E.G. Capital Sdn. Bhd. is our substantial shareholder.</p> <p>It is also a wholly-owned subsidiary of MY E.G. Services Berhad.</p> |
| 19. | Gale Vector Sdn. Bhd. | Similar trade as our Group | Providing software solutions and maintenance services | <p>Our substantial shareholder, MY E.G. Capital Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> <p>Gale Vector Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> |
| 20. | MY E.G. Digital ID Sdn. Bhd. | Similar trade as our Group | Development and implementation of distributed ledger technology and solutions for digital identification services | <p>Our substantial shareholder, MY E.G. Capital Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> <p>MY E.G. Digital ID Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> |

11. CONFLICT OF INTEREST (CONT'D)

| No. | Corporation(s) | Nature | Principal activities | Nature of interest |
|------------|---------------------------------------|----------------------------|--|--|
| 21. | MY E.G. Integrated Networks Sdn. Bhd. | Similar trade as our Group | Provision of software and hardware solutions and related services | <p>Our substantial shareholder, MY E.G. Capital Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> <p>MY E.G. Services Berhad is the substantial shareholder of MY E.G. Integrated Networks Sdn. Bhd. with a 40.0% direct equity interest.</p> |
| 22. | MY E.G. Sdn. Bhd. | Similar trade as our Group | Engaged in the business of development and implementation of the electronic government services project and the provision of other related services for the electronic government services project | <p>Our substantial shareholder, MY E.G. Capital Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> <p>MY E.G. Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> |
| 23. | PT MYEG Services Indonesia | Similar trade as our Group | Building, owning and operating a digital platform for commercial services | <p>Our substantial shareholder, MY E.G. Capital Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> <p>MY E.G. Services Berhad is the substantial shareholder of PT MYEG Services Indonesia with a deemed 90.0% indirect equity interest. ⁽¹²⁾</p> |
| 24. | MYEG (BD) Ltd. | Similar trade as our Group | Business of technology services and e-government services in the Republic of Bangladesh | <p>Our substantial shareholder, MY E.G. Capital Sdn. Bhd. is a wholly-owned subsidiary of MY E.G. Services Berhad.</p> <p>MY E.G. Services Berhad is the substantial shareholder of MYEG (BD) Ltd. with a deemed 40.0% indirect equity interest. ⁽¹³⁾</p> |

11. CONFLICT OF INTEREST (CONT'D)

| No. | Corporation(s) | Nature | Principal activities | Nature of interest |
|-----|-----------------------------|----------------------------|---|---|
| 25. | Strongbyte Studio Sdn. Bhd. | Similar trade as our Group | Software developer and providing related consultancy services | <p>Tang Tung Ai and Fong Huang Yee are the substantial shareholders of Agmo Sierra, holding 15.0% direct equity interest respectively.</p> <p>Tang Tung Ai and Fong Huang Yee are also the directors and shareholders of Strongbyte Studio Sdn. Bhd., holding 60.0% and 40.0% direct equity interests respectively.</p> |

Notes:

- (1) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via YYC Holdings Sdn. Bhd. which in turn holds 100.0% direct equity interest in Cloudbooks Sdn. Bhd.*
- (2) *As at the LPD, Hachiman Technology Sdn. Bhd. is not carrying out the computer programming activities as well as retail sale of computers, computer equipment and supplies. Please refer to item (iii) below for further information on the current principal activities carried out by Hachiman Technology Sdn. Bhd.*
- (3) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Hachiman Technology Sdn. Bhd. which in turn holds 100.0% equity interest in MX Global Sdn. Bhd.*
- (4) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Stampede Holdings Sdn. Bhd. which in turn holds 100.0% direct equity interest in Stampede Solution Sdn. Bhd.*
- (5) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Stampede Holdings Sdn. Bhd. which in turn holds 100.0% direct equity interest in Telefonix Sdn. Bhd.*
- (6) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Cardbiz Holding Sdn. Bhd. which in turn holds 100.0% direct equity interest in Cardbiz Payment Services Sdn. Bhd.*
- (7) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Cardbiz Holding Sdn. Bhd. which in turn holds 100.0% direct equity interest in Buy Now Asia Sdn. Bhd.*
- (8) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Cardbiz Holding Sdn. Bhd. which in turn holds 100.0% direct equity interest in Cardbiz Solutions Sdn. Bhd.*
- (9) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Cardbiz Holding Sdn. Bhd. which in turn holds 100.0% direct equity interest in Cardbiz Technologies Sdn. Bhd.*

11. CONFLICT OF INTEREST (CONT'D)

- (10) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Cardbiz Holding Sdn. Bhd. which in turn holds 100.0% direct equity interest in Cardbiz eServices Sdn. Bhd.*
- (11) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via Mydigitalcoin Sdn. Bhd., which in turn holds 56.0% direct equity interest in Zetrix Sdn. Bhd.*
- (12) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via MY EG (Indonesia) Sdn. Bhd. which in turn holds 90.0% direct equity interest in PT MYEG Services Indonesia.*
- (13) *Deemed interested pursuant to Section 8(4)(c) of the Act; held via MY EG (Bangladesh) Sdn. Bhd. which in turn holds 40.0% direct equity interest in MYEG (BD) Ltd.*

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11. CONFLICT OF INTEREST (CONT'D)

Our Board is of the view that the above interests do not give rise to a conflict of interest situation, on the following basis:

(i) Mr Savvy Sdn. Bhd.

Mr Savvy Sdn. Bhd. is principally involved in providing information technology service and solutions, software and hardware consultancy and other related services. It provides information technology services in relation to the development of websites and web applications whereas our Group is principally involved in the development of mobile and web applications. Mr. Savvy Sdn. Bhd. develops web applications which uses the web programming language, namely Hypertext Preprocessor (PHP) technology (which is a server side scripting language used for the development of websites and web applications) which is different from what our Group uses. Mr Savvy Sdn. Bhd. is also not involved in the development of applications for the industry / sectors that our Group is involved in such as logistics and healthcare. Our Group does not develop websites for third parties and the web applications we develop for our customers are usually add-ons / extensions from the mobile applications developed for them, as a complete digital solution.

Furthermore, although Dato' Low Hann Yong is a substantial shareholder of Mr Savvy Sdn. Bhd. with 51.0% shareholding who is able to exert control over as well as influence the decision making of the company, he does not act in an executive capacity and does not participate in the day-to-day operations of Mr Savvy Sdn. Bhd. The management of Mr Savvy Sdn. Bhd. is handled by its own management team.

(ii) Cloudbooks Sdn. Bhd.

Cloudbooks Sdn. Bhd. is principally involved in the business of providing software consulting, development, training and solution services. Cloudbooks Sdn. Bhd. has been dormant since the end of 2019 and as at the LPD, it does not carry out any business activities and there are no immediate plans on the part of YYC Holdings Sdn. Bhd. to change its dormant activity status.

(iii) Hachiman Technology Sdn. Bhd. and MX Global Sdn. Bhd.

Hachiman Technology Sdn. Bhd. is principally involved in computer programming activities as well as retail sale of computers, computer equipment and supplies. However, as at the LPD, Hachiman Technology Sdn. Bhd. is not carrying out the computer programming activities as well as retail sale of computers, computer equipment and supplies and it is currently involved in holding investment in companies such as MX Global Sdn. Bhd. MX Global Sdn. Bhd. is principally involved in the business of information communication technology system security and it is currently involved in operation of a digital asset exchange. Therefore, it is not carrying out business which is in conflict with our Group.

(iv) Intrepid Ventures Pte. Ltd.

Intrepid Ventures Pte. Ltd. is principally involved in information technology consulting and wholesale trade of a variety of goods without a dominant product. It is not involved in a competing business as our Group as it is not involved in the development of software applications for third parties.

(v) Stampede Solution Sdn. Bhd.

Stampede Solution Sdn. Bhd. is principally involved in the provision of computer software, hardware and accessories and its related services mainly in the debt recovery industry. As such, Stampede Solution Sdn. Bhd. targets a different group of customers as compared to our Group.

11. CONFLICT OF INTEREST (CONT'D)

Our Group does not provide or supply computer software, hardware or accessories to third parties in our ordinary course of business. While we may provide software solutions which are packaged with the mobile applications developed by us, we carry out such activities solely in connection with our core business of development and supply of mobile applications and we do not provide software solutions and related services independent from such core activities.

Furthermore, MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(vi) Telefonix Sdn. Bhd.

Telefonix Sdn. Bhd. is principally involved in the sales and services of computer and telecommunication, telecommunication activities and software provider mainly in the debt recovery and voice over internet protocol (VoIP) industries. As such, Telefonix Sdn. Bhd. targets a different group of customers as compared to our Group.

Our Group does not sell, provide or supply computer and telecommunication equipment or software to third parties in our ordinary course of business. While we may provide software solutions which are packaged with the mobile applications developed by us, we carry out such activities solely in connection with our core business of development and supply of mobile applications and we do not provide software solutions independent from such core activities. We also do not carry out any telecommunication business activities.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business director or policies of our Group.

(vii) New Era Strategic Thinking Sdn. Bhd.

New Era Strategic Thinking Sdn. Bhd. is principally involved in software development and related technology activities. It is and has been dormant since year 2018.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(viii) Essential Reviews Sdn. Bhd.

Essential Reviews Sdn. Bhd. is principally involved in provision of digital platform for reviews and news on restaurants and food and beverage businesses, with advertising or marketing possibilities for related brands. It is not a competing business as our Group is not involved in the provision of digital platform for reviews and news on restaurants and food and beverage businesses, with advertising or marketing possibilities for related brands.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(ix) Hurr TV Sdn. Bhd.

Hurr TV Sdn. Bhd. is principally involved in building, owning and operating an online television channel and e-commerce platform. It is not a competing business as our Group is not involved in the operation of online television channel and e-commerce platform.

11. CONFLICT OF INTEREST (CONT'D)

Although Hurr TV Sdn. Bhd. is our major supplier, we are not dependent on the services provided by Hurr TV Sdn. Bhd. as there are other service providers in the market.

The services purchased from Hurr TV Sdn. Bhd. are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(x) Cardbiz Payment Services Sdn. Bhd.

Cardbiz Payment Services Sdn. Bhd. is principally involved in the business of information technology, credit card terminal rental and other related activities such as point-of-sale and payment systems. It focuses primarily on merchant acquiring and financial technology services which are mainly related to payment solutions. As such, Cardbiz Payment Services Sdn. Bhd. targets a different group of customers as compared to our Group. It is not a competing business as our Group does not carry out any similar business activities.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xi) Buy Now Asia Sdn. Bhd.

Buy Now Asia Sdn. Bhd. is principally involved in providing e-commerce service, online purchase and redemption and other related activities such as merchant marketing services. It focuses primarily on e-commerce solutions which are mainly related to payment solutions. As such, Buy Now Asia Sdn. Bhd. targets a different group of customers as compared to our Group. It is not a competing business as our Group does not carry out any similar business activities.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xii) Cardbiz Solutions Sdn. Bhd.

Cardbiz Solutions Sdn. Bhd. is principally involved in the business of software customization and development, and a dealer in computer software and hardware, computer peripherals and all computer related products. It focuses primarily on web-based software development which are mainly related to loyalty and payment solutions. Cardbiz Solutions Sdn. Bhd. offers loyalty solutions which are provided through mobile devices, physical cards and hardware terminals, whereas the Agmo Loyalty platform is a web-based application without any proprietary hardware requirements. As such, Cardbiz Solutions Sdn. Bhd. targets a different group of customers as compared to our Group. It is not a competing business as our Group does not carry out any similar business activities.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

11. CONFLICT OF INTEREST (CONT'D)**(xiii) Cardbiz Technologies Sdn. Bhd.**

Cardbiz Technologies Sdn. Bhd. is principally involved in selling computer hardware, card related software, printer, accessories, peripherals, equipment and electronic products. It focuses primarily as a distributor of Polyvinyl Chloride (PVC) cards, smart cards, card printer and software which are mainly related to identification solutions. As such, Cardbiz Technologies Sdn. Bhd. targets a different group of customers as compared to our Group. It is not a competing business as our Group does not carry out any similar business activities.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xiv) Cardbiz eServices Sdn. Bhd.

Cardbiz eServices Sdn. Bhd. is principally involved in providing infrastructure for hosting, data processing services and related activities. It focuses primarily on hosting services which are mainly related to payment systems and related applications. As such, Cardbiz eServices Sdn. Bhd. targets a different group of customers as compared to our Group. It is not a competing business as our Group does not carry out any similar business activities.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xv) NFT Pangolin Technologies Sdn. Bhd.

NFT Pangolin Technologies Sdn. Bhd. is an investment holding company that is currently not holding shares in any company. It is currently in its startup phase and intends to carry out business relating to the digital asset industry. It is not a competing business as our Group does not operate any business in the digital asset industry.

NFT Pangolin Technologies Sdn. Bhd. is not our major customer. The services provided to NFT Pangolin Technologies Sdn. Bhd. are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xvi) Zetrix Sdn. Bhd.

Zetrix Sdn. Bhd. is principally involved in other information technology service activities and is dealing mainly with customers from People's Republic of China. It is not a competing business as our Group is not involved in blockchain business dealing with customers from People's Republic of China.

Pursuant to a letter of award dated 21 September 2021 issued by Zetrix Sdn. Bhd. to Agmo, Agmo or any of its wholly-owned subsidiaries agree to procure and obtain on behalf of Zetrix Sdn. Bhd. the relevant technical compliance required by Zetrix Sdn. Bhd. to establish and maintain Zetrix Sdn. Bhd.'s blockchain business development in Malaysia and to provide its expertise to project manage the development and roll out of the products and services of Zetrix Sdn. Bhd., at a retainer fee of RM5,000.00 per month commencing from 1 October 2021 for a period of 42 months ("**Contract Period**") which is payable by Mydigitalcoin Sdn. Bhd. at the end of the Contract Period.

11. CONFLICT OF INTEREST (CONT'D)

Zetrix Sdn. Bhd. is not our major customer. The services provided to Zetrix Sdn. Bhd. are carried out on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.

MY E.G. Capital Sdn. Bhd. does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xvii) MY E.G. Services Berhad

MY E.G. Services Berhad is principally involved in the businesses of development and implementation of the electronic government services project and the provision of other related services for the electronic government services project as well as investment holding.

Our Group rents office space in MYEG Tower from MY E.G. Services Berhad. The rental rates paid to MY E.G. Services Berhad are arrived at on an arm's length basis and on normal commercial terms which are not unfavourable to our Group but comparable to those generally available to third parties.

Furthermore, MY E.G. Services Berhad does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xviii) Gale Vector Sdn. Bhd.

Gale Vector Sdn. Bhd. is principally involved in providing software solutions and maintenance services. It is not a competing business as it is not involved in the digitalisation and mobile applications industry. Furthermore, while it can be said that we provide software solutions, we carry out such activities solely in connection with our core business of development and supply of mobile applications and we do not provide software solutions and related services independent from such core activities.

MY E.G. Services Berhad does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xix) MY E.G. Digital ID Sdn. Bhd.

MY E.G. Digital ID Sdn. Bhd. is principally involved in the development and implementation of distributed ledger technology and solutions for digital identification services. It is not a competing business as our Group is not involved in the digital identification services industry.

MY E.G. Services Berhad does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xx) MY E.G. Integrated Networks Sdn. Bhd.

MY E.G. Integrated Networks Sdn. Bhd. is principally involved in the provision of software and hardware solutions and related services. It focused primarily in government related projects which was meant to facilitate the implementation of the then Goods and Services Tax. Since the abolishment of Goods and Services Tax, the computer system has ceased to operate and the company is currently dormant and has been dormant since 2018. It is not a competing business as our Group does not carry out any similar business activities and are not involved in any government related projects in relation to any tax system. Furthermore, while it can be said that we provide

11. CONFLICT OF INTEREST (CONT'D)

software solutions and related services, we carry out such activities solely in connection with our core business of development and supply of mobile applications and we do not provide software solutions and related services independent from such core activities.

MY E.G. Services Berhad does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xxi) MY E.G. Sdn. Bhd.

MY E.G. Sdn. Bhd. is principally engaged in the business of development and implementation of the electronic government services project and the provision of other related services for the electronic government services project. It is not a competing business as our Group are not involved in any concession business nor are we involved in any electronic government services project.

MY E.G. Services Berhad does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xxii) PT MYEG Services Indonesia

PT MYEG Services Indonesia is principally involved in building, owning and operating a digital platform for commercial services. It is a foreign incorporated company outside of Malaysia. It is not a competing business as our Group does not operate in Indonesia.

MY E.G. Services Berhad does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xxiii) MYEG (BD) Ltd.

MYEG (BD) Ltd is principally involved in the business of technology services and e-government services in the Republic of Bangladesh. It is a foreign incorporated company outside of Malaysia. It is not a competing business as our Group does not operate in Bangladesh.

MY E.G. Services Berhad does not have any board representation on the board of directors of our Group. As such, it does not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

(xxiv) Strongbyte Studio Sdn. Bhd.

Strongbyte Studio Sdn. Bhd. is principally involved in software development and providing related consultancy services.

Pursuant to a shareholders' agreement dated 15 October 2021 ("**Shareholders' Agreement**") entered into between Agmo, Tang Tung Ai ("**Tang**") and Fong Huang Yee ("**Fong**") (collectively, the "**Agmo Sierra's Shareholders**") in respect of Agmo Sierra, Tang and Fong agree not to and shall procure all corporations in which they control not to be involved in any business providing similar business or is in competition with Agmo Sierra or any other company as may be approved by the Agmo Sierra's Shareholders ("**Group Companies**") or to engage in any business (other than representing the Group Companies) with the existing and previous customers of the Group Companies, for so long as Tang and Fong are the shareholders of Agmo Sierra and/or are employed with any of the Group Companies.

11. CONFLICT OF INTEREST (CONT'D)

The Shareholders' Agreement further provides that all projects secured by Tang and Fong after the date of the Shareholders' Agreement which are not from an existing customer of Tang and Fong as identified in the Shareholders' Agreement ("**Existing Customer**") shall be undertaken through Agmo Sierra. It was further provided in the Shareholders' Agreement that the Group is entitled to pursue projects with the Existing Customer and any projects with the Existing Customer pursued by Tang and Fong through Agmo Sierra or any company within the Group shall be undertaken through Agmo Sierra or a company within the Group.

Furthermore, Tang and Fong do not have any board representation on the board of directors of our Group. As such, they do not have and will not have any influence over the day-to-day operations or business direction or policies of our Group.

11.2 MONITORING AND OVERSIGHT OF CONFLICT OF INTEREST

Upon Listing, our Board and our Audit and Risk Management Committee will supervise any conflict of interest or potential conflict of interest situations and all Directors, substantial shareholders and key senior management will disclose such conflict of interest situations, if any, to our Audit and Risk Management Committee for resolution as and when they arise.

In order to mitigate any possible conflict of interest situation, our Directors, substantial shareholders and key senior management will declare to our Board and our Audit and Risk Management Committee of their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Audit and Risk Management Committee will then evaluate if such involvement by our Directors, substantial shareholders and key senior management gives rise to a potential conflict of interest situation with our Group's business. When a determination has been made that there is a conflict of interest of a Director(s), substantial shareholder(s) and / or key senior management, our Audit and Risk Management Committee will:

- (i) immediately inform our Board of the conflict of interest situation; and
- (ii) make recommendations to our Board to direct the conflicted Director(s), substantial shareholder(s) and / or key senior management to:
 - (a) withdraw from all his / her executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director and / or substantial shareholder is an Executive Director). After his / her withdrawal, he / she will remain in the said executive position to perform his / her executive role in matters that will not give rise to conflict of interest situation; and
 - (b) abstain from all Board deliberation and involvements in matters where he / she has a conflict of interest situation. The conflicted Director(s) shall also abstain from any Board discussions relating to the recommendation of our Audit and Risk Management Committee and the conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director(s) may however, at the request of our Audit and Risk Management Committee, be present at our meeting for the purposes of answering any questions. The conflicted Director(s) shall also abstain from voting in respect of his / her direct / indirect shareholdings in our Company, if any, on the resolutions pertaining to the said transactions to be tabled at the general meeting to be convened.

In circumstances where a Director is deemed to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his / her fiduciary duties and responsibilities to our Group, our Nomination Committee may determine if the resignation of the conflicted Director from our Board will be appropriate and necessary.

11. CONFLICT OF INTEREST (CONT'D)

- (iii) to identify the person(s) connected to the conflicted Director, substantial shareholder and / or key senior management (if any) and review any business dealings with such person(s) to establish whether a conflict of interest situation arises. Thereafter, the conflicted Director, substantial shareholder and / or key senior management shall undertake to ensure that persons connected to him / her shall abstain from voting in respect of their direct / indirect shareholdings in our Company, if any, on the resolutions pertaining to the said transactions to be tabled at the general meeting to be convened. Our Audit and Risk Management Committee shall also continue to monitor such business dealings to ensure that they are conducted on arms' length basis and based on terms that are favourable to our Group.

11.3 DECLARATION BY EXPERTS**11.3.1 Declaration by Kenanga IB**

Kenanga IB confirms that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO.

11.3.2 Declaration by Mah-Kamariyah & Philip Koh

Mah-Kamariyah & Philip Koh confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors as to Malaysian law in respect of our IPO.

11.3.3 Declaration by Grant Thornton

Grant Thornton confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

11.3.4 Declaration by Smith Zander

Smith Zander confirms that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our IPO.

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12. FINANCIAL INFORMATION

12.1 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION



REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Grant Thornton Malaysia PLT
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia

Date:

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The Board of Directors
Agmo Holdings Berhad
Level 38, MYEG Tower
Empire City Damansara
Jalan PJU 8, Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

AGMO HOLDINGS BERHAD (“AGMO” OR THE “COMPANY”) AND ITS SUBSIDIARIES (THE “GROUP”)

REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION INCLUDED IN A PROSPECTUS

We have completed our assurance engagement to report on the compilation of pro forma consolidated statement of financial position of the Group as at 31 March 2022 (“Pro Forma Financial Position”) prepared by the Board of Directors of the Company. The Pro Forma Financial Position together with the accompanying notes thereon, for which we have stamped for the purpose of identification. The Pro Forma Financial Position have been prepared for inclusion in the prospectus of the Company (“the Prospectus”) in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad (“Proposed Listing”).

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Financial Position are described in the notes thereon to the Pro Forma Financial Position. The Pro Forma Financial Position is prepared in accordance with the requirements of Chapter 9 of the Prospectus Guidelines-Equity issued by the Securities Commission Malaysia (“Prospectus Guidelines”) and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Financial Position have been compiled by the Board of Directors, for illustrative purposes only, to illustrate the impact of the events or transactions as set out in the notes thereon to the Pro Forma Financial as if the events or the transactions had taken place as at 31 March 2022. As part of this process, information about the Group’s consolidated statements of financial position has been extracted by the Board of Directors from the Group audited consolidated financial statements for the financial year ended 31 March 2022, on which an auditors’ report dated 11 May 2022 has been issued.

12. FINANCIAL INFORMATION (CONT'D)

**Directors' Responsibility for the Pro Forma Financial Position**

The Board of Directors is responsible for compiling the Pro Forma Financial Position on the basis described in the notes thereon to the Pro Forma Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Our Independence and Quality Control

We are independent 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' 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.

Our firm applies International Standard on Quality Control ("ISQC") 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Financial Position have been compiled, in all material respects, by the Board of Directors of the Company on the basis as described in notes thereon to the Pro Forma Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE 3420), *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of the Company have compiled, in all material respects, the Pro Forma Financial Position on the basis described in the notes thereon to the Pro Forma Financial Position.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Position.

The purpose of Pro Forma Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

12. FINANCIAL INFORMATION (CONT'D)**Reporting Accountants' Responsibility (Cont'd)**

A reasonable assurance engagement to report on whether the Pro Forma Financial Position have been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Position.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Financial Position have been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Other Matter

This report has been prepared solely for the purpose of inclusion in the Prospectus of Agmo in connection with the Proposed Listing. As such, this report should not be used or relied upon for any other purpose without the prior written consent from us. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,

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

ANTONY LEONG WEE LOK
(NO: 03381/06/2022 J)
CHARTERED ACCOUNTANT

Kuala Lumpur

12. FINANCIAL INFORMATION (CONT'D)

Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position

The pro forma consolidated statement of financial position of the Group as at 31 March 2022 (“Pro Forma Financial Position”) as set out below has been prepared for illustrative purposes only to show the effects of the transactions referred to Note 2 had these events or transactions been effected on 31 March 2022, and should be read in conjunction with the notes accompanying to the Pro Forma Financial Position.

| | As at 31 March 2022 ⁽¹⁾ RM'000 | Adjustments for Proposed Share Consolidation RM'000 | Pro forma I After Proposed Share Consolidation RM'000 | Adjustments for Proposed Public Issue RM'000 | Pro forma II After Proposed And Proposed Public Issue RM'000 | Adjustments for Utilisation of Proceeds RM'000 | Pro forma III After Proforma II and Utilisation of Proceeds RM'000 |
|---|---|--|---|---|--|---|---|
| ASSETS | | | | | | | |
| NON-CURRENT ASSETS | | | | | | | |
| 4(a) Equipment | 435 | - | 435 | - | 435 | [●] | [●] |
| Right-of-use assets | 778 | - | 778 | - | 778 | - | 778 |
| Investment in a joint venture | 206 | - | 206 | - | 206 | - | 206 |
| Other investments | 175 | - | 175 | - | 175 | - | 175 |
| Total non-current assets | 1,594 | - | 1,594 | - | 1,594 | [●] | [●] |
| CURRENT ASSETS | | | | | | | |
| Trade receivables | 4,434 | - | 4,434 | - | 4,434 | - | 4,434 |
| Other receivables, deposits and prepayments | 1,406 | - | 1,406 | - | 1,406 | [●] | [●] |
| Tax recoverable | 39 | - | 39 | - | 39 | - | 39 |
| Fixed deposits placed with licensed banks | 4,098 | - | 4,098 | - | 4,098 | - | 4,098 |
| Cash and bank and short term investments | 2,418 | - | 2,418 | [●] | [●] | [●] | [●] |
| Total current assets | 12,395 | - | 12,395 | [●] | [●] | [●] | [●] |
| TOTAL ASSETS | 13,989 | - | 13,989 | [●] | [●] | [●] | [●] |
| EQUITY AND LIABILITIES | | | | | | | |
| EQUITY | | | | | | | |
| Equity attributable to owners of the Company:- | | | | | | | |
| 4(d) Share capital | 4,000 | - | 4,000 | [●] | [●] | [●] | [●] |
| 4(e) Retained earnings | 7,087 | - | 7,087 | - | 7,087 | [●] | [●] |
| Non-controlling interests | 11,087 | - | 11,087 | [●] | [●] | [●] | [●] |
| | 46 | - | 46 | - | 46 | - | 46 |
| TOTAL EQUITY | 11,133 | - | 11,133 | [●] | [●] | [●] | [●] |

12. FINANCIAL INFORMATION (CONT'D)

Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)
Pro Forma Financial Position and the notes thereon

Pro Forma Financial Position (Cont'd)

| | As at 31 March 2022 ⁽¹⁾ RM'000 | Adjustments for Proposed Share Consolidation RM'000 | Pro forma I After Proposed Share Consolidation RM'000 | Adjustments for Proposed Public Issue RM'000 | Pro forma II After Proforma I And Proposed Public Issue RM'000 | Adjustments for Utilisation of Proceeds RM'000 | Pro forma III After Proforma II and Utilisation of Proceeds RM'000 |
|-------------------------------------|---|--|---|---|--|---|---|
| LIABILITIES | | | | | | | |
| NON-CURRENT LIABILITIES | | | | | | | |
| Deferred tax liabilities | 59 | - | 59 | - | 59 | - | 59 |
| Lease liabilities | 651 | - | 651 | - | 651 | - | 651 |
| Total non-current liabilities | 710 | - | 710 | - | 710 | - | 710 |
| CURRENT LIABILITIES | | | | | | | |
| Other payables and accruals | 1,423 | - | 1,423 | - | 1,423 | - | 1,423 |
| Contract liabilities | 512 | - | 512 | - | 512 | - | 512 |
| Lease liabilities | 154 | - | 154 | - | 154 | - | 154 |
| Tax payables | 57 | - | 57 | - | 57 | - | 57 |
| Total current liabilities | 2,146 | - | 2,146 | - | 2,146 | - | 2,146 |
| TOTAL LIABILITIES | 2,856 | - | 2,856 | - | 2,856 | - | 2,856 |
| TOTAL EQUITY AND LIABILITIES | 13,989 | - | 13,989 | [●] | [●] | [●] | [●] |
| Number of shares in issue ('000) | 400,000 | (160,000) | 240,000 | 85,000 | 325,000 | | 325,000 |
| Net asset per share (RM) | 0.03 | | 0.05 | | [●] | | [●] |

Note:-

⁽¹⁾ Extracted from the Group's audited consolidated financial statements for the financial year ended 31 March 2022.

12. FINANCIAL INFORMATION (CONT'D)

Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”) Pro Forma Financial Position and the notes thereon

Notes to the Pro Forma Financial Position

The pro forma consolidated statement of financial position of the Group as at 31 March 2022 (“Pro Forma Financial Position”) have been prepared for illustration purposes only, by the Board of Directors (the “Directors”) of the Company for inclusion in the prospectus of the Company to be issued in connection with the initial public offering of 325,000,000 ordinary shares in the Company in conjunction with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad (“Proposed Listing”)(“IPO”).

1 Basis of Preparation

The applicable criteria in the preparation of the Pro Forma Financial Position are in accordance with Chapter 9 of the Prospectus Guidelines issued by the Securities Commission Malaysia (“SC”).

The Pro Forma Financial Position have been prepared based on the Group audited consolidated financial statements for the financial year ended 31 March 2022, which was prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and in a manner consistent with both the format of financial statements and the accounting policies adopted by the Group, and the adjusted for the events and transactions detailed in Note 2 to the Pro Forma Financial Position.

The auditors’ report dated 11 May 2022 on the Group’s audited consolidated financial statements for the financial year ended 31 March 2022 was not subject to any audit qualification, modification or disclaimer of opinion.

The Pro Forma Financial Position, because of its nature, may not reflect the actual financial position of the Group. Further, such information does not predict the future financial position of the Group.

2 Listing Scheme

In conjunction with the Proposed Listing, the Company would undertake the following:-

2.1 Proposed Share Consolidation

A proposed share consolidation of 400,000,000 existing ordinary shares into 240,000,000 ordinary shares on the basis of every five (5) existing ordinary shares in the Company into three (3) ordinary shares will be implemented.

The issued share capital after Proposed Share Consolidation would be 240,000,000 ordinary shares which reduces by 160,000,000 ordinary shares from 400,000,000 ordinary shares. The Proposed Share Consolidation would not have any effect to the share capital of the Company. Accordingly, the share capital of the Company would remain at RM4,000,000.

12. FINANCIAL INFORMATION (CONT'D)**Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)**
Pro Forma Financial Position and the notes thereon**Notes to the Pro Forma Financial Position (Cont'd)****2 Listing Scheme (Cont'd)****2.2 Proposed Public Issue**

The public issue of 85,000,000 new ordinary shares in the Company (“Issue Shares”) at an issue price of RM[●] per Issue Share, representing approximately 26.2% of the enlarged total number of shares of the Company. The Issue Shares shall be allocated in the following manner:

- (i) 16,250,000 new Issue Shares, representing 5.0% of the enlarged total number of shares, will be made available for application by the Malaysian Public through a balloting process, of which 50.0% will be set aside for Bumiputera investors;
- (ii) 6,500,000 new Issue Shares, representing 2.0% of the enlarged total number of shares, will be made available for application by eligible Directors, employees and business associates of the Group; and
- (iii) 62,250,000 new Issue Shares, representing approximately 19.2% of the enlarged total number of shares, will be made available for application by way of private placement to selected investors.

