

## **NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF AGX GROUP BERHAD (“AGB” OR THE “COMPANY”) DATED 16 JANUARY 2024 (“ELECTRONIC PROSPECTUS”)**

*(Unless otherwise indicated, specified or defined in this notice, the definitions in the Prospectus shall apply throughout this notice)*

### **Website**

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at [www.bursamalaysia.com](http://www.bursamalaysia.com) (“**Website**”).

### **Availability and Location of Paper / Printed Prospectus**

Any applicant in doubt concerning the validity or integrity of the Electronic Prospectus should immediately request a paper / printed copy of the Prospectus directly from the Company, TA Securities Holdings Berhad (“**TA Securities**”) or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus, subject to availability, from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective applicants should note that the Application Forms are not available in electronic format.

### **Jurisdictional Disclaimer**

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. The Electronic Prospectus will not be distributed outside Malaysia. Bursa Securities, TA Securities and AGB have not authorised and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. Accordingly, the Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase of, or invitation to subscribe for or purchase of the IPO Shares in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. Prospective investors who may be in possession of the Electronic Prospectus are required to take note, to inform themselves of and to observe such restrictions.

### **Close of Application**

Applications will be accepted from **10.00 a.m. on 16 January 2024** and will close at **5.00 p.m. on 23 January 2024**. Any change to the timetable will be advertised by the Company in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia, and an announcement of such changes would be made to the Website accordingly.

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

### **Persons Responsible for the Internet Site in which the Electronic Prospectus is Posted**

The Electronic Prospectus which is accessible at the Website is owned by Bursa Securities. Users’ access to the Website and the use of the contents of the Website and/or any information in whatsoever form arising from the Website shall be conditional upon acceptance of the terms and conditions of use as contained in the Website.

The contents of the Electronic Prospectus are for informational and archiving purposes only and are not intended to provide investment advice of any form or kind, and shall not at any time be relied upon as such.



**AGX GROUP BERHAD**  
(Registration No. 201901042663 (1351993-K))  
(Incorporated in Malaysia under the Companies Act 2016)

Unit 1A-C, 2nd Floor, Jalan USJ 10/1A  
Pusat Perniagaan USJ 10  
47610 UEP Subang Jaya, Selangor, Malaysia

**Tel** (603) 8023 1311  
**Email** agx.hq@agxlogistics.com  
**Website** www.agxlogistics.com

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## LOGISTICS SOLUTIONS WITH WORLDWIDE CONNECTIONS

The assets or properties in the photos shown at the front and back of this Prospectus do not belong to the Group



AGX GROUP BERHAD



## AGX GROUP BERHAD

(REGISTRATION NO. 201901042663 (1351993-K))  
(INCORPORATED IN MALAYSIA UNDER  
THE COMPANIES ACT 2016)

- Air Freight
- Sea Freight
- Aerospace Logistics
- Road Freight
- Warehousing & Distribution



PROSPECTUS

INITIAL PUBLIC OFFERING ("IPO") IN CONJUNCTION WITH THE LISTING OF AGX GROUP BERHAD ("AGB" OR "COMPANY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

- (I) PUBLIC ISSUE OF 96,500,000 NEW ORDINARY SHARES IN AGB ("SHARE(S)") ("ISSUE SHARE(S)") IN THE FOLLOWING MANNER:
  - 21,650,000 ISSUE SHARES FOR APPLICATION BY THE MALAYSIAN PUBLIC;
  - 6,320,000 ISSUE SHARES FOR APPLICATION BY THE ELIGIBLE DIRECTORS AND EMPLOYEES OF OUR GROUP; AND
  - 68,530,000 ISSUE SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS; AND
- (II) OFFER FOR SALE OF 30,000,000 EXISTING ORDINARY SHARES IN AGB ("OFFER SHARE(S)") BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN ISSUE/ OFFER PRICE OF RM0.35 PER ISSUE SHARE/ OFFER SHARE PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Underwriter  
and Placement Agent



**TA SECURITIES HOLDINGS BERHAD**  
(REGISTRATION NO. 197301001467 (14948-M))  
(A PARTICIPATING ORGANISATION OF BURSA MALAYSIA SECURITIES BERHAD)

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 278.

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF OUR IPO BY BURSA SECURITIES AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE OFFERING 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 THE 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.

THE ACE MARKET OF BURSA SECURITIES ("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 OF BURSA SECURITIES. 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.

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

**RESPONSIBILITY STATEMENTS**

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

TA Securities Holdings Berhad ("**TA Securities**"), being our 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 the offering.

**STATEMENTS OF DISCLAIMER**

Approval has been granted by Bursa Securities for the listing of and quotation for our Shares. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of the offering, our Company or our Shares.

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.

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

**OTHER STATEMENTS**

You should note that you may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") 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.

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

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC based on our audited consolidated financial statements for the financial year ended 31 December 2022 and our Group's pro forma consolidated statements of financial position as at 31 December 2022. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the Shariah Advisory Council of the SC. The new status is released in the updated list of Shariah compliant securities, on the last Friday of May and November.

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/ 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.

This Prospectus is prepared and published solely for our IPO in Malaysia under the laws of Malaysia. Our Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Directors, Promoters, Selling Shareholders and the Principal Adviser, Sponsor, Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Directors, Promoters, Selling Shareholders and the Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subjected to the laws of any countries or jurisdictions other than Malaysia, to consult your professional advisers as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event any application made by you shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

The distribution of this Prospectus and the offering are subject to the laws of Malaysia. Our Company, Promoters, Selling Shareholders and Principal Adviser, Sponsor, Underwriter and Placement Agent take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. No action has been taken to permit a public offering of the securities of our Company based on this Prospectus or the distribution of this Prospectus outside Malaysia.

Further, it shall 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 laws or countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will 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](http://www.bursamalaysia.com). The contents of the Electronic Prospectus (as defined in this Prospectus) and the copy of 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) is subjected to the 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 of the validity or integrity of an Electronic Prospectus, you should immediately request from us, our Principal Adviser or our Issuing House (as defined in this Prospectus), a paper printed copy of this Prospectus.

In the event of any discrepancies arising 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 ("**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 contents or any data, information, files or other material 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 or for 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, 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 material 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, information, files or other material.

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 liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of the Electronic Prospectus which has been downloaded or otherwise 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 as 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 cost, 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 or faults with the web browsers or other relevant software, any fault or faults 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 Institutions, 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**

All terms are defined under “Definitions” commencing from page v of this Prospectus.

The indicative timing of events leading to our Listing are as set out below:

<b>Events</b>	<b>Tentative Date</b>
Opening date of Application	10.00 a.m., 16 January 2024
Closing date of Application	5.00 p.m., 23 January 2024
Balloting of Application	26 January 2024
Allotment of the IPO Shares to successful applicants	5 February 2024
Date of Listing	7 February 2024

In the event there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia and will make an announcement on Bursa Securities’ website.

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**DEFINITIONS**

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

**COMPANIES WITHIN OUR GROUP**

AGB or Company	: AGX Group Berhad (Registration No. 201901042663 (1351993-K))
AGX Group or Group	: AGB and the Subsidiaries, collectively
AGX Korea	: AGX Logistics Korea Co., Ltd. (Registration No. 110111-4931302)
AGX Malaysia	: AGX Logistics (M) Sdn. Bhd. (Registration No. 200401002048 (640551-H))
AGX Myanmar	: AGX Logistics (Myanmar) Company Limited (Registration No. 110858507)
AGX Philippines	: AGX Express Phils. Inc. (Registration No. CS201219097)
AGX Singapore	: AGX Logistics (S) Pte. Ltd. (Registration No. 201007379H)
AGX Transport	: AGX Transport Sdn. Bhd. (Registration No. 202201041524 (1487221-U))
AGX Warehouse	: AGX Warehouse Solutions Inc. (Registration No. 2023120127340-02)
AGX Worldwide	: AGX Worldwide Solutions Inc. (Registration No. CS201905247)
Subsidiaries	: AGX Korea, AGX Malaysia, AGX Myanmar, AGX Philippines, AGX Singapore, AGX Transport, AGX Worldwide and AGX Warehouse, collectively

**GENERAL**

AAD Holdings	: AAD Holdings Pte. Ltd. (Registration No. 201719521D)
AAD Philippines	: AADistribution Phils. Inc. (Registration No. CS201724910)
AAD Singapore	: Awake Asia Distribution Pte. Ltd. (Registration No. 201726474N)
ACE Market	: ACE Market of Bursa Securities
Act	: Companies Act, 2016 of Malaysia
ADA	: Authorised Depository Agent
AGM	: Annual General Meeting
AGX BVI	: AGX Logistics Limited (Company No. 1945491)
AGX Cambodia	: AGX Logistics (Cambodia) Co., Ltd. (Registration No. 00017261)
AGB Share(s) or Share(s)	: Ordinary shares in AGB
All-Link Philippines	: All-Link Air & Sea Phils. Inc. (Registration No. 2022090066808-09)
All-Link Singapore	: All-Link Air & Sea Pte. Ltd. (Registration No. 202144515K)
APAD	: Malaysian Land Public Transport Agency

**DEFINITIONS (Cont'd)**

Application	:	Application for the Issue Shares by way of Application Form, the Electronic Share Application and/ or the Internet Share Application
Application Form	:	The printed application form for the application of the Issue Shares
Associated Company	:	Means an entity, over which the investor has significant influence and/ or body corporate in which the director or shareholder of the company is entitled to exercise, or control the exercise of, not less than 20% of the votes attached to voting shares in the body corporate
ATM	:	Automated teller machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application with respect to payments for the Issue Shares made available for application under the Public Issue
Balloting Shares	:	21,650,000 Issue Shares made available for application by the Malaysian Public via balloting
Board	:	Board of Directors of AGB
Bursa Depository or Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Boardroom Share Registrars or Share Registrar	:	Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))
CAGR	:	Compound annual growth rate
Cambodia	:	The Kingdom of Cambodia
CEO	:	Chief Executive Officer
CDS	:	Central Depository System
CDS Account	:	Securities account(s) established by Bursa Depository for a depositor for the recording of deposits or withdrawals of securities and for dealings in such securities by the depositor
CF or CCC	:	Certificate of fitness for occupation or certificate of completion and compliance or its equivalent issued by the local authorities or principal submitting person (whichever is applicable)
CFO	:	Chief Financial Officer
CMSA	:	Capital Markets and Services Act 2007 of Malaysia
Constitution	:	Constitution of AGB
COVID-19	:	Novel coronavirus disease, an infectious respiratory disease which first broke out in 2019
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of AGB within the meaning given in Section 2 of the CMSA



**DEFINITIONS (Cont'd)**

DOSH	:	Department of Occupational Safety and Health
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
EIS	:	Employment insurance system
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or any electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	Application for the Issue Shares through a Participating Financial Institution's ATM
Eligible Person(s)	:	Eligible Directors and employees of our Group
EPF	:	Employees Provident Fund
EPS	:	Earnings per Share
Financial Years and Period Under Review	:	FYE 2020, FYE 2021, FYE 2022 and FPE 2023, collectively
FPE	:	Financial period ended 31 August
FYE	:	Financial year ended/ ending 31 December, as the case may be
Government	:	Government of Malaysia
GP	:	Gross profit
IATA	:	International Air Transport Association
IMR Report	:	The Independent Market Research Report prepared by Vital Factor
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application, as listed in Section 15 of this Prospectus
Internet Share Application	:	Application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institution(s)
IPO	:	Initial public offering of the IPO Shares comprising the Public Issue and Offer for Sale, collectively in conjunction with the listing of and quotation for the entire enlarged issued share capital of AGB on the ACE Market of Bursa Securities
IPO Price	:	RM0.35 per IPO Share
IPO Shares	:	The Issue Shares and the Offer Shares, collectively
Issue Shares	:	96,500,000 new Shares, representing approximately 22.29% of the enlarged issued share capital of AGB upon the Listing, to be issued pursuant to the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
Kukdo Chemical	:	Kukdo Chemical Co., Ltd
Listing	:	The admission of AGB to the Official List and the listing of and quotation for the entire enlarged issued share capital of AGB of RM60,895,124 comprising 432,866,125 Shares on the ACE Market

**DEFINITIONS (Cont'd)**

Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	22 December 2023, being the latest practicable date prior to the issuance of this Prospectus
LPTA 2010	:	Land Public Transport Act 2010
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	:	Any day(s) on which Bursa Securities is open for trading of securities
MCCG	:	Malaysian Code on Corporate Governance
MCO	:	Movement control order
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of Investment, Trade and Industry, Malaysia
MOF	:	Ministry of Finance Malaysia
Myanmar	:	The Republic of the Union of Myanmar, formerly known as “Burma”
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale by the Selling Shareholders of the Offer Shares to the selected investors via private placement at the IPO Price, subject to the terms and conditions of this Prospectus
Offer Share(s)	:	30,000,000 existing Shares, representing approximately 6.93% of AGB’s enlarged issued share capital upon the Listing which is the subject of the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Other Shareholders	:	Maximino Baylen Gulmayo, Jr., Kamar Ludin Bin Salleh, Wong Chuan Keat, Hnin Aye Chit, Kathy Thein, Thuzar Thet Pe, Shamma Parvin D/O Mohammad Hussain, Santhi Naidu D/O Ragavan, Chang Poh Sheng and Yun JaeHoon, collectively, being employees of our Group
Participating Financial Institutions	:	Participating financial institution(s) for the Electronic Share Application, as listed in Section 15 of this Prospectus
PAT	:	Profit after tax
PBT	:	Profit before tax
PE Multiple	:	Price earnings multiple
Penu Investments	:	Penu Investments Pte Ltd (Registration No. 201723101Z)

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**DEFINITIONS (Cont'd)**

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Person Connected	: In relation to any person (referred to as “ <b>said Person</b> ”) means such person who falls under any one of the following categories:
	(i) a family member of the said Person;
	(ii) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the said Person, or a family member of the said Person, is the sole beneficiary;
	(iii) a partner of the said Person;
	(iv) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the said Person;
	(v) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the said Person is accustomed or is under an obligation, whether formal or informal, to act;
	(vi) a body corporate in which the said Person, or persons connected with the said Person are entitled to exercise, or control the exercise of, not less than 20% of the votes attached to the voting shares in the body corporate; or
	(vii) a body corporate which is a related corporation of the said Person
Philippines	: The Republic of the Philippines
Pink Form Allocation	: The allocation of 6,320,000 Issue Shares to the Eligible Persons
Pink Form Shares	: 6,320,000 Issue Shares made available for application by the Eligible Persons
Placement Shares	: Collectively, 30,000,000 Offer Shares and 68,530,000 Issue Shares available for application by way of private placement to selected investors
Pre-IPO Internal Re-organisation Acquisitions	: Acquisition of all ordinary shares held by AGX BVI in AGX Malaysia, AGX Singapore, AGX Philippines, AGX Korea, AGX Myanmar and AGX Cambodia by AGB, which was undertaken in FYE 2019 and FYE 2020 and completed by December 2020. Please refer to Section 6.6.1 of this Prospectus for further details
Pre-IPO Internal Reorganisation Exercise	: Internal reorganisation exercise undertaken by our Group. Please refer to Section 6.6 of this Prospectus for further details
Premier Football	: Premier Football International Pte. Ltd. (Registration No. 200508096G)
Premier Sports	: Premier Sports International Pte. Ltd. (Registration No. 200204075N)
Promoter(s)	: Dato’ Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, Penu Mark and Neo Lip Pheng, Peter, collectively

**DEFINITIONS (Cont'd)**

Prospectus	:	This Prospectus dated 16 January 2024 in relation to our IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
PTP	:	Pelabuhan Tanjung Pelepas, Johor Bahru
Public Issue	:	Public issue of the Issue Shares at the IPO Price comprising: <ul style="list-style-type: none"> <li>(i) 21,650,000 Issue Shares for application by the Malaysian Public via balloting;</li> <li>(ii) 6,320,000 Issue Shares for application by the Eligible Persons; and</li> <li>(iii) 68,530,000 Issue Shares made available by way of private placement to selected investors</li> </ul>
RMCD	:	Royal Malaysian Customs Department
RPT(s)	:	Related party transactions
RRPT(s)	:	Recurrent related party transactions
SC	:	Securities Commission Malaysia
SAC	:	Shariah Advisory Council of the SC
SDBA	:	Street, Drainage and Building Act 1974
Selling Shareholder(s)	:	Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, Penu Mark and Neo Lip Pheng, Peter, collectively
Share Split	:	A subdivision of all the existing 269,092,900 Shares into 336,366,125 Shares (i.e., subdivision of every 4 existing Share into 5 subdivided Shares), which was completed on 28 November 2023. Please refer to Sections 6.2.1 and 6.4 of this Prospectus for further details
Specified Shareholder(s)	:	Means a controlling shareholder, a person connected to a controlling shareholder, and an executive director who is a substantial shareholder, of the applicant or listed corporation, or any other person as specified by Bursa Securities. The Specified Shareholders of AGB are Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, Penu Mark and Neo Lip Pheng, Peter, collectively
Singapore	:	The Republic of Singapore
SICDA	:	Securities Industry (Central Depositories) Act 1991
SOCSSO	:	Social Security Organisation
South Korea or Korea	:	The Republic of Korea
sq. ft.	:	Square feet
sq. m.	:	Square meter
SST	:	Sales and Services Tax

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**DEFINITIONS (Cont'd)**

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TA Securities or Principal Adviser or Sponsor or Underwriter or Placement Agent	: TA Securities Holdings Berhad (Registration No. 197301001467 (14948-M))
TheScaleGroup	: TheScaleGroup Pte. Ltd. (Registration No. 201923802Z)
Underwriting Agreement	: The underwriting agreement dated 2 January 2024 entered into between our Company and our Underwriter pursuant to our IPO
Vital Factor or IMR	: Vital Factor Consulting Sdn Bhd (Registration No. 199301012059 (266797-T)), the Independent Business and Market Research Consultants

**CURRENCY**

RM and sen	: Ringgit Malaysia and Sen, respectively
KHR	: Cambodian Riel
KRW	: Korean Republic Won
MMK	: Myanmar Kyat
SGD	: Singapore Dollar
USD	: United States Dollar
PHP	: Philippine Peso

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**DEFINITIONS (Cont'd)****OPERATIONAL FACILITIES**

The following short forms are used throughout this Prospectus to refer to our Group's current and previous operational facilities. The complete list of our Group's current and previous operational facilities during the Financial Years and Period Under Review is set out in Section 7.3.7 of this Prospectus.