2.3 Utilisation of Proceeds

The estimated gross proceeds from the Proposed Public Issue of RM[●] are intended to be utilised in the following manner:

| Details of utilisation | Estimated timeframe for utilisation from the date of Proposed Listing | RM'000 | % |
|--|--|---------------|------------|
| Investment in a dedicated research and development team ⁽¹⁾ | Within 24 months | [●] | [●] |
| Investment in a dedicated sales, marketing and business development team ⁽²⁾ | Within 36 months | [●] | [●] |
| Investment in a dedicated technical support and maintenance services division ⁽³⁾ | Within 36 months | [●] | [●] |
| Establishment of a training and development centre ⁽⁴⁾ | Within 36 months | [●] | [●] |
| Regional expansion to Singapore ⁽⁵⁾ | Within 36 months | [●] | [●] |
| Working capital and related capital expenditure ⁽⁶⁾ | Within 12 to 30 months | [●] | [●] |
| Estimated listing expenses ⁽⁷⁾ | Immediately upon listing | [●] | [●] |
| Total estimated proceeds | | [●] | 100 |

12. FINANCIAL INFORMATION (CONT'D)**Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)**
Pro Forma Financial Position and the notes thereon**Notes to the Pro Forma Financial Position (Cont'd)****2 Listing Scheme (Cont'd)****2.3 Utilisation of Proceeds (Cont'd)**Notes:

- (1) The breakdown of investment in a dedicated research and development team are as tabulated below.

| | RM'000 |
|--|---------------|
| Payroll expenses ⁽⁹⁾ | [●] |
| Purchase of computer and software ⁽⁸⁾ | [●] |
| Software licenses subscription | [●] |
| Total | [●] |

As at the latest practicable date of 15 December 2021, none of the above total utilisation of proceeds for investment in a dedicated research and development team is factually supportable by any purchase orders, sales and purchase agreements or contractual binding arrangements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for the said expenditure of RM[●] million to be raised from the Proposed Public Issue in the Pro Forma Financial Position.

- (2) The breakdown of investment in a dedicated a sales, marketing and business development team is as tabulated below.

| | RM'000 |
|--|---------------|
| Payroll expenses ⁽⁹⁾ | [●] |
| Purchase of computer and software ⁽⁸⁾ | [●] |
| Software licenses subscription | [●] |
| Total | [●] |

As at the latest practicable date of 15 December 2021, none of the above total utilisation of proceeds for investment in a dedicated sales, marketing and business development team is factually supportable by any purchase orders, sales and purchase agreements or contractual binding arrangements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for the said expenditure of RM[●] million to be raised from the Proposed Public Issue in the Pro Forma Financial Position.

12. FINANCIAL INFORMATION (CONT'D)**Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)**
Pro Forma Financial Position and the notes thereon**Notes to the Pro Forma Financial Position (Cont'd)****2 Listing Scheme (Cont'd)****2.3 Utilisation of Proceeds (Cont'd)**Notes (cont'd):

- (3) The breakdown of investment in a dedicated support and maintenance services division is as tabulated below.

| | RM'000 |
|---|---------------|
| Payroll expenses ⁽⁹⁾ | [●] |
| Customised support and maintenance system development | [●] |
| Purchase of computer and software ⁽⁸⁾ | [●] |
| Software licenses subscription | [●] |
| Total | [●] |

As at the latest practicable date of 15 December 2021, none of the above total utilisation of proceeds for investment in a dedicated support and maintenance services division is factually supportable by any purchase orders, sales and purchase agreements or contractual binding arrangements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for the said expenditure of RM[●] million to be raised from the Proposed Public Issue in the Pro Forma Financial Position.

- (4) The breakdown of establishment of training and development centre is as tabulated below.

| | RM'000 |
|--|---------------|
| Payroll expenses ⁽⁹⁾ | [●] |
| Setting up training and development centre | |
| - Training syllabus cost | [●] |
| - Rental of office | [●] |
| - Purchase of equipment ⁽⁸⁾ | [●] |
| - Office renovation ⁽⁸⁾ | [●] |
| Development of training system | [●] |
| Total | [●] |

As at the latest practicable date of 15 December 2021, none of the above total utilisation of proceeds for establishment of training and development centre is factually supportable by any purchase orders, sales and purchase agreements or contractual binding arrangements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for the said expenditure of RM[●] million to be raised from the Proposed Public Issue in the Pro Forma Financial Position.

12. FINANCIAL INFORMATION (CONT'D)**Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)**
Pro Forma Financial Position and the notes thereon**Notes to the Pro Forma Financial Position (Cont'd)****2 Listing Scheme (Cont'd)****2.3 Utilisation of Proceeds (Cont'd)**Notes (cont'd):

(5) The breakdown of regional expansion to Singapore is as tabulated below.

| | RM'000 |
|--|---------------|
| Payroll expenses ⁽⁹⁾ | [●] |
| Marketing expenses | [●] |
| Rental of office | [●] |
| Purchase of computer and software ⁽⁸⁾ | [●] |
| Total | [●] |

As at the latest practicable date of 15 December 2021, none of the above total utilisation of proceeds for regional expansion to Singapore is factually supportable by any purchase orders, sales and purchase agreements or contractual binding arrangements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the total utilisation of proceeds for the said expenditure of RM[●] million to be raised from the Proposed Public Issue in the Pro Forma Financial Position.

(6) Included in the working capital are purchase of computer and software and office renovation amounting to RM[●] million⁽⁸⁾ and RM[●] million⁽⁸⁾ for capital expenditure respectively. As at the latest practicable date of 15 December 2021, the use of proceeds for the said capital expenditure is not factually supportable by any purchase orders, sales and purchase agreements or contractual binding arrangements. However, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines issued by the SC, the Group has illustrated the use of proceeds for the said capital expenditure to be raised from the Proposed Public Issue in the Pro Forma Financial Position.

(7) The breakdown of estimated listing expenses comprises the following:

| | RM'000 |
|--|---------------|
| Professional fees | [●] |
| Brokerage, underwriting and placement fees | [●] |
| Fees payable to authorities | [●] |
| Other fees and expenses such as printing, advertising and other miscellaneous expenses incurred in relation to the Proposed Public Issue | [●] |
| Total | [●] |

Upon completion of the IPO, the estimated listing expenses of RM[●] million, which is directly attributable to the issuance of new shares will be debited against the share capital of the Company and the remaining estimated listing expenses of RM[●] million will be expensed off to statements of profit or loss and other comprehensive income.

12. FINANCIAL INFORMATION (CONT'D)

Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”) Pro Forma Financial Position and the notes thereon

Notes to the Pro Forma Financial Position (Cont'd)

2 Listing Scheme (Cont'd)

2.3 Utilisation of Proceeds (Cont'd)

Notes (cont'd):

As at the latest practicable date of 15 December 2021, the Group has paid RM[●] of listing expenses and is recognised in the prepayment. The said prepayment will be subsequently debited against share capital and/or expensed off to the statements of profit or loss and other comprehensive income upon completion of IPO.

(8) Capital expenditure amounts to RM[●] million as per included in respective tables above.

(9) Payroll expenses as working capital in nature amounts to RM[●] million as per included in respective tables above.

3 Pro Forma Adjustments

The Pro Forma Financial Position have been prepared to illustrate the effects of the following:

- (i) Pro Forma I : After adjusted for Proposed Share Consolidation as described in Note 2.1;
- (ii) Pro Forma II : After Pro Forma I and Proposed Public Issue as described in Note 2.2; and
- (iii) Pro Forma III : After Pro Forma II and Utilisation of Proceeds as described in Note 2.3.

4 Effects on the Pro Forma Financial Position

(a) Equipment

| | RM'000 |
|--|--------|
| Balance as at 31 March 2022/ As per Pro Forma I and II | 435 |
| Pursuant to Utilisation of Proceeds | |
| - Capital expenditure | [●] |
| | [●] |
| As per Pro Forma III | [●] |

(b) Other receivables, deposits and prepayment

| | RM'000 |
|--|--------|
| Balance as at 31 March 2022/ As per Pro Forma I and II | 1,406 |
| Pursuant to Utilisation of Proceeds | |
| - Listing expenses charged to profit or loss | [●] |
| | [●] |
| As per Pro Forma III | [●] |

12. FINANCIAL INFORMATION (CONT'D)

Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)
Pro Forma Financial Position and the notes thereon

Notes to the Pro Forma Financial Position (Cont'd)

4 Effects on the Pro Forma Financial Position (Cont'd)

(c) Cash and Bank Balances

| | RM'000 | RM'000 |
|---|------------|------------|
| Balance as at 31 March 2022/ As per Pro Forma I Pursuant to Proposed Public Issue | | 2,418 |
| | | <u>[•]</u> |
| As per Pro Forma II Pursuant to Utilisation of Proceeds | | [•] |
| - Expenses (excluding working capital and capital expenditure) | [•] | |
| - Capital expenditure | <u>[•]</u> | <u>[•]</u> |
| Estimated listing expenses | | <u>[•]</u> |
| As per Pro Forma III | | <u>[•]</u> |

(d) Share Capital

| | Unit '000 | RM'000 |
|--|------------------|------------|
| Balance as at 31 March 2022 Pursuant to Proposed Share Consolidation | 400,000 | 4,000 |
| | <u>(160,000)</u> | <u>-</u> |
| As per Pro Forma I Pursuant to Proposed Public Issue | 240,000 | 4,000 |
| | <u>85,000</u> | <u>[•]</u> |
| As per Pro Forma II Pursuant to Utilisation of Proceeds | 325,000 | [•] |
| - Estimated listing expenses | <u>-</u> | <u>[•]</u> |
| As per Pro Forma III | <u>325,000</u> | <u>[•]</u> |

(e) Retained Earnings

| | RM'000 | RM'000 |
|--|------------|------------|
| Balance as at 31 March 2022/ As per Pro Forma I and II Pursuant to Utilisation of Proceeds | | 7,087 |
| - Expenses (excluding working capital and capital expenditure) | [•] | |
| - Estimated listing expenses | <u>[•]</u> | <u>[•]</u> |
| As per Pro Forma III | | <u>[•]</u> |

12. FINANCIAL INFORMATION (CONT'D)

Agmo Holdings Berhad (“Agmo” or the “Company”) and its subsidiaries (the “Group”)
Pro Forma Financial Position and the notes thereon

Approval by the Board of Directors

Approved and adopted by the Board of Directors in accordance with a resolution dated **O/S**.

For and on behalf of the Board of Directors,

.....
TAN AIK KEONG
Director

.....
LOW KANG WEN
Director

12. FINANCIAL INFORMATION (CONT'D)**12.2 HISTORICAL FINANCIAL INFORMATION**

The following table sets out a summary of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of financial position of our Group for the Financial Years Under Review. The consolidated financial statements have been prepared in accordance with MFRS and IFRS and should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

12.2.1 Consolidated statements of profit or loss and other comprehensive income of our Group

| | Audited | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 5,435 | 6,214 | 9,040 | 16,525 |
| Cost of sales | (2,691) | (3,395) | (4,413) | (9,145) |
| GP | <u>2,744</u> | <u>2,819</u> | <u>4,627</u> | <u>7,380</u> |
| Other income | 1 | 12 | 2 | 207 |
| Net measurement of expected credit losses | (11) | 11 | (225) | 192 |
| Selling and marketing expenses | (3) | (6) | (40) | (12) |
| Administrative expenses | (292) | (409) | (392) | (668) |
| Depreciation | (30) | (38) | (49) | (173) |
| Other expenses | (50) | (11) | (46) | (40) |
| Operating profit | <u>2,359</u> | <u>2,378</u> | <u>3,877</u> | <u>6,886</u> |
| Finance income | 78 | 120 | 189 | 94 |
| Finance cost | - | - | - | (22) |
| Share of loss of an equity-accounted joint venture ⁽⁶⁾ | - | - | - | (4) |
| PBT | <u>2,437</u> | <u>2,498</u> | <u>4,066</u> | <u>6,954</u> |
| Tax expense | (25) | (2) | (62) | (216) |
| PAT | <u>2,412</u> | <u>2,496</u> | <u>4,004</u> | <u>6,738</u> |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | <u>2,412</u> | <u>2,496</u> | <u>4,004</u> | <u>6,738</u> |
| PAT attributable to: | | | | |
| - Owners of our Company | 2,412 | 2,496 | 4,004 | 6,692 |
| - Non-controlling interests | - | - | - | 46 |
| | <u>2,412</u> | <u>2,496</u> | <u>4,004</u> | <u>6,738</u> |
| EBITDA ⁽¹⁾ | 2,389 | 2,416 | 3,926 | 7,055 |
| GP margin (%) ⁽²⁾ | 50.5 | 45.4 | 51.2 | 44.7 |
| PBT margin (%) ⁽³⁾ | 44.8 | 40.2 | 45.0 | 42.1 |
| PAT margin (%) ⁽⁴⁾ | 44.4 | 40.2 | 44.3 | 40.8 |
| PATAMI margin (%) ⁽⁵⁾ | 44.4 | 40.2 | 44.3 | 40.5 |
| Number of Shares in issue ('000) | 400,000 | 400,000 | 400,000 | 400,000 |
| Basic EPS (sen) | 0.60 | 0.62 | 1.00 | 1.67 |

Notes:

(1) EBITDA is computed as follows:

| | Audited | | | |
|----------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| PAT | 2,412 | 2,496 | 4,004 | 6,738 |
| Less: | | | | |
| Finance income | (78) | (120) | (189) | (94) |

12. FINANCIAL INFORMATION (CONT'D)

| | <i>Audited</i> | | | |
|---------------------|-----------------|-----------------|-----------------|-----------------|
| | <i>FYE 2019</i> | <i>FYE 2020</i> | <i>FYE 2021</i> | <i>FYE 2022</i> |
| | <i>RM'000</i> | <i>RM'000</i> | <i>RM'000</i> | <i>RM'000</i> |
| <i>Add:</i> | | | | |
| <i>Taxation</i> | 25 | 2 | 62 | 216 |
| <i>Depreciation</i> | 30 | 38 | 49 | 173 |
| <i>Finance cost</i> | - | - | - | 22 |
| EBITDA | 2,389 | 2,416 | 3,926 | 7,055 |

- (2) GP margin is computed based on GP over revenue.
- (3) PBT margin is computed based on PBT over revenue.
- (4) PAT margin is computed based on PAT over revenue.
- (5) PATAMI margin is computed based on PAT attributable to owners of our Company over revenue.
- (6) Our Group subscribed for 35% of the equity interest in WorkGrowth Technology, a jointly controlled entity, on 9 August 2021. The investment in WorkGrowth Technology is accounted for in the consolidated financial statements using the equity method as this investment is under a joint control arrangement, and our Group and our joint venture partner namely LKC Advance Technology Sdn. Bhd. have rights to the profits or loss of WorkGrowth Technology.

12.2.2 Consolidated statements of financial position of our Group

| | <i>Audited</i> | | | |
|---|-----------------|-----------------|-----------------|----------------------|
| | <i>FYE 2019</i> | <i>FYE 2020</i> | <i>FYE 2021</i> | <i>FYE 2022</i> |
| | <i>RM'000</i> | <i>RM'000</i> | <i>RM'000</i> | <i>RM'000</i> |
| ASSETS | | | | |
| Non-current assets | | | | |
| Equipment | 107 | 142 | 166 | 435 |
| Right-of-use-assets | - | - | - | 778 |
| Investment in an associate ⁽¹⁾ | # | # | # | - |
| Other investments ⁽²⁾ | 108 | 108 | 108 | 175 |
| Investment in a joint venture ⁽³⁾ | | | | 206 |
| Total non-current assets | 215 | 250 | 274 | 1,594 |
| Current assets | | | | |
| Trade receivables | 1,207 | 1,814 | 3,800 | 4,434 |
| Other receivables, deposits and prepayments | 32 | 100 | 97 | ⁽⁴⁾ 1,406 |
| Amount due from a Director | 12 | 26 | - | - |
| Tax recoverable | - | - | - | 39 |
| Fixed deposits placed with licensed banks | 1,532 | 24 | 2,784 | 4,098 |
| Cash and bank balances and short term investment | 4,241 | 7,790 | 1,308 | 2,418 |
| Total current assets | 7,024 | 9,754 | 7,989 | 12,395 |
| TOTAL ASSETS | 7,239 | 10,004 | 8,263 | 13,989 |
| EQUITY AND LIABILITIES | | | | |
| EQUITY | | | | |
| Equity attributable to owners of our Company | | | | |
| Share capital | 4,000 | 4,000 | 4,000 | 4,000 |
| Retained earnings | 3,015 | 5,390 | 3,395 | 7,087 |
| Non-controlling interests | - | - | - | 46 |
| TOTAL EQUITY | 7,015 | 9,390 | 7,395 | 11,133 |

12. FINANCIAL INFORMATION (CONT'D)

| | Audited | | | |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| LIABILITIES | | | | |
| Non-current liability | | | | |
| Lease liabilities | - | - | - | 651 |
| Deferred tax liability | 9 | 9 | 26 | 59 |
| | 9 | 9 | 26 | 710 |
| Current liabilities | | | | |
| Other payables and accruals | 193 | 469 | 458 | (5) 1,423 |
| Contract liabilities | - | 136 | 382 | 512 |
| Lease liabilities | - | - | - | 154 |
| Tax payables | 22 | # | 2 | 57 |
| Total current liabilities | 215 | 605 | 842 | 2,146 |
| TOTAL LIABILITIES | 224 | 614 | 868 | 2,856 |
| TOTAL EQUITY AND LIABILITIES | 7,239 | 10,004 | 8,263 | 13,989 |
| Number of Shares in issue ('000) | 400,000 | 400,000 | 400,000 | 400,000 |
| NA (RM'000) | 7,015 | 9,390 | 7,395 | 11,133 |
| NA per Share (sen) | 1.75 | 2.35 | 1.85 | 2.78 |

Notes:

- (1) Refers to our Group's 35.0% equity interest in Appstremely Sdn. Bhd. Its carrying amount was impaired to RM1.00 as the associate was loss-making and in a capital deficiency position. Appstremely Sdn. Bhd. was subsequently disposed of on 6 September 2021. Further details are set out in Section 12.14 of this Prospectus.
- (2) Our Group has designated the equity investment at fair value through other comprehensive income because our Group intends to hold these investments for long-term strategic purposes. Further details are set out in Section 6.4 of this Prospectus.
- (3) Our Group subscribed for 35% of the equity interest in WorkGrowth Technology, a jointly controlled entity, on 9 August 2021. The investment in WorkGrowth Technology is accounted for in the consolidated financial statements using the equity method as this investment is under a joint control arrangement, and our Group and our joint venture partner namely LKC Advance Technology Sdn. Bhd. have rights to the net assets of WorkGrowth Technology.
- (4) Comprises mainly prepaid Listing expenses of RM1.32 million.
- (5) Comprises mainly of the following:
- (i) accrued personnel costs of RM0.88 million mainly due to increase in provision of staff bonuses amounting to RM0.65 million; and
- (ii) sales and services tax payable of RM0.37 million primarily due to higher billings to customers in the last quarter of FYE 2022 as compared to the last quarter of FYE 2021.
- # Less than RM1,000

12. FINANCIAL INFORMATION (CONT'D)

12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and segmental analysis of our consolidated financial statements for the Financial Years Under Review should be read with the Accountants' Report as set out in Section 13 of this Prospectus.

12.3.1 Overview of our operations**(i) Principal activities**

We are a digital solutions and applications development specialist. Our solutions involve digitalising our customers' business operations through the development of mobile and web applications as well as provision of digital platform-based services, as follows:

- (a) development of mobile and web applications;
- (b) provision of digital platform-based services; and
- (c) provision of subscription, hosting, technical support and maintenance services.

For further details, please refer to Sections 7.3.1, 7.3.2 and 7.3.3 of this Prospectus.

(ii) Revenue

Our revenue arises from a range of services including development of mobile and web applications, provision of digital platform-based services, and provision of subscription, hosting, technical support and maintenance services.

Our revenue were mainly denominated in RM, which contributed to approximately 87.8%, 85.6%, 87.1% and 89.5% for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. The remaining revenue were denominated in USD and SGD, which collectively contributed to approximately 12.2%, 14.4%, 12.9% and 10.5% for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

(a) Development of mobile and web applications

Mobile and web applications are software applications designed to digitalise and improve a specific task or function of businesses and companies such as sales and marketing, customer service, warehousing and human resource; as well as to digitalise and improve consumers' daily lives for communication and entertainment purposes, amongst others. We are principally involved in the development of mobile applications for customers (i.e. businesses and companies) from various industries / sectors such as healthcare, logistics, oil and gas, automotive, financial services and government agencies. Apart from the development of mobile applications, we also develop web applications for businesses and companies. The web applications developed for our customers are generally an extended / additional application to complement the mobile applications developed for them as a complete digital solution. Typically, the duration of an application development project ranges from 3 months to 6 months for a single phase, depending on the complexity of the project.

12. FINANCIAL INFORMATION (CONT'D)

Revenue from the development of mobile and web applications 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. Our Group determines that each promise in the contract for developing mobile and web applications is distinct and are therefore separate performance obligations. The consideration value for these contracts is usually determined during its origination. The consideration value of the contract is allocated to each performance obligation on the basis of relative standalone selling prices (i.e. observable price of the goods or service which our Group sells separately in similar circumstances and to similar customers) of each distinct service promised in the contract.

Revenue from the development of mobile and web applications is recognised at the point in time when our Group has transferred control of promised service to the customer and the results are shared with the customers.

(b) Provision of digital platform-based services

Our provision of digital platform-based services is intended for our customers (i.e. businesses and companies) to perform different tasks such as hosting events and connecting to / interacting with customers as well as for e-commerce related transactions, amongst others. These digital platform-based services are provided to our customers on a subscription model and / or per-usage / per-event basis based on the pre-agreed rates with our Group.

We launched a blockchain-based RPV application called Vote2U in May 2020 under Agmo Digital Solutions. Vote2U allows public listed companies in Malaysia to conduct AGMs and EGMs virtually and shareholders to perform online voting for resolutions proposed by the companies, amongst others. This expanded our service offerings and created an additional revenue stream for our Group for FYE 2021.

During FYE 2022, we launched a new application under our digital platform-based services segment, namely Agmo Health in November 2021, which is an online health consultation and prescription application that connects our customers (i.e., pharmacies) with licensed medical practitioners (i.e., doctors or health professionals) for medical consultation and prescription sought by consumers (i.e., patients).

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

(c) Provision of subscription, hosting, technical support and maintenance services

We provide subscription, hosting, technical support and maintenance services to businesses and companies for their mobile and web applications. These services are provided for a pre-agreed period typically ranging from 3 months to 12 months, thus generating recurring revenue for our Group.

Our Group provides hosting and subscription services to our customers under several third party cloud computing platforms. The cloud computing platforms used by our Group for our subscription and hosting services comprise Microsoft Azure, AWS and Huawei Cloud. Our subscription and hosting services for mobile and web applications are on quarterly or annual basis and are subject to renewal by our customers. The minimum period for our subscription and hosting services is 3 months.

12. FINANCIAL INFORMATION (CONT'D)

As part of our after-sales service following the completion of application development projects, we generally provide complimentary technical support and maintenance services for a period of 2 months, after the applications go live. Subsequent to that, our customers have the option to continue to engage us for technical support and maintenance for their mobile and web applications on a quarterly / bi-annual / annual basis. The continuous engagements for our technical support and maintenance services are subject to renewal by our customers depending on the customers' requirements. Apart from that, upon customers' request, we also provide technical support and maintenance services to businesses and companies that do not engage us for application development and digital solution. The minimum period of our technical support and maintenance services is 3 months, thus generating recurring revenue for our Group.

Revenue from the 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 customer receives and uses the benefits simultaneously. As a practical expedient, our 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.

The services for subscription and hosting as well as technical support and maintenance are ancillary services in comparison to the other business activities, namely development of mobile and web application and digital platform-based services. Whilst subscription and hosting as well as technical support and maintenance services can be offered on a standalone basis, our Group has been offering both services as a single package to our customers, comprising customers who have, and customers who have not, previously engaged our Group for application development projects and digital solutions. Accordingly, the revenue for subscription and hosting as well as technical support and maintenance services are combined and captured under one revenue stream.

(iii) Cost of sales

Cost of sales comprises payroll and related costs, subscription and hosting fees, live streaming expenses and others.

Our payroll and related costs are the main contributor to our cost of sales, representing approximately 87.1%, 89.8%, 79.6% and 83.4% of our total cost of sales for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively. It comprises mainly salaries and other emoluments, defined contribution plan, social security contribution and other benefits.

Our subscription and hosting fees represent approximately 11.8%, 9.7%, 15.3% and 10.5% of our total cost of sales for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

Our live streaming expenses represent approximately 4.3% and 2.4% of our total cost of sales for FYE 2021 and FYE 2022, respectively.

Outsourced development services represent approximately 0.5%, Nil%, 0.2% and 3.0% of our total cost of sales for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

12. FINANCIAL INFORMATION (CONT'D)

Others represent approximately 0.6%, 0.5%, 0.6% and 0.7% of our total cost of sales for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively.

(iv) Other income

Other income comprises mainly unrealised and realised gain on foreign exchange, bad debt recovered and gain on disposal of an associate.

(v) Net measurement of expected credit losses

Net measurement of expected credit losses comprises expected credit losses and reversal of expected credit losses on trade receivables.

(vi) Selling and marketing expenses

Selling and marketing expenses comprise referral fees incurred to corporate service providers for introducing clients to our Group, and exhibition and marketing expenses.

(vii) Administrative expenses

Administrative expenses comprise mainly personnel-related costs, traveling and accommodation, and legal and professional fees.

(viii) Depreciation

Depreciation comprises depreciation of equipment such as computers and software, office equipment, fixture and fittings and right-of-use assets.

(ix) Other expenses

Other expenses comprise bad debts written off, realised and unrealised loss on foreign exchange and fair value loss on short term investments.

(x) Finance income

Finance income comprises interest from fixed deposits and fixed income funds.

(xi) Finance cost

Finance cost comprises lease liabilities interest arising from the leases of our two office premises, which was recognised pursuant to MFRS 16 Leases.

(xii) Changes to accounting policies and estimates

Save as disclosed in the Accountants' Report as set out in Section 13 of this Prospectus, there were no other changes to our accounting policies and estimates during the Financial Years Under Review.

(xiii) Significant events subsequent to FYE 2022

Save for the interruptions in our business due to COVID-19 and MCO disclosed in Section 7.15 of this Prospectus, there were no significant events subsequent to our Group's audited consolidated financial statements for FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)**(xiv) Exceptional and extraordinary items and audit qualifications**

There were no exceptional or extraordinary items during the Financial Years Under Review. In addition, our audited consolidated financial statements for the Financial Years Under Review were not subject to any audit qualifications.

(xv) Significant factors affecting our business

The risk factors relating to our business and the industry in which we operate, that have an impact on our Group's revenue and financial performance are as follows:

- (a) the project-based nature of our business and / or the timing of delivery may lead to fluctuations in our Group's revenue, profit and operating cash flow;
- (b) our financial performance may be impacted after the expiration of our Pioneer Status, and / or by any changes in the conditions or loss of MSC Malaysia status;
- (c) we are exposed to foreign exchange transaction risks which may impact the profitability of our Group;
- (d) we are exposed to credit risk and default payment by customers;
- (e) our business and operations are exposed to sudden disruptions caused by serious pandemic and epidemic outbreaks;
- (f) we face competition from existing and new digital solution providers and application developers; and
- (g) we are exposed to risks relating to the economic, political, legal and regulatory environments in the countries in which our customers are domiciled.

For further details, please refer to Section 9 of this Prospectus.

12.3.2 Review of results of operations**(i) Revenue**

Our revenue for the Financial Years Under Review was derived from the following:

(a) Revenue by business segments

| | Audited | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Development of mobile and web applications | 5,124 | 94.3 | 5,414 | 87.1 | 7,269 | 80.4 | 12,956 | 78.4 |
| Provision of digital platform-based services | - | - | - | - | 703 | 7.8 | 1,192 | 7.2 |
| Provision of subscription, hosting, technical support and maintenance services | 311 | 5.7 | 800 | 12.9 | 1,068 | 11.8 | 2,377 | 14.4 |
| Total | 5,435 | 100.0 | 6,214 | 100.0 | 9,040 | 100.0 | 16,525 | 100.0 |

12. FINANCIAL INFORMATION (CONT'D)**(b) Revenue by geographical location ⁽¹⁾**

| | Audited | | | | | | | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Malaysia | 4,578 | 84.2 | 4,766 | 76.7 | 7,301 | 80.8 | 14,462 | 87.5 |
| Overseas: | | | | | | | | |
| Hong Kong ⁽²⁾ | 663 | 12.2 | 858 | 13.8 | 987 | 10.9 | 1,350 | 8.2 |
| Singapore ⁽³⁾ | - | - | 18 | 0.3 | 722 | 8.0 | 647 | 3.9 |
| Sri Lanka ⁽²⁾ | 137 | 2.5 | 428 | 6.9 | - | - | - | - |
| Others ⁽⁴⁾ | 57 | 1.1 | 144 | 2.3 | 30 | 0.3 | 66 | 0.4 |
| Subtotal | 857 | 15.8 | 1,448 | 23.3 | 1,739 | 19.2 | 2,063 | 12.5 |
| Total | 5,435 | 100.0 | 6,214 | 100.0 | 9,040 | 100.0 | 16,525 | 100.0 |

Notes:

- (1) The revenue by geographical location is derived based on our customers' countries of domicile. Revenue from overseas market is derived from the services rendered by our Group in Malaysia.
- (2) Our Group has provided the development of mobile and web application services to our customers in Hong Kong and Sri Lanka.
- (3) Our Group has provided the development of mobile and web applications and provision of subscription, hosting, technical support, and maintenance services to our customers in Singapore.
- (4) Others comprise Cambodia, China, Germany, the United Kingdom and Vietnam.

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our total revenue increased by approximately RM0.78 million or 14.4% from RM5.43 million for FYE 2019 to RM6.21 million for FYE 2020, contributed by the growth in revenue from the development of mobile and web applications segment and provision of subscription, hosting, technical support and maintenance services segment.

Revenue from the development of mobile and web applications segment was our main revenue contributor, which recorded approximately RM5.12 million or 94.3% of our total revenue for FYE 2019 and RM5.41 million or 87.1% of our total revenue for FYE 2020, respectively.

The Malaysia market was our primary revenue contributor, which recorded approximately RM4.77 million or 76.7% of our total revenue for FYE 2020 and approximately RM4.58 million or 84.2% of our total revenue for FYE 2019. Our revenue from Hong Kong and Sri Lanka were our major revenue contributors from the overseas market in FYE 2020, which recorded revenue of approximately RM0.86 million and RM0.43 million, for FYE 2020 as compared with approximately RM0.66 million and RM0.14 million for FYE 2019, respectively.

Development of mobile and web applications

Revenue from the development of mobile and web applications segment increased by approximately RM0.29 million or 5.7% from RM5.12 million for FYE 2019 to RM5.41 million for FYE 2020, mainly due to the following:

12. FINANCIAL INFORMATION (CONT'D)

- (i) Higher revenue from the following customers:
- projects from Company A, a group of companies comprising entities in Hong Kong and Malaysia, which are subsidiaries of a multinational logistics company with headquarters in Hong Kong, for the enhancement of internal mobile and web applications for its logistics and warehouse management systems, which recorded an increase in revenue of approximately RM0.45 million from RM0.74 million for FYE 2019 to RM1.19 million for FYE 2020; and
 - a project from Company D, our Sri Lanka customer from the hospitality industry, for the enhancement of mobile application for its customer loyalty platform, which recorded an increase in revenue of approximately RM0.29 million from RM0.14 million for FYE 2019 to RM0.43 million for FYE 2020.
- (ii) New projects from the following customers that contributed to our Group's revenue for FYE 2020:
- a project from Bulb Communique Sdn. Bhd., a new local customer from the digital industry, for the development of its mobile and web applications, which contributed approximately RM0.34 million to our revenue for FYE 2020;
 - projects from Pos Malaysia Berhad, a new local customer from the logistic industry, for the development and enhancement of its internal mobile application, which contributed approximately RM0.31 million to our revenue for FYE 2020; and
 - a project from a new local customer from the consumer products industry to develop its internal mobile application, which contributed approximately RM0.20 million to our revenue for FYE 2020.
- (iii) The above increases were partially offset by the decrease in our revenue for FYE 2020, mainly due to the following:
- Petroliam Nasional Berhad, our existing local customer from the oil and gas industry, had undertaken major mobile application content development in FYE 2019 as compared to the enhancement undertaken for its internal mobile application in FYE 2020, resulting in a decrease in revenue of approximately RM0.57 million from RM0.89 million for FYE 2019 to RM0.32 million for FYE 2020; and
 - the development of mobile applications projects from Petronas Dagangan Berhad, our existing customer from the oil and gas industry, was completed during FYE 2019, which contributed approximately RM0.39 million to our revenue for FYE 2019. No revenue was recognised for FYE 2020; and
 - lower revenue of approximately RM0.02 million recorded for FYE 2020 as compared with RM0.37 million for FYE 2019 for the development of mobile applications project from Company B, our existing customer from the financial services industry, as the major development work was completed in FYE 2019.

12. FINANCIAL INFORMATION (CONT'D)**Provision of subscription, hosting, technical support and maintenance services**

Our revenue from the provision of subscription, hosting, technical support and maintenance services comprise recurring income as some customers renewed their maintenance contract after the contract expired. Our maintenance services include adaptive, corrective and preventive maintenance services.

Our revenue from the provision of subscription, hosting, technical support and maintenance services segment increased by approximately RM0.49 million or 158.1% from RM0.31 million for FYE 2019 to RM0.80 million for FYE 2020. The increase was contributed mainly by the new maintenance and hosting services contracts secured during FYE 2020 following the completion of the development of web and mobile applications for our customers as follows:

- maintenance and hosting service contract with an existing local customer from the oil and gas industry for its internal website, which contributed approximately RM0.24 million to our revenue for FYE 2020;
- maintenance and hosting service contract with Petroliam Nasional Berhad, an existing local customer from the oil and gas industry for its two (2) new internal mobile applications, which contributed approximately RM0.13 million to our revenue for FYE 2020;
- maintenance service contract with Company B, an existing local customer from the financial industry for its public mobile application, which contributed approximately RM0.05 million to our revenue for FYE 2020; and
- maintenance service contract with an existing local customer from the oil and gas industry for its internal mobile application, which contributed approximately RM0.03 million to our revenue for FYE 2020.

Comparison between FYE 2020 and FYE 2021

Our total revenue increased by approximately RM2.83 million or 45.6% from RM6.21 million for FYE 2020 to RM9.04 million for FYE 2021, mainly contributed by the growth in revenue from the development of mobile and web applications segment. In addition, we generated a new revenue stream from the provision of digital platform-based services segment, when we launched our in-house RPV platform, namely Vote2U, which contributed to 7.8% of our total revenue for FYE 2021.

Revenue from the development of mobile and web applications segment has remained our main revenue contributor, which recorded an improved revenue of approximately RM7.27 million or 80.4% of our total revenue for FYE 2021, as compared with approximately RM5.41 million or 87.1% of our total revenue for FYE 2020.

The Malaysia market has continued as our primary revenue contributor, which recorded approximately RM7.30 million or 80.8% of our total revenue for FYE 2021, as compared with approximately RM4.77 million or 76.7% of our total revenue for FYE 2020. Our revenue from Hong Kong and Singapore were our major revenue contributors from the overseas market, which recorded revenue of approximately RM0.99 million and RM0.72 million, respectively, for FYE 2021, as compared with approximately RM0.86 million and RM0.02 million, respectively, for FYE 2020, with Singapore replacing Sri Lanka as our second highest overseas revenue contributor.

Our Group is of the view that the 45.6% growth in revenue in the FYE 2021 despite the COVID-19 pandemic was attributed to the increasing need for digitalisation from businesses during the pandemic, and implementation of initiatives for digital transformation by the Government of Malaysia. Further, our Group is also of the view that the increase in revenue was not a one-off trend, which is supported by the IMR Report where the mobile and web application development industry is expected to

12. FINANCIAL INFORMATION (CONT'D)

continue on its strong growth trajectory. This is driven by digitalised consumer behaviour and attachment to mobile devices by the general public to perform daily activities, digitalisation of businesses, continuous technology advancement which drives businesses to continuously adopt new or upgrade existing mobile and web applications, and the implementation of digital transformation initiatives by the Government of Malaysia.

Development of mobile and web applications

Revenue from the development of mobile and web applications segment increased by approximately RM1.86 million or 34.4% from RM5.41 million for FYE 2020 to RM7.27 million for FYE 2021, mainly due to the following:

- (i) Higher revenue from the following customers:
- higher revenue recorded for FYE 2021 from the project from Petroliam Nasional Berhad, our customer from the oil and gas industry for enhancement work, for its internal mobile applications due to broader scopes comprising additional functions and features for the applications as compared with the scope covered for the project undertaken in FYE 2020, which contributed an increase in revenue of approximately RM0.69 million from RM0.32 million for FYE 2020 to RM1.01 million for FYE 2021;
 - higher revenue recorded for FYE 2021 from the project from Company A, one of our customers from the logistic industry from Malaysia and Hong Kong, for the enhancement of its internal mobile and web applications for its logistics and warehouse management systems, due to broader scopes comprising additional functions and features for the applications as compared with the scope covered for the project undertaken in FYE 2020, which recorded an increase in revenue of approximately RM0.60 million from RM1.19 million for FYE 2020 to RM1.79 million for FYE 2021; and
 - projects from Company E, a local customer from the digital industry, for the development of its public mobile application, which recorded an increase in revenue of approximately RM0.44 million from RM0.10 million for FYE 2020 to RM0.54 million for FYE 2021.
- (ii) New projects from the following customers that contributed to our Group's revenue for FYE 2021:
- a project from Shangri-La International Hotel Management Pte Ltd, our new Singapore customer from the hospitality industry, for the enhancement of its public mobile application, which contributed approximately RM0.40 million to our revenue for FYE 2021; and
 - a project from Company F, a new local customer from the automotive industry, to develop its public mobile application, which contributed approximately RM0.37 million to our revenue for FYE 2021.
- (iii) The above increases were partially offset by the decrease in our revenue for FYE 2021, as there was no revenue contribution for FYE 2021 by the following projects which was completed in FYE 2020:
- the completion of the public mobile application development project for Company D, our Sri Lanka customer from the hospitality industry in FYE 2020 which contributed approximately RM0.43 million to our revenue for FYE 2020; and

12. FINANCIAL INFORMATION (CONT'D)

- the completion of the mobile and web applications development project for Bulb Communique Sdn. Bhd., our local customer from the digital industry in FYE 2020 which contributed approximately RM0.34 million to our revenue for FYE 2020.

Provision of digital platform-based services

In 2020, we ventured into the provision of digital platform-based services when we launched our in-house RPV platform, namely Vote2U and the first online AGM conducted by Vote2U was held in May 2020.

Accordingly, our new revenue stream, the digital platform-based services segment, recorded approximately RM0.70 million or 7.8% of our total revenue for FYE 2021. Two of our local customers, who are local corporate service providers, have contributed a total of approximately RM0.34 million to our revenue for FYE 2021, representing 48.6% of the revenue from the provision of digital platform-based services segment. The remaining revenue generated from our digital platform-based services segment was solely from local customers which mainly comprises public listed companies in Malaysia.

Provision of subscription, hosting, technical support and maintenance services

Our revenue from the provision of subscription, hosting, technical support and maintenance services segment increased by approximately RM0.27 million or 33.8% from RM0.80 million for FYE 2020 to RM1.07 million for FYE 2021, mainly contributed by the new maintenance services contracts secured during FYE 2021 as per follows:

- maintenance service contract with Shangri-La International Hotel Management Pte Ltd, an existing Singapore customer from the hospitality industry, for its public mobile application, which contributed approximately RM0.13 million to our revenue for FYE 2021;
- additional maintenance service contract with an existing local customer from the oil and gas industry for its internal mobile application, which contributed approximately RM0.06 million to our revenue for FYE 2020; and
- maintenance service contract with Pos Malaysia Berhad, an existing local customer from the logistic industry, for its internal mobile application, which contributed approximately RM0.04 million to our revenue for FYE 2021.

Comparison between FYE 2021 and FYE 2022

Our total revenue further increased by approximately RM7.49 million or 82.9%, from RM9.04 million for FYE 2021 to RM16.53 million for FYE 2022, mainly contributed by the growth in revenue from the development of mobile and web applications segment.

Revenue from the development of mobile and web applications segment has remained as our main revenue contributor, which recorded RM12.96 million, accounting for 78.4% of our total revenue for FYE 2022, as compared with approximately RM7.27 million or 80.4% of our total revenue for FYE 2021.

The Malaysia market has remained as our primary revenue contributor, which recorded approximately RM14.46 million or 87.5% of our total revenue for FYE 2022, as compared with approximately RM7.30 million or 80.8% of our total revenue for FYE 2021. Our revenue from the Hong Kong and Singapore markets has remained as our major revenue contributors from the overseas market, which recorded revenue of approximately RM1.35 million and RM0.65 million, respectively, for FYE 2022, as compared with approximately RM0.99 million and RM0.72 million, respectively, for FYE 2021.

12. FINANCIAL INFORMATION (CONT'D)**Development of mobile and web applications**

Revenue from the development of mobile and web applications segment further grew by approximately RM5.69 million or 78.3%, from RM7.27 million for FYE 2021 to RM12.96 million for FYE 2022, mainly due to the following:

- (i) Higher revenue from the following customers:
 - higher revenue from projects from Heydoc International Sdn. Bhd., our existing local customer from the healthcare industry, who is also our investee company, for the development of new features and functions for its consumer-facing mobile and web application, which recorded an increase in revenue of approximately RM1.50 million from RM0.24 million for FYE 2021 to RM1.74 million for FYE 2022; and
 - higher revenue from projects from Pos Malaysia Berhad, our existing local customer from the logistic industry, for the development and enhancement of its internal mobile and web applications, which recorded an increase in revenue of approximately RM0.66 million from RM0.14 million for FYE 2021 to RM0.80 million for FYE 2022.
- (ii) New projects from new customers that contributed approximately RM4.29 million to our Group's revenue for FYE 2022 mainly from the following customers:
 - a project from a new local customer from the technology industry for the development of its public mobile application that serves as an investment platform, which contributed approximately RM0.49 million to our revenue for FYE 2022;
 - a project from a new local customer from the technology industry for the development of mobile and web-based business-to-business and business-to-consumer e-commerce platforms, which contributed approximately RM0.42 million to our revenue for FYE 2022;
 - a project from a new local customer from the services industry for the development of its internal web application, which contributed approximately RM0.33 million to our revenue for FYE 2022;
 - a project from a new local customer from the food and beverage industry for the development of its consumer-facing mobile application for food ordering, which contributed approximately RM0.29 million to our revenue for FYE 2022; and
 - a project from a new local customer from the services industry for the development of its public mobile application for social gaming, which contributed approximately RM0.24 million to our revenue for FYE 2022.
- (iii) The above increases were partially offset by the decrease in our revenue for FYE 2022, mainly due to the following:
 - Petroliam Nasional Berhad, our existing local customer from the oil and gas industry, had undertaken major enhancement work, for its internal mobile applications due to broader scopes comprising additional functions and features for the applications in FYE 2021 as compared with the scope covered for the project undertaken in FYE 2022, resulting in a decrease in revenue of approximately RM0.64 million from RM1.01 million for FYE 2021 to RM0.37 million for FYE 2022; and

12. FINANCIAL INFORMATION (CONT'D)

- the completion of the public mobile application development projects for Company E, our local customer from the digital industry in FYE 2021 which contributed approximately RM0.54 million to our revenue for FYE 2021.

Provision of digital platform-based services

During FYE 2022, we launched a new application under our digital platform-based services segment, namely Agmo Health in November 2021, which is an online health consultation and prescription application that connects our customers (i.e., pharmacies) with licensed medical practitioners (i.e., doctors or health professionals) for medical consultation and prescription sought by consumers (i.e., patients). As at 31 March 2022, we have one customer (i.e., a pharmacy chain) subscribed to Agmo Health, contributing RM0.04 million to our revenue in FYE 2022.

We recorded higher revenue from this segment of approximately RM0.49 million or 70.0%, from RM0.70 million for FYE 2021 to RM1.19 million for FYE 2022. The said increase was mainly contributed by the revenue growth from our in-house RPV platform, namely Vote2U, due to the increase in the number of events held from 52 events in FYE 2021 to 107 events in FYE 2022.

Two of our existing customers, who are local corporate service providers, collectively contributed approximately RM0.57 million or 47.9% to our revenue from this segment for FYE 2022, as compared to RM0.34 million or 48.6% of our revenue from this segment for FYE 2021. The remaining revenue generated from our digital platform-based services segment was solely from our local customers, mainly comprised of public listed companies in Malaysia.

Provision of subscription, hosting, technical support and maintenance services

Our revenue from the provision of subscription, hosting, technical support and maintenance services segment increased by approximately RM1.31 million or 122.4% from RM1.07 million for FYE 2021 to RM2.38 million for FYE 2022, mainly contributed by the following technical support and maintenance services contracts:

- new subscription, technical support and maintenance contracts secured with Heydoc International Sdn. Bhd., an existing local customer from the healthcare industry, who is also our investee company, for its public mobile application, which contributed approximately RM0.52 million to our revenue for FYE 2022;
- new hosting and maintenance services contracts secured with Pos Malaysia Berhad, our existing local customer from the logistic industry, for its internal mobile applications, which contributed approximately RM0.39 million to our revenue for FYE 2022;
- a new technical support and maintenance services contract secured with our new local customer from the services industry for its public mobile application, which contributed approximately RM0.12 million to our revenue for FYE 2022; and
- a new technical support and maintenance services contract secured with our new local customer from the technology industry for its public mobile application, which contributed approximately RM0.12 million to our revenue for FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)**(ii) Cost of sales, GP and GP margin****(a) Cost of sales by cost component**

| | Audited | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Payroll and related costs | 2,344 | 87.1 | 3,048 | 89.8 | 3,511 | 79.6 | 7,626 | 83.4 |
| Subscription and hosting fees | 317 | 11.8 | 330 | 9.7 | 677 | 15.3 | 959 | 10.5 |
| Live streaming expenses | - | - | - | - | 188 | 4.3 | 220 | 2.4 |
| Outsourced development services ⁽¹⁾ | 13 | 0.5 | - | - | 9 | 0.2 | 277 | 3.0 |
| Others ⁽²⁾ | 17 | 0.6 | 17 | 0.5 | 28 | 0.6 | 63 | 0.7 |
| Total | 2,691 | 100.0 | 3,395 | 100.0 | 4,413 | 100.0 | 9,145 | 100.0 |

Notes:

- (1) Our Group incurred costs for outsourced development services due to software developer capacity constraints in completing the projects within the agreed timeline with our customers.
- (2) Others comprise mainly software licenses (for software licenses purchased from suppliers such as Adobe for the design of UI/UX of applications) and verification services by scrutineers on the voting results of resolutions under Vote2U.

(b) Cost of sales by business segments

| | Audited | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Development of mobile and web applications | 2,521 | 93.7 | 2,885 | 85.0 | 3,542 | 80.3 | 7,336 | 80.2 |
| Provision of digital platform-based services | - | - | - | - | 304 | 6.9 | 432 | 4.7 |
| Provision of subscription, hosting, technical support and maintenance services | 170 | 6.3 | 510 | 15.0 | 567 | 12.8 | 1,377 | 15.1 |
| Total | 2,691 | 100.0 | 3,395 | 100.0 | 4,413 | 100.0 | 9,145 | 100.0 |

(c) GP and GP margin by business segments

| | Audited | | | | | | | |
|--|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | GP (RM'000) | GP Margin (%) | GP (RM'000) | GP Margin (%) | GP (RM'000) | GP Margin (%) | GP (RM'000) | GP Margin (%) |
| Development of mobile and web applications | 2,603 | 50.8 | 2,529 | 46.7 | 3,727 | 51.3 | 5,620 | 43.4 |

12. FINANCIAL INFORMATION (CONT'D)

| | Audited | | | | | | | |
|--|----------------|---------------------|----------------|---------------------|----------------|---------------------|----------------|---------------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | GP (RM'000) | GP Margin (%) | GP (RM'000) | GP Margin (%) | GP (RM'000) | GP Margin (%) | GP (RM'000) | GP Margin (%) |
| Provision of digital platform-based services | - | - | - | - | 399 | 56.8 | 760 | 63.8 |
| Provision of subscription, hosting, technical support and maintenance services | 141 | 45.3 | 290 | 36.3 | 501 | 46.9 | 1,000 | 42.1 |
| Total | 2,744 | 50.5 | 2,819 | 45.4 | 4,627 | 51.2 | 7,380 | 44.7 |

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our development of mobile and web applications segment was the main contributor to our total cost of sales by business segment for FYE 2020, which recorded approximately RM2.88 million or 85.0% of our total cost of sales for FYE 2020 as compared with approximately RM2.52 million or 93.7% of our total cost of sales for FYE 2019.

Our payroll and related costs was the major contributor to our total cost of sales by cost component for FYE 2020. Our cost of sales increased by approximately RM0.70 million or 26.0% from RM2.69 million for FYE 2019 to RM3.39 million for FYE 2020, despite our revenue grew by approximately 14.4%. Such increase was mainly attributable to the increase in our payroll and related costs of approximately RM0.70 million for FYE 2020, resulting from the following:

- approximately RM0.52 million incurred for the expansion of our software development, project management and quality assurance teams to cater to the anticipated growth in our mobile and web application development projects. Thus, the total headcount for our software development, project management and quality assurance teams increased from 32 staff as at 31 March 2019 to 49 staff as at 31 March 2020; and
- annual salary increment of approximately RM0.18 million.

Our development of mobile and web applications segment was the primary contributor to our total GP for FYE 2020, which recorded approximately RM2.53 million or 89.7% of our total GP for FYE 2020, as compared with approximately RM2.60 million or 94.9% of our total GP for FYE 2019.

Our GP increased by approximately RM0.08 million or 2.9% from RM2.74 million for FYE 2019 to RM2.82 million for FYE 2020, mainly attributable to the revenue growth. Despite the rise in GP, we recorded a lower GP margin of approximately 45.4% for FYE 2020 compared to approximately 50.5% for FYE 2019 due to larger increase in payroll and related costs of 26.0%, as explained above.

12. FINANCIAL INFORMATION (CONT'D)**Development of mobile and web applications**

Our cost of sales for the development of mobile and web applications segment increased by approximately RM0.36 million or 14.3% from RM2.52 million for FYE 2019 to RM2.88 million for FYE 2020, despite revenue for this segment increased by approximately 5.7%, mainly attributable to the higher payroll and related costs as explained above.

As a result, we recorded a lower GP for the development of mobile and web applications segment of approximately RM2.53 million for FYE 2020, as compared with approximately RM2.60 million for FYE 2019, representing a decrease of approximately RM0.07 million or 2.7%. Hence, our GP margin decreased from approximately 50.8% for FYE 2019 to 46.7% for FYE 2020.

Provision of subscription, hosting, technical support and maintenance services

Our cost of sales for the provision of subscription, hosting, technical support and maintenance services segment increased by approximately RM0.34 million or 200.0% from RM0.17 million for FYE 2019 to RM0.51 million for FYE 2020. We recorded a higher GP of approximately RM0.29 million for FYE 2020 for this segment as compared with approximately RM0.14 million for FYE 2019, representing an increase of approximately RM0.15 million or 107.1%. The said increases are in line with the revenue growth of 158.1%.

We recorded a lower GP margin of approximately 36.3% for FYE 2020 compared to approximately 45.3% for FYE 2019 for provision of subscription, hosting, technical support and maintenance services segment, despite the higher GP for FYE 2020, mainly attributable to the larger increase in payroll and related costs as explained above.

Comparison between FYE 2020 and FYE 2021

Our development of mobile and web applications segment has remained the main contributor to our total cost of sales by business segment for FYE 2021, which recorded approximately RM3.54 million or 80.3% of our total cost of sales for FYE 2021, as compared with approximately RM2.88 million or 85.0% of our total cost of sales for FYE 2020.

Our payroll and related costs remained the major contributor to our total cost of sales by cost component for FYE 2021. Our cost of sales further increased by approximately RM1.02 million or 30.1% from RM3.39 million for FYE 2020 to RM4.41 million for FYE 2021, despite our revenue increased by approximately 45.6%, mainly attributable to the following:

- our payroll and related costs increased by approximately RM0.46 million for FYE 2021, mainly attributable to the annual salary increment of approximately RM0.21 million, and approximately RM0.25 million incurred for the further expansion of our software development, project management and quality assurance teams in FYE 2021. Thus, the total headcount for our software development, project management and quality assurance teams increased further to 54 staff as at 31 March 2021;
- an increase in our subscription and hosting fees of approximately RM0.35 million for FYE 2021, mainly attributable to the growth in demand for subscription and hosting services; and
- our live streaming expenses incurred of approximately RM0.19 million for our new revenue stream, i.e. provision of digital platform-based services.

12. FINANCIAL INFORMATION (CONT'D)

Our development of mobile and web applications segment has continued as the main contributor to our total GP, which recorded approximately RM3.73 million or 80.6% of our total GP for FYE 2021, as compared with approximately RM2.53 million or 89.7% of our total GP for FYE 2020.

Our GP improved further by approximately RM1.81 million or 64.2% from RM2.82 million for FYE 2020 to RM4.63 million for FYE 2021, mainly attributable to the revenue growth. Our GP margin improved from approximately 45.4% for FYE 2020 to approximately 51.2% for FYE 2021, contributed by the higher GP margin from all business segments.

Development of mobile and web applications

Our cost of sales for the development of mobile and web applications segment increased further by approximately RM0.66 million or 22.9% from RM2.88 million for FYE 2020 to RM3.54 million for FYE 2021. The increase was mainly attributable to the increase in payroll and related costs.

We recorded a higher GP for the development of mobile and web applications segment of approximately RM3.73 million for FYE 2021, as compared with approximately RM2.53 million for FYE 2020, representing an increase of approximately RM1.20 million or 47.4% due to revenue growth. Our GP margin increased from approximately 46.7% for FYE 2020 to 51.3% for FYE 2021. Such increase was mainly attributable to the higher growth in our revenue from this segment for FYE 2021 as compared to the increase in our cost of sales, i.e., payroll and related costs.

Provision of digital platform-based services

Our provision of digital platform-based services segment had recorded approximately RM0.30 million or 6.9% of our total cost of sales for FYE 2021, which comprise mainly live streaming services to conduct the virtual AGMs and EGMs, hosting fees and staff costs.

Our provision of digital platform-based services segment had contributed to our GP of approximately RM0.40 million and GP margin of approximately 56.8% for FYE 2021.

Provision of subscription, hosting, technical support and maintenance services

Our cost of sales for the provision of subscription, hosting, technical support and maintenance services segment increased by approximately RM0.06 million or 11.8% from RM0.51 million for FYE 2020 to RM0.57 million for FYE 2021. The increase was mainly attributable to the higher payroll and related costs.

We recorded a higher GP for provision of subscription, hosting, technical support and maintenance services segment of approximately RM0.50 million for FYE 2021, as compared with approximately RM0.29 million for FYE 2020, representing an increase of approximately RM0.21 million or 72.4% due to revenue growth. Our GP margin increased from approximately 36.3% for FYE 2020 to 46.9% for FYE 2021, mainly attributable to more maintenance service contracts during FYE 2021, whilst the increase in the main component of our cost of sales, i.e., payroll and related costs, was lower than our revenue growth.

Comparison between FYE 2021 and FYE 2022

Our development of mobile and web applications segment has remained the main contributor to our total cost of sales by business segment for FYE 2022, which recorded approximately RM7.34 million or 80.2% of our total cost of sales for FYE 2022, as compared with approximately RM3.54 million or 80.3% of our total cost of sales for FYE 2021.

12. FINANCIAL INFORMATION (CONT'D)

Our payroll and related costs remained the major contributor to our total cost of sales by cost components for FYE 2022. Our cost of sales further increased by approximately RM4.74 million or 107.5%, from approximately RM4.41 million for FYE 2021 to approximately RM9.15 million for FYE 2022, despite our revenue grew by approximately 82.9%, mainly attributable to the following:

- our payroll and related costs increased by approximately RM4.11 million in FYE 2022, mainly attributable to approximately RM2.91 million incurred for expanding our software development, project management and quality assurance teams during FYE 2022. The total headcount for our software development, project management and quality assurance teams increased from 54 staff as at 31 March 2021 to 108 staff as at 31 March 2022. In addition, the annual salary increment had also contributed to the higher payroll and related costs;
- our subscription and hosting fees increased by approximately RM0.29 million for FYE 2022, primarily attributable to the growth in demand for subscription and hosting services; and
- higher outsourced application development services, which increased by approximately RM0.27 million, mainly due to software developer capacity constraints in completing the projects within the agreed timeline with our customers.

Our development of mobile and web applications segment has continued as the main contributor to our total GP, which recorded approximately RM5.62 million or 76.2% of our total GP for FYE 2022, as compared with approximately RM3.73 million or 80.6% of our total GP for FYE 2021.

Our GP improved further by approximately RM2.75 million or 59.40%, from RM4.63 million for FYE 2021 to RM7.38 million for FYE 2022, mainly attributable to our revenue growth in FYE 2022. Despite our GP increased, we recorded a lower GP margin of approximately 44.7% for FYE 2022 than 51.2% for FYE 2021. The said decrease was primarily attributable to the increase of the main component of our cost of sales, i.e., payroll and related costs by 117.2%, as compared with our revenue growth rate of 82.9%, due to the reasons explained above.

Development of mobile and web applications

Our cost of sales for the development of mobile and web applications segment increased further by approximately RM3.80 million or 107.3%, from RM3.54 million for FYE 2021 to RM7.34 million for FYE 2022, despite revenue for this segment increased by approximately 78.3%, primarily attributable to the higher payroll and related costs as explained above.

We recorded a higher GP for the development of mobile and web applications segment of approximately RM5.62 million for FYE 2022, as compared with approximately RM3.73 million for FYE 2021, representing an increase of approximately RM1.89 million or 50.7% due to our revenue growth in FYE 2022. However, we recorded a lower GP margin, which decreased from approximately 51.3% for FYE 2021 to 43.4% for FYE 2022. Such decrease was mainly attributable to the higher cost of sales, i.e., payroll and related costs from this segment for FYE 2022, as compared to the increase in our revenue.

12. FINANCIAL INFORMATION (CONT'D)**Provision of digital platform-based services**

Our cost of sales incurred for the provision of digital platform-based services segment increased by approximately RM0.13 million or 43.3%, from RM0.30 million for FYE 2021 to RM0.43 million for FYE 2022. The costs incurred were primarily for live streaming services to conduct the virtual meetings. The increase was mainly due to the higher number of events held during FYE 2022 of 107 events, as compared with 52 events during FYE 2021.

As a result, we recorded a higher GP for the provision of digital platform-based services segment of approximately RM0.76 million for FYE 2022, as compared with approximately RM0.40 million for FYE 2021, representing an increase of approximately RM0.36 million or 90.0%. Our GP margin increased from approximately 56.8% for FYE 2021 to 63.8% for FYE 2022, mainly attributable to the different ancillary services provided for the events conducted during FYE 2022 as compared with the previous financial year.

Provision of subscription, hosting, technical support and maintenance services

Our cost of sales for the provision of subscription, hosting, technical support and maintenance services segment increased by approximately RM0.81 million or 142.1%, from RM0.57 million for FYE 2021 to RM1.38 million for FYE 2022. Such increase was mainly attributable to the higher payroll and related costs of approximately RM0.60 million due to the reasons explained above, as well as higher hosting and subscription fees incurred of RM0.21 million, primarily resulting from the growth in demand for our subscription and hosting services.

Our recorded GP for the provision of subscription, hosting, technical support and maintenance services segment of approximately RM1.00 million for FYE 2022, as compared with approximately RM0.50 million for FYE 2021, representing an increase of approximately RM0.50 million or 100.0% due to our revenue growth in FYE 2022. However, our GP margin decreased from approximately 46.9% for FYE 2021 to 42.1% for FYE 2022, mainly attributable to higher payroll and related costs due to the reasons explained above.

(iii) Other income

The breakdown of our other income for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|-------------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Unrealised gain on foreign exchange | - | - | 12 | 100.0 | - | - | 3 | 1.4 |
| Realised gain on foreign exchange | - | - | - | - | 2 | 100.0 | - | - |
| Bad debt recovered | - | - | - | - | - | - | 2 | 1.0 |
| Gain on disposal of an associate | - | - | - | - | - | - | 200 | 96.6 |
| Miscellaneous income ⁽¹⁾ | 1 | 100.0 | - | - | - | - | 2 | 1.0 |
| Total | 1 | 100.0 | 12 | 100.0 | 2 | 100.0 | 207 | 100.0 |

Note:

(1) Representing one-off promotional interest income for performing payroll transactions via the bank account maintained with a financial institution for FYE 2019 and the rebate from corporate credit card usage for FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)**Financial commentaries****Comparison between FYE 2019 and FYE 2020**

Our other income increased by approximately RM0.01 million or 100.0%, contributed by unrealised gain on foreign exchange for FYE 2020 arising from the outstanding trade receivables denominated in USD. There were no foreign currency balances as at the end of FYE 2019.

Comparison between FYE 2020 and FYE 2021

Our other income decreased by approximately RM0.01 million or 100.0%, due to the absence of unrealised gain on foreign exchange for FYE 2021 as USD weakening against RM as at end of FYE 2021 (2021: USD1:RM4.16; 2020: USD1:RM4.30).

Comparison between FYE 2021 and FYE 2022

Our other income increased by approximately RM0.21 million, mainly due to the gain from disposal of an associate, namely Appstremely Sdn. Bhd., of approximately RM0.20 million in September 2021.

(iv) Net measurement of expected credit losses

The breakdown of net measurement of expected credit losses for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|------------------------------------|-----------|--------------|-------------|--------------|------------|--------------|--------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Expected credit losses | 11 | 100.0 | - | - | 225 | 100.0 | - | - |
| Reversal of expected credit losses | - | - | (11) | 100.0 | - | - | (192) | 100.0 |
| Total | 11 | 100.0 | (11) | 100.0 | 225 | 100.0 | (192) | 100.0 |

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our Group's net measurement of expected credit losses for FYE 2019 relates to one customer, of which the Group had no reasonable expectation in recovering the outstanding amount. The said allowance for expected credit losses was reversed during FYE 2020 as the amount due from that customer was written off during FYE 2020.

Comparison between FYE 2020 and FYE 2021

The net measurement of expected credit losses for FYE 2021 was in respect of two customers, of which the Group had no reasonable expectation in recovering the outstanding amounts. Both customers are not our major customers, and there were no subsisting transactions with such customers.

Comparison between FYE 2021 and FYE 2022

The reversal of expected credit losses recorded in FYE 2022 was in respect of an amount due from one customer that was impaired during FYE 2021 and subsequently fully collected during FYE 2022. There were no additional provisions for expected credit losses during FYE 2022 compared with FYE 2021.

12. FINANCIAL INFORMATION (CONT'D)**(v) Selling and marketing expenses**

The breakdown of our selling and marketing expenses for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|-----------------------------------|----------|--------------|----------|--------------|-----------|--------------|-----------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Exhibition and marketing expenses | 3 | 100.0 | 6 | 100.0 | # | - | - | - |
| Referral fees | - | - | - | - | 40 | 100.0 | 12 | 100.0 |
| Total | 3 | 100.0 | 6 | 100.0 | 40 | 100.0 | 12 | 100.0 |

Note:

Less than RM1,000

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our Group's selling and marketing expenses were fairly consistent for FYE 2019 and FYE 2020.

Comparison between FYE 2020 and FYE 2021

Our Group's selling and marketing expenses increased by approximately RM0.03 million from RM0.01 million for FYE 2020 to RM0.04 million for FYE 2021. The increase was mainly due to referral fees incurred to corporate service providers for introducing clients to our Group. The decrease in exhibition and marketing expenses incurred for FYE 2021 was mainly due to movement restrictions resulting from the COVID-19 pandemic and, thus, lesser exhibition and marketing expenses incurred in FYE 2021.

Comparison between FYE 2021 and FYE 2022

Our Group's selling and marketing expenses decreased by approximately RM0.03 million from RM0.04 million for FYE 2021 to RM0.01 million for FYE 2022, mainly attributable to lower referral fees incurred to corporate service providers for introducing clients to our Group. The said decrease was primarily due to the lower number of events with ancillary services (such as rehearsals) hosted for clients referred to our Group by the corporate service providers during FYE 2022 compared to FYE 2021.