**Malaysia**

- Group Head Office : Unit 1A-C and Unit 2A-C, 2<sup>nd</sup> Floor, Jalan USJ 10/1A, Pusat Perniagaan USJ 10, 47610 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia
- KLIA Warehouse : Lot C1, Block C, Malaysia Airlines Berhad Freight Forwarders Complex, Free Commercial Zone, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia
- Lot 41 Warehouse : Lot 41 (PT 121659), Jalan Sg. Pinang 4/9, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia
- Port Klang Office : No. 23A, Jalan Jelai 10/KS1, Teluk Gadong Besar, 42000 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia
- Previous Port Klang Warehouse 1 : Lot 603 (Gudang B-1), Lebuhraya Raja Lumu, Kawasan Perindustrian PKNS, Pandamaran, 42000 Port Klang, Selangor Darul Ehsan, Malaysia
- Previous Port Klang Warehouse 2 : Back Lot, Lot No. 590, Persiaran Raja Lumu, Kawasan 12, 42000 Port Klang, Selangor Darul Ehsan, Malaysia
- Previous Telok Gong Warehouse : No. 39, Lot 77159 Lorong Jalan 14/KS 10, Telok Gong, 42000 Port Klang, Selangor Darul Ehsan, Malaysia

**The Philippines**

- Clark Office : 3rd floor, Clark Center 10, Berthaphil III, Jose Abad Santos Avenue, Clark Freeport Zone, Philippines
- Manila Warehouse : Lot 3-D, Psd-00-075250, Brgy. San Dionisio, Parañaque City (Gedcor Warehouse 1), Philippines
- Previous Clark Warehouse A : Building 06, Berthaphil I Compound, Jose Abad Santos Avenue, Clark Freeport Zone, Philippines
- Previous Clark Warehouse B : Bldg. 1G Berthaphil IV, Civil Aviation Complex, Clark Freeport Zone, Philippines
- Previous Manila Warehouse : L-1, D-3 Ninoy Aquino Avenue, Brgy, San Dionisio, Parañaque City, Manila, Philippines
- Subic Bay Warehouse 1 : Unit N3, Lot 12, Efficiency Street, Subic Bay Gateway Park, Phase 1, Subic Bay Freeport Zone (SBFZ), Philippines
- Subic Bay Warehouse 2 : Unit H-3, Lot 12, Efficiency Street, Subic Bay Gateway Park, Phase 1, Subic Bay Freeport Zone (SBFZ), Philippines

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**DEFINITIONS (Cont'd)**

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**Korea**

Korea Office : NewT Castle Building Room 509, 108, Gasan Digital 2-ro, Geumcheon-gu, Seoul, Republic of Korea

**Singapore**

Changi Airport Warehouse : 7 Airline Road, #03-03, Singapore 819834

First Singapore Office : 19 Loyang Way #02-08, Changi Logistics Centre, Singapore 508724

Gul Warehouse and Office : 1 Gul Circle #03-04 and #03-08 Singapore 629637

Gul Warehouse 2 : 1 Gul Circle #04-07 Singapore 629637

Previous Changi South Warehouse : Unit #01-02 & #02-01, 3 Changi South Street 3, Singapore 486351

Previous Nan Wah Building Warehouse : 4 Changi South Lane #03-04 Nan Wah Building Singapore 486127

**Myanmar**

Previous Myanmar Office : No 608 Room (5B & 5D) 5th Floor, Bo Soon Pat Tower, Merchant Road, Pabedan Township, Yangon, Myanmar

Yangon Warehouse : No. 129, Mya Nandar Street, Thaketa Industrial Zone, (35x90) First Floor, BN Godown, Myanmar

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**DEFINITIONS (Cont'd)****MAJOR CUSTOMERS AND SUPPLIERS OF OUR GROUP**

The following are details of our major customer(s) and supplier(s) whose names have been redacted for confidentiality throughout this Prospectus:

**Customer Group A** : Comprising 2 companies based in the Philippines and Singapore that are principally involved in the provision of electronic solutions in a wide range of industries. The companies are part of a group which is held under a US-based corporation headquartered in Kansas, United States. Customer Group A was one of the top 5 major customers of our Group for the FYE 2022 with an approximate length of relationship of 3 years with our Group as at the end of FYE 2022. Customer Group A contributed RM13.14 million (5.61%) to our Group's total revenue for FYE 2022.

We are unable to disclose the identity of Customer Group A as one of the companies under Customer Group A has not agreed to our Group's request for consent for disclosure in this Prospectus.

**Customer Group B** : Comprising 2 companies based in the Philippines that are principally involved in the production of machinery components and electronic devices. The companies are part of a group which is held under a Japanese-based corporation headquartered in Tokyo, Japan and listed on the Tokyo Stock Exchange with a market capitalisation equivalent to RM39.85 billion as at the LPD. Customer Group B was one of the top 5 major customers of our Group for the FPE 2023 with an approximate length of relationship of 7 years with our Group as at the end of FPE 2023. Customer Group B contributed RM3.46 million (2.83%) to our Group's total revenue for FPE 2023.

We are unable to disclose the identity of Customer Group B as one of the companies under Customer Group B has not agreed to our Group's request for consent for disclosure in this Prospectus.

**Supplier Group A** : Comprising a group of companies based in Korea, Malaysia and Singapore that is principally involved in the provision of marine transportation services with the headquarter in Korea. Supplier Group A is held under a Korean-based corporation. Supplier Group A was one of the top 5 major suppliers of our Group for the FYE 2020, FYE 2021 and FYE 2022, with an approximate length of relationship of 9, 10 and 11 years with our Group as at the end of the respective financial years. Our Group's total purchases from Supplier Group A for FYE 2020, FYE 2021 and FYE 2022 were RM3.40 million (3.90%), RM11.69 million (7.68%) and RM9.68 million (5.26%) respectively.

We are unable to disclose the identity of Supplier Group A as the companies under Supplier Group A have not agreed to our Group's request for consent for disclosure in this Prospectus due to Supplier Group A's internal regulations.

**Supplier Group B** : Comprising a group of companies based in Korea, Malaysia, Myanmar, Singapore and the Philippines that is principally involved in container transportation and shipping. Supplier Group B is held under a French-based corporation. Supplier Group B was one of the top 5 major suppliers of our Group for the FYE 2020 and has an approximate length of relationship of 16 years with our Group as at the end of FYE 2020. Our Group's total purchases from Supplier Group B for FYE 2020 were RM3.27 million (3.75%).



**DEFINITIONS (Cont'd)**

We are unable to disclose the identity of Supplier Group B as we are not able to obtain the consent from all the companies under Supplier Group B for disclosure in this Prospectus.

Supplier Group C : Comprising a group of companies based in Korea, Malaysia and Singapore that is principally involved in the provision of supply chain and logistics solutions. Supplier Group C is held under a German-based corporation headquartered in Switzerland and listed on the SIX Swiss Exchange with a market capitalisation equivalent to approximately RM193.75 billion as at the LPD. Supplier Group C was one of the top 5 major suppliers of our Group for the FYE 2021 and FYE 2022, with an approximate length of relationship of 5 and 6 years with our Group as at the end of the respective financial years. Our Group's total purchases from Supplier Group C for FYE 2021 and FYE 2022 were RM8.65 million (5.68%) and RM10.93 million (5.94%) respectively.

We are unable to disclose the identity of Supplier Group C as we are not able to obtain the consent from all the companies under Supplier Group C for disclosure in this Prospectus.

Supplier Group D : Comprising a group of companies based in Malaysia, Myanmar, Singapore and the Philippines that is principally involved in container transportation and shipping. Supplier Group D is held under a Taiwanese-based corporation listed on the Taipei Stock Exchange with a market capitalisation equivalent to approximately RM48.08 billion as at the LPD. Supplier Group D was one of the top 5 major suppliers of our Group for the FYE 2022, with an approximate length of relationship of 9 years with our Group as at the end of FYE 2022. Our Group's total purchases from Supplier Group D for FYE 2022 were RM7.85 million (4.27%).

We are unable to disclose the identity of Supplier Group D as we are not able to obtain the consent from all the companies under Supplier Group D for disclosure in this Prospectus.

Supplier Group E : Comprising a group of companies based in Korea, Malaysia, Myanmar and Singapore that is principally involved in container transportation and shipping. Supplier Group E is held under a Danish-based corporation listed on the Nasdaq Nordic with a market capitalisation equivalent to approximately RM151.63 billion as at the LPD. Supplier Group E was one of the top 5 major suppliers of our Group for the FYE 2022, with an approximate length of relationship of 11 years with our Group as at the end of FYE 2022. Our Group's total purchases from Supplier Group E for FYE 2022 were RM6.89 million (3.75%).

We are unable to disclose the identity of Supplier Group E as we are not able to obtain the consent from all the companies under Supplier Group E for disclosure in this Prospectus.

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**GLOSSARY OF TECHNICAL TERMS**


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This glossary contains explanation of certain terms used throughout this Prospectus in connection with our Group and business operations. The terminologies and their meanings may not correspond to the standard industry meanings or usage of these terms.

- 20-foot container : A standardised metal container that is 20 feet in length, 8 feet in width, and usually either 8 feet 6 inches or 9 feet 6 inches in height, mainly used for sea and road freight transportation. One 20-foot container is equivalent to one TEU.
- 20-foot equivalent unit (TEU) : The unit of measure used to describe the capacity of, among others, container depots, ports, and container ships, based on a 20-foot container.
- 40-foot container (FEU) : A standardised metal container that is 40 feet in length, 8 feet in width, and usually either 8 feet 6 inches or 9 feet 6 inches in height, mainly used for sea and road freight transportation. One 40-foot container is equivalent to two TEU.
- Aerospace logistics services : In the context of this Prospectus, it refers to project-based transportation of aircraft parts, components, materials, and equipment in a timely manner, so that the goods reach their destinations as quickly as possible.
- Air cargo company : Refers to an organisation that primarily provides air transportation for freight on a commercial basis. This may involve transporting freight from many shippers together on a scheduled flight, or chartering an entire aircraft to transport freight from a single shipper. Air cargo typically do not transport passengers on a commercial basis.
- Air freight forwarding : The arrangement for the transportation of freight that is mainly transported by aircraft. While the freight may be transported by other modes for part of its journey, for example by road to the airport, the air transportation component predominates in terms of distance covered and/or cost incurred.
- Aircraft on ground (AOG) : Refers to an aircraft that is not able to fly due to a defect or malfunction.
- Bill of lading : A document listing details of the freight on a vessel or vehicle that is issued by a carrier to a shipper to acknowledge receipt of freight on the vessel or vehicle. A bill of lading normally includes, among other information, a detailed list of the contents of the freight (such as nature, quantity, quality, and markings carried by the goods), and its destination.
- Bonded warehouse or bonded storage area : Refers to a secured warehouse or storage area licensed by the customs authority of the country where it is located. Dutiable goods may be stored and handled at a bonded warehouse or bonded storage area without payment of duty.
- Cargo : Refers to goods, but not passengers, that are transported from one place to another on a vessel or vehicle on a commercial basis. Examples of goods include, among many others, commodities, semi-finished products, finished products, parts and components, letters, and parcels. The terms 'cargo', 'goods,' and 'freight' are synonymous and used interchangeably in this Prospectus.
- Carrier : Refers to a service provider that owns and/or operates a cargo vessel or vehicle to undertake the movement of freight. Examples of carriers include shipping companies, airlines, air cargo companies, haulage and trucking companies, and courier services companies.

**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

- Common carrier : Refers to a person or company that transports freight or passengers for any person or company, on regular routes at agreed rates. The common carrier is responsible for the freight or passengers during transport.
- Containerised cargo : Refers to cargo that is packed into a standardised container, either a 20-foot or a 40-foot container, for shipment as a single unit.
- Container : Within the context of this Prospectus, a container refers to a standardised reusable shipping container that is designed to be easily used across different modes of transport, for example from ship to truck, without having to unload and reload the container's cargo. They can be stacked on top of each other to facilitate transport on ships and storage at depots. The two most common container sizes used in international trade are the 20-foot container and the 40-foot container.
- E-fulfilment : The process of fulfilling an e-commerce purchase. This can involve, among others, storing goods, receiving confirmed orders, picking ordered goods from storage, packing them into parcels, labelling the parcels, and arranging for parcels to be delivered to buyers. E-commerce retailers may carry out e-fulfilment themselves or engage a service provider to do so on their behalf.
- Freight consolidation : Refers to the service of bundling several small shipments (from more than one shipper) that are being forwarded to the same location so that the shipments can be transported together as a single shipment in a single container. The provider of such services is known as a 'freight consolidator'.
- Freight forwarding : Refers to the service where a service provider, known as a 'freight forwarder', organises the shipment of freight from one place to another on behalf of the sender or receiver, but where the freight forwarder is not the common carrier responsible for transporting the freight. Instead, the freight forwarder contracts one or more external common carriers to transport the freight from its source to the destination. The tasks undertaken by the freight forwarder include, among others, preparing and processing customs and other documentation, engaging and managing carriers and other logistics service providers, and dealing with senders, receivers, other service providers, and government authorities.
- General cargo : Refers to cargo that does not require special handling, such as temperature control, additional security, arrangements for speedy delivery or heavy lifting.
- Haulage : Refers to the transportation of laded and unladen container by road. Also referred to as 'container haulage'.
- Logistics services : Refers to the range of services related to the shipment of goods from one place to another. These include services related to storage (such as warehousing), physical movement (such as transportation of goods), and organising the movement of the goods (such as freight forwarding and consolidation), and regulatory compliance (such as customs documentation and clearance).
- Non-bonded warehouse or non-bonded storage area : A general warehouse or storage area that has not been licensed as a bonded warehouse or bonded storage area.

**GLOSSARY OF TECHNICAL TERMS (Cont'd)**

NVOCC	:	Non-vessel operating common carrier
Receiver	:	The party at the final destination that is responsible for the receipt of a shipment of goods.
Sea freight forwarding	:	Refers to freight forwarding where the freight is predominantly shipped by ship. Although other modes of transport may be used for part of the journey, for example by road or rail to the seaport, the sea transportation component predominates in terms of the distance covered and/or cost incurred.
Sender	:	Refers to the party that sends a shipment of goods, and is usually the point of origin for the goods.
Third-party logistics (3PL)	:	The provision of logistics services for goods owned by other people or organisations.
Unit load device (ULD)	:	A standardised reusable pallet or closed container that is used to load goods such as cargo, mail, and luggage on aircraft.
Value-added logistics	:	Refers to additional services, such as picking, packing and urgent delivery, provided by logistics service providers to complement existing logistics services.

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**PRESENTATION OF INFORMATION**

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All references to “AGB” or “our Company” in this Prospectus are to AGX Group Berhad, while references to “AGX Group” or “our Group” are to our Company and our Subsidiaries (as defined in this Prospectus). References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires. Unless the context otherwise requires, references to “Management” are to our Executive Directors and our key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

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 thousand or million or 2 decimal places (for percentages) or one sen (for currency). Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

If there are any discrepancies or inconsistencies between the English and Malay versions of this Prospectus, the English version shall prevail.

Any reference to dates and times in this Prospectus are references to dates and times in Malaysia.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange in this Prospectus shall (where the context admits) be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendment or re-enactment to statutes, rules, regulations, enactments, or rules of stock exchange for the time being in force.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the market and industry in which our Group operates or to which we are exposed. This data is taken or derived from information published by industry sources and from our internal data. In each of such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the IMR Report. We believe that the information on the industry and other statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

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**FORWARD-LOOKING STATEMENTS**

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This Prospectus contains forward-looking statements. All statements, other than statements of historical facts, included in this Prospectus are, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives for future operations are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may result in our actual results, performance, 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 Management's current views 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 "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand and supply for our services and general industry environment;
- (ii) our business strategies and competitive position;
- (iii) our plans and objectives for future operations;
- (iv) our future financial position, earnings, cash flows and liquidity; and
- (v) our ability to pay future dividend.

Our actual results may defer materially from information contained in such forward-looking statements as a result of a number of factors including, without limitations:

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

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

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**EXCHANGE RATES**

The financial statements of our subsidiaries, namely AGX Korea, AGX Myanmar, AGX Philippines, AGX Singapore and AGX Worldwide, are prepared in foreign currencies, i.e., KRW, USD, PHP and SGD. For the purpose of this Prospectus, the consolidated statements of financial position items were translated into RM using financial year end/period's closing exchange rates, and the statements of profit or loss and other comprehensive income were translated into RM using the respective financial year end/period's average exchange rates for each financial year/period, unless otherwise stated.

Solely for your convenience, this Prospectus contains translation of certain KRW, USD, PHP and SGD amounts into RM at specified rates. No representation is made that the KRW, USD, PHP and SGD amounts referred to in this Prospectus could have been or could actually be converted into RM amounts, at the rates indicated or at all. The exchange rates as set out below are applied in this Prospectus, unless specified otherwise:

	FYE			FPE
	2020	2021	2022	2023
<b><u>KRW100 to RM</u></b>				
Average rate <sup>(1)</sup>	0.3565	0.3620	0.3410	0.3466
Closing rate <sup>(2)</sup>	0.3696	0.3507	0.3494	0.3509
<b><u>USD to RM</u></b>				
Average rate <sup>(1)</sup>	4.2011	4.1454	4.4005	4.4988
Closing rate <sup>(2)</sup>	4.0170	4.1760	4.4130	4.6380
<b><u>PHP100 to RM</u></b>				
Average rate <sup>(1)</sup>	8.4699	8.4088	8.0760	8.1299
Closing rate <sup>(2)</sup>	8.3600	8.1902	7.9214	8.1748
<b><u>SGD to RM</u></b>				
Average rate <sup>(1)</sup>	3.0462	3.0838	3.1912	3.3617
Closing rate <sup>(2)</sup>	3.0396	3.0896	3.2819	3.4301

**Notes:**

- (1) The average rate is used for the translation of income and expense items in the consolidated statements of profits or loss and other comprehensive income of AGB.
- (2) The closing rate is used for the translation of assets and liabilities in the consolidated statements of financial position of AGB.

The table below sets out the high and low exchange rates for KRW100, USD, PHP100 and SGD/RM for each month during the 6 months prior to the LPD. The table below indicates the equivalent amount of RM for KRW100, USD, PHP100 and SGD.

Month	KRW100 to RM		USD to RM		PHP100 to RM		SGD to RM	
	High	Low	High	Low	High	Low	High	Low
June 2023	0.3636	0.3492	4.6845	4.5910	8.4565	8.1787	3.4698	3.4079
July 2023	0.3621	0.3552	4.6710	4.5200	8.4648	8.2841	3.4750	3.4094
August 2023	0.3526	0.3460	4.6535	4.5160	8.2781	8.1076	3.4340	3.3918
September 2023	0.3548	0.3477	4.7065	4.6410	8.2687	8.1982	3.4432	3.4258
October 2023	0.3558	0.3471	4.7875	4.7045	8.4239	8.2935	3.5008	3.4373
November 2023	0.3623	0.3516	4.7735	4.6475	8.4536	8.2905	3.4992	3.4450

(Source: Bank Negara Malaysia)

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**EXCHANGE RATES (Cont'd)**

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Unless otherwise stated, the following foreign exchange rate as at the LPD are utilised throughout this Prospectus:

- KRW100 = RM0.3561
- USD = RM4.6345
- PHP100 = RM8.3625
- SGD = RM3.4930

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**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name (Designation)</b>	<b>Address</b>	<b>Nationality</b>
Dato' Rozalila Binti Abdul Rahman (F) <i>(Independent Non-Executive Director, Chairperson)</i>	D'Sara Villas, No. 17, Jalan Kenanga SD9/1G, Bandar Sri Damansara, 52200 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Malaysian
Dato' Ponnudorai A/L Periasamy (M) <i>(Executive Director / Group CEO)</i>	No. 1, Jalan USJ 9/5B, USJ 9, 47600 Subang Jaya, Selangor Darul Ehsan, Malaysia	Malaysian
Jayasielan A/L Gopal (M) <i>(Executive Director)</i>	No. 27, Jalan Prima Pelangi 1, Bukit Prima Pelangi, 51200 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Malaysian
Penu Mark (M) <i>(Executive Director)</i>	430 Tanjong Katong Road, Singapore 437143	Singaporean
Neo Lip Pheng, Peter (M) <i>(Executive Director)</i>	Block 2, Bishan Street 25, #02-02, Singapore 573973	Singaporean
Dato' George Alfonso Miranda (M) <i>(Independent Non-Executive Director)</i>	No. A-32-1 Suasana Sentral Condo @ KL Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Malaysian
Ong Teng Yan (M) <i>(Independent Non-Executive Director)</i>	No. 29, Jalan SS2/88, 47300 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Malaysian
Aida Mosira Binti Mokhtar (F) <i>(Independent Non-Executive Director)</i>	No. 50, Jalan Keramat Hujung, Datuk Keramat, 54000 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Malaysian

**Notes:***(M) refers to male**(F) refers to female***-THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK-**

**1. CORPORATE DIRECTORY (Cont'd)****AUDIT AND RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Ong Teng Yan	Chairperson	Independent Non-Executive Director
Dato' George Alfonso Miranda	Member	Independent Non-Executive Director
Aida Mosira Binti Mokhtar	Member	Independent Non-Executive Director

**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Aida Mosira Binti Mokhtar	Chairperson	Independent Non-Executive Director
Ong Teng Yan	Member	Independent Non-Executive Director
Dato' George Alfonso Miranda	Member	Independent Non-Executive Director

**NOMINATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Dato' George Alfonso Miranda	Chairperson	Independent Non-Executive Director
Ong Teng Yan	Member	Independent Non-Executive Director
Aida Mosira Binti Mokhtar	Member	Independent Non-Executive Director

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**1. CORPORATE DIRECTORY (Cont'd)**

<b>COMPANY SECRETARIES</b>	<p><b>Leong Shiak Wan</b>          12<sup>th</sup> Floor, Menara Symphony          No. 5, Jalan Prof. Khoo Kay Kim          Seksyen 13, 46200 Petaling Jaya          Selangor Darul Ehsan          Malaysia</p> <p>Tel No. : (603) 7890 4868</p> <p>SSM Practising Certificate No. : 202008002757</p> <p>Professional Qualification : The Malaysian Institute of Chartered Secretaries and Administrators ("<b>MAICSA</b>")          (MAICSA Membership No.: 7012855)</p>
	<p><b>Zuriati Binti Yaacob</b>          12<sup>th</sup> Floor, Menara Symphony          No. 5, Jalan Prof. Khoo Kay Kim          Seksyen 13, 46200 Petaling Jaya          Selangor Darul Ehsan          Malaysia</p> <p>Tel No. : (603) 7890 4862</p> <p>SSM Practising Certificate No. : 202008003191</p> <p>Professional Qualification : Licensed Secretary          (Licence No.: LS0009971)</p>
<b>REGISTERED OFFICE</b>	<p>12<sup>th</sup> Floor, Menara Symphony          No. 5, Jalan Prof. Khoo Kay Kim          Seksyen 13, 46200 Petaling Jaya          Selangor Darul Ehsan          Malaysia</p> <p>Tel No. : (603) 7890 4800</p>
<b>HEAD OFFICE</b>	<p>Unit 1A-C and Unit 2A-C, 2<sup>nd</sup> Floor          Jalan USJ 10/1A          Pusat Perniagaan USJ 10          47610 UEP Subang Jaya          Selangor Darul Ehsan          Malaysia</p> <p>Tel No. : (603) 8023 1311          Email: : agx.hq@agxlogistics.com          Website : www.agxlogistics.com</p>

**1. CORPORATE DIRECTORY (Cont'd)**

<b>AUDITORS AND REPORTING ACCOUNTANTS</b>	: <b>Crowe Malaysia PLT</b> Firm No: AF1018 Chartered Accountants Level 16, Tower C, Megan Avenue 2 No. 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Wilayah Persekutuan Malaysia
	Tel No. : (603) 2788 9999
	Partner : Chan Kuan Chee
	Approval No. : 02271/10/2025 J
	Professional qualification : Chartered Accountant Malaysian Institute of Accountants ("MIA") (MIA Membership no. 15212)
	Certified Public Accountant, The Malaysian Institute of Certified Public Accountants
	Certified Fraud Examiners, Association of Certified Fraud Examiners
<b>SOLICITORS FOR OUR IPO</b>	: <b>Cheang &amp; Ariff</b> Loke Mansion 273A, Jalan Medan Tuanku 50300 Kuala Lumpur Wilayah Persekutuan Malaysia
	Tel No. : (603) 2691 0803
<b>ISSUING HOUSE</b>	: <b>Malaysian Issuing House Sdn Bhd</b> 11 <sup>th</sup> Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
	Tel No. : (603) 7890 4700
<b>SHARE REGISTRAR</b>	: <b>Boardroom Share Registrars Sdn Bhd</b> 11 <sup>th</sup> Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
	Tel No. : (603) 7890 4700

**1. CORPORATE DIRECTORY (Cont'd)**

- INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS** : **Vital Factor Consulting Sdn Bhd**  
(Registration No. 199301012059 (266797-T))  
V Square @ PJ City Centre (VSQ)  
Block 6, Level 6  
Jalan Utara  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia
- Tel No. : (603) 7931 3188
- Person-in-charge : Wooi Tan
- Professional qualification : Master of Business Administration from The New South Wales Institute of Technology (now known as University of Technology, Sydney), Australia, Bachelor of Science from the University of New South Wales, Australia and a Fellow of the Australian Marketing Institute, and Institute of Managers and Leaders, Australia.
- PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : **TA Securities Holdings Berhad**  
(Registration No. 197301001467 (14948-M))  
29<sup>th</sup> Floor, Menara TA One  
No. 22, Jalan P. Ramlee  
50250 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia
- Tel No. : (603) 2072 1277
- SOLICITORS TO OUR PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : **David Lai & Tan**  
Level 8-3 & 8-4, Wisma Miramas  
No. 1, Jalan 2/109E  
Taman Desa, Jalan Klang Lama  
58100 Kuala Lumpur  
Wilayah Persekutuan  
Malaysia
- Tel No. : (603) 7972 7968
- LISTING SOUGHT** : ACE Market
- SHARIAH STATUS** : Approved by the SAC

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**2. APPROVALS AND CONDITIONS****2.1 APPROVALS AND CONDITIONS****2.1.1 Bursa Securities**

Bursa Securities had, vide its letter dated 12 October 2023, approved our admission to the Official List and the listing of and quotation for our entire enlarged issued share capital comprising 432,866,125 Shares on the ACE Market under Rule 3.02(1) of the Listing Requirements.

AGB and/or TA Securities are required to comply with the following conditions:

No.	Details of conditions imposed	Status of compliance
1.	Submit the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Depository: <ul style="list-style-type: none"> <li>(i) Name of shareholders;</li> <li>(ii) Number of shares; and</li> <li>(iii) Date of expiry of the moratorium for each block of shares.</li> </ul>	To be complied before Listing
2.	Confirm that approvals from other relevant authorities have been obtained for implementation of the Listing.	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/ exempted by the SC including any conditions imposed thereon.	Complied
4.	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements.	To be complied before Listing
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of AGB on the first day of Listing.	To be complied upon Listing
6.	In relation to the public offering to be undertaken by AGB, to announce at least 2 Market Days prior to the Listing date, the result of the offering including the following: <ul style="list-style-type: none"> <li>(i) Level of subscription of public balloting and placement;</li> <li>(ii) Basis of allotment/ allocation;</li> <li>(iii) A table showing the distribution for placement tranche as per the format prescribed by Bursa Securities; and</li> <li>(iv) Disclosure of placees who become substantial shareholders of AGB arising from the public offering, if any.</li> </ul> TA Securities must ensure that the overall distribution of AGB's securities is properly carried out to mitigate any disorderly trading in the secondary market.	To be complied before Listing
7.	AGB/ TA Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of AGB to the Official List of the ACE Market.	To be complied upon Listing

## 2. APPROVALS AND CONDITIONS (Cont'd)

### 2.1.2 SAC

The SAC had, vide its letter dated 21 November 2023, classified our Shares as Shariah-compliant securities based on the latest audited consolidated financial statements of our Group for the FYE 2022 and our Group's pro forma consolidated statements of financial position as at 31 December 2022.

### 2.1.3 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 16 October 2023, taken note that AGB is a company with predominantly foreign based operations. Accordingly, AGB is exempted from the Bumiputera Equity Requirement<sup>(1)</sup> for public listed companies. Nevertheless, if AGB undertakes subsequent proposals involving:

- (i) a transfer of its listing status to the Main Market of Bursa Securities; or
- (ii) any acquisition which results in a significant change in its business direction or policy,

AGB must submit such application to the SC under the Bumiputera Equity Requirement for a reassessment.

Our Company (through our Subsidiaries excluding AGX Malaysia and AGX Transport) is a company with predominantly foreign-based operations. Our Subsidiaries are located in Malaysia, the Philippines, Korea, Myanmar and Singapore.

For the Financial Years and Period Under Review, our Group's PAT were mainly derived from our Subsidiaries outside of Malaysia which accounted for 100%\*, 94.63%, 68.16% and 100%\* of our Group's PAT for FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. Our Group's PAT during the Financial Years and Period Under Review contributed by our Subsidiaries outside of Malaysia were higher than our Subsidiaries from Malaysia. Accordingly, our Company is exempted from the Bumiputera Equity Requirement.

**Note:**

\* *Our Subsidiaries in Malaysia recorded losses after tax for the FYE 2020 and FPE 2023, respectively mainly due to a decrease in revenue and GP from the aerospace logistics services segment as a result of the COVID-19 pandemic-related restrictions on domestic and international travel for FYE 2020, as well as the listing expenses incurred for the IPO in FYE 2020 and FPE 2023.*

### 2.1.4 MITI

MITI had, vide its letter dated 16 October 2023, taken note of and has no objection to our Listing. In addition, MITI has also taken note that AGB is a company with pre-dominantly foreign based operations. Accordingly, AGB is exempted from the Bumiputera Equity Requirement<sup>(1)</sup> for public listed companies.

**Note:**

(1) *Our Company (through our Subsidiaries excluding AGX Malaysia and AGX Transport) is a company with predominantly foreign-based operations. For the Financial Years and Period Under Review, our Group's PAT were mainly derived from Subsidiaries outside of Malaysia.*

*Pursuant to the Regulatory FAQs for Bumiputera equity requirement for public listed companies issued by the SC, revised as at 10 June 2022, the SC was mandated by the Malaysia Government to process the Bumiputera equity requirement aspects of certain corporate proposals. For corporations seeking a listing on the ACE Market, the following proposal, among others, will be exempted from complying with the Bumiputera equity requirement:*

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**2. APPROVALS AND CONDITIONS (Cont'd)**

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- *Any listing of a corporation with predominantly foreign-based operations. The determination for a corporation with predominantly foreign-based operations is based on the profit contribution from domestic and foreign operations of the group for the past year, in which the profits after tax derived from the foreign-based operations are higher than the Malaysian-based operations i.e., more than 50%.*

*(Source: Bumiputera Equity Requirement for Public Listed Companies – Regulatory FAQs, Revised as at 10 June 2022 | Securities Commission Malaysia)*

**2.2 MORATORIUM ON SALE OF SHARES**

In compliance with Rule 3.19(1) of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of the Shares held by our Specified Shareholders as follows:

- (i) the moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the Official List ("**First 6-Month Moratorium**");
- (ii) upon the expiry of the First 6-Month Moratorium, we must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.00% of our enlarged issued share capital remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (iii) thereafter, upon the expiry of the Second 6-Month Moratorium, our Specified Shareholders may only sell, transfer or assign up to a maximum of 1/3<sup>rd</sup> per annum (on a straight-line basis) of the Shares held under the moratorium ("**Subsequent Moratorium Period**").

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**2. APPROVALS AND CONDITIONS (Cont'd)**

The details of the Shares held by our Specified Shareholders which will be subject to moratorium are as follows:

Name of Specified Shareholders	Year 1 after Listing				Year 2 after Listing		Year 3 after Listing	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		Moratorium shares during the Subsequent Moratorium Period		Moratorium shares during the Subsequent Moratorium Period	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Dato' Ponnudorai A/L Periasamy	49,960,250	11.54	38,580,030	8.91	25,720,020	5.94	12,860,010	2.97
Jayasielan A/L Gopal	49,960,250	11.54	38,580,030	8.91	25,720,020	5.94	12,860,010	2.97
Penu Mark	76,163,875	17.60	58,814,850	13.59	39,209,899	9.06	19,604,950	4.53
Neo Lip Pheng, Peter	76,163,875	17.60	58,814,850	13.59	39,209,899	9.06	19,604,950	4.53
<b>Total</b>	<b>252,248,250</b>	<b>^58.27</b>	<b>194,789,760</b>	<b>45.00</b>	<b>129,859,838</b>	<b>30.00</b>	<b>64,929,920</b>	<b>15.00</b>

**Notes:**

(1) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.

^ Discrepancy between the amounts listed and the total hereof is due to rounding.

The moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the First 6-Month Moratorium, Second 6-Month Moratorium and Subsequent Moratorium Period.

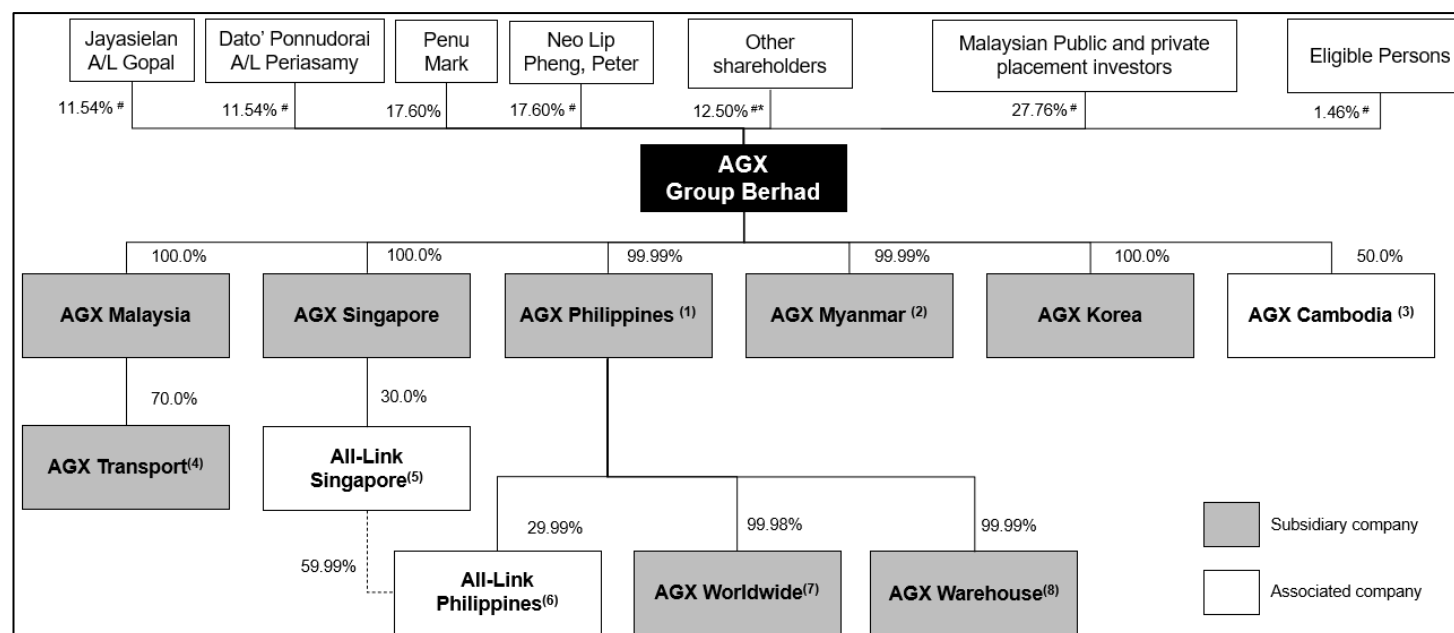
The moratorium restrictions are specifically endorsed on the share certificates representing those Shares under moratorium held by our Specified Shareholders to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

### 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 OUR GROUP STRUCTURE AND BUSINESS MODEL

Our Company was incorporated in Malaysia under the Act on 26 November 2019 as a public limited company under the name of AGX Group Berhad. Our Group was established in 2004 with the incorporation of AGX Malaysia in Malaysia and commenced business operations in 2005. Subsequently, we expanded geographically to Southeast Asia and Korea through AGX Korea, AGX Singapore, AGX Myanmar, AGX Philippines, AGX Worldwide and AGX Warehouse, all of which are our subsidiaries as at the LPD following the completion of the Pre-IPO Internal Re-organisation Acquisitions (further details are set out in Section 6.6 of this Prospectus). As at the LPD, we also have 3 associated companies which have physical presence in Cambodia, Singapore and the Philippines. Our Group is headquartered in Malaysia. Further details of our Subsidiaries and associated companies are set out in Section 6.5 of this Prospectus. Our Group structure after our IPO is as set out below:



**Notes:**

# Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.

\* Our Other Shareholders includes Maximino Baylen Gulmayo, Jr. His shareholdings in our Company before and after the IPO are 6.34% and 4.97%, respectively. He will cease to be a substantial shareholder of our Company upon the IPO.

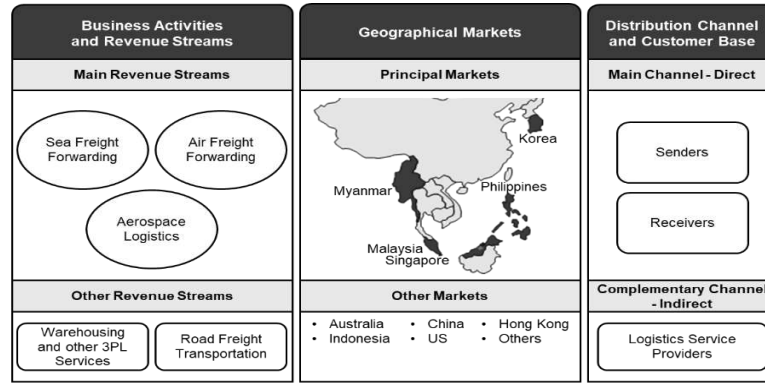
**3. PROSPECTUS SUMMARY (Cont'd)**

- (1) *The remaining 0.01% of the issued share capital of AGX Philippines is collectively held by Jayasielan A/L Gopal, Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigael P. Velasco, all of whom are directors of AGX Philippines. As required under Philippine law, each director of AGX Philippines must hold at least 1 share in AGX Philippines.*
- (2) *The remaining 0.01% of the issued share capital of AGX Myanmar is held by Neo Lip Pheng, Peter, as he retained a shareholding of 1 share in AGX Myanmar as one of the directors of AGX Myanmar. Neo Lip Pheng, Peter was appointed as the Managing Director of AGX Myanmar in 2023.*
- (3) *The remaining 50% of the issued share capital of AGX Cambodia is held by Kong Soryakbotrey, the Managing Director of AGX Cambodia. Kong Soryakbotrey did not intend to be part of the Pre-IPO Internal Re-organisation Acquisitions undertaken in conjunction with our Listing and wishes to focus on the growth of AGX Cambodia through her direct participation in the company, as she is not familiar with the laws and regulations as well as the business operations of our Group outside of Cambodia.*
- (4) *The remaining 30% of the issued share capital of AGX Transport is held by Mohd Zalani Bin Abdullah, a non-related party, whose background is set out in Section 6.2(ii) of this Prospectus. Mohd Zalani Bin Abdullah was identified as the 30% shareholder of AGX Transport for the following reasons:*
  - (a) *he has experience in the logistics industry;*
  - (b) *he has expressed his intention to rejoin our Group through his participation in AGX Transport;*
  - (c) *he is able to identify and develop new business opportunities, improve and expand existing relationships with our Group's customers; and*
  - (d) *he is a Bumiputera who meets the equity conditions set out in the Licensing Policy Guide issued by Suruhanjaya Pengangkutan Awam Darat (which was dissolved and replaced by APAD). Details of the equity conditions are set out in Note (1) in Section 7.10.1 of this Prospectus. Please also refer to Section 14.6(v) of this Prospectus for further details of the Shareholders' Agreement dated 13 December 2022 and Supplemental Agreement dated 13 January 2023 between AGX Malaysia, Mohd Zalani Bin Abdullah and AGX Transport.*
- (5) *The remaining 70% of the issued share capital of All-Link Singapore is held by Tang Ying, a non-related party. Tang Ying was nominated by Shanghai All-Link Logistics Co. Ltd. to manage the operations of All-Link Singapore and carry out the responsibilities of Shanghai All-Link Logistics Co. Ltd. set out in the joint venture and shareholders' agreement. Please refer to Section 14.6(iii) of this Prospectus for further details of the Joint Venture and Shareholders' Agreement dated 13 July 2022 between Xu Hao, AGX Singapore and All-Link Singapore and Supplemental Agreement dated 13 April 2023 between Xu Hao, Shanghai All-Link Logistics Co., Ltd., Tang Ying, AGX Singapore and All-Link Singapore.*
- (6) *The remaining 10% of the issued share capital of All-Link Philippines is held by Jun Miao (a non-related party) and 0.02% is collectively held by Xu Hao (a non-related party), Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigael P. Velasco, all of whom are directors of All-Link Philippines. As required under Philippine law, each director of All-Link Philippines must hold at least 1 share in All-Link Philippines. Please refer to Section 14.6(iv) of this Prospectus for further details of the Joint Venture and Shareholders' Agreement dated 10 January 2023 between All-Link Singapore, AGX Philippines, Jun Miao and All-Link Philippines.*
- (7) *The remaining 0.02% of the issued share capital of AGX Worldwide is collectively held by Jayasielan A/L Gopal, Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigael P. Velasco, all of whom are directors of AGX Worldwide. As required under Philippine law, each director of AGX Worldwide must hold at least 1 share in AGX Worldwide.*
- (8) *The remaining 0.01% of the issued share capital of AGX Warehouse is collectively held by Maximino Baylen Gulmayo, Jr., Aldrich P. Espino, Abigael P. Velasco, Neo Lip Pheng, Peter and Jayasielan A/L Gopal, all of whom are directors of AGX Warehouse. As required under Philippine law, each director of AGX Warehouse must hold at least 1 share in AGX Warehouse.*

AGB is principally involved in the activities of holding companies. Through our Subsidiaries, we are primarily a 3PL service provider where our services comprise sea and air freight forwarding, aerospace logistics, warehousing and other 3PL, and road freight transportation services. We provide our services to assist senders or receivers to transport their goods from the point of origin to their final destinations.