(vi) Administrative expenses

The breakdown of our administrative expenses for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|--|----------|------|----------|------|----------|------|----------|------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Personnel related costs ⁽¹⁾ | 143 | 49.0 | 217 | 53.1 | 176 | 44.9 | 455 | 68.1 |
| Traveling and accommodation | 41 | 14.0 | 64 | 15.7 | 15 | 3.8 | 11 | 1.7 |
| Telecommunication and internet charges | 16 | 5.5 | 18 | 4.4 | 22 | 5.6 | 25 | 3.7 |
| Office supplies and maintenance | 11 | 3.8 | 13 | 3.2 | 12 | 3.1 | 13 | 1.9 |

12. FINANCIAL INFORMATION (CONT'D)

| | Audited | | | | | | | |
|--|------------|--------------|------------|--------------|------------|--------------|------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Gifts, donations and sponsorship fees ⁽²⁾ | 15 | 5.1 | 10 | 2.4 | 1 | 0.3 | - | - |
| Registration and license fees | 16 | 5.5 | 13 | 3.2 | 16 | 4.1 | 8 | 1.2 |
| Legal and professional fees | 43 | 14.7 | 56 | 13.7 | 112 | 28.6 | 132 | 19.8 |
| Subscription fees | 1 | 0.3 | 6 | 1.5 | 9 | 2.3 | 6 | 0.9 |
| Others ⁽³⁾ | 6 | 2.1 | 12 | 2.8 | 29 | 7.3 | 18 | 2.7 |
| Total | 292 | 100.0 | 409 | 100.0 | 392 | 100.0 | 668 | 100.0 |

Notes:

- (1) Comprise mainly staff salaries, staff recruitment expenses, staff benefits, training expenses and directors' fees.
- (2) Gifts, donations and sponsorship fees comprise mainly the contribution of scholarship funding in return for the placement of a university student in our Group's internship programme and sponsorships for corporate events.
- (3) Others mainly comprise incorporation fees for our new subsidiaries, namely Agmo Digital Solution, Agmo Tech and Agmo Sierra Holdings, and insurance expenses.

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our administrative expenses increased by approximately RM0.11 million or 37.9% from RM0.29 million for FYE 2019 to RM0.40 million for FYE 2020. The said increase was mainly attributable to the following:

- (a) personnel related costs increased by approximately RM0.07 million, which was mainly due to costs incurred for our company trip and annual dinner;
- (b) traveling and accommodation increased by approximately RM0.02 million, mainly due to an increase in overseas traveling expenses for participating in conferences; and
- (c) legal and professional fees increased by approximately RM0.01 million, mainly due to increased audit fees for statutory audit of our Group's financial statements which adopted the Malaysian Financial Reporting Standards for the first time in FYE 2020.

Comparison between FYE 2020 and FYE 2021

Our administrative expenses decreased by approximately RM0.02 million or 4.9% from RM0.41 million for FYE 2020 to RM0.39 million for FYE 2021. The said decrease was mainly attributable to the following:

- (a) personnel related costs decreased by approximately RM0.04 million, mainly due to the cancellation of our company trip and annual dinner in FYE 2021 as a result of the worldwide COVID-19 pandemic; and
- (b) travelling and accommodation expenses decreased by approximately RM0.05 million as a result of lower overseas travelling expenses due to movement restrictions as a result of the COVID-19 pandemic.

12. FINANCIAL INFORMATION (CONT'D)

The above decreases were partially offset by the increase in legal and professional fees by approximately RM0.06 million, mainly as a result of professional fees incurred for our digital platform-based services, i.e., Vote2U, of approximately RM0.03 million and legal fees incurred for corporate exercise relating to Agmo Sierra of approximately RM0.02 million.

Comparison between FYE 2021 and FYE 2022

Our administrative expenses increased by approximately RM0.28 million or 71.8%, from RM0.39 million for FYE 2021 to RM0.67 million for FYE 2022. Such increase was mainly attributable to the increase in personnel-related costs by approximately RM0.28 million, resulting from the recruitment of additional finance personnel and higher staff benefits incurred due to our Group's overall increased headcount.

(vii) Depreciation

The breakdown of our Group's depreciation for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|-------------------------|-----------|--------------|-----------|--------------|-----------|--------------|------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Depreciation of: | | | | | | | | |
| - Computer and software | 26 | 86.7 | 33 | 86.8 | 43 | 87.8 | 82 | 47.4 |
| - Office equipment | 4 | 13.3 | 5 | 13.2 | 6 | 12.2 | 7 | 4.0 |
| - Fixture and fittings | - | - | - | - | - | - | 1 | 0.6 |
| - Right-of-use assets | - | - | - | - | - | - | 83 | 48.0 |
| Total | 30 | 100.0 | 38 | 100.0 | 49 | 100.0 | 173 | 100.0 |

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our depreciation increased by approximately RM0.01 million or 33.3% from RM0.03 million for FYE 2019 to RM0.04 million for FYE 2020. The increase was mainly due to additional computers and softwares purchased during FYE 2020.

Comparison between FYE 2020 and FYE 2021

Our depreciation increased by approximately RM0.01 million or 25.0% from RM0.04 million for FYE 2020 to RM0.05 million for FYE 2021. The increase was mainly due to additional computers and softwares purchased during FYE 2021.

Comparison between FYE 2021 and FYE 2022

Our depreciation increased by approximately RM0.12 million or 240.0%, from RM0.05 million for FYE 2021 to RM0.17 million for FYE 2022. Such increase was mainly due to depreciation for the right-of-use assets from leasing two office premises during FYE 2022 of approximately RM0.08 million, and higher depreciation for computers and software resulting from the additional computers and software purchased during FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)**(viii) Other expenses**

The breakdown of our Group's other expenses for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|---|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Bad debts written off ⁽¹⁾ | 44 | 88.0 | 11 | 100.0 | 45 | 97.8 | - | - |
| Realised loss on foreign exchange | 6 | 12.0 | # | - | - | - | 19 | 47.5 |
| Unrealised loss on foreign exchange | - | - | - | - | 1 | 2.2 | - | - |
| Fair value loss on short term investment ⁽²⁾ | - | - | - | - | - | - | 21 | 52.5 |
| Total | 50 | 100.0 | 11 | 100.0 | 46 | 100.0 | 40 | 100.0 |

Notes:

(1) *Bad debts written off were due to long outstanding debts that had no reasonable expectation of recovery. The bad debts written off during the Financial Years Under Review were not from our major customers, and our Group has ceased to provide services to these customers.*

(2) *The fair value loss on short term investment arose from the remeasurement of the short term investment placed with a licensed financial services provider at market value at the end of FYE 2022.*

Less than RM1,000

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our other expenses decreased by approximately RM0.04 million or 80.0% from RM0.05 million for FYE 2019 to RM0.01 million for FYE 2020. The decrease was mainly due to lower bad debts written off of approximately RM0.03 million resulting from lesser long outstanding debts that have no reasonable expectation of recovery.

Comparison between FYE 2020 and FYE 2021

Our other expenses increased by approximately RM0.04 million or 400.0% from RM0.01 million for FYE 2020 to RM0.05 million for FYE 2021. The increase was mainly due to higher bad debts written off of approximately RM0.03 million resulting from larger long outstanding debts that have no reasonable expectation of recovery.

Comparison between FYE 2021 and FYE 2022

Our other expenses decreased by approximately RM0.01 million or 20.0%, from RM0.05 million for FYE 2021 to RM0.04 million for FYE 2022. The decrease was mainly due to bad debts written off during FYE 2021 of approximately RM0.05 million, which resulted from long outstanding debts that have no reasonable expectation of recovery.

The above decrease was offset partially by the following:

(a) fair value loss on short term investment of approximately RM0.02 million; and

12. FINANCIAL INFORMATION (CONT'D)

- (b) realised loss on foreign exchange of approximately RM0.02 million arising from collections of trade receivables denominated in USD during FYE 2022 as USD weakened against RM (FYE 2022: average USD1:RM4.12; FYE 2021: average USD1: RM4.16).

(ix) Finance income

The breakdown of our finance income for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|---------------------------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Interest from fixed deposits | 51 | 65.4 | 8 | 6.7 | 189 | 100.0 | 94 | 100.0 |
| Interest from fixed income fund | 27 | 34.6 | 112 | 93.3 | - | - | - | - |
| Total | 78 | 100.0 | 120 | 100.0 | 189 | 100.0 | 94 | 100.0 |

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

Our finance income increased by approximately RM0.04 million or 50.0% from RM0.08 million for FYE 2019 to RM0.12 million for FYE 2020. The increase was mainly attributable to higher interests from fixed income funds, which grew by approximately RM0.08 million, due to an increase in investments made during FYE 2020 as compared to FYE 2019. The said increase was offset partially by the lower fixed deposit interests, which decreased by approximately RM0.04 million, due to lesser fixed deposits placed during FYE 2020 as compared to FYE 2019 as we diverted our investments from fixed deposits to the higher yielding fixed income funds.

Comparison between FYE 2020 and FYE 2021

Our finance income increased by approximately RM0.07 million or 58.3% from RM0.12 million for FYE 2020 to RM0.19 million for FYE 2021. The increase was mainly attributable to higher fixed deposit interests, which grew by approximately RM0.18 million for FYE 2021 due to higher fixed deposits placed during FYE 2021 as compared to FYE 2020. The said increase was offset partially by the decrease in interests from the fixed income fund by approximately RM0.11 million to RM Nil for FYE 2021 as we rebalanced our investment portfolio to account for the change in risk factors due to the COVID-19 pandemic in FYE 2021. We divested all fixed income funds at the end of FYE 2020. Thus, we did not record any interest from the fixed income fund for FYE 2021.

Comparison between FYE 2021 and FYE 2022

Our finance income comprises interest from fixed deposits, which decreased by approximately RM0.10 million or 52.6% from RM0.19 million for FYE 2021 to RM0.09 million for FYE 2022. The decrease was mainly due to lesser fixed deposits placed during FYE 2022.

12. FINANCIAL INFORMATION (CONT'D)**(x) Finance cost**

The breakdown of our Group's finance cost for the Financial Years Under Review is as follows:

| | Audited | | | | | | | |
|--------------------------|----------|---|----------|---|----------|---|-----------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Lease liabilities | - | - | - | - | - | - | 22 | 100.0 |

There were no finance costs incurred for FYE 2019 to FYE 2021.

Our finance cost for FYE 2022 comprises lease liabilities interests arising from the leases of our two office premises during FYE 2022, which was recognised pursuant to MFRS 16 Leases.

(xi) PBT, PBT margin, PAT, PAT margin, PATAMI and PATAMI margin

Our PBT, PBT margin, PAT, PAT margin, PATAMI and PATAMI margin for the Financial Years Under Review is as follows:

| | Audited | | | |
|--------------------------|----------|----------|----------|----------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| PBT (RM'000) | 2,437 | 2,498 | 4,066 | 6,954 |
| PBT margin (%) | 44.8 | 40.2 | 45.0 | 42.1 |
| PAT (RM'000) | 2,412 | 2,496 | 4,004 | 6,738 |
| PAT margin (%) | 44.4 | 40.2 | 44.3 | 40.8 |
| PATAMI (RM'000) | 2,412 | 2,496 | 4,004 | 6,692 |
| PATAMI margin (%) | 44.4 | 40.2 | 44.3 | 40.5 |

Financial commentaries**Comparison between FYE 2019 and FYE 2020**

We recorded an increase of approximately RM0.06 million or 2.5% in our PBT, from RM2.44 million for FYE 2019 to RM2.50 million for FYE 2020, which was consistent with the higher GP recorded for FYE 2020 as compared to the preceding financial year. As a result, our PAT and PATAMI increased from approximately RM2.41 million for FYE 2019 to RM2.50 million for FYE 2020, an increase of approximately RM0.09 million or 3.7% in our PAT.

Our PBT margin decreased from approximately 44.8% for FYE 2019 to 40.2% for FYE 2020, which was consistent with the decrease in our GP margin. Correspondingly, our PAT margin and PATAMI margin also decreased from approximately 44.4% for FYE 2019 to 40.2% for FYE 2020.

Comparison between FYE 2020 and FYE 2021

We recorded a further increase in PBT by approximately RM1.57 million or 62.8%, from RM2.50 million for FYE 2020 to RM4.07 million for FYE 2021. The increase in PBT was mainly due to the higher GP for FYE 2021 as compared to the preceding financial year. As a result, our PAT and PATAMI increased from approximately RM2.50 million for FYE 2020 to RM4.00 million for FYE 2021, and increase of approximately RM1.50 million or 60.0% in our PAT.

12. FINANCIAL INFORMATION (CONT'D)

Our PBT margin improved from approximately 40.2% for FYE 2020 to 45.0% for FYE 2021, mainly attributed to the higher GP margin. Correspondingly, our PAT margin and PATAMI margin also increased from approximately 40.2% for FYE 2020 to 44.3% for FYE 2021.

Comparison between FYE 2021 and FYE 2022

Our PBT continued to increase by approximately RM2.88 million or 70.8%, from RM4.07 million for FYE 2021 to RM6.95 million for FYE 2022, mainly due to the higher revenue and GP for FYE 2022 as compared to the preceding financial year. As a result, we recorded higher PAT, which increased by approximately RM2.74 million or 68.5%, from approximately RM4.00 million for FYE 2021 to RM6.74 million for FYE 2022. Our PATAMI also further increased from approximately RM4.00 million for FYE 2021 to RM6.69 million for FYE 2022, which improved by approximately RM2.69 million or 67.25% of our PATAMI.

Our PBT margin decreased from approximately 45.0% for FYE 2021 to 42.1% for FYE 2022, which was consistent with the decrease in our GP margin. Correspondingly, our PAT margin decreased from approximately 44.3% for FYE 2021 to 40.8% for FYE 2022. Thus, we recorded a lower PATAMI margin of 40.5% for FYE 2022, compared with the previous financial year of approximately 44.3%.

(xii) Taxation

Our Group's taxation and effective tax rate for the Financial Years Under Review is as follows:

| | Audited | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax: | | | | |
| Current year | 12 | 2 | 45 | 179 |
| Under provision in prior year | 10 | - | - | 4 |
| Deferred tax: | | | | |
| Current year | 1 | - | 17 | 35 |
| Under / (Over) provision in prior year | 2 | - | - | (2) |
| Total | 25 | 2 | 62 | 216 |
| Taxation (RM'000) | 25 | 2 | 62 | 216 |
| Effective tax rate (%) | 1.0 | 0.1 | 1.5 | 3.1 |
| Statutory tax rate (%) | 24.0 | 24.0 | 24.0 | 24.0 |

Financial commentaries

As disclosed in Section 7.20 of this Prospectus, Agmo Studio has been granted an incentive under the MSC Malaysia status. Agmo Studio had enjoyed full tax exemption on its statutory income from its pioneer activities for 5 years from 11 December 2012 under the Promotion of Investments Act 1986. This incentive granted was extended for another 5-years, from 11 December 2017 to 10 December 2022. Thereafter, the Pioneer Status can no longer be extended upon expiry. All revenue generated by Agmo Studio is from its pioneer activities and therefore is not subjected to income tax during these periods.

Our effective tax rate of approximately 1.0%, 0.1%, 1.5% and 3.1% for FYE 2019, FYE 2020, FYE 2021 and FYE 2022, respectively were lower than the statutory tax rate of 24.0%, mainly due to Agmo Studio, one of our Subsidiaries, is the main contributor to our revenue and profit for the Financial Years Under Review. Agmo Studio had contributed 100.0%, 100.0%, 90.0% and 86.7% of our revenue for FYE 2019, FYE

12. FINANCIAL INFORMATION (CONT'D)

2020, FYE 2021 and FYE 2022, respectively. The tax expenses for FYE 2019 to FYE 2021 were mainly from non-tax exempted income on interests from fixed deposits and fixed income funds. The tax expense for FYE 2022 was mainly from non-tax exempted income on interests from fixed deposits and taxable income contributed by two of our subsidiaries, i.e., Agmo Digital Solutions and Agmo Sierra. Therefore, our Group recorded a higher effective tax rate for FYE 2022.

Comparison between FYE 2019 and FYE 2020

Our tax expenses decreased by approximately RM0.03 million from RM0.03 million for FYE 2019 to RM1,988 for FYE 2020, mainly due to lower interests from fixed deposits, and there was no underprovision of current tax and deferred tax in the prior year for FYE 2020.

Comparison between FYE 2020 and FYE 2021

Our tax expenses increased by approximately RM0.06 million from RM1,988 in FYE 2020 to RM0.06 million in FYE 2021. Such increase was mainly due to higher interests from fixed deposits and no recognition of the deferred tax assets for unused tax losses as a result of the uncertainty as to whether sufficient taxable profits will be available to utilise these unrecognised deferred tax assets.

Comparison between FYE 2021 and FYE 2022

Our Group's tax expenses increased by approximately RM0.16 million or 266.7% from RM0.06 million in FYE 2021 to RM0.22 million in FYE 2022. The said increase was mainly attributable to the following:

- (a) the increase in taxable income contributed by two of our subsidiaries, i.e., Agmo Digital Solutions and Agmo Sierra. The tax expenses for Agmo Digital Solutions and Agmo Sierra for FYE 2022 were RM0.09 million and RM0.10 million, respectively;
- (b) non-recognition of deferred tax assets in respect of unused tax losses, unabsorbed capital allowances and provisions related to one of our subsidiaries, Agmo Tech due to the uncertainty as to whether sufficient taxable profits will be available to utilise these unrecognised deferred tax assets; and
- (c) certain expenses which were not deductible for tax reporting purposes, comprise mainly accrued personnel-related costs.

12.3.3 Review of cash flows

The following table sets out the summary of the consolidated statements of cash flows for Financial Years Under Review, which have been extracted from the Accountants' Report set out in Section 13 of this Prospectus and should be read in conjunction thereto:

| | Audited | | | |
|--|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net cash flows from operating activities | 2,051 | 2,129 | 2,136 | 5,776 |
| Net cash flows from/(used in) investing activities | 2 | 9 | (1,385) | (295) |
| Net cash flows used in financing activities | (300) | (121) | (6,000) | (3,078) |
| Cash and cash equivalents | | | | |
| Net changes | 1,753 | 2,017 | (5,249) | 2,403 |
| At the beginning of the financial year | 4,020 | 5,773 | 7,790 | 2,541 |
| At the end of the financial year | 5,773 | 7,790 | 2,541 | 4,944 |

12. FINANCIAL INFORMATION (CONT'D)**Financial commentaries****FYE 2019****(i) Net cash flows from operating activities**

For FYE 2019, our Group recorded a net operating cash inflow of approximately RM2.05 million. We collected approximately RM4.97 million from customers.

The above collections were offset by cash payments of approximately RM2.92 million in respect of the following:

- (a) payments for personnel-related costs and other operating expenses of approximately RM2.60 million; and
- (b) payments to our suppliers of approximately RM0.32 million comprise mainly subscription and hosting fees.

(ii) Net cash flows from investing activities

For FYE 2019, our Group recorded net cash inflows of approximately RM2,180 from our investing activities due to the following:

- (a) interest income of approximately RM0.08 million received from fixed deposits and fixed income funds;
- (b) purchase of laptops of approximately RM0.07 million for our business operations; and
- (c) advances to a Director of approximately RM0.01 million. The advances to a Director were not made on an arm's length basis as they were unsecured, non-interest bearing and receivable up to 3 years from disbursement date. As at the LPD, the amount has been fully settled. Please refer to Section 10.1.4 of this Prospectus for details on the outstanding balance for the amount due from a Director.

(iii) Net cash flows used in financing activities

For FYE 2019, our Group recorded net cash outflows of approximately RM0.30 million from our financing activities due to payment of the interim dividend declared for FYE 2019.

FYE 2020**(i) Net cash flows from operating activities**

For FYE 2020, our Group recorded a net operating cash inflow of approximately RM2.13 million. We collected approximately RM5.82 million from customers.

The above collections were offset by cash payments of approximately RM3.69 million in respect of the following:

- (a) payments for personnel related costs and other operating expenses of approximately RM3.29 million;
- (b) payments to our suppliers of approximately RM0.30 million comprise mainly subscription and hosting fees;

12. FINANCIAL INFORMATION (CONT'D)

- (c) tax payments to the Inland Revenue Board of approximately RM0.02 million; and
- (d) advance to our investee company, namely Heydoc International Sdn. Bhd. of approximately RM0.08 million, which was fully settled subsequent to FYE 2021. This advance was not made on an arm's length basis as it is unsecured, interest free and repayable on demand.

(ii) **Net cash flows from investing activities**

For FYE 2020, our Group recorded net cash inflows of approximately RM0.01 million from our investing activities due to the following:

- (a) interest income of approximately RM0.12 million received from fixed deposits and fixed income funds;
- (b) advances to a Director of approximately RM0.01 million. The advances to a Director was not made on an arm's length basis as they were unsecured, non-interest bearing and receivable up to 3 years from disbursement date. As at the LPD, the amount has been fully settled. Please refer to Section 10.1.4 of this Prospectus for details on the outstanding balance for the amount due from a Director;
- (c) purchase of laptops of approximately RM0.07 million for our business operations; and
- (d) placement of fixed deposits placed with a licensed bank of approximately RM0.03 million.

(iii) **Net cash flows used in financing activities**

For FYE 2020, our Group recorded net cash outflows of approximately RM0.12 million from our financing activities due to payment of the final dividend declared for FYE 2019.

FYE 2021

(i) **Net cash flows from operating activities**

For FYE 2021, our Group recorded a net operating cash inflow of approximately RM2.14 million. We collected approximately RM7.11 million from customers.

The above collections were offset by cash payments of approximately RM4.97 million in respect of the following:

- (a) payments for personnel related costs and other operating expenses of approximately RM3.93 million;
- (b) payments to our suppliers of approximately RM1.00 million comprise mainly subscription and hosting fees and live streaming expenses; and
- (c) tax payments to the Inland Revenue Board of approximately RM0.04 million.

(ii) **Net cash flows used in investing activities**

For FYE 2021, our Group recorded net cash outflows of RM1.39 million from our investing activities due to the following:

- (a) interest income of approximately RM0.19 million received from fixed deposits;

12. FINANCIAL INFORMATION (CONT'D)

- (b) repayments from a Director of approximately RM0.02 million for advances granted to a Director. Further details of the transaction are set out in Section 10.1.4 of this Prospectus;
- (c) placement of fixed deposits with tenure of more than three months placed with licensed banks of approximately RM1.53 million; and
- (d) purchase of laptops of approximately RM0.07 million for our business operations.

(iii) Net cash flows used in financing activities

For FYE 2021, our Group recorded net cash outflows of approximately RM6.00 million from our financing activities due to payment of the final dividends declared for FYE 2020 and FYE 2021, amounting to approximately RM3.00 million for each financial year, respectively.

FYE 2022

(i) Net cash flows from operating activities

For FYE 2022, our Group recorded a net operating cash inflow of approximately RM5.78 million. We collected approximately RM15.89 million from our customers.

The above collections were offset by cash payments of approximately RM10.11 million in respect of the following:

- (a) payments for personnel related costs, other operating expenses and selling and marketing expenses of approximately RM8.74 million;
- (b) payments to our suppliers of approximately RM1.20 million, comprise mainly subscription and hosting fees and live streaming expenses; and
- (c) tax payments to the Inland Revenue Board of approximately RM0.17 million.

(ii) Net cash flows used in investing activities

For FYE 2022, our Group recorded net cash outflows of approximately RM0.29 million from our investing activities due to the following:

- (a) interest income of approximately RM0.09 million received from fixed deposits placements;
- (b) proceeds from disposal of an associate, namely Appstremely Sdn Bhd, of approximately RM0.20 million in September 2021;
- (c) subscription of shares in WorkGrowth Technology, a joint venture, of approximately RM0.21 million in August 2021;
- (d) placement of fixed deposits with tenure of more than three months with licensed banks of approximately RM0.02 million; and
- (e) purchase of equipment of approximately RM0.35 million, mainly laptops and office equipment for our business operations.

12. FINANCIAL INFORMATION (CONT'D)**(iii) Net cash flows used in financing activities**

For FYE 2022, our Group recorded net cash outflows of approximately RM3.08 million from our financing activities due to the following:

- (a) payment of final dividend of RM3.00 million in respect of FYE 2022; and
- (b) lease payments made for leasing of office premises of approximately RM0.08 million.

12.4 LIQUIDITY AND CAPITAL RESOURCES**Working capital**

Our operations are funded by internal sources of funds. Our internal sources of funds comprise share capital and cash generated from our operating activities.

The decision to utilise internally generated funds for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements and future capital expenditure requirements.

Our Board is of the opinion that after taking into consideration the current level of cash and cash equivalents, the proposed declaration of dividends as set out in Section 12.15 of this Prospectus and the gross proceeds raised from our IPO, our Group would have adequate working capital for a period of 12 months from the date of this Prospectus.

As at the LPD, we have cash and cash equivalents of approximately RM[●] million.

Based on the Pro Forma Consolidated Statement of Financial Position of our Group as at 31 March 2022 (before the Public Issue), our NA position stood at RM11.13 million and gearing level is not relevant as our Group has no outstanding borrowings as at 31 March 2022. Our NA position after the Public Issue (and utilisation of proceeds) are RM[●] million.

As at the LPD, we do not foresee any circumstances which may materially affect our liquidity. Our Group has not encountered any disputes with our debtors and our allowance for impairment loss in respect of our doubtful debts is low. This measure has proven to be effective while maintaining a cordial relationship with our customers.

12.5 BORROWINGS

We do not have any outstanding borrowings (excluding lease liabilities arising from right-of-use assets of RM0.81 million) as at 31 March 2022.

Separately, we have also recognised the following lease liabilities on the right-of-use assets pursuant to MFRS 16 Leases, which are denominated in RM.

| | Purpose | Tenure | As at 31 March 2022 RM'000 |
|---|-------------------|---|---|
| Lease liabilities payable within 1 year | Rental of office | Initial lease of 2 to 3 years with the option to renew for another 2 to 3 years | 154 |
| Lease liabilities payable after 1 year | Rental of offices | Initial lease of 2 to 3 years with the option to renew for another 2 to 3 years | 651 |
| | | | 805 |

12. FINANCIAL INFORMATION (CONT'D)**12.6 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES**

From an accounting perspective, financial instruments may include other investments, trade and other receivables, amount due from a related company, amount due from a Director, fixed deposits placed with licensed banks, cash and bank balances, other payables and accruals as shown on our consolidated statements of financial position. These financial instruments are used in our ordinary course of business.

As at the LPD, we do not have or utilise any other financial instruments. We finance our operations mainly through cash generated from our operations and credit extended by our suppliers.

12.7 MATERIAL INVESTMENT AND DIVESTITURES IN CAPITAL EXPENDITURE AND CAPITAL COMMITMENTS

There were no material capital expenditures and divestitures made for the Financial Years Under Review and up to the LPD.

As at the LPD, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

We do not have any material capital commitments for the Financial Years Under Review and up to the LPD.

12.8 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

As at the LPD, we are not engaged in any material litigation, claim or arbitration either as plaintiff or defendant, and there are no proceedings pending or threatened or of any fact likely to give rise to any proceeding which might materially or adversely affect our financial position or business.

As at the LPD, there are no contingent liabilities incurred by us or our Subsidiaries, which upon becoming enforceable, may have a material effect on our financial position or our Subsidiaries.

12.9 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the Financial Years Under Review are as follows:

| | Audited | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| Trade receivables turnover (days) ⁽¹⁾ | 70 | 89 | 113 | 91 |
| Trade payables turnover (days) ⁽²⁾ | N/A | N/A | N/A | N/A |
| Gearing ratio (times) ⁽³⁾ | N/A | N/A | N/A | N/A |
| Current ratio (times) ⁽⁴⁾ | 32.67 | 16.12 | 9.49 | 5.78 |

Notes:

- (1) Computed based on the average trade receivables divided by the revenue for the financial year multiplied by 365 days for each financial year.
- (2) Computed based on the average trade payables divided by the cost of sales (excluding payroll and related costs) for the financial year multiplied by 365 days for each financial year. Not applicable as there were no outstanding balances for trade payables as at each financial year end.

12. FINANCIAL INFORMATION (CONT'D)

- (3) *Computed based on bank borrowing (excluding lease liabilities for right-of-use assets) over total equity as at the respective financial year end. Not applicable as there were no outstanding balances for borrowings (excluding lease liabilities for right-of-use assets) as at each financial year end.*
- (4) *Computed based on current assets over current liabilities as at each financial year end.*

Over the years, our Group has managed to build and maintain an operation that has been in a positive net operating cash flow position. Furthermore, our operations do not require significant capital expenditures to date.

In terms of trade receivables, our customer portfolio mainly consists of recurring clients with good payment track records. As such, our Group has recorded relatively low amounts of impairment losses on trade receivables and bad debts written off over the years.

With regards to our trade payables turnover, our Group practises timely processing of payments to maintain good relationships, enabling our Group to obtain competitive pricing for the products and / or services sourced.

Further, our current ratio ranges from 5.78 times to 32.67 times for the Financial Years Under Review. This indicates that our Group is able to meet our current obligations as our current assets, such as trade receivables and our fixed deposits and bank balances, are sufficient to meet our current liabilities.

12.9.1 Trade receivables turnover

Our trade receivables turnover period (in days) for the Financial Years Under Review is stated as below:

| | Audited | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Opening trade receivables | 868 | 1,207 | 1,814 | 3,800 |
| Closing trade receivables | 1,207 | 1,814 | 3,800 | 4,434 |
| Average trade receivables | 1,037 | 1,511 | 2,807 | 4,117 |
| Revenue | 5,435 | 6,214 | 9,040 | 16,525 |
| Trade receivables turnover period (days) | 70 | 89 | 113 | 91 |

The normal credit period granted by our Group to our customers ranges from 30 days and up to 90 days from the date of invoice. Our credit terms to customers are assessed and approved on a case-by-case basis.

Our Group has established policies on credit control involving comprehensive credit evaluations, setting up appropriate credit limits, ensuring the sales are made to customers with good credit history, and regular review of customers' outstanding balances and payment trends. Our Group considers the risk of material loss in the event of non-performance by the customers to be unlikely.

As our Group did not hold any collateral, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position. A significant portion of trade receivables represent regular customers of our Group. Our Group uses ageing analysis to monitor the credit quality of the trade receivables.

Our Group assesses expected credit loss 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.

12. FINANCIAL INFORMATION (CONT'D)

Generally, trade receivables are written off when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities. Our Group evaluates the concentration of risk with respect to trade receivables as low, as our customers are from different type of industries and operate in largely independent markets.

Comparison between FYE 2019 and FYE 2020

Our average trade receivables turnover periods for FYE 2019 and FYE 2020 were 70 days and 89 days, respectively, which were within our trade terms period, and therefore, there is minimal exposure to credit risk.

Our average trade receivables turnover periods increased by approximately 19 days, mainly due to more invoices being raised towards the end of FYE 2020 based on the project milestones certified by customers.

Comparison between FYE 2020 and FYE 2021

Our average trade receivables turnover period for FYE 2021 increased by 24 days from 89 days for FYE 2020 to 113 days for FYE 2021, mainly due to more invoices being raised towards the end of FYE 2021 based on the project milestones certified by customers.

Comparison between FYE 2021 and FYE 2022

Our average trade receivables turnover periods decreased by 22 days from 113 days for FYE 2021 to 91 days for FYE 2022, mainly due to improvement in collections from our customers resulting from the tightening of the credit control by our Group.

The ageing analysis of our trade receivables as at 31 March 2022 is as follows:

| | Trade receivables as at 31 March 2022 | | Amount collected from 1 April 2022 up to the LPD | Balance of trade receivables which have yet to be collected as at the LPD |
|-----------------------------------|--|---------------------------|---|--|
| | Percentage of trade receivables | | | |
| | RM'000 | (%) | RM'000 | RM'000 |
| | (a) | (a) / total of (a) | (b) | (c) = (a) - (b) |
| Within credit period | 2,245 | 50.6 | [●] | [●] |
| Past due but not impaired: | | | | |
| 1 to 30 days | 264 | 5.9 | [●] | [●] |
| 31 to 60 days | 261 | 5.9 | [●] | [●] |
| 60 to 90 days | 845 | 19.1 | [●] | [●] |
| More than 90 days | 819 | 18.5 | [●] | [●] |
| Subtotal | 2,189 | 49.4 | [●] | [●] |
| Total | 4,434 | 100.0 | [●] | [●] |

As at the LPD, RM[●] million or [●]% of our trade receivables as at 31 March 2022 have been collected. The remaining balance of RM[●] million of our trade receivables that have yet to be collected are mainly from [●] customers. We are of the view that the outstanding amounts are recoverable after taking into consideration these customers' payment history and their credentials.

Notwithstanding the ongoing COVID-19 pandemic, our Group's customers have generally been paying within the credit period granted during the FYE 2021 and FYE 2022. Further, our Group has not experienced any instances of significant bad debts for the Financial Years Under Review.

12. FINANCIAL INFORMATION (CONT'D)

Our Group will assess the collectability of trade receivables on an individual customer basis, and impairment will be made for those where recoverability is uncertain based on our past dealings with customers. We will also assess the adequacy of impairment loss allowance on overall trade receivables balance at every reporting period based on historical collection experience. For the Financial Years Under Review and up to the LPD, our Group has not encountered any disputes with our trade receivables.

As for the balance of trade receivables which have yet to be collected as at the LPD, our Group monitors the ageing of our trade receivables closely and takes proactive actions, including constantly following up with customers on the outstanding debts and reperforming credit assessments on the customer(s) before undertaking any future projects. In addition, our Group retains the source codes for the applications developed for the customers until all outstanding payments are collected. The provision of subscription, hosting, technical support and maintenance services are generally billed in advance to the customers.

Our impairment loss on trade receivables and bad debt written off for the Financial Years Under Review are as follows:

| | Audited | | | |
|--|----------|----------|----------|----------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Impairment loss on trade receivables / (Reversal of impairment loss on trade receivables) ⁽¹⁾ | 11 | (11) | 225 | (192) |
| Bad debts written off ⁽²⁾ | 44 | 11 | 45 | - |

Notes:

- (1) Comprise the recognition and reversal of loss allowances on trade receivables. In accordance with MFRS 9, an impairment analysis is performed at each reporting date for expected credit losses on trade receivables with reference to historical credit loss experience on a general basis as well as for individually impaired trade receivables.
- (2) Bad debts written off were due to long outstanding debts that had no reasonable expectation of recovery. The bad debts written off during the Financial Years Under Review were not from our major customers, and our Group has ceased to provide services to these customers.

12.9.2 Trade payables

Our trade payables turnover period (in days) for the Financial Years Under Review is stated as below:

| | Audited | | | |
|---|------------|------------|------------|------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Opening trade payables | - | - | - | - |
| Closing trade payables ⁽¹⁾ | - | - | - | - |
| Average trade payables ⁽¹⁾ | - | - | - | - |
| Cost of sales | 347 | 347 | 902 | 1,519 |
| Trade payables turnover period (days) ⁽²⁾ | N/A | N/A | N/A | N/A |

Notes:

- (1) There are no outstanding balances for trade payables at the end of each financial year for the Financial Years Under Review. Suppliers of the Group are mainly subscription and hosting services providers, outsourced development services providers and live streaming services providers.

12. FINANCIAL INFORMATION (CONT'D)

(2) *Not applicable as there were no outstanding balances for trade payables as at each financial year end.*

12.9.3 Current ratio

Our current ratio throughout the Financial Years Under Review is stated as below:

| | Audited | | | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current assets | 7,024 | 9,754 | 7,989 | 12,395 |
| Current liabilities | 215 | 605 | 842 | 2,146 |
| Net current assets | 6,809 | 9,149 | 7,147 | 10,249 |
| Current ratio (times) | 32.67 | 16.12 | 9.49 | 5.78 |

Our current ratio ranges from 5.78 times to 32.67 times for the Financial Years Under Review. This indicates that our Group can meet our current obligations as our current assets, such as trade receivables, which can be readily converted into cash, together with our fixed deposits and bank balances, are enough to meet immediate current liabilities.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

There were no government, economic, fiscal or monetary policies or factors which had materially affected our operations during the Financial Years Under Review. There is no assurance that our financial performance will not be adversely affected by the impact of further changes in government, economic, fiscal or monetary policies or factors moving forward.

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9 of this Prospectus.

12.11 IMPACT OF INFLATION

During the Financial Years Under Review, our financial performance was not materially affected by the impact of inflation. However, there is no assurance that our financial performance will not be adversely affected by the impact of inflation moving forward. Any significant increase in costs of sales in the future may adversely affect our operations and performance in the event where we are unable to pass on higher costs to our customers through an increase in selling prices.

12.12 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND / OR COMMODITY PRICES ON OUR GROUP'S OPERATIONS**12.12.1 Impact of foreign exchange rate**

During the Financial Years Under Review, our local sales were the largest contributor to our Group's revenue at approximately 84.2%, 76.7%, 80.8% and 87.5%, respectively. Some of our development of mobile and web applications, provision of subscription, hosting, technical support and maintenance services are billed in foreign currency for customers in Cambodia, Hong Kong and Singapore which were denominated in USD and SGD. Our cost of sales are also exposed to foreign exchange fluctuation risks arising from engaging overseas suppliers, whereby some of these purchases were denominated in USD, while the remaining purchases from overseas suppliers and local suppliers were denominated in RM. Hence, we are exposed to foreign exchange fluctuation risks for these revenue and purchases. For sales to customers in Malaysia and some customers in overseas, the revenue generated are denominated in RM.

12. FINANCIAL INFORMATION (CONT'D)

The breakdown of our revenue and purchases by currencies for the Financial Years Under Review is as follows:

| Currency | Audited | | | | | | | |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|
| | FYE 2019 | | FYE 2020 | | FYE 2021 | | FYE 2022 | |
| | RM'000 | % | RM'000 | % | RM'000 | % | RM'000 | % |
| Revenue | | | | | | | | |
| RM | 4,772 | 87.8 | 5,317 | 85.6 | 7,872 | 87.1 | 14,785 | 89.5 |
| USD | 663 | 12.2 | 897 | 14.4 | 1,002 | 11.1 | 1,416 | 8.5 |
| SGD | - | - | - | - | 166 | 1.8 | 324 | 2.0 |
| Total | 5,435 | 100.0 | 6,214 | 100.0 | 9,040 | 100.0 | 16,525 | 100.0 |
| Purchases | | | | | | | | |
| RM | 284 | 81.8 | 308 | 88.8 | 783 | 86.8 | 1,341 | 88.3 |
| USD | 63 | 18.2 | 39 | 11.2 | 119 | 13.2 | 178 | 11.7 |
| Total | 347 | 100.0 | 347 | 100.0 | 902 | 100.0 | 1,519 | 100.0 |

During the Financial Years Under Review, our transactions involving foreign exchange were predominantly denominated in USD. In circumstances where the USD significantly appreciates against the RM, we will record higher revenue in RM after conversion. Conversely, in circumstances where the USD significantly depreciates against the RM, we will record lower revenue in RM after conversion. In the event that we are unable to pass the increase in cost to our customers in a timely manner, our financial performance may be affected. While we also have transactions denominated in SGD, fluctuations in exchange rates between SGD and RM are not expected to have material impact to our revenue as the sales denominated in SGD are comparatively low.

For the Financial Years Under Review, our gain and losses from the foreign exchange fluctuations were as follows:

| | Audited | | | |
|--|------------|-----------|----------|-------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Realised (loss) / gain on foreign exchange | (6) | # | 2 | (19) |
| Unrealised gain / (loss) on foreign exchange | - | 12 | (1) | 3 |
| Net (loss) / gain | (6) | 12 | 1 | (16) |

Note:

Less than RM1,000.

We currently do not have a formal policy with respect to our foreign exchange transactions.

Our Group does not hedge our exposure to fluctuations in foreign currency exchange rates. As at the LPD, we have not entered into any forward foreign exchange contracts. As such, we are subject to foreign exchange fluctuation risk for the revenue and purchases denominated in foreign currencies. Our Group has generally been able to pass on the increase in costs arising from foreign exchange rates to customers by factoring the potential impact of the foreign exchange rates in the quotation to our customers. Please refer to Section 9.1.8 of this Prospectus for risks relating to foreign exchange rate fluctuations.

12.12.2 Impact of interest rate

Our Group's financial results for the Financial Years Under Review were not materially affected by fluctuations in interest rates as our Group does not have any bank borrowings (excluding lease liabilities for right-of-use assets) throughout the Financial Years Under Review and up to the LPD. However, any major increase in interest rates would raise the cost of our borrowings and our finance costs, which may have an adverse effect on the performance of our Group.

12. FINANCIAL INFORMATION (CONT'D)**12.12.3 Impact of commodity prices**

As at the LPD, our Group is not affected by fluctuations in commodity prices.

12.13 ORDER BOOK

We generate our revenue based on the service contracts issued to us (where applicable) and the purchase order awarded. Our order book as at the LPD are as follows:

| | Contract value as at the LPD | Revenue recognised as at the LPD | Balance revenue to be recognised as at the LPD | Revenue to be recognised in FYE 2023 | Revenue to be recognised after FYE 2023 |
|--|------------------------------------|---|---|--|---|
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Secured contracts | | | | | |
| Development of mobile and web applications | 21,743 | 14,541 | 7,202 | 6,987 | 215 |
| Provision of digital platform-based services | 1,679 | 1,227 | 452 | 443 | 9 |
| Provision of subscription, hosting, technical support and maintenance services | 4,251 | 2,923 | 1,328 | 1,247 | 81 |
| Total | <u>27,673</u> | <u>(⁽¹⁾ 18,691)</u> | <u>8,982</u> | <u>8,677</u> | <u>305</u> |

Note:

- (1) Revenue of RM1.23 million was recognised up to FYE 2021, RM16.53 million was recognised in FYE 2022 and RM0.93 million was recognised subsequent to FYE 2022 and up to the LPD.

The above order book relates to the contract value of projects less revenue recognised up to the LPD. The remaining balance revenue of approximately RM8.98 million consists of RM8.68 million expected to be recognised as revenue in FYE 2023 and RM0.30 million in FYE 2024 and beyond.

There are order book of approximately RM0.24 million awarded by related parties, namely MY E.G. Services Berhad, Zetrix Sdn. Bhd. and WorkGrowth Technology. Our order book of approximately RM8.98 million as at the LPD represents 0.97 times of our average revenue of approximately RM9.30 million, calculated based on our audited revenues for the Financial Years Under Review.

12.14 TREND INFORMATION

As at the LPD, save as disclosed in this Prospectus and to the best of our Board's knowledge and belief, our financial performance, position and operations are not affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations, save as disclosed in Sections 7, 8, 9 and 12.3 of this Prospectus;
- (ii) material commitments for capital expenditure, as set out in Section 12.6 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group, save as discussed in Sections 9 and 12.3 of this Prospectus;

12. FINANCIAL INFORMATION (CONT'D)

- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a substantial increase in our Group's revenue and / or profit as disclosed in this Section 12.3, business and industry overview, as set out in Sections 7 and 8 of this Prospectus, and business strategies and future plans as set out in Section 7.8 of this Prospectus;
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position, save as disclosed in Sections 9 and 12 of this Prospectus; and
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, save as disclosed in Sections 7, 9 and 12 of this Prospectus.

However, our Board foresees certain risk factors as set out in Section 9 of this Prospectus that may affect our future financial condition and results of operations.

Our Board is optimistic about the future prospects of our Group given our Group's competitive strengths as set out in Section 7.7 of this Prospectus, the outlook of the furniture industry in Malaysia as set out in the IMR Report in Section 8 of this Prospectus and our commitment to implement the business strategies and future plans as set out in Section 7.8 of this Prospectus.

12.15 RECENT DEVELOPMENT

Save for the interruptions in our business due to COVID-19 and MCO as disclosed in Section 7.15 of this Prospectus, there were no other significant events subsequent to our Group's audited consolidated financial statements for FYE 2022.

12.16 DIVIDENDS

Our Group presently does not have any formal dividend policy and the declaration of dividends and other distribution are subject to the discretion of our Board. It is our Board's policy to recommend dividends to allow our Shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our Shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

As we are a holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our Subsidiaries, present and future. The payment of dividends by our Subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of Directors deem relevant. Our Subsidiaries are not subject to any dividend restriction imposed on our Subsidiaries as at the LPD.

Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our Shareholders or when declaring any interim dividends:

- (i) the level of cash and level of indebtedness;
- (ii) required and expected interest expense, cash flows, profits, return on equity and retained earnings;
- (iii) our expected results of operations and future level of operations; and

12. FINANCIAL INFORMATION (CONT'D)

- (iv) our projected levels of capital expenditure and other investment plans.

The payment and amount of any dividends or distributions to our Shareholders will be at the discretion of our Board, and will depend on factors stated above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Subject to the Act, our Company, in general meeting, may from time to time approve dividend or other distribution. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board. Further, under the Act, our Company may not declare or pay dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

- (i) our Company is, or would after the payment be unable to pay its liabilities as they become due; or
- (ii) the realisable value of our Company's assets would thereby be less than its liabilities.

For the Financial Years Under Review, our Group had declared and paid the following dividends:

| | Audited | | | |
|---|-----------------|-----------------|-----------------|-----------------|
| | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| PAT attributable to owners of our Company | 2,412 | 2,496 | 4,004 | 6,692 |
| Total dividends declared | 421 | 3,000 | 3,000 | 3,000 |
| Total dividends paid | 300 | 121 | 6,000 | 3,000 |
| Dividend payout rate (%) ⁽¹⁾ | 17.5 | 120.2 | 74.9 | 44.8 |

Note:

- (1) Computed based on dividend declared over PAT attributable to owners of our Company for each financial year.

The dividends above were funded by internal funds sourced from the cash and bank balances of the respective Subsidiaries. The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the IPO proceeds, we believe that we have sufficient funding of cash from operations for the funding requirement for our operations and our expansion plans.

As at the LPD, there is no outstanding dividends declared and unpaid. Subsequent to the LPD, no dividend was declared, made or paid by our Group. Our Group does not intend to pay any dividends prior to our Listing.

The above dividends which were declared and paid will not affect the execution and implementation of our future plans or strategies moving forward.

Investors should note that this proposed dividend merely describes our Group's present intention and shall not constitute legally binding statements in respect of our Group's future dividends that are subject to modification at our Board's discretion. No influence should or can be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

12. FINANCIAL INFORMATION (CONT'D)**12.17 CAPITALISATION AND INDEBTEDNESS**

The table below summarises our capitalisation and indebtedness as at [●] and after adjusting for the effect of the Public Issue including the utilisation of proceeds.

| Description | Unaudited | Pro Forma I | Pro Forma II |
|--|---------------------|------------------------------|--|
| | As at [●] RM'000 | After Public Issue RM'000 | After I and utilisation of proceeds RM'000 |
| Capitalisation | | | |
| Shareholders' equity | [●] | [●] | [●] |
| Total capitalisation | [●] | [●] | [●] |
| Total indebtedness | - | - | - |
| Total capitalisation and indebtedness | [●] | [●] | [●] |
| Gearing ratio ⁽¹⁾ | N/A | N/A | N/A |

Note:

(1) *Not applicable as no outstanding borrowings (excluding lease liabilities for right-of-use assets).*

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13. ACCOUNTANTS' REPORT

Date:

The Board of Directors
Agmo Holdings Berhad
 Level 38, MYEG Tower
 Empire City Damansara
 Jalan PJU 8, Damansara Perdana
 47820 Petaling Jaya
 Selangor Darul Ehsan

Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court
 Jalan Sultan Ismail
 50250 Kuala Lumpur
 Malaysia

T +603 2692 4022

F +603 2691 5229

Dear Sirs,

Reporting Accountants' Opinion On The Financial Information Contained In The Accountants' Report Of Agmo Holdings Berhad ("the Company" or "Agmo")

Opinion

We have audited the accompanying financial statements ("Financial Information") of Agmo Holdings Berhad and its subsidiaries (collectively known as "the Group" or "Agmo Group"), which comprises the consolidated statements of financial position of the Group as at 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the financial year ended 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022, and a summary of significant accounting policies and other explanatory notes, as set out on page 4 to 69.

In our opinion, the accompanying Financial Information give a true and fair view of the consolidated financial position of the Group as at 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022 and of their consolidated financial performance and consolidated cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

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 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.

13. ACCOUNTANTS' REPORT (CONT'D)*Responsibilities of the Directors for the Financial Information*

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

In preparing the Financial Information of the Group, the Directors are responsible for assessing the Group'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 cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an accountants' 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 Information.

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 Information of the Group, 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 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 ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountants' report to the related disclosures in the Financial Information of the Group 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 report. However, future events or conditions may cause the Group to cease to continue as a going concern.

13. ACCOUNTANTS' REPORT (CONT'D)



Reporting Accountants' Responsibilities for the Audit of the Financial Information (cont'd)

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 (cont'd): -

- Evaluate the overall presentation, structure and content of the Financial Information of the Group, including the disclosures, and whether the Financial Information of the Group 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 Information 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.

Other Matter

This report has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Agmo Holdings Berhad in connection with the listing of and quotation for the entire enlarged issued share capital of Agmo Holdings Berhad on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. 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: 03381/06/2022 J)
CHARTERED ACCOUNTANT

Kuala Lumpur

13. ACCOUNTANTS' REPORT (CONT'D)**AGMO HOLDINGS BERHAD**

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2019, 31 MARCH 2020, 31 MARCH 2021 AND 31 MARCH 2022**

| | Note | ← Audited → | | | |
|---|------|-------------------|-------------------|-------------------|-------------------|
| | | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Equipment | 5 | 106,922 | 141,900 | 165,943 | 434,761 |
| Right-of-use assets | 6 | - | - | - | 778,318 |
| Investment in an associate | 7 | 1 | 1 | 1 | - |
| Investment in a joint venture | 8 | - | - | - | 206,079 |
| Other investments | 9 | 107,991 | 107,991 | 107,991 | 174,659 |
| | | <u>214,914</u> | <u>249,892</u> | <u>273,935</u> | <u>1,593,817</u> |
| Total non-current assets | | | | | |
| Current assets | | | | | |
| Trade receivables | 10 | 1,207,336 | 1,813,883 | 3,799,848 | 4,433,851 |
| Other receivables, deposits and prepayments | 11 | 32,037 | 99,738 | 96,774 | 1,406,079 |
| Amount due from a Director | 12 | 11,879 | 25,644 | - | - |
| Fixed deposits placed with licensed banks | 13 | 1,531,915 | 24,542 | 2,784,164 | 4,097,891 |
| Cash and bank and short term investment | 14 | 4,241,425 | 7,790,226 | 1,308,299 | 2,418,026 |
| Tax recoverable | | - | - | - | 39,149 |
| | | <u>7,024,592</u> | <u>9,754,033</u> | <u>7,989,085</u> | <u>12,394,996</u> |
| Total current assets | | | | | |
| TOTAL ASSETS | | | | | |
| | | <u>7,239,506</u> | <u>10,003,925</u> | <u>8,263,020</u> | <u>13,988,813</u> |
| EQUITY AND LIABILITIES | | | | | |
| EQUITY | | | | | |
| Equity attributable to owners of the Company:- | | | | | |
| Share capital | 15 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 |
| Retained earnings | | 3,015,308 | 5,390,322 | 3,394,714 | 7,086,977 |
| | | <u>7,015,308</u> | <u>9,390,322</u> | <u>7,394,714</u> | <u>11,086,977</u> |
| Non-controlling interests | 16 | - | - | - | 46,426 |
| | | <u>7,015,308</u> | <u>9,390,322</u> | <u>7,394,714</u> | <u>11,133,403</u> |
| TOTAL EQUITY | | | | | |

13. ACCOUNTANTS' REPORT (CONT'D)

AGMO HOLDINGS BERHAD

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2019, 31 MARCH 2020, 31 MARCH 2021 AND 31 MARCH 2022 (CONT'D)**

| | Note | ← Audited → | | | |
|-------------------------------------|------|------------------|-------------------|------------------|-------------------|
| | | 2019 RM | 2020 RM | 2021 RM | 2022 RM |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Deferred tax liabilities | 17 | 8,936 | 8,936 | 25,509 | 58,569 |
| Lease liabilities | 18 | - | - | - | 651,515 |
| Total non-current liabilities | | <u>8,936</u> | <u>8,936</u> | <u>25,509</u> | <u>710,084</u> |
| Current liabilities | | | | | |
| Other payables and accruals | 19 | 193,168 | 468,440 | 458,000 | 1,422,611 |
| Contract liabilities | 20 | - | 135,865 | 382,428 | 512,155 |
| Lease liabilities | 18 | - | - | - | 153,657 |
| Tax payables | | 22,094 | 362 | 2,369 | 56,903 |
| Total current liabilities | | <u>215,262</u> | <u>604,667</u> | <u>842,797</u> | <u>2,145,326</u> |
| TOTAL LIABILITIES | | <u>224,198</u> | <u>613,603</u> | <u>868,306</u> | <u>2,855,410</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>7,239,506</u> | <u>10,003,925</u> | <u>8,263,020</u> | <u>13,988,813</u> |

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

13. ACCOUNTANTS' REPORT (CONT'D)

AGMO HOLDINGS BERHAD

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019, 31 MARCH 2020, 31 MARCH 2021 AND 31 MARCH 2022**

| | Note | ← Audited → | | | |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Revenue | 21 | 5,434,886 | 6,213,628 | 9,040,328 | 16,525,671 |
| Cost of sales | | <u>(2,690,959)</u> | <u>(3,394,953)</u> | <u>(4,413,586)</u> | <u>(9,145,079)</u> |
| Gross profit | | 2,743,927 | 2,818,675 | 4,626,742 | 7,380,592 |
| Other income | 22 | 878 | 11,750 | 2,024 | 207,069 |
| Net measurement of expected credit losses | 10 | (10,632) | 10,632 | (225,110) | 192,000 |
| Selling and marketing expenses | | (3,228) | (6,028) | (40,157) | (12,410) |
| Administrative expenses | | (292,074) | (408,288) | (392,071) | (668,211) |
| Depreciation | 23 | (29,952) | (37,916) | (48,585) | (173,190) |
| Other expenses | 24 | <u>(50,069)</u> | <u>(11,152)</u> | <u>(45,564)</u> | <u>(39,516)</u> |
| Operating profit | | 2,358,850 | 2,377,673 | 3,877,279 | 6,886,334 |
| Finance income | 25 | 78,079 | 119,902 | 189,067 | 94,271 |
| Finance cost | 26 | - | - | - | (21,916) |
| Share of loss of an equity-accounted joint venture | 8 | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,921)</u> |
| Profit before tax | 27 | 2,436,929 | 2,497,575 | 4,066,346 | 6,954,768 |
| Tax expense | 28 | <u>(25,469)</u> | <u>(1,988)</u> | <u>(61,954)</u> | <u>(216,379)</u> |
| Profit for the financial year | | 2,411,460 | 2,495,587 | 4,004,392 | 6,738,389 |
| Other comprehensive income | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total comprehensive income for the financial year | | <u>2,411,460</u> | <u>2,495,587</u> | <u>4,004,392</u> | <u>6,738,389</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

AGMO HOLDINGS BERHAD

(Incorporated in Malaysia)

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019, 31 MARCH 2020, 31 MARCH 2021 AND 31 MARCH 2022 (CONT'D)**

| | Note | ← Audited → | | | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Profit for the financial year attributable to:- | | | | | |
| Owners of the Company | | 2,411,460 | 2,495,587 | 4,004,392 | 6,692,263 |
| Non-controlling interests | 16 | - | - | - | 46,126 |
| | | <u>2,411,460</u> | <u>2,495,587</u> | <u>4,004,392</u> | <u>6,738,389</u> |
| Total comprehensive income for the financial year attributable to:- | | | | | |
| Owners of the Company | | 2,411,460 | 2,495,587 | 4,004,392 | 6,692,263 |
| Non-controlling interests | 16 | - | - | - | 46,126 |
| | | <u>2,411,460</u> | <u>2,495,587</u> | <u>4,004,392</u> | <u>6,738,389</u> |
| Earnings per share | | | | | |
| Basic earnings per ordinary share attributable to owners of the Company (RM) | 29 | <u>0.01</u> | <u>0.01</u> | <u>0.01</u> | <u>0.02</u> |

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

13. ACCOUNTANTS' REPORT (CONT'D)
AGMO HOLDINGS BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019, 31 MARCH 2020, 31 MARCH 2021 AND 31 MARCH 2022

| | <u>Note</u> | <u>Share capital</u> RM | <u>Retained earnings</u> RM | <u>Total</u> RM | <u>Non-controlling interests</u> RM | <u>Total equity</u> RM |
|--|-------------|----------------------------|--------------------------------|--------------------|--|---------------------------|
| Balance as at 1 April 2018 | | 4,000,000 | 903,848 | 4,903,848 | - | 4,903,848 |
| Profit/Total comprehensive income for the financial year | | - | 2,411,460 | 2,411,460 | - | 2,411,460 |
| Transaction with owners:- | | | | | | |
| Dividend paid to the owners of the Company | 30 | - | (300,000) | (300,000) | - | (300,000) |
| Balance as at 31 March 2019 | | 4,000,000 | 3,015,308 | 7,015,308 | - | 7,015,308 |
| Profit/Total comprehensive income for the financial year | | - | 2,495,587 | 2,495,587 | - | 2,495,587 |
| Transaction with owners:- | | | | | | |
| Dividend paid to the owners of the Company | 30 | - | (120,573) | (120,573) | - | (120,573) |
| Balance as at 31 March 2020 | | 4,000,000 | 5,390,322 | 9,390,322 | - | 9,390,322 |
| Profit/Total comprehensive income for the financial year | | - | 4,004,392 | 4,004,392 | - | 4,004,392 |
| Transaction with owners:- | | | | | | |
| Dividend paid to the owners of the Company | 30 | - | (6,000,000) | (6,000,000) | - | (6,000,000) |
| Balance as at 31 March 2021 | | 4,000,000 | 3,394,714 | 7,394,714 | - | 7,394,714 |
| Profit/Total comprehensive income for the financial year | | - | 6,692,263 | 6,692,263 | 46,126 | 6,738,389 |
| Transaction with owners:- | | | | | | |
| Dividend paid to the owners of the Company | 30 | - | (3,000,000) | (3,000,000) | - | (3,000,000) |
| Capital contribution from non-controlling interests | | - | - | - | 300 | 300 |
| Balance as at 31 March 2022 | | <u>4,000,000</u> | <u>7,086,977</u> | <u>11,086,977</u> | <u>46,426</u> | <u>11,133,403</u> |

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

13. ACCOUNTANTS' REPORT (CONT'D)

AGMO HOLDINGS BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019, 31 MARCH 2020, 31 MARCH 2021 AND 31 MARCH 2022

| | ← Audited → | | | | |
|--|-------------|------------|------------|-------------|-------------|
| | Note | 2019 RM | 2020 RM | 2021 RM | 2022 RM |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit before tax | | 2,436,929 | 2,497,575 | 4,066,346 | 6,954,768 |
| Adjustments for:- | | | | | |
| Bad debts written off/(recovered) | | 44,100 | 10,632 | 45,000 | (2,000) |
| Depreciation of equipment | | 29,952 | 37,916 | 48,585 | 90,397 |
| Depreciation of right-of-use assets | | - | - | - | 82,793 |
| Finance cost | | - | - | - | 21,916 |
| Finance income | | (78,079) | (119,902) | (189,067) | (94,271) |
| Gain on disposal of investment in an associate | | - | - | - | (199,999) |
| Net measurement of expected credit losses | | 10,632 | (10,632) | 225,110 | (192,000) |
| Share of loss of an equity-accounted joint venture | | - | - | - | 3,921 |
| Unrealised (gain)/loss on foreign exchange | | - | (11,750) | 564 | (2,759) |
| Operating profit before working capital changes | | 2,443,534 | 2,403,839 | 4,196,538 | 6,662,766 |
| Changes in working capital:- | | | | | |
| Receivables | | (489,500) | (662,498) | (2,253,675) | (1,813,217) |
| Payables | | 96,655 | 411,137 | 236,123 | 1,094,338 |
| Cash generated from operations | | 2,050,689 | 2,152,478 | 2,178,986 | 5,943,887 |
| Tax paid | | - | (23,720) | (43,374) | (167,934) |
| Net cash flows from operating activities | | 2,050,689 | 2,128,758 | 2,135,612 | 5,775,953 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | | 78,079 | 119,902 | 189,067 | 94,271 |
| Purchase of equipment | | (64,018) | (72,894) | (72,628) | (359,215) |
| Placement of fixed deposits with licensed banks | | - | (24,542) | (1,527,412) | (20,506) |
| (Advances to)/Repayment from a Director | | (11,881) | (13,765) | 25,644 | - |
| Proceeds from disposal of investment in an associate | | - | - | - | 200,000 |
| Capital contribution from non-controlling interests | | - | - | - | 300 |
| Subscription of shares in a joint venture | | - | - | - | (210,000) |
| Net cash flows from/(used in) investing activities | | 2,180 | 8,701 | (1,385,329) | (295,150) |

13. ACCOUNTANTS' REPORT (CONT'D)

AGMO HOLDINGS BERHAD

(Incorporated in Malaysia)

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019, 31 MARCH 2020, 31 MARCH 2021 AND 31 MARCH 2022 (CONT'D)

| | ← | Audited | | | | → |
|---|---|------------------|------------------|--------------------|--------------------|---|
| | | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | |
| Note | | RM | RM | RM | RM | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Dividend paid | | (300,000) | (120,573) | (6,000,000) | (3,000,000) | |
| Interest paid | | - | - | - | (21,916) | |
| Repayment of lease liabilities | | - | - | - | (55,939) | |
| Net cash flows used in financing activities | | <u>(300,000)</u> | <u>(120,573)</u> | <u>(6,000,000)</u> | <u>(3,077,855)</u> | |
| CASH AND CASH EQUIVALENTS | | | | | | |
| Net changes | | 1,752,869 | 2,016,886 | (5,249,717) | 2,402,948 | |
| At beginning of the financial year | | <u>4,020,471</u> | <u>5,773,340</u> | <u>7,790,226</u> | <u>2,540,509</u> | |
| At end of the financial year | A | <u>5,773,340</u> | <u>7,790,226</u> | <u>2,540,509</u> | <u>4,943,457</u> | |

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:-

| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|---|------------------|------------------|------------------|------------------|
| | RM | RM | RM | RM |
| Cash and bank and short term investment (Note 14) | 4,241,425 | 7,790,226 | 1,308,299 | 2,418,026 |
| Fixed deposits placed with licensed banks (Note 13) | 1,531,915 | 24,542 | 2,784,164 | 4,097,891 |
| | 5,773,340 | 7,814,768 | 4,092,463 | 6,515,917 |
| Less: Fixed deposits held in trust by a Director | - | (24,542) | (24,934) | (11,824) |
| Less: Fixed deposits with tenure more than 3 months | - | - | (1,527,020) | (1,560,636) |
| Cash and cash equivalents | <u>5,773,340</u> | <u>7,790,226</u> | <u>2,540,509</u> | <u>4,943,457</u> |

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

13. ACCOUNTANTS' REPORT (CONT'D)**AGMO HOLDINGS BERHAD**

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL INFORMATION**1. GENERAL INFORMATION****1.1 Introduction**

This report has been prepared solely to comply with the Prospectus Guidelines – Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Agmo Holdings Berhad (“the Company” or “Agmo”) in connection with the listing of and quotation for the entire enlarged issued share capital of Agmo on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) (hereinafter defined as “the Listing”), and should not be relied upon for any other purposes.

1.2 Background

The Company was a private limited liability company incorporated and domiciled in Malaysia. Subsequently, the Company has converted to a public limited liability company on 30 December 2021 and assumed its present name of Agmo Holdings Berhad.

The registered office of the Company is located at Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, 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.

1.3 Principal Activities

Agmo’s principal activities are investment holding and providing computer and mobile software application and services related to information technology services.

Details of the subsidiaries of Agmo are as follows:-

| <u>Name of company</u> | <u>Effective ownership</u> | <u>Principal activities</u> | <u>Date of incorporation</u> | <u>Country of incorporation</u> |
|--------------------------------------|----------------------------|---|------------------------------|---------------------------------|
| (a) Agmo Studio Sdn. Bhd. | 100% | Providing computer and mobile software application and services related to information technology | 11 January 2012 | Malaysia |
| (b) Agmo Capital Sdn. Bhd. | 100% | Investment holding | 5 January 2017 | Malaysia |
| (c) Agmo Digital Solutions Sdn. Bhd. | 100% | Software development, provision of information technology related services and the intended reselling of third-party software | 18 May 2020 | Malaysia |

13. ACCOUNTANTS' REPORT (CONT'D)**1. GENERAL INFORMATION (CONT'D)****1.3 Principal Activities (cont'd)**

Details of the subsidiaries of Agmo are as follows (cont'd):-

| <u>Name of company</u> | <u>Effective ownership</u> | <u>Principal activities</u> | <u>Date of incorporation</u> | <u>Country of incorporation</u> |
|---|----------------------------|---|------------------------------|---------------------------------|
| (d) Agmo Tech Sdn. Bhd. | 100% | Software development, provision of information technology related services and the intended reselling of third-party software | 14 September 2020 | Malaysia |
| (e) Agmo Sierra Holdings Sdn. Bhd. (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.) | 70% | Investment holding, computer consultancy and provision of information technology related services | 12 January 2021 | Malaysia |

Details of the joint venture company of Agmo are as follows:-

| <u>Name of company</u> | <u>Effective ownership</u> | <u>Principal activities</u> | <u>Date of incorporation</u> | <u>Country of incorporation</u> |
|-------------------------------------|----------------------------|--|------------------------------|---------------------------------|
| (a) WorkGrowth Technology Sdn. Bhd. | 35% | Business and other applications, other information technology service activities | 10 March 2021 | Malaysia |

There was no significant change in the nature of the principal activities of Agmo and its subsidiaries and joint venture since the day of incorporation.