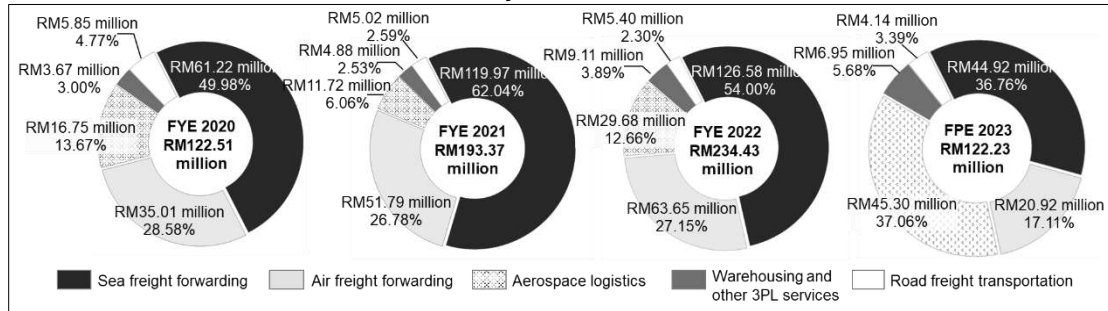
Further details on our business activities are summarised as follows:

**3. PROSPECTUS SUMMARY (Cont'd)**



3PL = Third party logistics.

**Revenue by business activities**



Business activities	Details
<b>Sea and air freight forwarding, and aerospace logistics</b>	<ul style="list-style-type: none"> <li>• These services involve organising shipments of freight / cargo by sea and air on behalf of our customers. Although other modes of transports are also used in these services, the sea freight / air freight component are the largest in terms of distance covered and/or cost incurred, as the case may be. We do not own the ships or aircrafts used to transport the freight / cargo for these services.</li> <li>• Our aerospace logistics services are mainly to support aircraft maintenance, repair and overhaul (MRO) services, which involved organising air freight of aircraft parts, components and equipment to support routine and scheduled maintenance.</li> <li>• We also provide aerospace logistics services in response to unscheduled aircraft-on-ground (AOG). AOG is when an aircraft experiences faults that require repairs before it is allowed to return to service. In all such situations, time is of the essence to restore the AOG to be operational as soon as practicable.</li> <li>• Sea and air freight forwarding, and aerospace logistics services accounted for at least 90% of our total revenue in each of the respective years of the Financial Years and Period Under Review.</li> </ul>
<b>Warehousing and other 3PL services</b>	We use leased warehouses to provide warehousing for general goods. Our 3PL services include the provision of domestic distribution management and e-fulfilment services.
<b>Road freight transportation</b>	Our road freight transportation services involve carrying out the physical transportation of freight from one point to another by road. We provide road transportation that do not require temperature or humidity control using prime movers, trailers, trucks and vans.

Our principal markets are Malaysia, the Philippines, Korea, Myanmar and Singapore as they are the Group's largest markets and where our operating subsidiary companies are located. For the Financial Years and Period Under Review, the majority of our Group's revenues were derived from foreign countries. For the FPE 2023, our Group's largest foreign market was the Philippines, followed by Korea, Myanmar and Singapore. Further information on our Group's history and background, business overview and modes of operation are set out in Sections 7.1, 7.2 and 7.3.8 of this Prospectus, respectively.

**3.2 OUR COMPETITIVE STRENGTHS**

Our Group's competitive strengths, which are further detailed in Section 7.4 of this Prospectus, are set out below:

- (i) our Group has physical presence in 5 countries, where our operating subsidiary companies are located, which provides us with business growth, market diversification and risk

### 3. PROSPECTUS SUMMARY (Cont'd)

- mitigation. These 5 countries represent our core addressable markets to sustain and grow our business, compared to operating only in one market;
- (ii) our Group has a track record of approximately 19 years to serve as the platform for continuing business sustainability and growth. Our track record will serve as the platform for us to secure new businesses, especially in the countries where we have physical presence and operations;
  - (iii) our Group has both direct and indirect distribution channels to provide business growth and minimise dependencies on a small number of customers. Direct distribution channel is where our customers comprise senders and receivers whilst indirect distribution channel is where we are engaged by other logistics service providers to provide logistics services to their customers;
  - (iv) our Group provides a range of services to meet the diverse needs of customers, comprising sea and air freight forwarding, aerospace logistics, warehousing and other 3PL and road freight transportation services;
  - (v) our aerospace logistics services provide us with an additional area of business growth and differentiate us from other logistics companies. Please refer to Section 3.1 of this Prospectus for further details on aerospace logistics services;
  - (vi) our Group (through our subsidiary, AGX Philippines) is registered as a NVOCC and accredited as an IATA Cargo Agent and are thus permitted to deal directly with sea (for shipments to the United States) and air freight common carriers. As such, we may be able to obtain better sea and air freight rates and be in a better position and priority to secure container or cargo space on ships and aircrafts; and
  - (vii) our Group has an experienced management team to expand and develop our business, where our co-founders and other directors and key management have between 14 and 44 years of experiences in the logistic industry.

Please refer to Section 7.4 of this Prospectus for further information on our competitive strengths

### 3.3 OUR BUSINESS STRATEGIES AND PLANS

Our business strategies and plans include continuing with our existing services as well as enhancing and expanding our businesses. As part of our business strategies and plans, we intend to implement the following over a period of 12 months from our Listing:

- (i) setting up a new warehouse and office at PTP in Johor Bahru, Malaysia. This will allow us to improve our coverage in the southern region of Peninsular Malaysia and to support our warehousing and 3PL services in Singapore. Establishing a physical presence in PTP, which is close to other seaports and the airport in Johor, will facilitate our dealings with the port and customs authorities at PTP, Johor Port, Tanjung Langsat Port, as well as with airport and customs authorities at the Senai International Airport;
- (ii) setting up a new warehouse and office in Penang, Malaysia. This will allow us to improve our coverage in the northern region of Peninsular Malaysia and establish a physical presence close to the seaports and airports in Penang to facilitate dealings with the Port of Penang and the Penang International Airport; and
- (iii) setting up a new office in Busan, South Korea. This is expected to support our sea freight forwarding services for the import and export of cargos through the Port of Busan by facilitating our dealings with port and customs authorities.

Please refer to Section 7.21 of this Prospectus for further information on our business strategies and plans.

### 3.4 RISK FACTORS

**YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS WHICH MAY HAVE 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.**

The following is a summary of the key risks relating to the business and operations of our Group that we are currently facing or that may develop in the future:



**3. PROSPECTUS SUMMARY (Cont'd)**

- (i) We are subject to regulatory requirements for our business operations. We require approvals, licences and permits from various governmental authorities in the countries where we carry out our business operations. These approvals, licences and permits are subject to, amongst others, various conditions imposed by authorities and periodic renewals. The inability of our Group to comply with any of the conditions stipulated therein may result in the revocation or non-renewal of these approvals, and failure to renew the licences/permits may adversely affect the continuity of our Group's business operations which in turn may adversely affect our financial performance;
- (ii) We are subject to risks related to fluctuations in sea and air freight rates wherein the global supply chain disruption prompted by the COVID-19 pandemic, combined with the US-China trade war has led to higher sea and air freight rates since 2020 (highest weekly sea freight rate of USD10,337/FEU between 4 January 2018 and 21 December 2023; highest air freight index value of 5,254 between 8 January 2018 and 18 December 2023). The pricing of our sea freight forwarding services, and for our air freight forwarding and aerospace logistics services are largely dependent on the prevailing sea freight rates and air freight rates, respectively. There can be no assurance that our business operations and financial performance will not be adversely affected by the fluctuations in sea and air freight rates;
- (iii) The demand for our logistics services and our business volume may be adversely affected by an adverse development in the global economy. The business volume and performance of our Group is dependent on the level of international trades of the countries where we carry out our business operations, which may be impacted by several factors including but not limited to the foreign demand for goods produced from these respective countries as well as the conditions of the global economy;
- (iv) Our Group's business operations and financial performance may be adversely affected by any outbreak of infectious disease which is similar to the COVID-19 pandemic;
- (v) We are dependent on our major customers (i.e. Kukdo Chemical and AirAsia Group) and any disruption or loss of Kukdo Chemical and AirAsia Group, respectively as a customer may affect our financial performance. Kukdo Chemical was the largest customer of our Group during the FYE 2020, FYE 2021 and FYE 2022, accounting for more than 10% of our Group's total revenue, whilst AirAsia Group accounted for more than 10% of our Group's total revenue both in FYE 2022 and FPE 2023. Although we have business relationships of approximately 11 years and 18 years with Kukdo Chemical and AirAsia Group, respectively and we have not encountered any major disputes with Kukdo Chemical and AirAsia Group, there is no assurance that our current relationship with Kukdo Chemical and AirAsia Group will not deteriorate and/or be terminated;
- (vi) Our Group is dependent on our Executive Directors and key management personnel. As such, any loss of our Executive Directors and key management personnel, without a suitable and timely replacement, may have a material adverse impact on our business and our continuing ability to compete effectively;
- (vii) Our Group may face credit risk and default in payment by our customers. Should our customers fail to meet their payment obligations in accordance with the agreed terms, our operating cash flows, financial condition and financial performance could be adversely affected;
- (viii) Our Group may face difficulty in implementing our future plans. Our Group intends to utilise part of the IPO proceeds for, amongst others, expanding our existing business operations in Malaysia and South Korea as well as the repayment of bank borrowings. The successful implementation of our future plans is based on current circumstances and is dependent on several factors including the availability of funds, industry prospects, general economy conditions and relevant laws and regulations, some of which are beyond our control;
- (ix) We appoint other freight forwarders and service providers to manage our logistics business or provide certain facilities and services on our behalf, in certain instances. Any failure by our business partners, overseas freight forwarders or independent third-party service providers may have an adverse impact on our reputation, business, operations and financial performance. Further, by engaging third party service providers, our Group faces the risk of not being able to secure new customers in particular, customers that require our Group's

**3. PROSPECTUS SUMMARY (Cont'd)**

involvement in the entire freight forwarding process. We also cannot guarantee that the third party service providers have the requisite and similar expertise as our Group, and the quality of services provided by them to our customers is the same as our Group;

- (x) Our Group's existing tenancies may be terminated and we may not successfully renew our existing tenancies. If these tenancies are not renewed or we are unable to secure new alternative tenancies at reasonable rates and strategic locations, our business operations may be materially affected;
- (xi) Our Group may not be able to procure sufficient amount of cargo space to meet our customers' requirements. The cargo spaces are provided by our suppliers on a first come first serve basis at the point when we make the booking request. As such, there is no assurance that we are able to secure sufficient cargo spaces to meet our customers' requirements. If such event happens, it may lead to reputational damage and thus affecting our business and financial performance adversely;
- (xii) Our major customers or the industries they are involved in may experience a trade ban. Given the nature of our Group's business in the logistics industry, we are reliant on our major customers' business activities as well as the industries that they are involved in. In the event that our major customers receive a trade ban by any overseas country that they export their products to, we may experience a decrease in demand for our services; and
- (xiii) We are subject to the risk of fluctuation in foreign exchange rates. Our Group's revenue is mainly derived from international shipments and given that we have businesses in several countries, most of our businesses are conducted in foreign currencies. As we are unable to estimate the movement of foreign exchange rates and its impact on our revenue and cost of sales in foreign currencies, any significant fluctuation in the exchange rate of the respective foreign currencies into RM or vice versa may have a significant impact, either positive or negative, on our financial performance.

Please refer to Section 9 of this Prospectus for further details and the full list of our risk factors which should be carefully considered before investing in our Shares.

**3.5 DIRECTORS AND KEY SENIOR MANAGEMENT**

Our Directors and key senior management, whose profiles are set out in Sections 5.1.2, 5.2.2 and 5.4.3 of this Prospectus, are as follows:

<b>Name</b>	<b>Designation</b>	<b>Nationality</b>
<b>Directors</b>		
Dato' Rozalila Binti Abdul Rahman	Independent Non-Executive Director, Chairperson	Malaysian
Dato' Ponnudorai A/L Periasamy	Executive Director / Group CEO	Malaysian
Jayasielan A/L Gopal	Executive Director	Malaysian
Penu Mark	Executive Director	Singaporean
Neo Lip Pheng, Peter	Executive Director	Singaporean
Dato' George Alfonso Miranda	Independent Non-Executive Director	Malaysian
Ong Teng Yan	Independent Non-Executive Director	Malaysian
Aida Mosira Binti Mokhtar	Independent Non-Executive Director	Malaysian
<b>Key Senior Management</b>		
Dato' Ponnudorai A/L Periasamy	Executive Director / Group CEO	Malaysian
Jayasielan A/L Gopal	Executive Director / Managing Director of AGX Malaysia	Malaysian
Penu Mark	Executive Director / Managing Director of AGX Singapore	Singaporean
Neo Lip Pheng, Peter	Executive Director / Managing Director of AGX Myanmar	Singaporean
Maximino Baylen Gulmayo, Jr.	Managing Director of AGX Philippines	Filipino
Yun JaeHoon	Managing Director of AGX Korea	Korean
Chang Poh Sheng	CFO	Malaysian

Details of our Board practices, including our plans to adopt Practice 5.9 of the MCGG, where the Board comprises 30% female members, subsequent to our Listing, are set out in Section 5.3 of this Prospectus.

**3. PROSPECTUS SUMMARY (Cont'd)****3.6 USE OF PROCEEDS**

We expect to raise gross proceeds of RM33.78 million from the Public Issue and intend to use the proceeds in the following manner:

Use of proceeds	Estimated time frame for utilisation from the date of Listing	Amount RM'000	%
Business expansion – setting up new warehouses and offices in Malaysia and South Korea	Within 12 months	8,700	25.8
Repayment of bank borrowings	Within 3 months	4,139	12.2
Working capital – marketing expenses, upgrading of IT infrastructure, and operating and administrative expenses	Within 24 months	16,436	48.7
Estimated listing expenses – professional fees, fee to authorities, estimated underwriting, placement and brokerage fees, printing, advertisement, and other incidental charges relating to our Listing	Within 3 months	4,500	13.3
<b>Total</b>		<b>33,775</b>	<b>100.0</b>

There is no minimum subscription in terms of the proceeds to be raised from the IPO by our Company. Further details of the use of proceeds arising from the Public Issue are set out in Section 4.7 of this Prospectus.

The Offer for Sale is expected to raise gross proceeds of approximately RM10.50 million which will accrue entirely to our Selling Shareholders.

**3.7 SALIENT INFORMATION ON OUR IPO****3.7.1 Allocation**

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

Allocation	Issue Shares	% <sup>(1)</sup>	Offer Shares	% <sup>(1)</sup>
<b>Public Issue</b>				
- Placement Shares	68,530,000	15.83	-	-
- Balloting Shares	21,650,000	5.00	-	-
- Pink Form Shares	6,320,000	1.46	-	-
<b>Offer for Sale</b>				
- Placement Shares	-	-	30,000,000	6.93
<b>Total</b>	<b>96,500,000</b>	<b>22.29</b>	<b>30,000,000</b>	<b>6.93</b>

**Note:**

(1) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.

Please refer to Section 4.3 of this Prospectus for further details of our IPO.

**3.7.2 Principal Statistics of our IPO**

The principal statistics of our IPO are as follows:

	No. of Shares	RM
<b>Share capital</b>		
- Issued share capital as at the date of this Prospectus	336,366,125	27,120,124
- Issue Shares to be issued under the Public Issue	96,500,000	33,775,000
<b>Enlarged share capital upon our Listing</b>	<b>432,866,125</b>	<b>60,895,124</b>
<b>IPO Price for each IPO Share</b>		<b>0.35</b>
<b>Market capitalisation of our Company based on the IPO Price upon Listing</b>		<b>151,503,144</b>

**3. PROSPECTUS SUMMARY (Cont'd)**

	No. of Shares	RM
<b>Pro forma consolidated NA based on our Pro Forma Consolidated Statements of Financial Position as at 31 August 2023</b>		
- Pro forma NA upon Listing <sup>(1)</sup>		78,256,717
- Pro forma NA per Share upon Listing <sup>(2)</sup>		0.18

**Notes:**

- (1) After taking into account our Public Issue of 96,500,000 new Shares at the IPO Price and after utilisation of proceeds from our Public Issue.
- (2) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO and after deducting the remaining listing expenses to be incurred of approximately RM4.50 million.

Please refer to Section 4.4 of this Prospectus for further details of our share capital.

**3.8 DIVIDEND POLICY**

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 that are not required to be retained to fund our business.

Our Board will consider various factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends. The factors are the level of cash and level of indebtedness, required and expected interest expense, cash flows, profits, return on equity and retained profits, our expected results of operations and future level of operations, and our projected levels of capital expenditure and other investment plans.

Our Group did not declare any dividend in the FYE 2020. The dividends declared and distributed by our Group to our shareholders for the FYE 2021, FYE 2022 and FYE 2023 were RM1.2 million, RM5.9 million and RM3.0 million, respectively. Please refer to Note 30 of the Accountants' Report in Section 13 of this Prospectus for further details.

Apart from the exchange control regulations as set out in Section 14.5 of this Prospectus, there are no legal, financial or economic restrictions on the ability of our Subsidiaries to transfer funds in the form of cash dividend, loans or advances to us.

Subject to the above and the factors outlined in Section 12.4 of this Prospectus, we have a policy for our Board to recommend and distribute dividends of at least 30% of our annual profits attributable to our shareholders upon completion of our Listing. However, it is not a legally binding obligation/guaranteed commitment to the shareholders.

There is no dividend paid or declared subsequent to the LPD. We do not intend to declare any further dividends prior to our Listing.

Kindly refer to Section 9.3 of this Prospectus for risks relating to investments in our Shares and Section 12.4 of this Prospectus for detailed information on our dividend policy.

**3.9 MATERIAL INTERRUPTIONS TO OUR BUSINESS**

We did not experience any material interruptions to our business during the past 12 months before the LPD, except for those relating to the COVID-19 pandemic. Please refer to Section 7.15 of this Prospectus for further details.

### 3. PROSPECTUS SUMMARY (Cont'd)

#### 3.10 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The promoters' and substantial shareholders' shareholdings in our Company before and after our IPO are as follows:

Name	Nationality	Before the IPO <sup>(1)</sup>				After the IPO <sup>(2)</sup>			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and substantial shareholders</b>									
Dato' Ponnudorai A/L Periasamy	Malaysian	55,902,250	16.62	-	-	49,960,250	11.54	-	-
Jayasielan A/L Gopal	Malaysian	55,902,250	16.62	-	-	49,960,250	11.54	-	-
Penu Mark	Singaporean	85,221,875	25.34	-	-	76,163,875	17.60	-	-
Neo Lip Pheng, Peter	Singaporean	85,221,875	25.34	-	-	76,163,875	17.60	-	-
<b>Substantial shareholder</b>									
Maximino Baylen Gulmayo, Jr.	Filipino	21,330,125	6.34	-	-	21,530,125 <sup>(3)</sup>	4.97	-	-

**Notes:**

(1) Based on our issued share capital of 336,366,125 Shares after the Share Split, but before our IPO.

(2) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.

(3) Assuming he fully subscribes for the Pink Form Shares allocated to him.

The profiles of our Promoters and substantial shareholders are set out in Section 5.1.2 of this Prospectus.

The details of the Shares held by our Specified Shareholders (who are also our Promoters) which will be subject to moratorium are as follows:

Name of Specified Shareholders	Year 1 after Listing				Year 2 after Listing		Year 3 after Listing	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		Moratorium shares during the Subsequent Moratorium Period		Moratorium shares during the Subsequent Moratorium Period	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
Dato' Ponnudorai A/L Periasamy	49,960,250	11.54	38,580,030	8.91	25,720,020	5.94	12,860,010	2.97
Jayasielan A/L Gopal	49,960,250	11.54	38,580,030	8.91	25,720,020	5.94	12,860,010	2.97
Penu Mark	76,163,875	17.60	58,814,850	13.59	39,209,899	9.06	19,604,950	4.53
Neo Lip Pheng, Peter	76,163,875	17.60	58,814,850	13.59	39,209,899	9.06	19,604,950	4.53
<b>Total</b>	<b>252,248,250</b>	<b>58.27<sup>^</sup></b>	<b>194,789,760</b>	<b>45.00</b>	<b>129,859,838</b>	<b>30.00</b>	<b>64,929,920</b>	<b>15.00</b>

**Notes:**

(1) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.

<sup>^</sup> Discrepancy between the amounts listed and the total hereof is due to rounding.

In accordance with Rule 3.19(1) of the Listing Requirements, the above moratorium has been fully accepted by our Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the First 6-Month Moratorium, Second 6-Month Moratorium and Subsequent Moratorium Period. Please refer to Section 2.2 of this Prospectus for further details of the moratorium imposed.

**3. PROSPECTUS SUMMARY (Cont'd)****3.11 FINANCIAL AND OPERATIONAL HIGHLIGHTS**

The table below sets out a summary of our Group's key financial and operational highlights based on our Group's historical audited consolidated financial information for the Financial Years and Period Under Review:

	Audited			
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000
Revenue	122,507	193,372	234,429	122,228
GP	35,262	41,123	50,421	39,814
PBT	1,394	7,417	16,788	10,362
PAT	560	5,940	13,541	7,446
PAT attributable to the owners of the Company	560	5,940	13,541	7,446
GP margin (%)	28.78	21.27	21.51	<sup>(3)</sup> 32.57
PBT margin (%)	1.14	3.84	7.16	8.48
PAT margin (%)	0.46	3.07	5.78	6.09
<sup>(1)</sup> Number of Shares assumed in issue ('000)	432,866	432,866	432,866	432,866
<sup>(2)</sup> Basic/ Diluted EPS (sen)	0.13	1.37	3.13	1.72
<b>Other selected financial information</b>				
Non-current assets	10,041	12,686	13,865	19,488
Current assets	61,402	77,908	72,965	71,523
<b>Total assets</b>	<b>71,443</b>	<b>90,594</b>	<b>86,830</b>	<b>91,011</b>
Non-current liabilities	4,915	8,244	4,737	6,682
Current liabilities	61,236	45,571	38,060	32,218
<b>Total liabilities</b>	<b>66,151</b>	<b>53,815</b>	<b>42,797</b>	<b>38,900</b>
Share capital	*	27,120	27,120	27,120
Retained profits	4,645	9,385	17,025	24,472
Reserves	646	273	(113)	390
<b>NA attributable to owners of the Company</b>	<b>5,291</b>	<b>36,778</b>	<b>44,032</b>	<b>51,982</b>
<b>Statement of cash flows:</b>				
Net cash from operating activities	2,029	14,144	19,296	3,210
Net cash (for)/ from investing activities	(984)	(1,012)	(2,926)	2,930
Net cash for financing activities	(4,698)	(7,647)	(9,950)	(9,207)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b><sup>(4)</sup>(3,653)</b>	<b>5,485</b>	<b>6,420</b>	<b><sup>(4)</sup>(3,067)</b>
Effects of foreign exchange translation	776	(816)	(1,041)	458
Cash and cash equivalents at beginning of the financial year	5,928	3,051	7,720	13,099
<b>Cash and cash equivalents at end of the financial year/ period</b>	<b>3,051</b>	<b>7,720</b>	<b>13,099</b>	<b>10,490</b>

**Notes:**

\* The share capital was RM10.

- (1) Assumed number of ordinary shares in issue in AGB after the IPO.
- (2) Computed based on PAT attributable to owners of the Company over the enlarged number of Shares in issue upon the Listing. The diluted EPS is equal to the basic EPS as the Company does not have any outstanding convertible securities.
- (3) The higher GP margin recorded in FPE 2023 was mainly contributed by the higher GP margins from the sea freight forwarding and aerospace logistics services segments, mainly due to a decrease in sea freight costs on the back of lower sea freight rates in the industry as well as decrease in the overall air freight cost and local charges against revenue, respectively.
- (4) The decrease in cash and cash equivalents in FYE 2020 was mainly due to net cash used for investing activities in relation to purchases of equipment and intangible assets, and net cash used for financing activities in relation to repayment of bank borrowings and interest paid. The decrease in cash and cash equivalents in FPE 2023 was mainly due to net cash used for financing activities in relation to dividend payment in respect of dividend declared for FYE 2022, and repayment of bank borrowings and interest paid.

For the Financial Years and Period Under Review, our Group's PAT were mainly derived from our Subsidiaries outside of Malaysia which accounted for 100%, 94.63%, 68.16% and 100% of our Group's PAT for FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. Our Subsidiaries in Malaysia recorded losses after tax for the FYE 2020 and FPE 2023, mainly due to a decrease in revenue and GP from the aerospace logistics services segment as a result of the COVID-19 pandemic-related restrictions on domestic and international travel for FYE 2020, as well as the listing expenses incurred for the IPO in FYE 2020 and FPE 2023, respectively. Please refer to Sections 2.1.3 and 12 of this Prospectus for further information relating to the Bumiputera Equity Requirements and our Group's historical audited consolidated financial information.

## 4. DETAILS OF OUR IPO

### 4.1 OPENING AND CLOSING OF APPLICATIONS

The applications for the IPO Shares will open at 10.00 a.m. on 16 January 2024 and will remain open until 5.00 p.m. on 23 January 2024. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

### 4.2 INDICATIVE TIMETABLE

Events	Tentative Date
Opening date of Application	10.00 a.m., 16 January 2024
Closing date of Application	5.00 p.m., 23 January 2024
Balloting of Application	26 January 2024
Allotment of the IPO Shares to successful applicants	5 February 2024
Date of Listing	7 February 2024

In the event that there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated daily English and Bahasa Malaysia newspapers in Malaysia and will make an announcement on Bursa Securities' website.

### 4.3 PARTICULARS OF THE IPO

#### 4.3.1 Public Issue

A total of 96,500,000 Issue Shares, representing 22.29% of our enlarged issued share capital upon Listing, will be issued at the IPO Price and are payable in full upon application. The Issue Shares offered will be allocated in the following manner:

#### (i) Malaysian Public

21,650,000 Issue Shares, representing 5.00% of our enlarged issued share capital upon Listing, will be offered to the Malaysian Public by way of balloting, of which 50.00% will be set aside for Bumiputera Investors.

In this respect, 10,825,000 Issue Shares, representing 2.50% of our enlarged issued share capital upon Listing, will be set aside for Bumiputera Investors.

#### (ii) Eligible Persons

6,320,000 Issue Shares, representing 1.46% of our enlarged issued share capital upon Listing, will be reserved for application by the Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2 of this Prospectus.

#### (iii) Selected investors by way of private placement

68,530,000 Issue Shares, representing 15.83% of our enlarged issued share capital upon Listing, will be made available by way of private placement to selected investors.

**4. DETAILS OF OUR IPO (Cont'd)**

The basis of allocation of our Issue Shares shall take into account the distribution of the Issue Shares to a reasonable number of applicants, in order to broaden our Company's shareholding base to meet the public spread requirements under the Listing Requirements, and to establish a liquid market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors in accordance with the aforementioned basis. There is no over-allotment or "greenshoe" option that will result in an increase in the amount of Issue Shares.

The Public Issue is subject to the terms and conditions of this Prospectus.

**4.3.2 Pink Form Allocations**

We have allocated 6,320,000 Pink Form Shares to the Eligible Persons under the Pink Form Allocations as follows:

<b>Eligible Persons</b>	<b>No. of Eligible Persons</b>	<b>Aggregate no. of Issue Shares allocated ('000)</b>
Eligible Directors <sup>(1)</sup>	4	725
Eligible employees of our Group <sup>(2)</sup>	12	5,595
<b>Total</b>	<b>16</b>	<b>6,320</b>

**Notes:**

- (1) *The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.*
- (2) *The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors:*
- (i) *the employee must be a full-time employee and on the payroll of our Group; and*
  - (ii) *the number of Issue Shares allocated to the eligible employees is based on their seniority, position, length of service, past performance and contribution made to our Group as well as other factors deemed relevant by our Board.*

*The number of Issue Shares allocated under this category is inclusive of the allocation to our Key Senior Management.*

The number of Pink Form Shares to be allocated to our Directors is as follows:

<b>Name</b>	<b>Designation</b>	<b>No. of Pink Form Shares allocated</b>
Dato' Rozalila Binti Abdul Rahman	Independent Non-Executive Director, Chairperson	250,000
Dato' George Alfonso Miranda	Independent Non-Executive Director	250,000
Ong Teng Yan	Independent Non-Executive Director	100,000
Aida Mosira Binti Mokhtar	Independent Non-Executive Director	125,000
<b>Total</b>		<b>725,000</b>



**4. DETAILS OF OUR IPO (Cont'd)**

The number of Pink Form Shares to be allocated to our key senior management are as follows:

<b>Name</b>	<b>Designation</b>	<b>No. of Pink Form Shares allocated</b>
Chang Poh Sheng	CFO	2,175,000
Yun JaeHoon	Managing Director of AGX Korea	800,000
Maximino Baylen Gulmayo, Jr.	Managing Director of AGX Philippines	200,000
<b>Total</b>		<b>3,175,000</b>

**4.3.3 Offer for Sale**

A total of 30,000,000 Offer Shares<sup>(1)</sup>, representing 6.93% of our enlarged issued share capital upon Listing, will be offered for sale by our Selling Shareholders by way of private placement to selected investors at the IPO Price, and is subject to the terms and conditions stated in this Prospectus.

**Note:**

(1) 14,310,000 Offer Shares, representing approximately 3.30% of our enlarged issued share capital upon Listing, are reserved for private placement to selected investors, and the remaining 15,690,000 Offer Shares, representing approximately 3.63% of our enlarged issued share capital upon Listing, will be acquired by Dato' Rozalila Binti Abdul Rahman, our Independent Non-Executive Director, Chairperson.

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**4. DETAILS OF OUR IPO (Cont'd)**

The details of our Selling Shareholders and their relationship with our Group are as follows:

Name / Address	Relationship with our Group	Before the IPO		Offer for Sale			After the IPO	
		No. of Shares	(1)%	No. of Shares	(1)%	(2)%	No. of Shares	(2)%
Dato' Ponnudorai A/L Periasamy No. 1, Jalan USJ 9/5B, USJ 9, 47600 Subang Jaya, Selangor Darul Ehsan, Malaysia	Executive Director/ Group CEO, Promoter, substantial shareholder and key senior management	55,902,250	16.62	5,942,000	1.77	1.37	49,960,250	11.54
Jayasielan A/L Gopal No. 27, Jalan Prima Pelangi 1, Bukit Prima Pelangi, 51200 Kuala Lumpur, Wilayah Persekutuan, Malaysia	Executive Director, Promoter, substantial shareholder and key senior management	55,902,250	16.62	5,942,000	1.77	1.37	49,960,250	11.54
Penu Mark 430 Tanjong Katong Road, Singapore 437143	Executive Director, Promoter, substantial shareholder and key senior management	85,221,875	25.34	9,058,000	2.69	2.09	76,163,875	17.60
Neo Lip Pheng, Peter Block 2, Bishan Street 25, #02-02, Singapore 573973	Executive Director, Promoter, substantial shareholder and key senior management	85,221,875	25.34	9,058,000	2.69	2.09	76,163,875	17.60

**Notes:**

- (1) Based on our issued share capital of 336,366,125 Shares after the Share Split, but before our IPO.  
(2) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.

Further details of our Selling Shareholders, who are our Promoters, are disclosed in Section 5.1 of this Prospectus.

#### 4. DETAILS OF OUR IPO (*Cont'd*)

##### 4.3.4 Placement, underwriting arrangement and allocation of the IPO Shares

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

	No. of Shares	(1)%
<b>Public Issue</b>		
• Malaysian Public	21,650,000	5.00
• Eligible Persons	6,320,000	1.46
• Selected investors (via private placement)	68,530,000	15.83
<b>Total Public Issue Shares</b>	<b>96,500,000</b>	<b>22.29</b>
<b>Offer for Sale</b>		
• Selected investors (via private placement)	<sup>(2)</sup> 30,000,000	6.93
<b>Total Offer Shares</b>	<b>30,000,000</b>	<b>6.93</b>

**Notes:**

- (1) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.  
(2) Inclusive of the 15,690,000 Offer Shares (3.63%) allocated to Dato' Rozalila Binti Abdul Rahman, our Independent Non-Executive Director, Chairperson.

**(i) Malaysian Public**

All 21,650,000 Issue Shares made available for application by the Malaysian Public have been fully underwritten.

Any of the Issue Shares which are not fully subscribed for by the Malaysian Public will be made available for subscription as follows:

- (a) firstly, by our selected investors as described in Sections 4.3.1(iii) and 4.3.3 (excluding Dato' Rozalila Binti Abdul Rahman) of this Prospectus; and  
(b) lastly, by our Underwriter based on the terms of the Underwriting Agreement.

**(ii) Eligible Persons**

The 6,320,000 Pink Form Shares under Section 4.3.2 of this Prospectus are not underwritten.

Any unsubscribed Pink Form Shares reserved under the Pink Form Allocations which are not taken up will be made available for subscription as follows:

- (a) firstly, by other Eligible Persons (excluding eligible Directors); and

Any unsubscribed Pink Form Shares ("**Excess Issue Shares**") will be re-offered to other Eligible Persons (excluding our Directors) who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis in the following priority:

- (aa) firstly, allocation on a pro-rata basis to the eligible employees of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and  
(bb) lastly, to minimise odd lots.

#### 4. DETAILS OF OUR IPO (Cont'd)

Our Board reserves the right to allot the Excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, always subject to such allocation to be made on a fair and equitable basis, and that the intention of our Board as set out in items (aa) to (bb) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application in full or in part, without assigning any reason.

Once completed, the steps involving items (aa) to (bb) above will not be repeated, as any balance of unsubscribed Pink Form Shares will be made available for subscription by our selected investors as per item (b) below.

- (b) secondly, by our selected investors as described in Sections 4.3.1(iii) and 4.3.3 (excluding Dato' Rozalila Binti Abdul Rahman) of this Prospectus.

As at the LPD, save for the allocation made for Application as disclosed in Sections 4.3.1(ii), 4.3.2 and 4.3.3 of this Prospectus, to the extent known to our Company:

- (a) there are no substantial shareholders, Directors or members of the Key Senior Management who have indicated to our Company that they intend to acquire/subscribe for the IPO Shares; and
- (b) there are no persons who have indicated to our Company that they intend to acquire/subscribe for more than 5.00% of the IPO Shares.

#### (iii) Selected investors by way of private placement

The total of 98,530,000 IPO Shares (comprising 68,530,000 Issue Shares and 30,000,000 Offer Shares) reserved under private placement to selected investors, respectively (under Sections 4.3.1(iii) and 4.3.3 of this Prospectus) are also not underwritten, as written irrevocable undertakings to subscribe for these Placement Shares will be obtained from the selected investors.

The basis of allocation of the IPO Shares shall take into account the distribution of the IPO Shares to a reasonable number of applicants with a view to broaden our Company's shareholding base to meet the public spread requirements under the Listing Requirements and to establish a liquid market for our Shares. Applicants will be selected in a fair and equitable manner to be determined by our Directors.

#### 4.3.5 Minimum and over-subscription

There is no minimum subscription to be raised from the Public Issue. However, in order to comply with the public spread requirement under the Listing Requirements, the minimum subscription level will be the number of Shares required to be held by public shareholders. Pursuant to the Listing Requirements, at least 25.00% of our enlarged total number of Shares for which listing is sought must be in the hands of a minimum number of 200 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If we do not meet the public spread requirement under the Listing Requirements, we may not be allowed to proceed with our Listing. In such an event, all monies paid in respect of all Applications will be returned in full without interest. If any of such monies are not repaid within 14 days after we become liable to repay it, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

The number of IPO Shares offered under the Public Issue and Offer for Sale will not be increased via any over-allotment or "greenshoe" option.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.4 SHARE CAPITAL

Upon completion of our IPO, our share capital would be as follows:

Details	No. of Shares	Share Capital (RM)
Issued share capital as at the date of this Prospectus	336,366,125	27,120,124
Issue Shares to be issued under the Public Issue	96,500,000	33,775,000
<b>Enlarged issued share capital upon our Listing</b>	<b>432,866,125</b>	<b>60,895,124</b>
<b>Offer Shares to be offered pursuant to the Offer for Sale<sup>(1)</sup></b>	<b>30,000,000</b>	<b>10,500,000</b>
<b>IPO Price (RM)</b>		<b>0.35</b>
<b>Market capitalisation upon listing</b> (based on the IPO price and our enlarged issued share capital upon our IPO)		<b>151,503,144</b>

**Note:**

(1) *The Offer for Sale will not have an effect on our issued share capital as the Offer Shares are already in existence prior to our IPO.*

As at the date of this Prospectus, we have only one class of shares, being ordinary shares, all of which ranks equally amongst one another. Our Issue Shares will, upon allotment and issuance, rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the date of allotment of our Issue Shares.

Our Offer Shares rank equally in all respects with our existing issued Shares including voting rights and rights to all dividends and distributions that may be declared, the entitlement date of which is subsequent to the date of transfer of our Offer Shares.

Subject to any special rights attaching to any Shares which may be issued by us in the future, our shareholders shall, in proportion to the amount of Shares held by them, be entitled to share in whole of the profits paid out by us as dividends and other distributions. In relation to any surplus in the event of our liquidation, such surplus is to be distributed amongst our shareholders in proportion to our issued share capital at the commencement of the liquidation, in accordance with our Constitution and provisions of the Act.

At every general meeting, each shareholder who is entitled to vote may vote in person, by proxy, by attorney or by duly authorised representative. Subject to the Listing Requirements, any resolution put to vote in the meeting shall be decided by way of poll. On a vote by way of poll, each shareholder present either in person or by proxy, or attorney or other duly authorised representative shall have one vote. A proxy may, but need not be, a shareholder of our Company.

Based on the IPO Price and our enlarged issued share capital of 432,866,125 Shares upon Listing, our total market capitalisation will be RM151,503,144.