1.4 Incorporation of New SubsidiariesAgmo Digital Solutions Sdn. Bhd.

Agmo Digital Solutions Sdn. Bhd. ("ADSSB") was incorporated as a wholly-owned subsidiary of Agmo on 18 May 2020 with RM1,000 share capital comprising 1,000 ordinary shares at an issue price of RM1.00 per ordinary share. Subsequently, on 18 September 2020, AHB subscribed an additional 49,000 ordinary shares in ADSSB at an issue price of RM1.00 per ordinary share for a total cash consideration of RM49,000.

The principal activities of ADSSB are to engage in software development, provision of information technology related services and the intended reselling of third-party software.

In general, ADSSB provides ready-made digital solutions to corporates and small and medium enterprises. For information purpose, ready-made digital solutions refer to the digital platforms built by Agmo Group and offered as a service to customers on a usage basis.

13. ACCOUNTANTS' REPORT (CONT'D)**1. GENERAL INFORMATION (CONT'D)****1.4 Incorporation of New Subsidiaries (cont'd)**Agmo Tech Sdn. Bhd.

Agmo Tech Sdn. Bhd. ("ATSB") was incorporated as a wholly-owned subsidiary of Agmo on 14 September 2020 with RM1,000 share capital comprising 1,000 ordinary shares at an issue price of RM1.00 per ordinary share. Subsequently, on 11 January 2021, AHB subscribed an additional 24,900,000 ordinary shares in ATSB at an issue price of RM0.01 per ordinary share for a total cash consideration of RM249,000.

The principal activities of ATSB are to engage in providing software development, provision of information technology related services and the intended reselling of third-party software.

In general, ATSB uses new technologies such as blockchain and extended reality to assist corporates and small and medium enterprises in their digital transformation with customised digital solutions.

Agmo Sierra Holdings Sdn. Bhd. (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.) ("ASHSB")

ASHSB was incorporated as a wholly-owned subsidiary of Agmo on 12 January 2021 with RM1.00 share capital comprising 1 ordinary share at an issue price of RM1.00 per ordinary share. Subsequently, on 28 October 2021, Agmo subscribed an additional 699 ordinary shares in ASHSB at an issue price of RM1.00 per ordinary share for a total cash consideration of RM699. On even date, two parties, namely Tang Tung Ai and Fong Huang Yee, subscribed a total of 300 ordinary shares in ASHSB at an issue price of RM1.00 per ordinary share for a total cash consideration of RM300. Pursuant thereto, ASHSB became a partially-owned subsidiary of Agmo with an effective equity interest of 70%.

The principal activities of ASHSB are to engage in investment holding, computer consultancy and provision of information technology related services.

1.5 Investment in Joint Venture CompanyWorkGrowth Technology Sdn. Bhd.

On 15 March 2021, the Company has entered into a joint venture agreement with a third party, LKC Advance Technology Sdn. Bhd ("LKC") and through its subsidiary, Agmo Capital Sdn. Bhd. ("ACSB") to set up a joint venture company, WorkGrowth Technology Sdn. Bhd. ("WGT").

As at the date of this report, the paid-up capital of the WGT is RM600,000 comprising 600,000 ordinary shares of WGT. The equity interest in WGT by the Group and LKC is 35% and 65% respectively. The principal activities of WGT are to engage in business and other applications and other information technology service activities.

13. ACCOUNTANTS' REPORT (CONT'D)**2. RELEVANT FINANCIAL YEARS**

The consolidated financial statements of Agmo Group reflect the financial information of Agmo Holdings Berhad, Agmo Studio Sdn. Bhd., Agmo Capital Sdn. Bhd., Agmo Digital Solutions Sdn. Bhd., Agmo Tech Sdn. Bhd. and Agmo Sierra Holdings Sdn. Bhd. (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.).

The relevant financial years/periods ("FYE/FPE") of the audited financial statements presented for the purpose of this report ("Relevant Financial Years/Periods") and the Auditors of the respective companies within the Group are as follows:-

| <u>Company</u> | <u>Relevant Financial Years/Periods</u> | <u>Auditors</u> |
|---|---|--|
| Agmo Holdings Berhad | FYE 31 March 2019 | Grant Thornton Malaysia PLT ⁽ⁱ⁾ |
| | FYE 31 March 2020 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2021 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2022 | Grant Thornton Malaysia PLT |
| Agmo Studio Sdn. Bhd. | FYE 31 March 2019 | Grant Thornton Malaysia PLT ⁽ⁱ⁾ |
| | FYE 31 March 2020 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2021 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2022 | Grant Thornton Malaysia PLT |
| Agmo Capital Sdn. Bhd. | FYE 31 March 2019 | Grant Thornton Malaysia PLT ⁽ⁱ⁾ |
| | FYE 31 March 2020 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2021 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2022 | Grant Thornton Malaysia PLT |
| Agmo Digital Solutions Sdn. Bhd. | FPE 31 March 2021 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2022 | Grant Thornton Malaysia PLT |
| Agmo Tech Sdn. Bhd. | FPE 31 March 2021 | Grant Thornton Malaysia PLT |
| | FYE 31 March 2022 | Grant Thornton Malaysia PLT |
| Agmo Sierra Holdings Sdn. Bhd. (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.) | FPE 31 March 2021 ⁽ⁱⁱ⁾ | Grant Thornton Malaysia PLT |
| | FYE 31 March 2022 | Grant Thornton Malaysia PLT |

(i) The consolidated financial statements of the Group for the financial year ended 31 March 2019 have been prepared based on the audited financial statements which were re-audited by Grant Thornton Malaysia PLT for the purpose of inclusion into the consolidated financial statements of the Group. The audited financial statements which was lodged with Companies Commission of Malaysia were audited by a firm of chartered accountants other than Grant Thornton Malaysia PLT.

(ii) The subsidiary has been consolidated based on management accounts covering from 12 January 2021 (date of incorporation) to 31 March 2021.

The audited financial statements of Agmo Holdings Berhad, Agmo Studio Sdn. Bhd., Agmo Capital Sdn. Bhd., Agmo Digital Solutions Sdn. Bhd., Agmo Tech Sdn. Bhd. and Agmo Sierra Holdings Sdn. Bhd. (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.) for the Relevant Financial Years/Periods reported above were not subject to any qualification or modification.

13. ACCOUNTANTS' REPORT (CONT'D)**3. BASIS OF PREPARATION****3.1 Statement of Compliance**

The consolidated financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs") and in compliance with Chapter 10, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

3.2 Changes in Accounting Policies

During the financial years under review, the Group adopted the following accounting policies which are relevant and applicable to the Group's consolidated financial statements:-

MFRS 15 Revenue from Contracts with Customers - effective 1 April 2018

MFRS 15 provides a single model for accounting for revenue arising from contracts with customers using a 5-step approach model.

The standard focuses on the identification and satisfaction of performance obligations in recognising revenue, moving from the transfer of risk and rewards.

The Group adopted MFRS 15 Revenue from Contracts with Customers retrospectively.

The adoption of MFRS 15 Revenue from Contracts with Customers does not have material financial impact to the consolidated financial statements of the Group.

MFRS 9 Financial Instruments - effective 1 April 2018*Classification and Measurement*

Previously, the Group's trade receivables and other financial assets (i.e., other investments, other receivables, amount due from a related company, amount due from a Director, fixed deposits with licensed banks and cash and cash equivalents) were classified as available-for-sale and loans and receivables, respectively are now classified and measured at fair value through other comprehensive income and amortised cost, respectively.

Impairment

In respect of impairment of financial assets, MFRS 9 replaces the MFRS 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at fair value through other comprehensive income, but not to investments in equity instruments. The Group adopted MFRS 9 retrospectively with practical expedients and transitional exemptions as allowed by the standard. Nevertheless, as permitted by MFRS 9, the Group has elected not to restate the comparatives. The change in impairment model did not have a material impact to the consolidated financial statements of the Group.

MFRS 16 Leases – effective 1 April 2019

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

13. ACCOUNTANTS' REPORT (CONT'D)**3. BASIS OF PREPARATION (CONT'D)****3.2 Changes in Accounting Policies (cont'd)**MFRS 16 Leases – effective 1 April 2019 (cont'd)

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.

The adoption of MFRS 16 has no material financial impact to the consolidated financial statements of the Group.

3.3 Basis of Measurement

The consolidated financial statements of the Group 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.

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 uses 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.

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.

13. ACCOUNTANTS' REPORT (CONT'D)**3. BASIS OF PREPARATION (CONT'D)****3.3 Basis of Measurement (cont'd)**

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines 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 year.

For the purpose of fair value disclosures, the Group has 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.

3.4 Functional and Presentation Currency

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

3.5 Adoption of New Standards/Amendments/Improvements to MFRSs

The Group has consistently applied the accounting policies set out in Note 4 to all periods presented in these consolidated financial statements.

At the beginning of the current financial year, the Group adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2021.

Initial application of the new standards/amendments/improvements to the standards did not have material impact on the consolidated financial statements of the Group.

3.6 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 consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Effective for annual period beginning on or after 1 January 2022

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

Effective for annual period beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts *
- Amendments to MFRS 17 Insurance Contracts *
- Amendments to MFRS 17 Insurance Contracts – Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 101 Presentation of Financial Statements – Disclosure of Accounting Policies

13. ACCOUNTANTS' REPORT (CONT'D)**3. BASIS OF PREPARATION (CONT'D)****3.6 Standards Issued But Not Yet Effective (cont'd)**Effective for annual period beginning on or after 1 January 2023 (cont'd)

- 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

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 operations.

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

3.7 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the consolidated financial statements. They affect the application of the Group'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.

3.7.1 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 to be within 5 years and reviews the useful lives of depreciable assets at end of each reporting period. At the end of the reporting period, 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 at the reporting date is disclosed in Note 5 to the consolidated financial statements.

13. ACCOUNTANTS' REPORT (CONT'D)**3. BASIS OF PREPARATION (CONT'D)****3.7 Significant Accounting Estimates and Judgements (cont'd)****3.7.1 Estimation Uncertainty (cont'd)***Provision for expected credit losses ("ECLs") of 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. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the retail sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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 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.

4. SIGNIFICANT ACCOUNTING POLICIES

The Group applies the significant accounting policies, as summarised below, consistently throughout all years presented in the consolidated financial statements.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 Business Combination****4.1.1 Basis of Business Combination**

The consolidated financial statements comprise the financial statements of Agmo Holdings Berhad, Agmo Studio Sdn. Bhd., Agmo Capital Sdn. Bhd., Agmo Digital Solutions Sdn. Bhd., Agmo Tech Sdn. Bhd., and Agmo Sierra Holdings Sdn. Bhd. (formerly known as Agmo Strongbyte Holdings Sdn. Bhd.). The financial statements are prepared for the same reporting date as Agmo Holdings Berhad. Consistent accounting policies are applied to like transactions and events in similar circumstances.

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.

4.1.2 Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. 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.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

4.1.3 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.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 Business Combination (cont'd)****4.1.3 Loss of Control (cont'd)**

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.

4.1.4 Elimination on Combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

4.1.5 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 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.

4.1.6 Associate and Joint Arrangement

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

A joint venture is a type of joint arrangement whereby the parties 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 an associate and joint venture is accounted for in the consolidated financial statements using the equity method, based on the financial statements of the associate and 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 associate and 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 associate and 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 an associate and 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 associate and joint venture are eliminated to the extent of the Group's interest in the associate and joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 Business Combination (cont'd)****4.1.6 Associate and Joint Arrangement (cont'd)**

When the Group ceases to have significant influence over an associate and joint venture and the retained interest in the former associate and 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 associate and joint venture to profit or loss when the equity method is discontinued.

4.2 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.

4.3 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.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 Financial Instruments (cont'd)****4.3.1 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 business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group 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.

The Group'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 market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits 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 and most of the other receivables, fixed deposits placed with licensed banks, amount due from a Director and cash and bank balances.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 Financial Instruments (cont'd)****4.3.1 Financial Assets (cont'd)***Financial assets 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 reclassifies debt instruments when and only when its business model for managing those assets change.

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.

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 has 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 has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has 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 continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has 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 could be required to repay.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 Financial Instruments (cont'd)****4.3.1 Financial Assets (cont'd)***Impairment*

The Group recognises 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 measures 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 considers 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 historical experiences and informed credit assessment and including forward-looking information, where available.

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 is exposed to credit risk.

The Group estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience with forward-looking information. 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 assesses 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 determines 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 procedures for recovery amounts due.

4.3.2 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.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 Financial Instruments (cont'd)****4.3.2 Financial Liabilities (cont'd)***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 financial liability includes other payables and accruals.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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.

4.3.3 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.

4.4 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 which are subject to an insignificant risk of changes in value.

13. ACCOUNTANTS' REPORT (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.5 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 are generally covering 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.

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.

4.6 Leases

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

4.6.1 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.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.6 Leases (cont'd)****4.6.1 Group as Lessee (cont'd)****4.6.1.1 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 4.5 to the financial statements.

4.6.1.2 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.

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.

4.6.1.3 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.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.7 Equity Instrument**

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

Share capital represents the nominal value of shares that have been issued.

Retained earnings include all current and prior financial years retained earnings.

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

4.8 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 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.

4.9 Revenue from Contracts with Customers

The Group's revenue arises from a range of services including development of mobile and web applications, provision of digital platform-based services and provision of subscription, hosting, technical support and maintenance 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 service 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 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.

4.9.1 Development of Mobile and Web Applications

Revenue from development of mobile and web applications 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 consideration. 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.

13. ACCOUNTANTS' REPORT (CONT'D)**4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.9 Revenue from Contracts with Customers (cont'd)****4.9.1 Development of Mobile and Web Applications (cont'd)**

Revenue from development of mobile and web applications 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.

4.9.2 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.

4.9.3 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 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.

4.9.4 Trade Receivables

A receivable represents the Group's rights 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 4.3.1.

4.9.5 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).

4.9.6 Revenue from Other Source**4.9.6.1 Interest Income**

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

4.9.6.2 Income from Fixed Income Fund

Income from fixed income fund is recognised when the right to receive payment is established.

13. ACCOUNTANTS' REPORT (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.10 Employees' Benefits****4.10.1 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. 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.

4.10.2 Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which the Group 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").

4.11 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.

4.11.1 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.

Current tax is recognised in the statements of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

4.11.2 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.

13. ACCOUNTANTS' REPORT (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.11 Tax Expense (cont'd)****4.11.2 Deferred Tax (cont'd)**

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.

4.12 Goods and Services Tax

The Malaysia Government has zero rated the GST effective from 1 June 2018. This means the GST rate on supplying of goods or services or on the importation of goods has been revised from 6% to 0%.

The GST was replaced with the Sales and Services Tax effective from 1 September 2018. The rate for sale tax is fixed at 5% or 10%, while the rate for service tax is fixed at 6%.

The net amount of GST recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statements of financial position.

4.13 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 receivables and payables are stated with the amount of sales and services tax included.

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

13. ACCOUNTANTS' REPORT (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.14 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 forms 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).

4.15 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.

4.16 Earnings Per Share

The Group 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 Group 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 Group based on the weighted average number of shares in issue, for the effects of all potential dilutive ordinary shares during the period.

13. ACCOUNTANTS' REPORT (CONT'D)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 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.

13. ACCOUNTANTS' REPORT (CONT'D)**5. EQUIPMENT**

| Audited | <u>Computer and software</u> RM | <u>Office equipment</u> RM | <u>Fixture and fittings</u> RM | <u>Total</u> RM |
|---------------------------------|--|-----------------------------------|---------------------------------------|--------------------|
| Cost | | | | |
| At 1 April 2018 | 132,031 | 8,559 | - | 140,590 |
| Additions | <u>47,297</u> | <u>16,721</u> | <u>-</u> | <u>64,018</u> |
| At 31 March 2019 | 179,328 | 25,280 | - | 204,608 |
| Additions | <u>71,097</u> | <u>1,797</u> | <u>-</u> | <u>72,894</u> |
| At 31 March 2020 | 250,425 | 27,077 | - | 277,502 |
| Additions | <u>71,106</u> | <u>1,522</u> | <u>-</u> | <u>72,628</u> |
| At 31 March 2021 | 321,531 | 28,599 | - | 350,130 |
| Additions | <u>328,206</u> | <u>24,072</u> | <u>6,937</u> | <u>359,215</u> |
| At 31 March 2022 | <u>649,737</u> | <u>52,671</u> | <u>6,937</u> | <u>709,345</u> |
| Accumulated depreciation | | | | |
| At 1 April 2018 | 65,827 | 1,907 | - | 67,734 |
| Charge for the financial year | <u>25,732</u> | <u>4,220</u> | <u>-</u> | <u>29,952</u> |
| At 31 March 2019 | 91,559 | 6,127 | - | 97,686 |
| Charge for the financial year | <u>32,732</u> | <u>5,184</u> | <u>-</u> | <u>37,916</u> |
| At 31 March 2020 | 124,291 | 11,311 | - | 135,602 |
| Charge for the financial year | <u>43,066</u> | <u>5,519</u> | <u>-</u> | <u>48,585</u> |
| At 31 March 2021 | 167,357 | 16,830 | - | 184,187 |
| Charge for the financial year | <u>82,552</u> | <u>7,267</u> | <u>578</u> | <u>90,397</u> |
| At 31 March 2022 | <u>249,909</u> | <u>24,097</u> | <u>578</u> | <u>274,584</u> |
| Net carrying amounts | | | | |
| At 31 March 2019 | <u>87,769</u> | <u>19,153</u> | <u>-</u> | <u>106,922</u> |
| At 31 March 2020 | <u>126,134</u> | <u>15,766</u> | <u>-</u> | <u>141,900</u> |
| At 31 March 2021 | <u>154,174</u> | <u>11,769</u> | <u>-</u> | <u>165,943</u> |
| At 31 March 2022 | <u>399,828</u> | <u>28,574</u> | <u>6,359</u> | <u>434,761</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

6. 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.

| Audited | <u>Office premises</u> <u>RM</u> |
|---------------------------------|-------------------------------------|
| Cost | |
| At 1 April 2021 | - |
| Additions | <u>861,111</u> |
| At 31 March 2022 | <u>861,111</u> |
| Accumulated depreciation | |
| At 1 April 2021 | - |
| Charge for the financial year | <u>82,793</u> |
| At 31 March 2022 | <u>82,793</u> |
| Net carrying amounts | |
| At 31 March 2022 | <u><u>778,318</u></u> |

7. INVESTMENT IN AN ASSOCIATE

| | Audited | | | |
|--|--------------------|--------------------|--------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Unquoted shares, at cost | 269,231 | 269,231 | 269,231 | - |
| Share of post-acquisition results, net of tax | <u>(269,231)</u> | <u>(269,231)</u> | <u>(269,231)</u> | <u>-</u> |
| | - | - | - | - |
| Loans that are part of net investment | 1,868,526 | 1,868,526 | 1,868,526 | - |
| Less: Accumulated impairment loss | <u>(1,868,525)</u> | <u>(1,868,525)</u> | <u>(1,868,525)</u> | <u>-</u> |
| | <u><u>1</u></u> | <u><u>1</u></u> | <u><u>1</u></u> | <u><u>-</u></u> |

Loans that are part of net investment represent amount due from an associate which is non-trade in nature, unsecured and non-interest bearing. The settlement of this amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Group to treat this amount as a long-term source of capital to the associate. As this amount is, in substance, a part of the Group's net investment in the associate, it is stated at cost less accumulated impairment loss, if any.

13. ACCOUNTANTS' REPORT (CONT'D)

7. INVESTMENT IN AN ASSOCIATE (CONT'D)

In the year 2019 to 2021, the Group did not recognise losses related to Appstremely Sdn. Bhd., where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the previous reporting period was RM3,709,349 (2020: RM3,086,186; 2019: RM2,423,890), of which RM623,163 (2020: RM662,296; 2019: RM746,312) was the share of the respective financial year's losses. The Group has no obligation in respect of these losses.

The movement of accumulated impairment losses is as follows:-

| | ← Audited → | | | |
|-------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| At 1 April | 1,868,525 | 1,868,525 | 1,868,525 | 1,868,525 |
| Disposal | - | - | - | (1,868,525) |
| At 31 March | <u>1,868,525</u> | <u>1,868,525</u> | <u>1,868,525</u> | <u>-</u> |

The impairment loss was provided for the investment in an associate, Appstremely Sdn. Bhd. as the associate was loss making and in capital deficiency as at the respective financial year end. The carrying amount of investment in an associate has been assessed to be irrecoverable.

The details of associate is as follows:-

| <u>Name of associate</u> | <u>Principal place of business</u> | <u>Effective ownership interest and voting interest</u> | | | | <u>Principal activities</u> |
|------------------------------------|------------------------------------|---|------------------|------------------|------------------|--|
| | | <u>2019</u> % | <u>2020</u> % | <u>2021</u> % | <u>2022</u> % | |
| Appstremely Sdn. Bhd. [#] | Malaysia | 35 | 35 | 35 | - | Information technology software and application development, advisory on computer software and hardware technologies and applications. |

[#] - Audited by an auditor other than Grant Thornton Malaysia PLT.

Summarised financial information has not been presented for the previous financial years as the associate was not material to the Group.

In the year 2022, the Group has disposed off its investment in an associate to a third party for a total sale consideration of RM200,000 in cash.

13. ACCOUNTANTS' REPORT (CONT'D)

8. INVESTMENT IN A JOINT VENTURE

| | ← Audited → | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Unquoted shares, at cost | - | - | - | 210,000 |
| Share of post-acquisition results, net of tax | - | - | - | (3,921) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>206,079</u> |

The details of the joint venture is as follows:-

| Name of joint venture | Principal place of business | Effective ownership interest and voting interest | | | | Principal activities |
|--|-----------------------------------|---|------------------|------------------|------------------|---|
| | | <u>2019</u> % | <u>2020</u> % | <u>2021</u> % | <u>2022</u> % | |
| WorkGrowth Technology Sdn. Bhd.# | Malaysia | - | - | - | 35 | Business and other applications, other information technology services activities. |

#- Audited by auditors other than Grant Thornton Malaysia PLT.

On 9 August 2021, ACSB subscribed 35% of equity interest in WGT for a total cash consideration of RM35,000. On 25 November 2021, ACSB further subscribed 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 material 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 <u>2022</u> RM |
|--|--------------------------|
| Financial position as at 31 March | |
| Non-current assets | 530,000 |
| Current assets | 61,235 |
| Current liabilities | <u>(2,437)</u> |
| Net assets | <u>588,798</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

8. INVESTMENT IN A JOINT VENTURE (CONT'D)

The summary of the unaudited financial information of the Group's material 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 <u>2022</u> RM |
|--|--------------------------|
| Summary of financial performance for the financial period ended 31 March | |
| Revenue | 3,500 |
| Finance cost | 53 |
| Loss for the financial period | (11,202) |
| Total comprehensive loss for the financial period | <u>(11,202)</u> |
| | |
| Group's share of loss for the financial period | (3,921) |
| Group's share of total comprehensive loss for the financial period | <u>(3,921)</u> |
| | |
| Reconciliation of net assets to carrying amount | |
| Group's share of net assets/Carrying amount in the statement of financial position | <u>206,079</u> |

Contingent liabilities and capital commitment

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

9. OTHER INVESTMENTS

| | ← Audited → | | | |
|---|----------------|----------------|----------------|----------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Fair value through other comprehensive income ("FVTOCI") | | | | |
| <u>Non-current asset</u> | | | | |
| Unquoted shares, at fair value | <u>107,991</u> | <u>107,991</u> | <u>107,991</u> | <u>174,659</u> |

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

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

| | ← Audited → | | | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Unquoted shares of Entity A | 67,740 | 67,740 | 67,740 | 67,740 |
| Unquoted shares of Entity B | 40,250 | 40,250 | 40,250 | 40,250 |
| Unquoted shares of Entity C | 1 | 1 | 1 | 1 |
| Unquoted shares of Entity D | - | - | - | 66,667 |
| Unquoted shares of Entity E | - | - | - | 1 |
| | <u>107,991</u> | <u>107,991</u> | <u>107,991</u> | <u>174,659</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

9. OTHER INVESTMENTS (CONT'D)

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 that approved by management using the significant unobservable inputs. All unquoted shares investments fall within Level 3 fair value measurements.

The fair value of unquoted equity investment in Entity D at the end of the reporting period approximates the cost of investment due to the relatively short period of time since the investment was made by the Group and there have been no significant changes to Entity D's business operations and market conditions in which it operates.

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

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

| <u>Unobservable Inputs</u> | | <u>Relationship of Unobservable Inputs to Fair Value</u> | <u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u> |
|---|--|---|---|
| Revenue growth rates of 5% (2021: 5%; 2020: 5%; 2019: 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 RM47,000. |
| Pre-tax operating profit margins of 8% (2021: 4%; 2020: 4%; 2019: 4%) | Taking into account management's experience and knowledge of market conditions of the specific industry. | The higher the pre-tax operating 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 RM111,000. |
| Discount rate of 10% (2021: 10%; 2020: 10%; 2019: 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 RM11,000. |

13. ACCOUNTANTS' REPORT (CONT'D)

9. OTHER INVESTMENTS (CONT'D)

The details of significant unobservable inputs of material investments under Level 3 fair value measurement relating to Entity A and B are as follows (cont'd):-

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

| <u>Unobservable Inputs</u> | <u>Relationship of Unobservable Inputs to Fair Value</u> | <u>Sensitivity Analysis (Assume All Other Variables Held Constant)</u> |
|---|--|--|
| Revenue growth rates of 8% (2021: 8%; 2020: 8%; 2019: 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 RM24,000. |
| Pre-tax operating profit margins of approximately 8% (2021: 7%; 2020: 7%; 2019: 7%) | Taking into account management's experience and knowledge of market conditions of the specific industry. The higher the pre-tax operating 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 RM38,000. |
| Discount rate of 10% (2021: 10%; 2020: 10%; 2019: 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. |

10. TRADE RECEIVABLES

| | ← Audited → | | | |
|--|--------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Trade receivables | | | | |
| - Third parties | 1,102,118 | 1,813,883 | 3,751,933 | 4,466,961 |
| - Associate | 5,210 | - | - | - |
| - Related parties | 110,640 | - | 217,869 | - |
| | <u>1,217,968</u> | <u>1,813,883</u> | <u>3,969,802</u> | <u>4,466,961</u> |
| Less: Allowance for expected credit losses | (10,632) | - | (225,110) | (33,110) |
| | <u>1,207,336</u> | <u>1,813,883</u> | <u>3,744,692</u> | <u>4,433,851</u> |
| Accrued revenue | - | - | 55,156 | - |
| | <u>1,207,336</u> | <u>1,813,883</u> | <u>3,799,848</u> | <u>4,433,851</u> |

13. ACCOUNTANTS' REPORT (CONT'D)**10. TRADE RECEIVABLES (CONT'D)**

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

| | ← Audited → | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| At 1 April | - | 10,632 | - | 225,110 |
| Addition during the year | 10,632 | - | 225,110 | - |
| Amount written off during the year as uncollectible | - | (10,632) | - | - |
| Reversal | - | - | - | (192,000) |
| At 31 March | <u>10,632</u> | <u>-</u> | <u>225,110</u> | <u>33,110</u> |

The normal credit term granted by the Group to the trade receivables are 30 to 90 days (2021: 30 to 90 days; 2020: 30 to 90 days; 2019: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | ← Audited → | | | |
|---|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Non-trade receivables | - | 75,000 | 75,000 | 10,000 |
| Deposits | 5,000 | 24,000 | 10,738 | 38,941 |
| Prepayments | 24,385 | - | 11,036 | 33,978 |
| Prepayments of initial public offering listing expenses | - | - | - | 1,323,160 |
| GST receivable | 2,652 | 738 | - | - |
| | <u>32,037</u> | <u>99,738</u> | <u>96,774</u> | <u>1,406,079</u> |

12. AMOUNT DUE FROM A DIRECTOR

The amount due from a Director is non-trade in nature, unsecured, interest free and receivable up to 3 years from disbursement date.

In the year 2021, the amount due from a Director has been fully settled.

13. 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 2.47% (2021: 1.60% to 3.08%; 2020: 2.95% to 3.30%; 2019: 3.30% to 4.15%) per annum.

Included in fixed deposits placed with licensed banks amounting to RM11,824 (2021: RM24,934; 2020: RM24,542; 2019: Nil) is held in trust by one of the Directors 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. ACCOUNTANTS' REPORT (CONT'D)

14. CASH AND BANK AND SHORT TERM INVESTMENT

| | ← Audited → | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Fixed income fund with a licensed bank | 1,538,623 | - | - | - |
| Short term investment | - | - | - | 979,332 |
| Cash at banks and on hand | <u>2,702,802</u> | <u>7,790,226</u> | <u>1,308,299</u> | <u>1,438,694</u> |
| | <u>4,241,425</u> | <u>7,790,226</u> | <u>1,308,299</u> | <u>2,418,026</u> |

The fixed income fund with a licensed bank and short term investment represent investment 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 investment is 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.

15. SHARE CAPITAL

| | ← Audited → | | | |
|---|---------------------|---------------------|---------------------|---------------------|
| | <u>2019</u> Unit | <u>2020</u> Unit | <u>2021</u> Unit | <u>2022</u> Unit |
| At beginning of the financial year/At end of the financial year | <u>400,000,000</u> | <u>400,000,000</u> | <u>400,000,000</u> | <u>400,000,000</u> |

| | ← Audited Amount → | | | |
|---|--------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Issued and fully paid with no par value:- | | | | |
| At beginning of the financial year/At end of the financial year | <u>4,000,000</u> | <u>4,000,000</u> | <u>4,000,000</u> | <u>4,000,000</u> |

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.

13. ACCOUNTANTS' REPORT (CONT'D)

16. NON-CONTROLLING INTERESTS

The Group's subsidiary that has non-controlling interests is as follows:-

| | ASHSB | | | |
|--|--------------|-------------|-------------|-------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Effective equity interest (%) | - | - | - | 30 |
| Carrying amount of non-controlling interests | - | - | - | 46,426 |
| Profit/Total comprehensive income allocated to non-controlling interests | - | - | - | 46,126 |

The summary of financial information before intra-group elimination for the Group's subsidiary that has material non-controlling interest is as below:-

| | ASHSB |
|---|----------------|
| | <u>2022</u> |
| | RM |
| Financial position as at 31 March | |
| Non-current assets | 83,252 |
| Current assets | 384,373 |
| Non-current liabilities | (51,230) |
| Current liabilities | (107,594) |
| Net assets | <u>308,801</u> |
| Summary of financial performance for the financial year ended 31 March | |
| Revenue | 562,926 |
| Profit for the financial year | 307,801 |
| Total comprehensive income for the financial year | <u>307,801</u> |
| Summary of cash flows for the financial year ended 31 March | |
| Net cash inflow from operating activities | 6,293 |
| Net cash outflow from investing activity | (31,479) |
| Net cash inflow from financing activities | <u>25,622</u> |
| Net cash inflow | <u>436</u> |

17. DEFERRED TAX LIABILITIES

| | Audited | | | |
|--|----------------|--------------|---------------|---------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| At 1 April | 5,561 | 8,936 | 8,936 | 25,509 |
| Recognised in profit or loss (Note 28) | <u>3,375</u> | <u>-</u> | <u>16,573</u> | <u>33,060</u> |
| At 31 March | <u>8,936</u> | <u>8,936</u> | <u>25,509</u> | <u>58,569</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

17. DEFERRED TAX LIABILITIES (CONT'D)

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

| | Audited | | | |
|-------------------------------|----------------|--------------|---------------|---------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| <u>Deferred tax liability</u> | | | | |
| Equipment over its tax base | <u>8,936</u> | <u>8,936</u> | <u>25,509</u> | <u>58,569</u> |

18. LEASE LIABILITIES

| | Audited |
|---|-----------------|
| | <u>2022</u> |
| | RM |
| At 1 April | - |
| Addition | 861,111 |
| Accretion of lease liabilities interest | 21,916 |
| Payments | <u>(77,855)</u> |
| As at 31 March | <u>805,172</u> |
| Represented by:- | |
| Current | 153,657 |
| Non-current | <u>651,515</u> |
| | <u>805,172</u> |

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

The maturity analysis of lease liabilities is disclosed in Note 35(b) to the financial statements.