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.5 PURPOSE OF THE IPO

The purposes of the IPO are as follows:

- (i) to enable our Group to raise funds for the purposes specified in Section 4.7 of this Prospectus;
- (ii) to strengthen our Group's reputation, credibility and competitiveness. The increased level of information transparency after Listing to comply with the Listing Requirements would also give our Group's existing and prospective customers and suppliers public access to our Group's corporate and financial information, which could generate further confidence in our Group among them, as well as improve the retention of our Group's employees;
- (iii) to enable our Group to tap into the equity capital market for future fund raising to pursue growth opportunities as and when the need arises, through other forms of capital raising avenue, such as rights issue and private placement; and
- (iv) to provide an opportunity to the Malaysian Public, including the Eligible Persons to participate in our Group's equity and continuing growth.

##### 4.6 BASIS OF ARRIVING AT THE IPO PRICE

The IPO Price was determined after taking into consideration, among others, the following factors:

- (a) PE Multiple of approximately 11.18 based on our Group's audited EPS of 3.13 sen for FYE 2022 calculated based on our Group's audited PAT attributable to the owners of our Group of approximately RM13.54 million and our enlarged issued share capital of 432,866,125 Shares upon Listing;
- (b) Our pro forma consolidated NA per Share of approximately RM 0.18, computed based on our Group's pro forma consolidated NA of approximately RM78.26 million as at 31 August 2023 after taking into consideration the Public Issue and utilisation of proceeds and our enlarged issued share capital of 432,866,125 Share upon Listing;
- (c) Our historical audited consolidated financial performance (as summarised below) and operating history as described in Sections 3.11 and 12 of this Prospectus:

	Audited			
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000
Revenue	122,507	193,372	234,429	122,228
GP	35,262	41,123	50,421	39,814
PAT attributable to the owners of the Company	560	5,940	13,541	7,446

- (d) Our competitive strengths as set out in Section 7.4 of this Prospectus; and
- (e) Our business strategies and plans as set out in Section 7.21 of this Prospectus.

**However, you should note that the market price of our Shares upon Listing is subject to the uncertainties of market forces and other factors, which may affect the price of our Shares being traded. You are reminded to consider the risk factors as set out in Section 9 of this Prospectus before deciding to invest in our Shares.**

#### 4. DETAILS OF OUR IPO (Cont'd)

##### 4.7 USE OF PROCEEDS

##### 4.7.1 Proceeds from the IPO

The Public Issue is expected to raise gross proceeds of RM33.78 million for our Group, which shall be utilised in the following manner:

Use of proceeds	Estimated time frame for utilisation from the date of Listing	Note	Amount RM'000	%
Business expansion	Within 12 months	(a)	8,700	25.8
Repayment of bank borrowings	Within 3 months	(b)	4,139	12.2
Working capital	Within 24 months	(c)	16,436	48.7
Estimated listing expenses	Within 3 months	(d)	4,500	13.3
<b>Total</b>			<b>33,775</b>	<b>100.0</b>

##### (a) Business expansion

In line with our business strategies and plans as set out in Section 7.21 of this Prospectus, we intend to allocate proceeds of RM8.70 million to expand our presence in Malaysia and South Korea by establishing new warehouses and offices, as follows:

Country / location	Warehouse / office	Amount RM'000
Malaysia	1 new warehouse and office at PTP (" <b>PTP Warehouse and Office</b> ")	5,100
	1 new warehouse and office in Penang (" <b>Penang Warehouse and Office</b> ")	2,100
South Korea	1 new sales and operations office in Busan (" <b>Busan Office</b> ")	1,500
	(collectively, the " <b>New Warehouses and Offices</b> ")	
<b>Total</b>		<b>8,700</b>

Currently, our business operations in Malaysia are operated through our Group Head Office (approximately 4,933 sq. ft.) in Subang Jaya, Selangor, Port Klang Office (approximately 1,652 sq. ft.), and 2 warehouses located within the vicinity of Port Klang, Selangor (1 warehouse, with non-bonded storage area of 55,004 sq. ft.) and Kuala Lumpur International Airport (1 warehouse, with bonded storage area of 1,757 sq. ft.), all of which are within the central region of Peninsular Malaysia and rented from third parties. These premises support all our business activities in Malaysia comprising sea and air freight forwarding services, aerospace logistic services, warehousing and other 3PL services, and road freight transportation services.

In this regard, we intend to expand our presence in Malaysia to both the northern region and southern region of Peninsular Malaysia by establishing 1 new warehouse and office each in PTP and Penang.

#### 4. DETAILS OF OUR IPO (Cont'd)

The PTP Warehouse and Office will allow us to improve our coverage in the southern region of Peninsular Malaysia and to support our warehousing and 3PL services in Singapore by having lower rental rates and in particular when the utilisation of the Gul Warehouse and Office is high. We intend to utilise approximately 30,000 cubic ft. of palletised racking space (approximately 5,000 sq. ft. of floor space assuming a 5-level racking system) of the new warehousing space to provide e-fulfilment services for e-commerce retailers focused on serving their customers in Singapore. The e-commerce retailers will be able to store their goods at our PTP Warehouse and Office, and we will fulfil the orders for them as and when they are received. Third-party couriers will then deliver these packages from our PTP Warehouse and Office on the same day to destinations in Singapore.

In addition, establishing a physical presence in PTP, which is close to other seaports and the airport in Johor, will facilitate our dealings with the port and customs authorities at PTP, Johor Port, Tanjung Langsat Port, as well as with airport and customs authorities at the Senai International Airport.

Meanwhile, the Penang Warehouse and Office will allow us to improve our coverage in the northern region of Peninsular Malaysia and establish a physical presence close to the seaports and airports in Penang to facilitate dealings with the Port of Penang and the Penang International Airport. We intend to utilise the Penang Warehouse and Office to offer warehousing and other 3PL services to external customers, as well as to support our air and sea freight forwarding, and logistics services in the northern region.

On the other hand, our business operations in South Korea are operated through our sales and operations office (approximately 1,410 sq. ft.) located at Seoul, the capital city of South Korea, which support our business activities in South Korea comprising sea and air freight forwarding services. Our Group does not operate any warehouse in South Korea as we do not provide warehousing and other 3PL services in South Korea.

We intend to expand our presence in the southern region of South Korea by establishing a new sales and operations office in Busan, which is expected to support our sea freight forwarding services for the import and export of cargos through the Port of Busan by facilitating our dealings with port and customs authorities.

As at the LPD, we have commenced and are currently identifying suitable locations/units for the New Warehouses and Offices.

In respect of the above, the estimated timing and milestones for establishing the New Warehouses and Offices are as follows:

Estimated timing	Milestones
1 <sup>st</sup> half of 2024	<ul style="list-style-type: none"> <li>● Evaluation of options available</li> <li>● Commencement of negotiation of tenancy terms with landlords</li> <li>● Finalisation and execution of tenancy agreements</li> <li>● Procurement of the required approvals from the relevant authorities for the New Warehouses and Offices</li> <li>● Commencement of renovation works, including the installation of office / warehouse equipment as well as furniture and fittings</li> <li>● Identification of suitable candidates and finalise the hiring of new staffs</li> </ul>
2 <sup>nd</sup> half of 2024	<ul style="list-style-type: none"> <li>● Commencement of business operations</li> </ul>



**4. DETAILS OF OUR IPO (Cont'd)**

The estimated costs required to establish the New Warehouses and Offices are as follows:

	PTP Warehouse and Office RM'000	Penang Warehouse and Office RM'000	Busan Office RM'000
<b>Intended size (sq. ft.)</b>	<b>50,000</b>	<b>22,000</b>	<b>1,000</b>
- Warehouse (sq. ft.)	48,000	21,000	-
- Office (sq. ft.)	2,000	1,000	1,000
<u>Estimated costs</u>			
Rental and deposits <sup>(1)</sup>	2,025	594	79
Vehicles <sup>(2)</sup>	900	300	520
Other equipment <sup>(3)</sup>	200	100	50
Furniture and fittings	100	100	50
Staff costs <sup>(4)</sup>	876	564	600
Racking system <sup>(5)</sup>	700	200	-
Operating expenses <sup>(6)</sup>	299	242	201
<b>Total</b>	<b>5,100</b>	<b>2,100</b>	<b>1,500</b>

**Notes:**

- (1) These represent the estimated rental costs for a period of 12 months for the PTP Warehouse and Office, Penang Warehouse and Office, and Busan Office, including the rental deposits of 3 months, computed as follows:

	PTP Warehouse and Office	Penang Warehouse and Office	Busan Office
Size (sq. ft.) [A]	50,000	22,000	1,000
Estimated rental price per sq. ft. (RM) [B]	2.70	1.80	5.25
<b>Estimated monthly rental (RM) [A x B]</b>	<b>135,000</b>	<b>39,600</b>	<b>5,250</b>
Estimated rental deposits of 3 months (RM'000)	405	119	16
Estimated rental costs for 12 months (RM'000)	1,620	475	63
<b>Total estimated rental costs (RM'000)</b>	<b>2,025</b>	<b>594</b>	<b>79</b>

- (2) Comprise vehicles for the PTP Warehouse and Office, Penang Warehouse and Office and Busan Office, as follows:

	Estimated unit price RM'000	No. of units	Estimated costs RM'000
<b>PTP Warehouse and Office</b>			
3 tonne truck	150	2	300
10 tonne truck	300	2	600
<b>Penang Warehouse and Office</b>			
3 tonne truck	150	2	300
<b>Busan Office</b>			
truck including the relevant licence, i.e., business licence	520	1	520
<b>Total</b>			<b>1,720</b>

**4. DETAILS OF OUR IPO (Cont'd)**

- (3) Comprise other equipment necessary for the business operations such as CCTVs, computers, telephones, internet cables etc.
- (4) As part of our business expansion plan, we intend to hire new staff to support our Group's business operations at the New Warehouses and Offices. The allocated proceeds are expected to fund the staff related costs for a period of 12 months upon hiring and thereafter, these staff costs are expected to be financed by future working capital of our Group. The breakdown of costs for the hiring of these staff is as follows:

<b>Job title / primary responsibility</b>	<b>No. of staff</b>	<b>Estimated average monthly cost per staff RM'000</b>	<b>Estimated average staff cost per month RM'000</b>	<b>Estimated staff costs for 12 months RM'000</b>
<b><u>PTP Warehouse and Office</u></b>				
<b>Branch manager</b> Oversee the overall operations of the PTP Warehouse and Office and report periodically to group management	1	9	9	108
<b>Warehouse cum administrative assistant manager</b> Manage the overall operations of the PTP Warehouse and Office	1	6	6	72
<b>Customer Service Executive</b> Assist in the meeting general services required by customers of the PTP Warehouse and Office	4	4	16	192
<b>Operation assistant</b> Assist in operations of the PTP Warehouse and Office such as handling incoming shipments and logistics related issues	14	3	42	504
<b><u>Penang Warehouse and Office</u></b>				
<b>Branch manager</b> Oversee the overall operations of the Penang Warehouse and Office and report periodically to group management	1	9	9	108
<b>Warehouse cum administrative assistant manager</b> Manage the overall operations of the Penang Warehouse and Office	1	6	6	72
<b>Customer Service Executive</b> Assist in the meeting general services required by customers of the Penang Warehouse and Office	2	4	8	96

**4. DETAILS OF OUR IPO (Cont'd)**

<b>Job title / primary responsibility</b>	<b>No. of staff</b>	<b>Estimated average monthly cost per staff RM'000</b>	<b>Estimated average staff cost per month RM'000</b>	<b>Estimated staff costs for 12 months RM'000</b>
<b>Operation assistant</b> Assist in operations of the Penang Warehouse and Office such as handling incoming shipments and logistics related issues	8	3	24	288
<b><u>Busan Office</u></b>				
<b>Branch manager</b> Oversee the overall operations of the Busan Office and report periodically to group management	1	17	17	204
<b>Branch assistant manager</b> Manage the overall operations of the Busan Office	1	10	10	120
<b>Customer Service Executive</b> Assist in the meeting general services required by customers of the Busan Office	4	5	20	240
<b>Operation assistant</b> Assist in operations of the Busan Office such as handling incoming shipments and logistics related issues	1	3	3	36
<b>Total</b>				<b>2,040</b>

- (5) For our warehousing services, we provide warehouse spaces for our customers to store their goods, either in the form of floor space, storage bins or racking space. The proceeds allocated will be utilised for the installation of pallet racking systems for both the PTP Warehouse and Office and Penang Warehouse and Office.
- (6) Comprise the operating expenses to carry out the business operations at the New Warehouses and Offices such as utilities, upkeep and maintenance costs.

The estimated costs for establishing the New Warehouses and Offices may be subject to change. Any shortfall will be funded from internally generated funds and/ or bank borrowings whilst any surplus will be allocated for working capital.

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**4. DETAILS OF OUR IPO (Cont'd)****(b) Repayment of bank borrowings**

As at the LPD, our Group's total borrowings amounted to approximately RM12.32 million, which include hire purchases, term loans, overdraft facilities and revolving credit granted by financial institutions. We intend to settle part of our borrowings in the following manner:

<b>Bank</b>	<b>Type of facility / tenure</b>	<b>Purpose</b>	<b>Interest rate per annum %</b>	<b>Facility limit RM'000</b>	<b>Amount outstanding as at the LPD RM'000</b>	<b>Amount to be repaid from gross proceeds RM'000</b>	<b>Estimated interest savings per annum RM'000</b>
Malayan Banking Berhad	Overdraft repayable on demand	Working capital	Base financing rate + 2.00%	2,500	(1)-	-	-
Bank of the Philippine Islands <sup>(2)</sup>	Revolving Promissory Note Line / 60 days	Working capital	Prevailing market rates, payable every 30 days and repriced every 30 - 90 days	4,599	4,139	4,139	376
<b>Total</b>					<b>4,139</b>	<b>4,139</b>	<b>376</b>

**Notes:**

- (1) As at the LPD, there is no outstanding amount for this overdraft facility from Malayan Banking Berhad. However, should there be any overdraft drawn, we intend to reallocate part of the IPO proceeds allocated for working capital purposes to fully settle any outstanding amount within 3 months from the date of Listing.
- (2) Amounts stated herein are converted into RM based on the exchange rate of PHP100:RM8.3625, being the Bank Negara Malaysia's middle rate as at 12.00 p.m. on the LPD.

In the event the amounts indicated in the table above are reduced after our Listing, any excess proceeds after the repayment of bank borrowings shall be used for our Group's working capital purposes. Conversely, any deficit proceeds will be funded from the proceeds allocated for working capital purposes.

**4. DETAILS OF OUR IPO (Cont'd)**

There are no covenants attached to the facilities above which may have a material impact on the repayment of bank borrowings and the repayment of bank borrowings is not expected to result in any early repayment penalties arising therefrom.

Based on the pro forma consolidated statement of financial position as at 31 August 2023, the repayment of bank borrowings is expected to reduce the gearing level of our Group from 0.21 times (pro forma after Public Issue) to 0.17 times.

**(c) Working capital**

Our Group's working capital requirement is expected to increase in tandem with our business expansion in the establishment of the New Warehouses and Offices. In this regard, we intend to allocate the balance proceeds of RM16.44 million for working capital purposes, as follows:

<b>Working capital</b>	<b>Amount RM'000</b>
Marketing expenses <sup>(1)</sup>	600
Upgrading for IT infrastructure <sup>(2)</sup>	400
Operating and administrative expenses <sup>(3)</sup>	15,436
<b>Total</b>	<b>16,436</b>

**Notes:**

- (1) Comprise marketing expenses to expand our customer base and retain existing customers' loyalty. These include, amongst others, promotional activities, advertisement in printed and digital medias, participation in network conference as well as improvements in brand designs.
- (2) Comprise installation and upgrades to our existing IT infrastructures such as software and hardware upgrades and the installation of new applications which can improve the efficiency of our business operations and allow us to stay abreast with the market demands. In this regard, we intend to implement among others, the following installation / upgrades to our existing IT infrastructures:
- (a) integrate our operations in Myanmar and Korea into the existing enterprise resource planning system currently used by our operations in Malaysia, Singapore and the Philippines. This would allow us to better streamline our business operations across our Group;
  - (b) purchase a cloud storage system to reduce the use of physical papers in our business operations; and
  - (c) replacing some of old desktop with laptop.
- (3) Comprise general operating and administrative expenses such as upkeep of offices, utilities, professional fees (excluding those expected to be incurred for the Listing such as audit fee, tax agent fee as well as secretarial fees to be incurred after the Listing) as well as freight charges from carriers for our sea and air freight forwarding services and aerospace logistics (i.e., purchase of spaces from carriers).

For illustration, our freight charges amounted to approximately RM112.00 million for FYE 2022, which translates into an average monthly freight charges of approximately RM9.33 million. Assuming the entire proceeds allocated herein are utilised for freight charges only, the proceeds is able to fund freight charges of our Group for approximately 1.6 month.

**4. DETAILS OF OUR IPO (Cont'd)**

The actual breakdown of working capital expenses cannot be determined at this juncture as it will depend on the actual requirements of our Group at the relevant point in time.

**(d) Estimated listing expenses**

Our listing expenses are estimated to be as follows:

<b>Estimated listing expenses</b>	<b>Amount RM'000</b>
Professional fees (includes advisory fees for, amongst others, our Principal Adviser and Sponsor, Solicitors, Reporting Accountants and IMR)	3,330
Fee to authorities	80
Estimated underwriting, placement and brokerage fees	640
Printing, advertisement and other incidental charges relating to our Listing	450
<b>Total</b>	<b>4,500</b>

We will bear all fees and expenses incidental to our Listing as indicated above. If the actual listing expenses are higher than estimated, the shortfall will be funded from our Company's internally generated funds and conversely for working capital purposes.

Pending eventual utilisation of proceeds from the Public Issue for the abovementioned purposes, we intend to place the IPO proceeds in short-term deposits with licensed financial institutions or short-term money market instrument.

Pursuant to Rule 8.24 of the Listing Requirements, we must issue a circular to our shareholders and seek our shareholders' approval if we propose to make a change of 25% or more to the utilisation of proceeds raised from our Public Issue.

**4.7.2 Offer for Sale**

The Offer for Sale is expected to raise gross proceeds of approximately RM10.50 million which will accrue entirely to our Selling Shareholders and we will not receive any of the proceeds.

Our Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.26 million.

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**4. DETAILS OF OUR IPO (Cont'd)****4.8 DILUTION**

Dilution is the amount by which the IPO Price exceeds our pro forma NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis:

		<b>RM</b>
IPO Price	[A]	0.35
Pro forma consolidated NA per Share as at 31 August 2023 after the Share Split and before the Public Issue	[B]	0.15
Pro forma consolidated NA per Share after the Public Issue and use of proceeds	[C]	0.18
Increase in pro forma consolidated NA per Share attributable to existing shareholders	[C] – [B]	0.03
Dilution in pro forma consolidated NA per Share to our new investors	[A] – [C] = [D]	0.17
Dilution in pro forma consolidated NA per Share as a percentage of the IPO Price	[D] / [A]	48.57%

The following table shows the average effective cost per Share paid by our existing shareholders for our Shares since our incorporation up to the LPD:

<b>Shareholders</b>	<b>No. of Shares received<sup>(1)</sup></b>	<b>Total consideration</b>	<b>Average effective cost per Share</b>
		<b>RM</b>	<b>RM</b>
Dato' Ponnudurai A/L Periasamy	55,902,250	5,894,627	0.11
Jayasielan A/L Gopal	55,902,250	5,894,627	0.11
Penu Mark	85,221,875	7,241,735	0.08
Neo Lip Pheng, Peter	85,221,875	7,241,735	0.08
Maximino Baylen Gulmayo, Jr.	21,330,125	1,706,410	0.08
Yun JaeHoon	7,967,625	888,546	0.11
Chang Poh Sheng	7,379,750	822,988	0.11
Hnin Aye Chit	3,659,500	292,760	0.08
Thuzar Thet Pe	3,659,500	292,760	0.08
Wong Chuan Keat	3,066,125	245,290	0.08
Kathy Thein	2,439,625	195,170	0.08
Santhi Naidu D/O Ragavan	2,307,750	184,620	0.08
Shamma Parvin D/O Mohammad Hussain	1,549,500	123,960	0.08
Kamar Ludin Bin Salleh	758,375	60,670	0.08

**Note:**

(1) Based on the number of Shares held by our existing shareholders after the Share Split, but before our IPO.

Save as disclosed above, there has been no acquisition or subscription of any of our Shares by our Promoters, Directors, substantial shareholders, key senior management and/or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, from the date of our incorporation up to the LPD.

## 4. DETAILS OF OUR IPO (Cont'd)

### 4.9 BROKERAGE, UNDERWRITING COMMISSION AND PLACEMENT FEE

#### 4.9.1 Brokerage fee

We will bear the brokerage fees to be incurred for the 21,650,000 Issue Shares and 6,320,000 Issue Shares allocated to the Malaysian Public and Eligible Persons as set out in Sections 4.3.1(i) and 4.3.1(ii) respectively at the rate of 1.00% of the IPO Price in respect of successful Applications, bearing the stamp of TA Securities, member of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association or Issuing House. The brokerage fee is subject to SST.

Our sole Placement Agent is entitled to charge brokerage commission of up to 1.0% to the selected private placement investors as set out in Section 4.3.1 (iii) and Section 4.3.3 of this Prospectus. For the avoidance of doubt, such brokerage commission will be paid by such selected private placement investors and will not be borne by us nor the Selling Shareholders.

#### 4.9.2 Underwriting commission

The Underwriter has entered into the Underwriting Agreement on 2 January 2024 with our Company for the underwriting of the Balloting Shares. We will pay the Underwriter an underwriting commission at the rate of 2.50% of the total value of the Balloting Share based on the IPO Price. The underwriting commission is subject to SST.

#### 4.9.3 Placement fee

TA Securities, as the Placement Agent, has agreed to place out 68,530,000 Issue Shares available by way of private placement to selected investors as set out in Section 4.3.1(iii) of this Prospectus. We will pay the Placement Agent a placement fee at the rate of up to 2.50% of the total value of the Issue Shares placed out by the Placement Agent at the IPO Price. The placement fee is subject to SST.

TA Securities has also agreed to place out 30,000,000 Offer Shares available by way of private placement to selected investors as set out in Section 4.3.3 of this Prospectus at the same placement fee rate. The placement fee to be incurred on the sale of the Offer Shares will be fully borne by our Selling Shareholders.

### 4.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

On 2 January 2024, we have entered into the Underwriting Agreement with the Underwriter where the Underwriter has agreed to underwrite 21,650,000 Issue Shares ("**Underwritten Shares**"). Details of the underwriting commission are further set out in Section 4.9.2 of this Prospectus.

The summary of the salient terms of the Underwriting Agreement which may allow the Underwriter to withdraw from their obligations under the Underwriting Agreement after the commencement of our IPO are as follows. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

- (a) The obligations of the Underwriter under the Underwriting Agreement are conditional on certain conditions precedent being satisfied and/or fulfilled;
- (b) Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may by notice in writing to our Company given at any time before the Closing Date or the Extended Closing Date, as the case may be, terminate, cancel and withdraw its commitment to underwrite the Underwritten Shares if:



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**4. DETAILS OF OUR IPO (Cont'd)**


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- (i) any of the approvals of Bursa Securities and other relevant authorities for our Listing is revoked, withdrawn or procured but subject to the conditions not acceptable to the Underwriter; or
- (ii) there is any material breach by our Company of any of the representations, warranties, covenants or undertakings contained in Clauses 4 and 5 of the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice given to our Company; or
- (iii) there is a material failure on the part of our Company to perform any of its obligations contained in the Underwriting Agreement; or
- (iv) there is withholding of information of a material nature by our Company which is required to be disclosed pursuant to the Underwriting Agreement which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of our IPO or Listing, or the distribution or sale of the IPO Shares; or
- (v) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Group or the occurrence of any event rendering any of the representations and warranties of our Company under the Underwriting Agreement inaccurate, untrue or incorrect at the relevant date; or
- (vi) our Listing does not take place within three (3) months from the date of the Underwriting Agreement or such other extended date as may be agreed between the Underwriter and our Company;
- (vii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the ACE Market of Bursa Securities, the effect of which, is in the sole opinion of the Underwriter after consultation with our Company, would have or can reasonably be expected to have, a material adverse effect on the business or operations of our Group, the success of our IPO, or the distribution or sale of the IPO Shares; or
- (viii) the FTSE Bursa Malaysia KLCI Index (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day:
  - (aa) on or after the date of the Underwriting Agreement; and
  - (bb) prior to the allotment of the Issue Shares,
    - lower than 90.00% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) Market Days; or
- (ix) the placement agreement, if any, shall have been terminated in accordance with its terms; or
- (x) there shall have occurred, or happened any of the following events:
  - (aa) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or

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**4. DETAILS OF OUR IPO (Cont'd)**


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- (bb) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of God, pandemic, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); or
- (cc) any change or development in Malaysian tax laws materially and adversely affecting our Company, the IPO Shares or transfer thereof or an announcement of such change or development, in each case the effect of which is, in the sole opinion of the Underwriter, after consultation with our Company, to the extent reasonably practicable, is reasonably likely to prejudice materially the offer, sale or delivery of the IPO Shares on the terms and in the manner contemplated in the Prospectus and other documents (if any) attached or any relevant application forms,

which is in the sole opinion of the Underwriter, after consultation with our Company to the extent reasonably practicable, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of our Group as a whole, the success of our IPO or Listing which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms.

- (c) In the event that the Underwriting Agreement is terminated pursuant to Section (b) above, the Underwriter and our Company may confer with a view to deferring the Public Issue by amending the terms of the Underwriting Agreement and entering into a new underwriting agreement accordingly, but neither the Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.
- (d) Upon any such notice(s) being given pursuant to Section (b) above, the Underwriter shall be released and discharged from their obligations under the Underwriting Agreement without prejudice to any of its rights under the Underwriting Agreement whereupon the following shall take place within three (3) Market Days of the receipt of such notice:
  - (i) our Company shall make payment of the Underwriting Commission to the Underwriter in accordance with the Underwriting Agreement;
  - (ii) our Company shall pay or reimburse the Underwriter the costs and expenses referred to in the Underwriting Agreement; and
  - (iii) each party shall return all other monies (in the case of the Underwriting Commission due and owing to the Underwriter under the Underwriting Agreement) paid to the other under the Underwriting Agreement (except for monies paid by our Company for the payment of the expenses as provided under the Underwriting Agreement),

and thereafter, the Underwriting Agreement shall be terminated and of no further force and effect and none of the parties shall have a claim against the other save and except in respect of any antecedent breach.

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

### 5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

#### 5.1.1 Promoters' and substantial shareholders' shareholdings

Our Promoters and/or substantial shareholders and their respective shareholdings in our Company before and after our IPO are as follows:

Name	Country of incorporation/ Nationality	Before the IPO				After the IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	%	No. of Shares	%	No. of Shares	(2)%
<b><u>Promoters and substantial shareholders</u></b>									
Dato' Ponnudurai A/L Periasamy	Malaysian	55,902,250	16.62	-	-	49,960,250	11.54	-	-
Jayasielan A/L Gopal	Malaysian	55,902,250	16.62	-	-	49,960,250	11.54	-	-
Penu Mark	Singaporean	85,221,875	25.34	-	-	76,163,875	17.60	-	-
Neo Lip Pheng, Peter	Singaporean	85,221,875	25.34	-	-	76,163,875	17.60	-	-
<b><u>Substantial shareholder</u></b>									
Maximino Baylen Gulmayo, Jr.	Filipino	21,330,125	6.34	-	-	<sup>(3)</sup> 21,530,125	4.97	-	-

**Notes:**

(1) Based on our issued share capital of 336,366,125 Shares after the Share Split, but before our IPO.

(2) Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.

(3) Assuming he fully subscribes for the Pink Form Shares allocated to him.

Our Promoters and substantial shareholders do not have different voting rights from other shareholders of our Group.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

### 5.1.2 Profiles of our Promoters and/or substantial shareholders

#### (i) **Dato' Ponnudorai A/L Periasamy**

*Promoter, substantial shareholder, and Executive Director/ Group CEO*

Dato' Ponnudorai A/L Periasamy ("**Dato' Dorai**"), a Malaysian aged 52, is our Executive Director and Group CEO. He was appointed to our Board on 26 November 2019 and he is responsible for the overall strategic management and development of our Group's business.

Dato' Dorai completed his secondary school education at Sekolah Menengah Kebangsaan Sultan Abdul Samad, Petaling Jaya, Selangor in 1989. He further obtained the Certificate in Procurement and Contract Professionals accredited by the Chartered Institute of Logistics and Transport in 2016.

Dato' Dorai began his career with Union Air Transport Sdn Bhd (now known as United Logistics Sdn Bhd), a company principally involved in the provision of logistic services, as Despatch Officer in 1989 where he was responsible for dispatching documents to customers, suppliers and government offices. In 1992, he left Union Air Transport Sdn Bhd to join Helu-Zaid Sdn Bhd as an Operation Clerk where he was responsible for handling custom documentation. In 1993, he left Helu-Zaid Sdn Bhd to join Shapadu Trans-System Sdn Bhd, a company principally involved in the provision of freight forwarding, cargo transportation, heavy haulage and warehousing services, as an Import Clerk where he was in charge of handling all custom declaration and clearance for import shipments.

In 1994, he left Shapadu Trans-System Sdn Bhd to join SHAPADU-BAL Transport (M) Sdn Bhd (formerly known as BAL Transport (M) Sdn Bhd), as an Import Clerk. He was later promoted to the position of Operations Executive where he was responsible for coordinating all custom declaration and clearance for import and export shipments. His last position was Branch Manager where he managed the operation of the air freight branch office. In 1998, he left SHAPADU-BAL Transport (M) Sdn Bhd to join BALtrans Logistics (Malaysia) Sdn Bhd (formerly known as BALtrans Freight (Malaysia) Sdn Bhd), a company principally involved in the provision of logistic services, as Assistant Airfreight Manager. He was later promoted to be the Branch Manager in 2003 and thereafter redesignated as Airfreight Manager in 2004. He was responsible for, amongst others, managing the air freight division in Malaysia and the freight and contract negotiation with airlines as well as the suppliers of the company.

In 2005, he left BALtrans Logistics (Malaysia) Sdn Bhd and co-founded AGX Malaysia (formerly known as AGI Logistics (Malaysia) Sdn Bhd) together with Jayasielan A/L Gopal. He served as the General Manager of AGX Malaysia in 2005 and was appointed to the board of AGX Malaysia on 7 May 2005.

Dato' Dorai holds directorship in a private company outside of our Group, details of which are set out in Section 5.2.4 of this Prospectus.

#### (ii) **Jayasielan A/L Gopal**

*Promoter, substantial shareholder, and Executive Director/ Managing Director of AGX Malaysia*

Jayasielan A/L Gopal ("**Mr. Jayasielan**"), a Malaysian aged 64, is our Executive Director and the Managing Director of AGX Malaysia. He was appointed to our Board on 26 November 2019 and he is responsible for managing the daily commercial and operational activities of our Group in Malaysia.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

Mr. Jayasielan completed his secondary school education at Sekolah Menengah Kebangsaan Sultan Abdul Samad, Petaling Jaya, Selangor in 1977. He further obtained the Certificate in Procurement and Contract Professionals accredited by the Chartered Institute of Logistics and Transport in 2016.

Mr. Jayasielan began his career with Malaysia Baggage Transport Sdn Bhd, a company principally involved in the provision of logistic services, as an Operation Clerk in 1980 where he was responsible for handling import/export documentation and arranging collection for permits and approvals from government agencies. In 1983, he left Malaysia Baggage Transport Sdn Bhd to join Aik Khiaw Travel & Cargo Sdn Bhd as an Import Executive. He was responsible for handling imports declaration, customs services and communicating with clients and advising on customs import regulations and commodity duty/taxes. He left Aik Khiaw Travel & Cargo Sdn Bhd in 1988.

In 1989, he joined Union Air Transport Sdn Bhd (now known as United Logistics Sdn Bhd), a logistics company, as Operation Supervisor where he was responsible for, amongst others, overseeing clearance for imports, custom declaration and liaising with government agencies for permits. In 1994, he left Union Air Transport Sdn Bhd to join SHAPADU-BAL Transport (M) Sdn Bhd as an Assistant to the Operations Manager. He was responsible for overseeing the import and export of goods at the airfreight office, co-ordinating with the operation team/airline/customs and other government agencies as well as checking on billing and following up with clients on tax/duty payment.

In 1998, he left SHAPADU-BAL Transport (M) Sdn Bhd to join BALtrans Logistics (Malaysia) Sdn Bhd, a logistics company, as Air Freight Manager. He was later promoted to Business Development Manager in 2000 and thereafter, in 2003, he was promoted to be a National Sales Manager. He was promoted to be the Regional Sales Director in the same year where he was responsible for, amongst others, overseeing the day-to-day air import/export jobs, coordinating with the operations team and handling customer service.

In 2005, he left BALtrans Logistics (Malaysia) Sdn Bhd and co-founded AGX Malaysia (formerly known as AGI Logistics (Malaysia) Sdn Bhd) together with Dato' Dorai. He has been serving as the Managing Director of AGX Malaysia since 2005 and was appointed to the board of AGX Malaysia on 7 May 2005.

### (iii) **Penu Mark**

*Promoter, substantial shareholder, and Executive Director / Managing Director of AGX Singapore*

Penu Mark ("**Mr. Mark**"), a Singaporean aged 52, is our Executive Director and Managing Director of AGX Singapore. He was appointed to our Board on 26 November 2019, and he is responsible for overseeing our Group's corporate development and strategy, and the daily operations of AGX Singapore.

Mr. Mark graduated with a Bachelor of Engineering in Manufacturing Engineering and Management from Loughborough University, United Kingdom in 1996.

Prior to his graduation from Loughborough University, Mr. Mark founded Premier Supporters, a sole proprietorship which was principally involved in the retail sale of football merchandise, in 1994. He was responsible for the operations of Premier Supporters.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2002, he founded Premier Sports. The principal activities of Premier Sports are the distribution of football merchandise to official sports retailers. He served as its Managing Director since 2002 before he was re-designated as Director in 2022, where he is responsible for providing overall guidance to the management team. The assets and business of Premier Supporters were transferred to Premier Sports in the same year.

In 2005, he founded Premier Football, a company principally involved in the distribution of sports merchandise. He served as its Managing Director since 2005 and was re-designated as Director in 2022. He resigned and ceased to be the Director on 15 February 2023. Prior to his resignation, he was responsible for overseeing the management team.

In 2010, he co-founded AGX Singapore together with Dato' Dorai and Mr. Jayasielan and has been serving as its Managing Director since 2010. He was appointed to the board of AGX Singapore on 28 July 2010.

Mr. Mark also holds directorships in several companies outside of our Group, details of which are set out in Section 5.2.4 of this Prospectus.

### (iv) **Neo Lip Pheng, Peter**

*Promoter, substantial shareholder and Executive Director / Managing Director of AGX Myanmar*

Neo Lip Pheng, Peter ("**Mr. Peter**"), a Singaporean aged 56, is our Executive Director and the Managing Director of AGX Myanmar. He was appointed to our Board on 26 November 2019 and he is responsible for marketing, business development, and expansion of business opportunities of our Group in the Southeast Asia region, as well as overseeing the operations of AGX Myanmar with the support from the local directors of AGX Myanmar, namely Thutzar Thet Pe, Hnin Aye Chit and Kathy Thein.

Mr. Peter obtained a Diploma in Marketing from The Chartered Institute of Marketing in 1994.

Mr. Peter began his career as Sales Executive with Jet Express (S) Pte Ltd, a company principally involved in the provision of logistics services in 1993 where he was in charge of sales.

In 1998, he left Jet Express (S) Pte Ltd and co-founded AGI Freight Singapore Pte Ltd (formerly known as Interport Jet Express Pte Ltd) together with Kwek Sum Chuan @ Kwek Yean Peng and Go Hak Cheng, and he held 15% equity interest in AGI Freight Singapore Pte Ltd. AGI Freight Singapore Pte Ltd is a company principally involved in international freight forwarding. As the Managing Director, Mr. Peter was responsible for managing the daily operations of AGI Freight Singapore Pte Ltd until he resigned in 2003.

Following his resignation in 2003, he disposed of his entire shareholding in AGI Freight Singapore Pte Ltd to the remaining shareholders of AGI Freight Singapore Pte Ltd. He then joined AGI Logistics (S) Pte Ltd, a logistics company, as the Regional Director in the same year where he was responsible for managing a group of companies under AGI Logistics (S) Pte Ltd. He was also a shareholder of AGI Logistics (S) Pte Ltd where he held 30% equity interest in AGI Logistics (S) Pte Ltd and the remaining 70% equity interest was held by non-related parties.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

In 2009, he resigned as the Regional Director of AGI Logistics (S) Pte Ltd and joined IDS Logistics International Pte Ltd as Director – Freight Services, International Stream, ASEAN where he was responsible for managing a group of offices of IDS Logistics International Pte Ltd within the ASEAN region. In the same year, he disposed of his entire shareholding in AGI Logistics (S) Pte Ltd to IDS Logistics International Pte Ltd. IDS Logistics International Pte Ltd is a company principally involved in fourth-party logistics (4PL) (an operation model in which a business outsources its entire supply chain management and logistics to an external service provider, who will be responsible for all the supply chain management, which includes assessing, designing, building, running and measuring solutions for its client), logistics control tower and international freight forwarding. He left IDS Logistics International Pte Ltd in 2010.

In 2011, Mr. Peter joined AGX Singapore as the Regional Director and was thereafter appointed to the board of AGX Singapore on 12 June 2012. He was later appointed as the Managing Director of AGX Myanmar in 2023.

(v) **Maximino Baylen Gulmayo, Jr.**  
*Substantial shareholder and Managing Director of AGX Philippines*

Maximino Baylen Gulmayo, Jr. ("**Mr. Maximino**"), a Filipino aged 55, is the Managing Director of AGX Philippines and he is responsible for expanding our Group's logistics network and overseeing the product development and overall operations of AGX Philippines and its subsidiary.

Mr. Maximino obtained a Bachelor of Science in Customs Administration from John B. Lacson Colleges Foundation, Philippines in 1993.

He began his career with Negros Navigation Co., Inc., a company principally involved in the provision of trucking and forwarding services, as a Documentation Clerk in 1993. He was responsible for, amongst others, the loading of outbound containers for domestic shipping and unloading of inbound containers to Manila Domestic Port. In 1994, he left Negros Navigation Co., Inc. to join Jugro Transport Int'l Phils Corp., a company principally involved in the provision of logistic services including freight management, third-party logistics, liner agency, etc. He was an Operations Assistant and was subsequently promoted to Officer-In-Charge - Subic Branch in 1996 where he was in charge of the day-to-day operations of the Subic branch. He left Jugro Transport Int'l Phils Corp. in 1997.

In 1998, he joined Nippon Express Philippines Corporation as a Customer Service Assistant where he was responsible for, amongst others, coordinating clients' incoming and outgoing shipments and monitoring shipments releases and deliveries. He left Nippon Express Philippines Corporation in the same year to join Kintetsu World Express (Philippines) Inc., a company principally involved in air freight import and export, sea freight import and export, customs brokerage, road transport and logistics. He was a Customer Service Assistant and was subsequently promoted to be a Sales Account Executive in 2002 and North Luzon Area Manager in 2008 where he was responsible for Kintetsu World Express (Philippines) Inc.'s sales management and operations in the Northern Luzon region. He left Kintetsu World Express (Philippines) Inc. in 2011.