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

| | Audited | | | |
|--|----------------|--------------|--------------|--------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Depreciation of right-of-use assets | - | - | - | 82,793 |
| Accretion of interest on lease liabilities | - | - | - | 21,916 |
| Expenses relating to short-term leases | <u>-</u> | <u>1,800</u> | <u>1,800</u> | <u>1,800</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

18. LEASE LIABILITIES (CONT'D)

The following are total cash outflow from lease liabilities:-

| | ← Audited → | | | |
|--------------------------------|-------------|--------------|--------------|---------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Interest paid | - | - | - | 21,916 |
| Repayment of lease liabilities | - | - | - | 55,939 |
| Payment of short-term leases | - | 1,800 | 1,800 | 1,800 |
| | <u>-</u> | <u>1,800</u> | <u>1,800</u> | <u>79,655</u> |

19. OTHER PAYABLES AND ACCRUALS

| | ← Audited → | | | |
|--------------------------------|----------------|----------------|----------------|------------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Non-trade payables | 44,210 | 73,612 | 69,367 | 221,057 |
| Accruals | 71,142 | 254,010 | 174,432 | 824,647 |
| Sales and services tax payable | 77,816 | 140,818 | 214,201 | 376,907 |
| | <u>193,168</u> | <u>468,440</u> | <u>458,000</u> | <u>1,422,611</u> |

20. CONTRACT LIABILITIES

| | ← Audited → | | | |
|--|-------------|----------------|----------------|----------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Advanced billings for provision of subscription, hosting, technical support and maintenance services | - | 135,865 | 382,428 | 512,155 |
| | <u>-</u> | <u>135,865</u> | <u>382,428</u> | <u>512,155</u> |

Contract liabilities relate to advanced billings for provision of subscription, hosting, technical support and maintenance services of which the revenue will be recognised over the remaining contract term of the specific contract it relates to.

13. ACCOUNTANTS' REPORT (CONT'D)**21. REVENUE**

| | ← Audited → | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| <u>Types of revenue</u> | | | | |
| Development of mobile and web applications | 5,123,945 | 5,413,174 | 7,269,410 | 12,956,637 |
| Provision of subscription, hosting, technical support and maintenance services | 310,941 | 800,454 | 1,068,141 | 2,377,022 |
| Provision of digital platform-based services | - | - | 702,777 | 1,192,012 |
| | <u>5,434,886</u> | <u>6,213,628</u> | <u>9,040,328</u> | <u>16,525,671</u> |
| <u>Timing of revenue recognition</u> | | | | |
| Services at a point in time | 5,123,945 | 5,413,174 | 7,972,187 | 14,148,649 |
| Services transferred over time | 310,941 | 800,454 | 1,068,141 | 2,377,022 |
| | <u>5,434,886</u> | <u>6,213,628</u> | <u>9,040,328</u> | <u>16,525,671</u> |

22. OTHER INCOME

| | ← Audited → | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Bad debt recovered | - | - | - | 2,000 |
| Gain on disposal of investment in an associate | - | - | - | 199,999 |
| Unrealised gain on foreign exchange | - | 11,750 | - | 2,759 |
| Realised gain on foreign exchange | - | - | 2,024 | - |
| Miscellaneous income | 878 | - | - | 2,311 |
| | <u>878</u> | <u>11,750</u> | <u>2,024</u> | <u>207,069</u> |

23. DEPRECIATION

| | ← Audited → | | | |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Depreciation of equipment | 29,952 | 37,916 | 48,585 | 90,397 |
| Depreciation of right-of-use assets | - | - | - | 82,793 |
| | <u>29,952</u> | <u>37,916</u> | <u>48,585</u> | <u>173,190</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

24. OTHER EXPENSES

| | ← Audited → | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Bad debts written off | 44,100 | 10,632 | 45,000 | - |
| Fair value loss on short term investment | - | - | - | 20,667 |
| Realised loss on foreign exchange | 5,969 | 520 | - | 18,849 |
| Unrealised loss on foreign exchange | - | - | 564 | - |
| | <u>50,069</u> | <u>11,152</u> | <u>45,564</u> | <u>39,516</u> |

25. FINANCE INCOME

| | ← Audited → | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Interest from fixed deposits | 51,079 | 8,284 | 189,067 | 94,271 |
| Interest from fixed income fund | 27,000 | 111,618 | - | - |
| | <u>78,079</u> | <u>119,902</u> | <u>189,067</u> | <u>94,271</u> |

26. FINANCE COST

Finance cost comprises interest expense incurred on lease liabilities.

27. PROFIT BEFORE TAX

Profit before tax is determined after charging, amongst others the following items:-

| | ← Audited → | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Auditors' remuneration | | | | |
| - current year | 16,000 | 28,000 | 40,000 | 55,000 |
| - under provision in previous financial year | 1,000 | 1,702 | - | - |
| Rental of equipment | 1,800 | - | - | - |
| Expenses relating to short term lease | - | 1,800 | 1,800 | 1,800 |
| | <u>-</u> | <u>1,800</u> | <u>1,800</u> | <u>1,800</u> |

13. ACCOUNTANTS' REPORT (CONT'D)**28. TAX EXPENSE**

| | ← Audited → | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Income tax:- | | | | |
| Current year | 12,470 | 1,988 | 45,381 | 179,304 |
| Under provision in prior year | 9,624 | - | - | 4,015 |
| | <u>22,094</u> | <u>1,988</u> | <u>45,381</u> | <u>183,319</u> |
| Deferred tax (Note 17):- | | | | |
| Current year | 1,100 | - | 16,573 | 34,997 |
| Under/(Over) provision in prior year | 2,275 | - | - | (1,937) |
| | <u>3,375</u> | <u>-</u> | <u>16,573</u> | <u>33,060</u> |
| | <u>25,469</u> | <u>1,988</u> | <u>61,954</u> | <u>216,379</u> |

Revenue from principal activities of a subsidiary, Agmo Studio Sdn. Bhd. is not subject to income tax, due to an incentive granted under the MSC Malaysia 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.

A reconciliation of tax expense applicable to profit before tax at the statutory tax rate to tax expense at the effective tax rate of the Group are as follows:-

| | ← Audited → | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
| Profit before tax | <u>2,436,929</u> | <u>2,497,575</u> | <u>4,066,346</u> | <u>6,954,768</u> |
| At Malaysian statutory tax rate at 24% | 584,863 | 599,418 | 975,923 | 1,669,144 |
| Tax effects in respect of:- | | | | |
| Expenses not deductible for tax purposes | 45,362 | 36,607 | 122,039 | 182,772 |
| Income not subject to tax | (6,480) | (29,608) | - | (94,560) |
| Movement of deferred tax assets not recognised | - | - | 134,630 | 243,735 |
| Tax exempted under MSC Malaysia status | (610,175) | (604,429) | (1,170,638) | (1,787,731) |
| Under provision of current tax in prior year | 9,624 | - | - | 4,015 |
| Under/(Over) provision of deferred tax in prior year | 2,275 | - | - | (1,937) |
| Share of results in a joint venture | - | - | - | 941 |
| | <u>25,469</u> | <u>1,988</u> | <u>61,954</u> | <u>216,379</u> |

13. ACCOUNTANTS' REPORT (CONT'D)**28. TAX EXPENSE (CONT'D)**

Deferred tax assets at gross have not been recognised in respect of the following temporary differences due to uncertainty of recoverability:-

| | ← Audited → | | | |
|---|-------------|-------------|-------------|-------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Unused tax losses | - | - | 566,755 | 1,335,213 |
| Unabsorbed capital allowances | - | - | 35,652 | 122,398 |
| Provision | - | - | - | 201,891 |
| Carrying amount of qualifying equipment over its tax base | - | - | (41,447) | (82,980) |
| | - | - | 560,960 | 1,576,522 |

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 RM1,335,213 (2021: RM566,755) and RM122,398 (2021: RM35,652) 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.

Pursuant to Section 8 of the Finance Act 2021 (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.

| | ← Audited → | | | |
|---|-------------|-------------|-------------|-------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Utilisation period of temporary differences:- | | | | |
| Indefinite | - | - | (5,795) | 241,309 |
| Within 10 years from unabsorbed tax loss | - | - | 566,755 | 1,335,213 |
| | - | - | 560,960 | 1,576,522 |

13. ACCOUNTANTS' REPORT (CONT'D)

29. EARNINGS PER SHARE

| | ← Audited → | | | |
|------------------------------------|-------------|-------------|-------------|-------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Profit attributable to owners (RM) | 2,411,460 | 2,495,587 | 4,004,392 | 6,692,263 |
| Number of ordinary shares | 400,000,000 | 400,000,000 | 400,000,000 | 400,000,000 |
| Basic earnings per share (RM) | <u>0.01</u> | <u>0.01</u> | <u>0.01</u> | <u>0.02</u> |

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.

30. DIVIDENDS

| | ← Audited → | | | |
|--|----------------|----------------|------------------|------------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| <u>In respect of the financial year ended 31 March 2019:-</u> | | | | |
| An interim single-tier dividend of 0.075% per ordinary share, paid on 15 February 2019 | 300,000 | - | - | - |
| A final single-tier dividend of 0.03% per ordinary share, paid on 18 March 2020 | - | 120,573 | - | - |
| <u>In respect of the financial year ended 31 March 2020:-</u> | | | | |
| A single-tier dividend of 0.75% per ordinary share, paid on 22 February 2021 | - | - | 3,000,000 | - |
| <u>In respect of the financial year ended 31 March 2021:-</u> | | | | |
| A single-tier dividend of 0.75% per ordinary share, paid on 22 March 2021 | - | - | 3,000,000 | - |
| <u>In respect of the financial year ended 31 March 2022:-</u> | | | | |
| A single-tier dividend of 0.75% per ordinary share, paid on 31 March 2022 | - | - | - | 3,000,000 |
| | <u>300,000</u> | <u>120,573</u> | <u>6,000,000</u> | <u>3,000,000</u> |

13. ACCOUNTANTS' REPORT (CONT'D)**31. EMPLOYEE BENEFITS EXPENSES**

| | ← Audited → | | | |
|-------------------------------|------------------|------------------|------------------|------------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Salaries and other emoluments | 2,064,139 | 2,674,603 | 3,105,706 | 6,908,334 |
| Defined contribution plan | 235,134 | 312,902 | 368,432 | 742,332 |
| Social security contribution | 22,640 | 32,475 | 37,750 | 74,782 |
| Other benefits | 150,179 | 223,461 | 163,117 | 308,389 |
| | <u>2,472,092</u> | <u>3,243,441</u> | <u>3,675,005</u> | <u>8,033,837</u> |

Included in the employee benefit expense is the Directors' remuneration as below:-

| | ← Audited → | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Salaries and other emoluments | 337,870 | 348,270 | 334,376 | 404,775 |
| Defined contribution plan | 41,890 | 43,509 | 40,537 | 44,308 |
| Social security contribution | 1,847 | 1,847 | 1,616 | 1,847 |
| Other benefits | 9,964 | 13,111 | 2,415 | - |
| | <u>391,571</u> | <u>406,737</u> | <u>378,944</u> | <u>450,930</u> |

32. 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 are as follows:-

| | ← Audited → | | | |
|---|-------------|-------------|-------------|---------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Sales to related parties | | | | |
| - MY E.G. Services Berhad | 150,700 | 74,504 | 96,780 | 517,800 |
| - Cardbiz Solutions Sdn. Bhd. | 19,360 | - | - | - |
| - Syok Driver Sdn. Bhd. | - | - | 93,208 | - |
| - Mama Dessert (M) Sdn. Bhd. | - | - | 7,124 | 2,390 |
| - Getcoinapp Sdn. Bhd. | - | - | 153,774 | - |
| - GoConsult Sdn. Bhd. | 235,094 | 399 | - | - |
| - NFT Pangolin Technologies Sdn. Bhd. | - | - | - | 195,000 |
| - WorkGrowth Technology Sdn. Bhd. | - | - | - | 350,980 |
| - Zetrix Sdn. Bhd. (formerly known as MYBB Techchain Sdn. Bhd.) | - | - | - | 30,000 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,000</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

32. RELATED PARTY DISCLOSURES (CONT'D)

- (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 are as follows (cont'd):-

| | ← Audited → | | | |
|---|-------------|-------------|-------------|-------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Sales to an associate | 19,795 | - | - | - |
| Purchases from a related party | | | | |
| - Hurr TV Sdn. Bhd. | - | - | (179,900) | (195,056) |
| Commission receivable from a related party | | | | |
| - Mama Dessert (M) Sdn. Bhd. | - | - | 164 | - |
| (Advance to)/Repayment from a Director | (11,881) | (13,765) | 25,664 | - |
| Payment of lease liabilities to a related party | | | | |
| - MY E.G. Services Berhad | - | - | - | (58,500) |

- (b) Outstanding balances arising from related parties as at the reporting date are disclosed in Notes 10 and 12 to the consolidated 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 either directly or indirectly and entity that provides key management personnel services to the Group. Key management includes all the Directors of the Group and certain members of senior management.

The remuneration of key management personnel is as follows:-

| | ← Audited → | | | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
| | RM | RM | RM | RM |
| Salaries and other emoluments | 496,210 | 511,810 | 469,301 | 649,879 |
| Defined contribution plan | 61,928 | 64,495 | 56,893 | 76,846 |
| Social security contribution | 2,770 | 2,770 | 1,825 | 3,326 |
| Other benefits | 18,397 | 24,240 | 2,899 | - |
| | <u>579,305</u> | <u>603,315</u> | <u>530,918</u> | <u>730,051</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

33. 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 three (3) main reportable segments as follows:-

- (a) Development of mobile and web applications
- (b) Provision of digital platform-based services
- (c) Provision of subscription, hosting, technical support and maintenance 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.

13. ACCOUNTANTS' REPORT (CONT'D)

33. SEGMENT INFORMATION (CONT'D)

| Group | <u>Development of mobile and web applications</u> RM | <u>Provision of subscription, hosting, technical support and maintenance services</u> RM | <u>Total as per consolidated financial statements</u> RM |
|---|---|---|---|
| 2019 | | | |
| Revenue | | | |
| External revenue | 5,123,945 | 310,941 | 5,434,886 |
| Total revenue | | | <u>5,434,886</u> |
| Results | | | |
| Segment profit | 2,603,222 | 140,705 | 2,743,927 |
| Other income | | | 878 |
| Net measurement of expected credit losses | | | (10,632) |
| Selling and marketing expense | | | (3,228) |
| Administrative expenses | | | (292,074) |
| Depreciation | | | (29,952) |
| Other expenses | | | (50,069) |
| Finance income | | | <u>78,079</u> |
| Profit before tax | | | 2,436,929 |
| Tax expense | | | <u>(25,469)</u> |
| Profit for the financial year | | | <u>2,411,460</u> |
| 2020 | | | |
| Revenue | | | |
| External revenue | 5,413,174 | 800,454 | 6,213,628 |
| Total revenue | | | <u>6,213,628</u> |
| Results | | | |
| Segment profit | 2,528,616 | 290,059 | 2,818,675 |
| Other income | | | 11,750 |
| Net measurement of expected credit losses | | | 10,632 |
| Selling and marketing expenses | | | (6,028) |
| Administrative expenses | | | (408,288) |
| Depreciation | | | (37,916) |
| Other expenses | | | (11,152) |
| Finance income | | | <u>119,902</u> |
| Profit before tax | | | 2,497,575 |
| Tax expense | | | <u>(1,988)</u> |
| Profit for the financial year | | | <u>2,495,587</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

33. SEGMENT INFORMATION (CONT'D)

| Group (cont'd) | <u>Development of mobile and web applications</u> RM | <u>Provision of digital platform-based service</u> RM | <u>Provision of subscription, hosting, technical support and maintenance services</u> RM | <u>Elimination</u> RM | <u>Total as per consolidated financial statements</u> RM |
|---|---|--|---|--------------------------|---|
| 2021 | | | | | |
| Revenue | | | | | |
| External revenue | 7,409,910 | 702,777 | 1,068,141 | (140,500) | 9,040,328 |
| Total revenue | | | | | <u>9,040,328</u> |
| Results | | | | | |
| Segment profit | 3,726,055 | 399,068 | 501,619 | - | 4,626,742 |
| Other income | | | | | 2,024 |
| Net measurement of expected credit losses | | | | | (225,110) |
| Selling and marketing expenses | | | | | (40,157) |
| Administrative expenses | | | | | (392,071) |
| Depreciation | | | | | (48,585) |
| Other expenses | | | | | (45,564) |
| Finance income | | | | | <u>189,067</u> |
| Profit before tax | | | | | 4,066,346 |
| Tax expense | | | | | <u>(61,954)</u> |
| Profit for the financial year | | | | | <u>4,004,392</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

33. SEGMENT INFORMATION (CONT'D)

| Group (cont'd) | <u>Development of mobile and web applications</u> RM | <u>Provision of digital platform-based service</u> RM | <u>Provision of subscription, hosting, technical support and maintenance services</u> RM | <u>Elimination</u> RM | <u>Total as per consolidated financial statements</u> RM |
|---|---|--|---|--------------------------|---|
| 2022 | | | | | |
| Revenue | | | | | |
| External revenue | 13,753,181 | 1,192,012 | 2,637,804 | (1,057,326) | 16,525,671 |
| Total revenue | | | | | <u>16,525,671</u> |
| Results | | | | | |
| Segment profit | 5,620,978 | 760,178 | 999,436 | - | 7,380,592 |
| Other income | | | | | 207,069 |
| Net measurement of expected credit losses | | | | | 192,000 |
| Selling and marketing expenses | | | | | (12,410) |
| Administrative expenses | | | | | (668,211) |
| Depreciation | | | | | (173,190) |
| Other expenses | | | | | (39,516) |
| Finance cost | | | | | (21,916) |
| Finance income | | | | | 94,271 |
| Share of loss of equity-accounted joint venture | | | | | <u>(3,921)</u> |
| Profit before tax | | | | | 6,954,768 |
| Tax expense | | | | | <u>(216,379)</u> |
| Profit for the financial year | | | | | <u>6,738,389</u> |

Geographical information

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

| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM |
|-----------------|-------------------|-------------------|-------------------|-------------------|
| Malaysia | 4,578,215 | 4,766,318 | 7,301,356 | 14,461,649 |
| Hong Kong | 662,578 | 858,024 | 987,054 | 1,350,133 |
| Singapore | - | 18,450 | 721,743 | 647,106 |
| Sri Lanka | 137,400 | 427,550 | - | - |
| Other countries | 56,693 | 143,286 | 30,175 | 66,783 |
| | <u>5,434,886</u> | <u>6,213,628</u> | <u>9,040,328</u> | <u>16,525,671</u> |

13. ACCOUNTANTS' REPORT (CONT'D)

33. 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 2019, 31 March 2020, 31 March 2021 and 31 March 2022.

| | <u>2019</u> RM | <u>2020</u> RM | <u>2021</u> RM | <u>2022</u> RM | <u>Segment</u> |
|------------|-------------------|-------------------|-------------------|-------------------|--|
| Customer A | 662,578 | 858,024 | 987,054 | 1,997,447 | Development of mobile and web applications |
| Customer B | 966,937 | * | 1,180,374 | * | Development of mobile and web applications; and Provision of subscription, hosting, technical support and maintenance services |
| Customer C | * | * | * | 2,266,902 | Development of mobile and web applications; and Provision of subscription, hosting, technical support and maintenance services |

* denotes revenue of less than 10% of the Group's revenue.

34. 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")

| | <u>Carrying amount</u> RM | <u>AC</u> RM | <u>FVTOCI</u> RM | <u>FVTPL</u> RM |
|---|------------------------------|------------------|---------------------|--------------------|
| 2019 | | | | |
| <u>Financial assets</u> | | | | |
| Other investments | 107,991 | - | 107,991 | - |
| Trade receivables | 1,207,336 | 1,207,336 | - | - |
| Other receivables and deposits | 5,000 | 5,000 | - | - |
| Amount due from a Director | 11,879 | 11,879 | - | - |
| Fixed deposits placed with licensed banks | 1,531,915 | 1,531,915 | - | - |
| Cash and bank balances | 4,241,425 | 4,241,425 | - | - |
| | <u>7,105,546</u> | <u>6,997,555</u> | <u>107,991</u> | <u>-</u> |
| <u>Financial liability</u> | | | | |
| Other payables and accruals | <u>115,352</u> | <u>115,352</u> | <u>-</u> | <u>-</u> |

13. ACCOUNTANTS' REPORT (CONT'D)**34. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)**

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

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

| | Carrying amount RM | AC RM | FVTOCI RM | FVTPL RM |
|--|--------------------------|-------------------|----------------|----------------|
| 2020 | | | | |
| <u>Financial assets</u> | | | | |
| Other investments | 107,991 | - | 107,991 | - |
| Trade receivables | 1,813,883 | 1,813,883 | - | - |
| Other receivables and deposits | 99,000 | 99,000 | - | - |
| Amount due from a Director | 25,644 | 25,644 | - | - |
| Fixed deposits placed with licensed banks | 24,542 | 24,542 | - | - |
| Cash and bank balances | 7,790,226 | 7,790,226 | - | - |
| | <u>9,861,286</u> | <u>9,753,295</u> | <u>107,991</u> | <u>-</u> |
| <u>Financial liability</u> | | | | |
| Other payables and accruals | <u>327,622</u> | <u>327,622</u> | <u>-</u> | <u>-</u> |
| 2021 | | | | |
| <u>Financial assets</u> | | | | |
| Other investments | 107,991 | - | 107,991 | - |
| Trade receivables | 3,799,848 | 3,799,848 | - | - |
| Other receivables and deposits | 85,738 | 85,738 | - | - |
| Fixed deposits placed with licensed banks | 2,784,164 | 2,784,164 | - | - |
| Cash and bank balances | 1,308,299 | 1,308,299 | - | - |
| | <u>8,086,040</u> | <u>7,978,049</u> | <u>107,991</u> | <u>-</u> |
| <u>Financial liability</u> | | | | |
| Other payables and accruals | <u>243,799</u> | <u>243,799</u> | <u>-</u> | <u>-</u> |
| 2022 | | | | |
| <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 investment | 2,418,026 | 1,438,694 | - | 979,332 |
| | <u>11,173,368</u> | <u>10,019,377</u> | <u>174,659</u> | <u>979,332</u> |
| <u>Financial liability</u> | | | | |
| Other payables and accruals | <u>1,045,704</u> | <u>1,045,704</u> | <u>-</u> | <u>-</u> |

13. ACCOUNTANTS' REPORT (CONT'D)**35. FINANCIAL RISK MANAGEMENT**

The Group is 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 business whilst managing their credit risk, liquidity risk and foreign currency risk. The Group operates 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 policy in respect of the major areas of treasury activity 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 is 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 consolidated 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 10 to the consolidated financial statement. 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.

13. ACCOUNTANTS' REPORT (CONT'D)**35. FINANCIAL RISK MANAGEMENT (CONT'D)**

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

(a) Credit risk (cont'd)

Following are the areas where the Group is 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:-

| | <u>Gross</u> RM | <u>Loss</u> <u>allowances</u> RM | <u>Net</u> RM |
|------------------------|--------------------|--|------------------|
| 2019 | | | |
| Not past due | 386,538 | - | 386,538 |
| Past due:- | | | |
| 1 - 30 days | 76,108 | - | 76,108 |
| 31- 60 days | 28,832 | - | 28,832 |
| 60 - 90 days | 485,462 | - | 485,462 |
| More than 90 days | 230,396 | - | 230,396 |
| | <u>1,207,336</u> | - | <u>1,207,336</u> |
| Credit impaired | | | |
| Individually impaired | 10,632 | (10,632) | - |
| | <u>1,217,968</u> | <u>(10,632)</u> | <u>1,207,336</u> |
| 2020 | | | |
| Not past due | 600,289 | - | 600,289 |
| Past due:- | | | |
| 1 - 30 days | 262,070 | - | 262,070 |
| 31- 60 days | 577,434 | - | 577,434 |
| 60 - 90 days | 204,382 | - | 204,382 |
| More than 90 days | 169,708 | - | 169,708 |
| | <u>1,813,883</u> | - | <u>1,813,883</u> |
| 2021 | | | |
| Not past due | 2,392,338 | - | 2,392,338 |
| Past due:- | | | |
| 1 - 30 days | 829,015 | - | 829,015 |
| 31- 60 days | 204,864 | - | 204,864 |
| 60 - 90 days | 109,783 | - | 109,783 |
| More than 90 days | 208,692 | - | 208,692 |
| | <u>3,744,692</u> | - | <u>3,744,692</u> |
| Credit impaired | | | |
| Individually impaired | 225,110 | (225,110) | - |
| | <u>3,969,802</u> | <u>(225,110)</u> | <u>3,744,692</u> |

13. ACCOUNTANTS' REPORT (CONT'D)**35. FINANCIAL RISK MANAGEMENT (CONT'D)**

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

(a) Credit risk (cont'd)

Following are the areas where the Group is 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 (cont'd):-

| | <u>Gross</u> RM | <u>Loss</u> <u>allowances</u> RM | <u>Net</u> RM |
|------------------------|--------------------|--|------------------|
| 2022 | | | |
| 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 |
| 60 - 90 days | 845,256 | - | 845,256 |
| More than 90 days | <u>819,144</u> | <u>-</u> | <u>819,144</u> |
| | 4,433,851 | - | 4,433,851 |
| Credit impaired | | | |
| Individually impaired | <u>33,110</u> | <u>(33,110)</u> | <u>-</u> |
| | <u>4,466,961</u> | <u>(33,110)</u> | <u>4,433,851</u> |

(ii) Other receivable

The maximum exposure to credit risk is represented by their carrying amounts in the consolidated statements of financial position.

The Group provides unsecured advances to a Director.

As at the end of 2019 and 2020, there was no indication that the advances to a Director is not recoverable. In the year 2021, the amount due from a Director has been fully settled.

(iii) Fixed deposits placed with licensed banks and cash and bank and short term investment

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

(b) Liquidity risk

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

13. ACCOUNTANTS' REPORT (CONT'D)

35. FINANCIAL RISK MANAGEMENT (CONT'D)

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

(b) **Liquidity risk (cont'd)**

In managing their exposures to liquidity risk, the Group maintains a level of cash and cash equivalents 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 amount RM | Contractual cash flow RM | On demand/ less than a year RM | 1-2 years RM | 2-5 years RM | More than 5 years RM |
|-----------------------------|-----------------------|-----------------------------|--------------------------------------|-----------------|-----------------|-------------------------|
| 2019 | | | | | | |
| <u>Unsecured:</u> | | | | | | |
| Other payables and accruals | 115,352 | 115,352 | 115,352 | - | - | - |
| 2020 | | | | | | |
| <u>Unsecured:</u> | | | | | | |
| Other payables and accruals | 327,622 | 327,622 | 327,622 | - | - | - |
| 2021 | | | | | | |
| <u>Unsecured:</u> | | | | | | |
| Other payables and accruals | 243,799 | 243,799 | 243,799 | - | - | - |
| 2022 | | | | | | |
| <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 |
| | 1,850,876 | 1,967,503 | 1,238,406 | 183,097 | 468,000 | 78,000 |

13. ACCOUNTANTS' REPORT (CONT'D)

35. FINANCIAL RISK MANAGEMENT (CONT'D)

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity 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 financial currency. The currency giving rise to this is primarily Singapore Dollar ("SGD") and United States Dollar ("USD"). 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:-

| | <u>SGD</u> RM | <u>USD</u> RM |
|-------------------|------------------|------------------|
| 2019 | | |
| Trade receivables | - | - |
| 2020 | | |
| Trade receivables | - | 216,055 |
| 2021 | | |
| Trade receivables | 93,073 | 457,316 |
| 2022 | | |
| Trade receivables | 86,818 | 498,060 |

Foreign currency sensitivity analysis

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

| | <u>Profit for the</u> <u>financial year</u> RM | <u>Equity</u> RM |
|----------------------|--|---------------------|
| 2020 | | |
| USD/RM | | |
| - Strengthened 0.46% | 994 | 994 |
| - Weakened (0.46%) | (994) | (994) |
| 2021 | | |
| SGD/RM | | |
| - Strengthened 0.16% | 149 | 149 |
| - Weakened (0.16%) | (149) | (149) |
| USD/RM | | |
| - Strengthened 0.32% | 1,463 | 1,463 |
| - Weakened (0.32%) | (1,463) | (1,463) |

13. ACCOUNTANTS' REPORT (CONT'D)**35. FINANCIAL RISK MANAGEMENT (CONT'D)**

The main areas of financial risks faced by the Group and the policy in respect of the major areas of treasury activity 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/equity for the financial year to a reasonably possible change in the SGD and USD exchange rates against the functional currency of the Group, with all other variables held constant (cont'd).

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

The Group does not have any transactions or balances denominated in foreign currencies in financial year 2019 and accordingly, the foreign currency sensitivity analysis is not presented.

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 and return capital to shareholders.

There were no changes in the Group's approach to capital management during the financial years ended 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022.

13. ACCOUNTANTS' REPORT (CONT'D)

37. 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 of financial instruments carried at fair value <u>Level 2</u> RM | Fair value of financial instruments carried at fair value <u>Level 3</u> RM | Total <u>fair value</u> RM | Carrying <u>amount</u> RM |
|---|---|---|----------------------------------|---------------------------------|
| 2019 | | | | |
| Other investments | - | 107,991 | 107,991 | 107,991 |
| 2020 | | | | |
| Other investments | - | 107,991 | 107,991 | 107,991 |
| 2021 | | | | |
| Other investments | - | 107,991 | 107,991 | 107,991 |
| 2022 | | | | |
| Other investments | - | 174,659 | 174,659 | 174,659 |
| Cash and bank and short term investments:- | | | | |
| Short term investment | 979,332 | - | 979,332 | 979,332 |
| | <u>979,332</u> | <u>174,659</u> | <u>1,153,991</u> | <u>1,153,991</u> |

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 the significant unobservable inputs as disclosed in Note 9 to the financial statements of the Group.
- (c) There were no transfers between Level 2 and Level 3 during the financial years under review.

13. ACCOUNTANTS' REPORT (CONT'D)**38. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES**

| | <u>1 April</u> RM | <u>Others</u> RM | <u>Cash flows</u> RM | <u>31 March</u> RM |
|-------------------|----------------------|---------------------|-------------------------|-----------------------|
| 2022 | | | | |
| Lease liabilities | - | 861,111* | (55,939) | 805,172 |

* Being addition of lease liabilities.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS UNDER REVIEW**(i) COVID-19**

The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020. The Malaysian Government imposed the Movement Control (“MCO”) on 18 March 2020 and has subsequently entered into various phases of the MCO.

The Group has been granted approval from the Ministry of International Trade and Industry to continue its operations and with proper Standard Operating Procedures put in place.

The Group has performed assessments on the overall impact of the situation on the Group’s operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effect on the financial statements for the financial year ended 31 March 2022.

Given the fluidity of the situation, the Group will continuously monitor the impact of the COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Group’s operations.

(ii) Investment in a joint venture

On 15 March 2021, the Company has entered into a joint venture agreement with a third party, LKC Advance Technology Sdn. Bhd. (“LKC”) and through its subsidiary, ACSB to set up a joint venture company, WGT to provide services in relation to technical design, development, testing, server hosting and maintenance support for WorkGrowth HRMS solution at a development cost of RM500,000 which has been settled via the issuance of ordinary shares in WGT and in cash and maintenance costs calculated based on the number of users at the rates prescribed in the joint venture agreement. As at the date of this report, the development of the WorkGrowth HRMS solution has completed and the ordinary shares in WGT has been issued and allotted to ACSB and LKC.

As at the date of this report, the paid-up capital of WGT is RM600,000 comprising 600,000 ordinary shares of WGT. The equity interest in WGT by the Group and LKC is 35% and 65% respectively.

13. ACCOUNTANTS' REPORT (CONT'D)

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS UNDER REVIEW (CONT'D)

(iii) Disposal of investment in an associate

On 6 September 2021, the Group through its subsidiary, Agmo Studio Sdn. Bhd. ("ASSB") disposed of its entire equity interest of 2,692,307 ordinary shares in the associate, Appstremely Sdn. Bhd., representing 35% of the total issued and paid up share capital at a total sale consideration of RM200,000 in cash.

Subsequent to the disposal, Appstremely Sdn. Bhd. ceased to be an associate of the Group.

(iv) Investment in Advisonomics Sdn. Bhd.

On 30 August 2021, the Group through its subsidiaries, ASSB and ACSB have entered into a share transfer agreement with R. Raevendran A/L S. Ramachandran ("Transferor"), Asgari Bin Mohd Fuad Stephens and Advisonomics Sdn Bhd ("Advisonomics") to regulate the relationship between the parties as shareholders of Advisonomics and certain aspects of the affairs and their dealings with Advisonomics.

Pursuant to the share transfer agreement, ASSB shall assign one or more of its personnels from time-to-time to serve as Advisonomics' technology advisor(s) for 3 consecutive years commencing from 30 August 2021, at a consideration of RM200,000.

As a settlement of consideration for services rendered by ASSB, Transferor has agreed to transfer to ACSB, 1,089 ordinary shares in Advisonomics equally in 3 tranches as follows:-

| <u>Tranches</u> | <u>Description</u> |
|-----------------|---|
| First tranche | upon signing of the term sheet in relation to the engagement with ASSB; |
| Second tranche | upon completion of the first year of the tenure; and |
| Third tranche | upon completion of the second year of the tenure. |

Pursuant to the above, ACSB's shareholdings in Advisonomics will increase proportionately each year for 3 years up to 0.947%.

The principal activity of Advisonomics is provision of financial consultancy services. As at the date of this report, the paid-up capital of Advisonomics is RM115,274 comprising 115,274 ordinary shares. The equity interest of ACSB in Advisonomics is 0.3% with which comprising 363 ordinary shares.

In view of ACSB's minor shareholding and non-significant influence in Advisonomics, Advisonomics is accounted for as an investee company of the Group.

(v) Appointment as project manager for Proposed Cross Border Supernode ("Project")

On 21 September 2021, the Company has entered into a shareholders' agreement with Mydigitalcoin Sdn Bhd ("Mydigitalcoin"), Bubi Technologies Co. Ltd and Star Jewel Capital Inc in respect of Zetrix Sdn. Bhd. (formerly known as MYBB Techchain Sdn Bhd) ("Zetrix") ("Shareholders' Agreement") to regulate the relationship inter se of shareholders and other parties who will become shareholders of Zetrix. Zetrix has been set up as a joint collaboration between the Company, Mydigitalcoin, Bubi Technologies Co. Ltd and Star Jewel Capital Inc (collectively, the "Parties") which is intended to be principally involved in blockchain business development in and outside of Malaysia.

13. ACCOUNTANTS' REPORT (CONT'D)**39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS UNDER REVIEW (CONT'D)****(v) Appointment as project manager for Proposed Cross Border Supernode ("Project") (cont'd)**

Pursuant to a letter of award dated 21 September 2021 issued by Zetrix to the Company, in consideration of the obligation by the Company above, Mydigitalcoin shall pay the Company a retainer fee of RM5,000 per month from 1 October 2021 for 42 months ("Contract Period") payable at the end of the Contract Period. Subject to mutual agreement, the accumulated fees will be converted to 5% of Zetrix's fully diluted shareholding at the end of the Contract Period, payable by Mydigitalcoin. Thus, when the conversion right is exercised, Mydigitalcoin shall transfer 5% of its shareholding in Zetrix to the Company or its nominated recipient, after the Contract Period.

Subsequent to the Contract Period, the cumulative retainer fee of RM210,000 would be treated as other investment after it has been converted to 5% of Zetrix's shareholding upon mutual agreement by the Company and Mydigitalcoin.

(vi) Change in effective equity interest in a subsidiary

On 28 October 2021, the Company has subscribed an additional 699 ordinary shares in its subsidiary, ASHSB at an issue price of RM1.00 per ordinary share for a total cash consideration of RM699. On even date, two third parties, namely Tang Tung Ai and Fong Huang Yee, have subscribed a total of 300 ordinary shares in ASHSB at an issue price of RM1.00 per ordinary share for a total cash consideration of RM300. Pursuant thereto, ASHSB became a partially-owned subsidiary of the Company with change in effective equity interest from 100% to 70%.

13. ACCOUNTANTS' REPORT (CONT'D)

AGMO HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being the Directors of Agmo Holdings Berhad, do hereby state that, in our opinion, the consolidated financial statements set out on pages 4 to 69 are drawn up so as to give a true and fair view of the financial position of the Company and its subsidiaries as at 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022 and of their financial performance and cash flows for each of the financial years ended 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and Chapter 10 Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated [●].

.....
TAN AIK KEONG

.....
LOW KANG WEN

Kuala Lumpur

14. STATUTORY AND OTHER GENERAL INFORMATION

14.1 EXTRACT OF OUR CONSTITUTION

Subject to the receipt of the approvals and fulfilment of the conditions as may be imposed by the relevant authorities as set out in Section 2 of this Prospectus, the following provisions relating to the selected matters are reproduced from our Constitution.

The words and expressions appearing in this section shall bear the same meanings used in our Constitution or the context otherwise requires.

| Words | Meaning |
|------------------------|---|
| “Alternate Director” | means any person who has been appointed and for the time being holds office as an alternate director of our Company in accordance with the provisions of our Constitution. |
| “Clause” | means a Clause contained in our Constitution. |
| “CD Rules” | means the rules of the Central Depository. |
| “Deposited Securities” | means Securities standing to the credit of a Securities Account and includes Securities in a Securities Account that is in suspense. |
| “Listed” | means admitted to the Official List, and “listing” shall be construed accordingly. |
| “Member” | means any person for the time being registered as the holder of shares in the share capital of our Company in the Register of Members (except the Central Depository in its capacity as bare trustee) and any Depositor whose name appears on the Record of Depositors and who has a credit balance of shares in our Company in his or her Securities Account who shall be treated as if he were a Member pursuant to Section 35 of the Central Depositories Act. |
| “Register of Members” | means the register of Members to be kept pursuant to the Act. |
| “Registrar” | means the Registrar of Companies designated under Section 20A(1) of the Companies Commission of Malaysia Act 2001 and includes any Deputy or Assistant Registrar of Companies. |
| “Securities” | means Securities as defined in Section 2 of the Capital Markets and Services Act 2007 or any modification, amendment or re-enactment thereof for the time being in force and “Security” shall be construed accordingly. |
| “Securities Account” | means an account established by the Central Depository for a Depositor for the recording of deposits of Securities and for dealing in such Securities by the Depositor. |
| “Stock Exchange” | means Bursa Malaysia Securities Berhad and its successors in title and permitted assigns and such other stock exchange if any, upon which the shares of our Company may be listed and quoted. |

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

14.1.1 Changes to share capital and variation of class rights

Clause 6 – Class of shares

“The shares in our Company may be divided into several classes, and there may be attached to any of them respectively any preferential, deferred and / or other special rights, privileges, conditions and / or restrictions as to dividends, capital, voting and / or otherwise.”

Clauses 7.1 and 7.2 – Authority of Directors to allot shares

“Subject to the provisions of the Act, the Central Depositories Act, the CD Rules, Listing Requirements and our Constitution, the Directors may issue Securities in our Company to such persons and at such time and consideration and with such preferred, deferred, or other special rights, restrictions or exclusions, whether in regard to distribution, voting, return of capital, or otherwise and, on such other terms and conditions, as the Directors may determine provided however that no Securities in our Company shall be issued which shall have the effect of transferring a controlling interest in our Company without the prior approval of Members in general meeting. The exercise of the aforesaid rights shall be without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares.

Subject to the provisions of our Constitution, the Directors shall not exercise any power to:

- (i) allot shares in our Company;
- (ii) grant rights to subscribe for shares in our Company;
- (iii) convert any security into shares in our Company; or
- (iv) allot shares under an agreement or option or offer,

unless the prior approval of the Members by way of ordinary resolution has been obtained.”

Clause 72 – Alteration of capital by special resolution

“Our Company may by special resolution:

- (i) consolidate and divide all or any of its share capital, such that the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;
- (ii) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares; or
- (iii) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

Our Company may by special resolution reduce its share capital in any manner authorised by the Act.”

Clause 73 – Alteration in accordance with conditions and terms

“Anything done in pursuance of the last preceding Clause of our Constitution shall be done in the manner provided and subject to any conditions imposed by the Act so far as they shall be applicable, and so far as they are not applicable, in accordance with the terms of the resolution authorising the same, and so far as such resolution shall not be applicable, in such manner as the Directors deem most expedient.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

Clause 74 – Increase of share capital

“Our Company in a general meeting may by ordinary resolution increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any), or to be subject to such conditions or restrictions (if any), in regard to distribution including dividends, return of capital, voting or otherwise, as the general meeting resolving upon such increase directs.”

Clause 75.1 – Issue of new shares to existing Members

“Subject to any direction to the contrary that may be given by our 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 our 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 our 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 our Constitution.”

Clause 75.2 - New capital to be considered as part of the current share capital of our Company

“Except so far as otherwise provided by or pursuant to the conditions of issue, any new share capital shall be considered as part of the original share capital of our Company, and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original share capital.”

Clause 76 – Modification of rights

“Notwithstanding Clause 77 of our Constitution, the repayment of preference share capital other than redeemable preference share capital, or any other alteration of preference shares and their Members' rights, shall only be made pursuant to a special resolution of the preference shareholders concerned, provided always that where the necessary majority for such a special resolution is not obtained at the meeting, consent in writing if obtained from the holders of 3/4 of the preference share capital concerned within 2 months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.”

Clause 77 - Variation of shareholders' rights

“If the share capital is divided into different classes of shares, the rights attached to any class unless otherwise provided by the terms of issue of that class may, whether or not our Company is being wound up, be varied by a written consent representing not less than 75% of the total voting rights of the Members in that class, or by a special resolution passed by Members in that class sanctioning the variation.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

Clause 83 - No variation of rights by issuance of new shares

"The special rights conferred upon the holders of any shares or class of shares issued with preferred or other special rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards to participation in the profits or assets of our Company in some or in all respects be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith."

14.1.2 Transfer of securities

Clause 35 – Form of transfer

"Subject to the provisions of the Act, these Clauses, the Central Depositories Act and the CD Rules with respect to transfer of Deposited Security, all transfers of Securities:

- (i) to the Central Depository or its nominee company; or
- (ii) prior to the listing and quotation of such shares on the Stock Exchange,

may be effected by transfer in writing in the usual common form conforming with the Act and / or approved by the Stock Exchange, or such form as may from time to time, be prescribed under the Act or approved by the Stock Exchange."

Clause 36 – No restriction on transfer of fully paid up Listed Securities

"Subject to our Constitution, the CD Rules and except as may be required by law, there shall be no restriction on the transfer of fully paid-up Listed Securities in our Company."

Clause 37 - Transfer of Listed Securities by book entry

"The transfers of any Deposited Securities or class of Deposited Securities in our Company shall be by way of book entry by the Central Depository in accordance with the CD Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Subsection 148(2) of the Act and any exemptions that may be made from compliance with Section 148(1) of the Act, our Company shall be precluded from registering and effecting any transfer of the Deposited Securities."

Clause 38 – Refusal to register

"The Central Depository may refuse to register any transfer of Deposited Securities if it does not comply with the Central Depositories Act or the CD Rules."

Clause 39 – Instrument of transfer

"Subject to the Central Depositories Act and the CD Rules, the instrument of transfer of a Security lodged with our Company for registration must be signed by or on behalf of the transferor and transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members."

Clauses 40 and 41.1 – Restriction of transfer

"Subject to the Central Depositories Act and the CD Rules, no Security shall in any circumstances be transferred to any infant, child, bankrupt or person of unsound mind."

"With the exception of transfer in favour of the Central Depository and subject to the provisions of the Central Depositories Act and the CD Rules, the Directors may subject to Clause 41.4 decline to register the transfer of any Securities (not being a fully paid Securities) and may also decline to register the transfer of any Securities on which our Company has a lien or if the registration of the transfer would result in a contravention of or failure to observe the provisions of a law in Malaysia."

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

Clause 42 – Suspension of registration of transfers

“Registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine but so that no part of the Register of Members shall be closed for more than 30 days in the aggregate in any year. 14 Market Days’ (or such other minimum period as may be prescribed by the Stock Exchange) notice of such suspension shall be given to the Stock Exchange and the Registrar stating the purpose or purposes for the suspension. In relation to the suspension, our Company shall give notice, in accordance with the Central Depositories Act and the CD Rules, to enable the Central Depository to issue the relevant Record of Depositors.”

Clause 45 – Recognition of renunciation of allotment

“Nothing in these Clauses shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.”

Clause 46 – Limitation of liability

“Subject to the Act, the Central Depositories Act and the CD Rules, neither our Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of Securities apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to our Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the Securities proposed or professed to be transferred, and although the transfer may, as between the transferor and the transferee, be liable to be set aside and notwithstanding that, our Company may have notice that such instrument or transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee of the particulars of the Securities transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his legal personal representatives and assignees, subject to compliance with the Act, the Central Depositories Act and the CD Rules, alone shall be entitled to be recognised as the holder of such Deposited Securities and the previous holder shall, so far as our Company is concerned, be deemed to have transferred his whole title thereto.”

14.1.3 Remuneration of Directors

Clause 118.1 – Fees and benefits of Directors

“Fees and benefits payable to Directors shall be subject to annual approval of Members at a general meeting provided always that:

- (i) fees payable to non-executive Directors shall be by way of a fixed sum, and not by way of a commission on or percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or percentage of turnover; and
- (ii) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.”

Clauses 118.2, 118.3 and 118.4 – Payment of expenses

“The Directors may also be reimbursed for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Board or any committee of Directors or general meetings of our Company or otherwise howsoever in connection with the business of our Company in the course of performing their duties as Directors.”

“In case our Company be wound up for any reason or purpose whatsoever, a Director shall not be entitled to any compensation in respect of the period which elapses between the date of the said winding up and the date at which, if our Company has not been wound up, he would have retired under these Clauses.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

“An Alternate Director shall not be entitled to receive any fees, compensation or benefits other than out of the fees and benefits of the Director who appointed him.”

Clause 122 – Fees and benefits of managing director

“A managing director shall, subject to the Act and the terms of any agreement entered into in any particular case, receive such fees and benefits, whether by way of salary, commission, or participation in profits, or partly in one way and partly another, as the Board may determine, subject to and in accordance with the Act.”

Clause 128.3 – Right to payment for professional services

“Subject to the Act and the Listing Requirements, any Director may act by himself or his firm in a professional capacity for our Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director, provided that nothing herein contained shall authorise a Director or his firm to act as an auditor of our Company.”

Clause 129 – Pensions and donations

“Subject to the Act generally and Section 230 of the Act specifically, the Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme for the benefit of, and pay, provide for or procure the grant, donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of our Company or of any company which is a subsidiary of our Company or of the predecessors in business of our Company or of any such subsidiary company, or the wives, widows, families or dependents of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds, trusts or individuals calculated to be for the benefit of any such persons as aforesaid (including grants of scholarships and bursaries) or otherwise to advance the interests and well-being of our Company or of any such other company as aforesaid or of its members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions, donations or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.”

Clause 160 – Remuneration of executive officer

“The remuneration of the Directors appointed to an executive position under Clause 159.1 of our Constitution shall subject to the terms of any agreement entered into in any particular case, be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement. The remuneration of the Directors appointed to an executive position shall be determined by the Board and can either be in addition to or in lieu of his / their fee as a Director.”

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

14.1.4 Voting and borrowing powers of our Directors

Clause 126 – Directors' borrowing powers

"The Directors may exercise all the powers of our Company to borrow money or secure the payment of such money in such manner and upon such terms and conditions in all respects as they think fit, and in particular by the issue of debentures or debenture stock of our Company, charged upon all or any part of the property of our Company (both present and future) including uncalled capital or by means of mortgages, bonds and dispositions in security or bonds of cash-credit, with or without power of sale, as the Directors shall think fit. If the Directors or any of them, or any other person, shall become personally liable for the payment of any sum primarily due from our Company, the Directors may, subject to the Act, execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of our Company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability."

Clause 127 – Keeping of registers

"The Directors shall duly comply with the provisions of the Act, and particularly the provisions as to registration and keeping copies of mortgages and charges, keeping of the Register of Members keeping a register of Directors and entering all necessary particulars therein, and sending a copy thereof or a notification of any changes therein to the Registrar, and sending to the Registrar an annual return, together with the certificates and the particulars required by the Act notices as to increase of capital, returns of allotments and contracts relating thereto, copies of resolutions and agreements, and other particulars connected with the above."

Clause 128 – Disclosure of interest in contracts, proposed contracts etc.

"A Director who has an interest in a contract or proposed contract with our Company under Section 221 of the Act and / or the Listing Requirements:

- (i) if required under Section 221 of the Act and / or the Listing Requirements, shall declare the nature of his interest in accordance with the said provisions; and
- (ii) subject to Section 222 of the Act and / or the Listing Requirements:
 - (a) shall not vote or participate in any discussion regarding the said contract or proposed contract (and if he has done so, his vote shall not be counted); and
 - (b) shall be counted only to make the quorum present at the meeting of the Board.

Clauses 144 and 145 – Quorum

"The quorum necessary for the transaction of the business of the Directors shall be 2."

"No business may be transacted at a meeting of the Board if a quorum is not present."

Clause 149 – Voting

"Subject to the provisions of our Constitution, questions arising at any meeting of the Directors shall be decided and a resolution of the Board shall be passed, if approved by a majority of votes. In the case of equality of votes and subject to Clause 128 of our Constitution, the chairman shall have a casting vote. However, where 2 Directors validly constitute a quorum, the chairman of a meeting at which only such a quorum is present, or at which only 2 Directors are competent to vote on the question at issue shall not have a casting vote, whereupon, in the case of equality of votes, the status quo shall be maintained in respect of such matter or thing contained in the resolution as it stood immediately before the resolution was placed before the Board. The other business not affected by such resolution shall continue as usual."

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

14.2 SHARE CAPITAL

- (i) Save as disclosed in this Prospectus, no securities will be allotted or issued on the basis of this Prospectus later than 6 months after the date of issue of this Prospectus.
- (ii) As at the LPD, our Company has only 1 class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (iii) Save as disclosed in this Prospectus, no shares, stocks or debentures of our Company have been issued or proposed to be issued as fully or partly paid-up in cash or otherwise, within the 2 years immediately preceding the date of this Prospectus.
- (iv) None of the share capital of our Group is under option, or agreed conditionally or unconditionally to be put under option as at the date of this Prospectus.
- (v) Save for the Public Issue Shares reserved for subscription by the Eligible Persons as disclosed in Section 4.3.1(ii) of this Prospectus and subject to our Listing as disclosed in Section 9 of this Prospectus, there is currently no other scheme involving our directors and employees in the share capital of our Group.
- (vi) As at the date of this Prospectus, our Group does not have any outstanding warrants, options, convertible securities or uncalled capital.
- (vii) Save as disclosed in this Prospectus, and save as provided for under our Constitution and the Act, there are no other restrictions upon the holding or voting or transfer of our Shares or the interests in any of our Company or our Subsidiaries or upon the declaration or payment of any dividend or distribution thereon.

14.3 LIMITATION ON THE RIGHT TO HOLD SECURITIES AND / OR EXERCISE VOTING RIGHTS

Save as disclosed in Section 14.4 below, there is no limitation on the right to own our Shares including any limitation on the right of a non-residents or foreign shareholders to hold or exercise their voting rights on our Shares imposed by Malaysian law or by our Constitution.

14.4 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer his Shares to the Minister of Finance and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers and privileges and be subject to all liabilities, duties and obligations in respect of, or arising from, such Shares.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

14.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group's business within the Financial Years Under Review and up to the date of this Prospectus:

- (i) a shareholders' agreement dated 15 May 2015 as supplemented by deeds of adherence dated 18 January 2021 and 24 September 2020 respectively entered into by Pee See Tat, Agmo Capital and Chan Pik Zen respectively in respect of NextProperty Ventures Sdn. Bhd., pursuant to which the parties have agreed to enter into this agreement to regulate their respective rights as shareholders of NextProperty Ventures Sdn. Bhd.;
- (ii) a shareholders' agreement dated 18 March 2017 entered into between Agmo Capital, June Low Ee Lyn and Cheng Kah Hoo, pursuant to which parties entered into this agreement to regulate their respective rights as shareholders of Ezlaw International Sdn. Bhd.;
- (iii) a shareholders' agreement dated 29 March 2017 as supplemented by deeds of adherence dated 1 February 2021 and 29 March 2017 entered into by Agmo Capital, Choy Wai Mun, Lee Choon Keat and Lee Zhi Yong, pursuant to which parties entered into this agreement to regulate their respective rights as shareholders of Heydoc International Sdn. Bhd.;
- (iv) a letter of grant dated 3 November 2021 entered into between Wong Kee Vin, an employee of the Group and Agmo Capital pursuant to which Agmo Capital (as grantor) grants Wong Kee Vin (as grantee) 10.0% of the proceeds either in the form of cash and / or non-cash consideration of the sale of Agmo Capital's total shareholding in Heydoc International Sdn. Bhd. at any point in time, without any consideration by Wong Kee Vin ("**Heydoc Shares**"). Pursuant to the letter of grant, Wong Kee Vin shall be entitled to receive 10.0% of the proceeds of sale of the Heydoc Shares upon the occurrence of an event wherein Agmo Capital divests the Heydoc Shares to any third party including but not limited to, pursuant to any merger and acquisition exercise or Heydoc International Sdn. Bhd. is listed on a recognized stock exchange ("**Exit Event**"). As at the LPD, no Exit Event has occurred. The letter of grant was entered into as an incentive to Wong Kee Vin for his contributions towards the development of the DOC2US mobile application for Heydoc International Sdn. Bhd. and to remain as an employee of the Group. In the event Wong Kee Vin ceases to be an employee of the Group before the Exit Event, the letter of grant shall lapse;
- (v) a joint venture agreement dated 15 March 2021 entered into between LKC Advance Technology Sdn. Bhd., Agmo, Agmo Capital and WorkGrowth Technology, pursuant to which LKC Advance Technology Sdn. Bhd. and Agmo Capital agree to set up a joint venture company, namely WorkGrowth Technology, on a joint venture basis wherein Agmo and Agmo Capital agree to provide services through Agmo's wholly-owned subsidiary, Agmo Studio, in relation to technical design, development, testing, server hosting and maintenance support for WorkGrowth HRMS solution at a development cost of RM500,000.00, which has been settled via the issuance of ordinary shares in WorkGrowth Technology and in cash and maintenance costs calculated based on the number of users at the rates prescribed in the joint venture agreement. As at the LPD, the development of the WorkGrowth HRMS solution has been completed;
- (vi) a share transfer agreement dated 30 August 2021 entered into between, amongst others, R. Raevendran A/L S. Ramachandran (as the transferor), Agmo Capital (as the transferee), Agmo Studio (as the vendor) and Advisonomics Sdn. Bhd. ("**Advisonomics**"), pursuant to which Agmo Studio shall assign one or more of its personnel from time-to-time at the discretion of Agmo Studio to serve as Advisonomics' technology advisor(s) for 3 consecutive years commencing from 30 August 2021, at a consideration of RM200,000.00, which will be settled via the transfer of 1,089 ordinary

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

shares held by the transferor in Advisonomics to Agmo Capital in 3 equal tranches. As at the LPD, the first tranche of share transfer has been completed.

Furthermore, pursuant to the share transfer agreement, Advisonomics will engage Agmo Studio for the development of Advisonomics' mobile application for a consideration of RM300,000.00 payable to Agmo Studio in cash. As at the LPD, the development of the mobile application has yet to be completed;

- (vii) a letter dated 1 July 2021 issued by Pee See Tat, a shareholder of NextRent Sdn. Bhd. ("**NextRent**") to Agmo, extending an offer to Agmo Group of up to 7.0% shareholdings in NextRent for a consideration of RM1.00, in view that the Group has provided valuable technological insights and expertise to NextProperty Ventures Sdn. Bhd. As at the LPD, Agmo Capital holds 6.4% of shareholdings in NextRent which represents full acceptance of the offer;
- (viii) a shareholders' agreement dated 21 September 2021 entered into between Mydigitalcoin Sdn. Bhd., Bubi Technologies Co. Ltd., Star Jewel Capital Inc. ("**Shareholders of Zetrix**") and Agmo, in respect of Zetrix Sdn. Bhd. (formerly known as MYBB Techchain Sdn. Bhd.), pursuant to which the Shareholders of Zetrix and Agmo who may become a shareholder of Zetrix Sdn. Bhd., agree to regulate their respective rights as shareholders of Zetrix Sdn. Bhd.

Pursuant to the shareholders' agreement and a letter of award dated 21 September 2021 issued by Zetrix Sdn. Bhd. to Agmo, Agmo or any of its wholly-owned subsidiaries agree to procure and obtain on behalf of Zetrix Sdn. Bhd. the relevant technical compliance required by Zetrix Sdn. Bhd. to establish and maintain Zetrix Sdn. Bhd.'s blockchain business development in Malaysia and to provide its expertise to project manage the development and roll out of the products and services of Zetrix Sdn. Bhd., at a retainer fee of RM5,000.00 per month ("**Fees**") commencing from 1 October 2021 for a period of 42 months ("**Contract Period**") which is payable by Mydigitalcoin Sdn. Bhd. at the end of the Contract Period. Subject to mutual agreement, the accumulated Fees of RM210,000.00 representing the total Fees for the Contract Period will be converted to 5.0% of Zetrix Sdn. Bhd.'s fully diluted shareholding at the end of the Contract Period which is payable by Mydigitalcoin Sdn. Bhd. and Agmo agrees to be bound by the terms and conditions of the shareholders' agreement as a shareholder upon Agmo becoming a shareholder of Zetrix Sdn. Bhd. As at the LPD, the said 5.0% shareholdings in Zetrix Sdn. Bhd. has not been transferred to Agmo; and

- (ix) a shareholders' agreement dated 15 October 2021 entered into between Agmo, Tang Tung Ai and Fong Huang Yee in respect of Agmo Sierra, pursuant to which the parties agree to regulate their respective rights as shareholders of Agmo Sierra.

14.6 MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, neither our Company nor our Subsidiaries are engaged in any governmental, legal, claims or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings, whether as plaintiff or defendant or as a third party which may have or have had, material or significant effects on our financial position or profitability in the 12 months immediately preceding the date of this Prospectus.

14.7 REPATRIATION OF CAPITAL AND REMITTANCE OF PROFIT

There are no governmental laws, decree, regulation or other requirement which may affect the repatriation of capital and the remittance of profit by or to our Group.

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

14.8 PUBLIC TAKE-OVERS

During the last financial year and the current financial year, there were no:

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by our Group in respect of other companies' securities.

14.9 LETTERS OF CONSENT

The written consents of our Principal Adviser, Sponsor, Underwriter, Placement Agent, Company Secretary, Solicitors, Share Registrar and Issuing House listed in the Corporate Directory of this Prospectus for the inclusion of their names and all references thereto in the form and context in which such names appear in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our Auditors and Reporting Accountants for the inclusion of its name, the Accountants' Report and the Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statement of Financial Position, and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

The written consent of our Independent Market Researcher for the inclusion of its name, the IMR Report and all references thereto in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus and have not subsequently been withdrawn.

14.10 RESPONSIBILITY STATEMENT

- (i) Our Directors and Promoters have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information contained in this Prospectus. Having made all reasonable enquiries and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.
- (ii) Kenanga IB as the Principal Adviser, Sponsor, Underwriter and Placement Agent, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

14.11 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at our registered office during normal business hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the IMR Report prepared by IMR as included in Section 8 of this Prospectus;
- (iii) the Reporting Accountants' Report on the Compilation of Pro Forma Consolidated Statement of Financial Position as included in Section 12.1 of this Prospectus;
- (iv) the Accountants' Report as included in Section 13 of this Prospectus;

14. STATUTORY AND OTHER GENERAL INFORMATION (CONT'D)

- (v) our material contracts as referred to in Section 14.5 of this Prospectus;
- (vi) the letters of consent as referred to in Section 14.9 of this Prospectus; and
- (vii) the audited financial statements of Agmo and our subsidiaries for the Financial Years Under Review.

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15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT MALAYSIAN ISSUING HOUSE SDN. BHD., FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

15.1 OPENING AND CLOSING OF APPLICATION

OPENING OF THE APPLICATION PERIOD [●]

CLOSING OF THE APPLICATION PERIOD : [●]

Applications for the IPO Shares will be open and close at the dates stated above.

In the event of any change to the dates stated above, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

15.2 METHODS OF APPLICATION

15.2.1 Application for our IPO Shares by the Malaysian Public and the Eligible Persons

| | <u>Application Method</u> |
|---------------------------------------|---|
| Applications by the Malaysian Public: | |
| (a) Individuals | WHITE Application Form or Electronic Share Application or Internet Share Application |
| (b) Non-Individuals | WHITE Application Form only |
| Applications by the Eligible Persons | PINK Application Form only |

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

15.2.2 Application by selected investors via private placement

| <u>Types of Application</u> | <u>Application Method</u> |
|--|--|
| Applications by: Selected investors | The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions. |

15.3 ELIGIBILITY

15.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST ONE HUNDRED (100) IPO SHARES OR MULTIPLES OF ONE HUNDRED (100) IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

15.3.2 Applications by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least eighteen (18) years old as at the date of the application for our IPO Shares with a Malaysian address; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of Malaysian Issuing House Sdn. Bhd. or an immediate family member of a director or employee of Malaysian Issuing House Sdn. Bhd.; and

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (iii) You must submit Applications by using only 1 of the following methods:
- (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

15.3.3 Application by the Eligible Persons

The Eligible Persons will be provided with **PINK** Application Forms and letters from us detailing their respective allocation.

The Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, Malaysian Issuing House Sdn. Bhd., Kenanga IB, participating organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

15.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM[●] for each IPO Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NUMBER [●]**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one (1) of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn. Bhd.
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (ii) or **DELIVER BY HAND AND DEPOSIT** in the Drop-in Boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5:00 p.m. on [●closing date].

We, together with Malaysian Issuing House Sdn. Bhd., will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Forms to Malaysian Issuing House Sdn. Bhd.

15.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

15.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS–CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

15.7 AUTHORITY OF OUR BOARD AND MALAYSIAN ISSUING HOUSE SDN. BHD.

Malaysian Issuing House Sdn. Bhd. on the authority of our Board reserves the right to:

- (i) reject Applications which:
- (a) do not conform to the instructions of this Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 15.9 of this Prospectus.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of Malaysian Issuing House Sdn. Bhd. at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

15.8 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, Malaysian Issuing House Sdn. Bhd. will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO shares and the balloting results in connection therewith will be furnished by Malaysian Issuing House Sdn. Bhd. to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the Malaysian Issuing House Sdn. Bhd.'s website at www.mih.com.my within one business day after the balloting event.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all the Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and / or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

15.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

15.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by Malaysian Issuing House Sdn. Bhd. as per items (i) and (ii) above (as the case may be).
- (iv) Malaysian Issuing House Sdn. Bhd. reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

15.9.2 For applications by way of Electronic Share Applications and Internet Share Applications

- (i) Malaysian Issuing House Sdn. Bhd. shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from Malaysian Issuing House Sdn. Bhd.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by Malaysian Issuing House Sdn. Bhd., by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from Malaysian Issuing House Sdn. Bhd.

15.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) our IPO Shares allotted to you will be credited into your CDS account.
- (ii) a notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) in accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our IPO Shares issued / offered through our

15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

15.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

| | Parties to direct the enquiries |
|------------------------------|---|
| Application Form | Malaysian Issuing House Sdn. Bhd. at telephone no. +603-7890 4700. |
| Electronic Share Application | Participating Financial Institution |
| Internet Share Application | Internet Participating Financial Institution and Authorised Financial Institution |

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Malaysian Issuing House Sdn. Bhd. website at www.mih.com.my, 1 Market Day after the balloting date.

You may also check the status of your Application at the above website, 5 Market Days after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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