In 2012, he co-founded AGX Philippines together with Dato' Dorai, Mr. Jayasielan, Mr. Mark and Mr. Peter. He has been serving as the Managing Director of AGX Philippines since 2012 and was appointed to the board of AGX Philippines on 12 October 2012.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 5.1.3 Changes in Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' respective shareholdings in our Company over the past 3 years up to the LPD and after the Listing are as follows:

	As at incorporation and 31 December 2020 <sup>(1)</sup>				As at 31 December 2021 <sup>(2)</sup>			
	Direct		Indirect		Direct		Direct	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Ponnudorai A/L Periasamy	3	30.00	-	-	58,946,181	21.91	-	-
Jayasielan A/L Gopal	3	30.00	-	-	58,946,181	21.91	-	-
Penu Mark	2	20.00	-	-	57,416,478	21.34	-	-
Neo Lip Pheng, Peter	2	20.00	-	-	57,416,478	21.34	-	-
Maximino Baylen Gulmayo, Jr.	-	-	-	-	17,064,069	6.34	-	-

	As at 31 December 2022 <sup>(3)</sup>				As at the LPD <sup>(4)</sup>			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Ponnudorai A/L Periasamy	44,721,800	16.62	-	-	55,902,250	16.62	-	-
Jayasielan A/L Gopal	44,721,800	16.62	-	-	55,902,250	16.62	-	-
Penu Mark	68,177,500	25.34	-	-	85,221,875	25.34	-	-
Neo Lip Pheng, Peter	68,177,500	25.34	-	-	85,221,875	25.34	-	-
Maximino Baylen Gulmayo, Jr.	17,064,100	6.34	-	-	21,330,125	6.34	-	-

	After the IPO <sup>(5)</sup>			
	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Ponnudorai A/L Periasamy	49,960,250	11.54	-	-
Jayasielan A/L Gopal	49,960,250	11.54	-	-
Penu Mark	76,163,875	17.60	-	-
Neo Lip Pheng, Peter	76,163,875	17.60	-	-
Maximino Baylen Gulmayo, Jr.	<sup>(6)</sup> 21,530,125	4.97	-	-

**Notes:**

(1) Based on our issued share capital of 10 Shares as at 26 November 2019, being the date of incorporation of our Company, and as at 31 December 2020.



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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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- (2) *Based on our issued share capital of 269,092,205 Shares after the issuance and allotment of Shares pursuant to the Pre-IPO Internal Re-organisation Acquisitions and the Subscription of Shares as detailed in Sections 6.6.1 and 6.6.2 of this Prospectus.*
- (3) *Based on our issued share capital of 269,092,900 Shares after the Disposal of Shares and Issuance and Allotment of 695 Shares as detailed in Sections 6.6.3 and 6.6.4 of this Prospectus.*
- (4) *Based on our issued share capital of 336,366,125 Shares after the Share Split as detailed in Sections 6.2.1 and 6.4 of this Prospectus and as at the LPD.*
- (5) *Based on our enlarged issued share capital of 432,866,125 Shares after the Share Split and our IPO.*
- (6) *Assuming he fully subscribes for the Pink Form Shares allocated to him.*

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 5.1.4 Persons exercising control over the corporation

As at the LPD, our Promoters and substantial shareholders have the same voting rights with each other. After the IPO, our Promoters and substantial shareholders will have the same voting rights with the other shareholders of AGB. There is no arrangement between AGB, our Promoters and our substantial shareholders, with any other third parties which may, at a subsequent date, result in a change of control of our Group, at a date subsequent to our IPO and our Listing. Save as disclosed in Section 5.1.3 of this Prospectus, our Group confirms that there are no persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

### 5.1.5 Amounts or benefits paid or intended to be paid or given to our Promoters or substantial shareholders

Save as disclosed below, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters or substantial shareholders within the 2 years preceding the date of this Prospectus:

- (i) aggregate remuneration and material benefits-in-kind paid or proposed to be paid for services rendered to our Group in all capacities for the FYE 2021, FYE 2022 and FYE 2023 as disclosed in Section 5.2.6 of this Prospectus;
- (ii) issuance and allotment of 263,741,310 Shares by our Company as consideration for the Pre-IPO Internal Re-organisation Acquisitions, as set out in Section 6.6.1 of this Prospectus; and
- (iii) declaration and payment of dividends paid to our Promoters and substantial shareholders as follows:

Name	FYE 2021 RM	FYE 2022 RM	FYE 2023 RM
<b>Promoters and substantial shareholders</b>			
Dato' Ponnudorai A/L Periasamy	262,867	980,549	498,584
Jayasielan A/L Gopal	262,867	980,549	498,584
Penu Mark	256,045	1,494,827	760,081
Neo Lip Pheng, Peter	256,045	1,494,827	760,081
<b>Substantial shareholder</b>			
Maximino Baylen Gulmayo, Jr.	76,096	374,138	190,240
<b>Total</b>	<b>1,113,920</b>	<b>5,324,890</b>	<b>2,707,570</b>

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

### 5.2 BOARD OF DIRECTORS

#### 5.2.1 Directors

Our Board comprises the following members:

Director	Nationality	Designation	Age	Date of appointment
Dato' Rozalila Binti Abdul Rahman (F)	Malaysian	Independent Non-Executive Director, Chairperson	62	7 November 2022
Dato' Ponnudorai A/L Periasamy (M)	Malaysian	Executive Director / Group CEO	52	26 November 2019
Jayasielan A/L Gopal (M)	Malaysian	Executive Director	64	26 November 2019
Penu Mark (M)	Singaporean	Executive Director	52	26 November 2019
Neo Lip Pheng, Peter (M)	Singaporean	Executive Director	56	26 November 2019
Dato' George Alfonso Miranda (M)	Malaysian	Independent Non-Executive Director	56	7 November 2022
Ong Teng Yan (M)	Malaysian	Independent Non-Executive Director	52	7 November 2022
Aida Mosira Binti Mokhtar (F)	Malaysian	Independent Non-Executive Director	50	7 November 2022

**Notes:**

(M) refers to male

(F) refers to female

#### 5.2.2 Profiles of Directors

Save for the profiles of Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, Penu Mark and Neo Lip Pheng, Peter which have been set out in Section 5.1.2 of this Prospectus, the profiles of our Directors are as follows:

**(i) Dato' Rozalila Binti Abdul Rahman**  
*Independent Non-Executive Director, Chairperson*

Dato' Rozalila Binti Abdul Rahman ("**Dato' Rozalila**"), a Malaysian aged 62, is our Independent Non-Executive Director, Chairperson. She was appointed to our Board on 7 November 2022. She graduated with a Bachelor of Food Science and Technology from Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia) in 1988.

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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Dato' Rozalila began her career with Perwira Niaga Malaysia, a company principally involved in retail, distribution, wholesale, import-export, hire-purchase of goods, and provides management service, as a Cold Room Supervisor in 1988 where she was responsible for managing the running of the cold room and the distribution of packaged fresh and frozen (including chilled) food products to all army camps within Peninsular Malaysia. She left Perwira Niaga Malaysia in the same year and joined Unilever (Malaysia) Holdings Sdn Bhd (formerly known as Lever Brothers (Malaysia) Sdn Bhd) ("**Unilever**"), a company principally involved in marketing and sale of edible fats, tea, ice cream, soaps, detergents, and personal care products, as a Management Trainee in 1989. She held various managerial positions within Unilever and her last position was Senior Brand Manager, Personal Wash where she was in charge of handling a premium body wash brand after she was re-assigned to manage a premium personal wash category. Dato' Rozalila was responsible for implementing business plans, growing market and revenue share of Unilever's premium personal wash category, optimising costs and delivering profits for Unilever's consumer brands in Malaysia and Singapore.

In 1999, she left Unilever (Malaysia) Holdings Sdn Bhd to join Kellogg Asia Marketing Inc. (Malaysia Branch) ("**Kellogg**"), a company principally involved in promoting and distributing ready to eat cereal products under the Kellogg's brand name, as New Product Manager where she led the demand side of the company's new product development process including product development, copy development and launch plans. Dato' Rozalila was responsible for implementing business plans, growing market and revenue share of Kellogg's new product categories, optimising costs and delivering profits for Kellogg's consumer brands in South East Asia.

In 2000, she left Kellogg Asia Marketing Inc. (Malaysia Branch) to join Reckitt Benckiser (Malaysia) Sdn Bhd ("**Reckitt Benckiser**"), a company principally involved in manufacturing and selling consumer and pharmaceutical products, as Marketing Manager - Fabric Care Malaysia/ Singapore. She was later promoted to be Marketing Manager - Pest Control Malaysia/ Singapore in 2002 where she was in charge of the sales and marketing of the Pest Control business in Malaysia and Singapore. Dato' Rozalila was responsible for implementing business plans, growing market and revenue share of Reckitt Benckiser's pest control category, optimising costs and delivering profits for Reckitt Benckiser's consumer brands in Malaysia and Singapore.

In 2003, she left Reckitt Benckiser (Malaysia) Sdn Bhd to join Bank Simpanan Nasional Berhad ("**BSN**"), a financial institution, as Director, Sales and Marketing where she was in charge of the sales and marketing of the consumer mortgage (including cards) and deposit business. Dato' Rozalila was responsible for implementing business plans, leading the bundled customer proposition for BSN's mortgage, credit and debit cards and BSN's Premium Savings Certificates, optimising costs and delivering profits for BSN. In 2006, she joined Maxis Mobile Services Sdn Bhd (formerly known as Malaysian Mobile Services Sdn Bhd) ("**Maxis**") as General Manager, Marketing Services, Consumer Business Division. Maxis Mobile Services Sdn Bhd is a wholly-owned subsidiary of Maxis Berhad, a telecommunications company listed on the Main Market of Bursa Securities. Maxis Mobile Services Sdn Bhd is principally involved in the provision of mobile telecommunication services for special niche projects. She was later promoted to General Manager, Segment Marketing, Consumer Business Division in 2008 where she was managing the business of both Maxis and Hotlink brands in the Malay market, including 2 geographical areas, i.e., East Coast and East Malaysia as well as the migrant worker segment. Dato' Rozalila was responsible for implementing business plans for Maxis' and Hotlink's customer segments in the specified geographical areas through acquisition and retention programmes, growing market and revenue share of mobile wallet, optimising costs and delivering profits for the identified segments.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

In 2010, she left Maxis Mobile Services Sdn Bhd to join Telekom Malaysia Berhad, as Chief Marketing Officer where she was responsible for managing the company's business and customer management division covering group marketing, retail products and customer service management departments for mass market and managed accounts. Telekom Malaysia Berhad is a company principally involved in the establishment, maintenance and provision of telecommunications services and telecommunications related services and construct, manufacture, produce, purchase, take or hire or hire-purchase, install, maintain and repair. From 2012 to 2014, she was appointed as Adjunct Professor at the Faculty of Economics & Management of Universiti Putra Malaysia.

In 2014, she left Telekom Malaysia Berhad to join Astro GS Shop Sdn Bhd as Chief Executive Officer. Astro GS Shop Sdn Bhd is a subsidiary of Astro Malaysia Holdings Berhad, a media and entertainment company listed on the Main Market of Bursa Securities. Astro GS Shop Sdn Bhd is principally involved in home shopping business through various platforms including but not limited to television home shopping, internet/online shopping and mobile shopping. She was responsible for leading and managing Astro's TV home shopping including e-commerce retail start-up delivering profitable growth within 3 years.

In 2016, she left Astro GS Shop Sdn Bhd and founded Lestari Prestasi Sdn Bhd, a company principally involved in online retail sale of beauty care products and designer apparels, and served as its Managing Director where she is responsible for an e-Commerce start-up, [www.leemporium.com](http://www.leemporium.com), that sells Korean and Malaysian skincare products, Turkish and Malaysian fashion line under Aneesa Alsagoff collection, Turkish prayer mats, Turkish bedspread sets and Turkish tablecloth sets.

Dato' Rozalila was appointed as an Independent Non-Executive Director of MISC Berhad in 2018. MISC Berhad is a company listed on the Main Market of Bursa Securities. The principal businesses of MISC Berhad and its group of companies comprise energy shipping and its related activities, owning and operating offshore floating solutions, marine repair and conversion, engineering and construction works, integrated marine services, port management and maritime services as well as maritime education and training. She retired as the Independent Non-Executive Director of MISC Berhad on 1 September 2023.

Presently, Dato' Rozalila sits on the board of Affin Bank Berhad, a financial institution listed on the Main Market of Bursa Securities, as an Independent Non-Executive Director.

She also holds directorships in 2 private companies, details of which are set out in Section 5.2.4 of this Prospectus.

(ii) **Dato' George Alfonso Miranda**  
*Independent Non-Executive Director*

Dato' George Alfonso Miranda ("**Dato' Miranda**"), a Malaysian aged 56, is our Independent Non-Executive Director. He was appointed to our Board on 7 November 2022. He is the Chairperson of our Nomination Committee and a member of our Audit and Risk Management Committee and Remuneration Committee.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Dato' Miranda obtained a Bachelor of Laws from the University of London in 1991. He then obtained the Certificate of Legal Practice from the Malaysia Qualifying Board (now known as the Legal Profession Qualifying Board, Malaysia) in 1992 and was admitted as an Advocate & Solicitor of the High Court of Malaya in 1993. Dato' Miranda obtained a Master of Laws from the University of London in 1995. Dato' Miranda was admitted as a Solicitor of the Supreme Court of England and Wales in 2002. He served as an executive council member of the Malaysia Mergers & Acquisitions Association (MMAA) from 2006 to 2012. He is a qualified adjudicator of the Asian International Arbitration Centre (AIAC) since 2017.

Dato' Miranda has over 25 years of experience as a practising lawyer. He began his career in Messrs. Azariah and Associates, Advocates and Solicitors, as a Partner in 1994. In 1996, he left Messrs. Azariah and Associates, Advocates and Solicitors to join Messrs. Miranda and How, Advocates and Solicitors, as a Partner. In 2002, he left Messrs. Miranda and How, Advocates and Solicitors, and co-founded Messrs. Miranda & Samuel, Advocates and Solicitors, and is presently the Managing Partner of the firm.

In 2014, Dato' Miranda was appointed as Non-Independent and Non-Executive Director of Naim Indah Corporation Berhad (now known as Pegasus Heights Berhad), an investment holding company listed on the Main Market of Bursa Securities and principally involved in the provision of management and administrative services. In 2016, he was redesignated to Independent and Non-Executive Director. He resigned as the Independent and Non-Executive Director of Naim Indah Corporation Berhad in 2017.

He also holds directorships in several private companies, details of which are set out in Section 5.2.4 of this Prospectus.

### (iii) **Ong Teng Yan** *Independent Non-Executive Director*

Ong Teng Yan ("**Mr. Ong**"), a Malaysian aged 52, is our Independent Non-Executive Director. He was appointed to our Board on 7 November 2022. He is the Chairperson of our Audit and Risk Management Committee and a member of Nomination Committee and Remuneration Committee.

Mr. Ong obtained his Third Level Group Diploma in Accounting from the London Chamber of Commerce and Industry in 1993. He has been a member of the Malaysian Institute of Accountants since 2000 and a member of the Association of Chartered Certified Accountants since 2005. He became a member of the Malaysian Institute of Certified Public Accountants in February 2023.

Mr. Ong began his career with GEP Associates, Chartered Accountants in 1995 as an Audit and Accounts Assistant and was subsequently promoted to be an Audit Senior, a position which he held until he left GEP Associates, Chartered Accountants in 2001. He joined BDO International, Singapore, Certified Public Accountants as an Audit Senior in the same year and was subsequently promoted to be an Audit Supervisor in 2002. In 2003, he left BDO International, Singapore, Certified Public Accountants to join BDO Binder, Malaysia, Chartered Accountants as an Assistant Audit Manager. He was subsequently promoted to be an Audit Manager where he was responsible for performing the audit of listed companies. In 2006, he left BDO Binder, Malaysia, Chartered Accountants to join Baker Tilly Monteiro Heng PLT, Chartered Accountants as a Senior Manager before he was promoted to be an Audit Partner in 2013, a position which he holds to date.

Mr. Ong also holds directorship in a private company, details of which are set out in Section 5.2.4 of this Prospectus.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

(iv) **Aida Mosira Binti Mokhtar**  
*Independent Non-Executive Director*

Aida Mosira Binti Mokhtar ("**Puan Aida**"), a Malaysian aged 50, is our Independent Non-Executive Director. She was appointed to our Board on 7 November 2022. She is the Chairperson of our Remuneration Committee and a member of Audit and Risk Management Committee and Nomination Committee.

Puan Aida graduated with a BSc. (Hons.) Economics (Accounting & Finance) from The London School of Economics and Political Science (LSE), United Kingdom in 1996. She obtained her Chartered Islamic Finance Professional (CIFP) qualification in 2011 and Islamic Financial Planner (IFP) certification in 2014. She is a Fellow Member of The Association of Chartered Certified Accountants (FCCA) since 2012 and a member of the Malaysian Institute of Accountants (MIA) since 2013. In 2023, she obtained a Certificate in Sustainable Investing (Harvard Business School Online).

Puan Aida began her career with MGI Securities Sdn Bhd, a securities brokerage firm, as an Investment Analyst in 1997. In 1998, she joined Petroliam Nasional Berhad (PETRONAS), Malaysia's national oil and gas company, their activities include explore, develop and produce hydrocarbons as well as cleaner energy solutions. As an Executive in the Corporate Planning and Development Division, she oversaw the business planning and budget for various companies in PETRONAS Group. Her last position in PETRONAS was Senior Specialist in Group Treasury where she was responsible for, amongst others, managing the global strategic investment and trading portfolios in conventional and *Shariah-compliant* markets.

In 2008, she left PETRONAS and was offered the position of Chief Executive Officer of Aberdeen Islamic Asset Management Sdn Bhd (now known as Abrid Islamic Malaysia Sdn Bhd), a company principally involved in providing asset management services on a worldwide basis in accordance with the principles of *Shariah*. She was primarily in charge of setting up the Islamic asset management business for Aberdeen Islamic Asset Management Sdn Bhd. She left Aberdeen Islamic Asset Management Sdn Bhd in 2009.

In 2010, she was appointed as Vice-President of Group Treasury at Malaysian Airline System Berhad (MAS) (now known as Malaysia Airlines Berhad), Malaysia's national carrier, involved in full airline operations and previously listed on the Main Market of Bursa Securities. She oversaw the financial risk management (which includes financial and commodity risk exposures), fund management and fuel management of MAS Group as well as developing and revamping financial policies for MAS Group until 2012.

In 2013, she joined as the Chief Financial Officer and Head of Corporate Services of The ICLIF Leadership and Governance Centre (ICLIF) which is a centre of leadership and governance development in the financial and corporate sectors. She was responsible for overseeing all financial aspects of the company including advising and recommending to the Board of Directors, Audit Committee, Chief Executive Officer and senior management team in the development and implementation of long-term financial plans. She left ICLIF in the same year and worked as a freelance professional trainer, focusing on financial and capital market related topics.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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In 2018, she took up the position as Director of Global Treasury Advisory Services of Deloitte Risk Advisory Sdn Bhd (now known as Deloitte Business Advisory Sdn Bhd), a company principally involved in consultancy and advisory in the areas of information technology, risk management and other corporate governance related services and provide training courses related to the afore-mentioned areas. She was responsible for leading the Malaysian team in paving the way for treasury and Islamic finance businesses by providing solutions in financial risk management (capital, liquidity and treasury risk) and the adoption of digital technology. She left Deloitte Risk Advisory Sdn Bhd in 2019.

She presently sits on the Board of Directors of Ocean Vantage Holdings Berhad, a company listed on the ACE Market of Bursa Securities, as an Independent Non-Executive Director. Ocean Vantage Holdings Berhad and its group of companies are principally involved in the provision of support services for the oil and gas industry where they support both the upstream and downstream oil and gas activities, solar energy and electric vehicle charging. Puan Aida is the Chairperson of the Audit and Risk Management Committee (“**ARMC**”) of Ocean Vantage Holdings Berhad and oversees the financial statements, financial reporting and internal controls of the company, thus ensuring that the ARMC fully discharges its duties. She is also a member of the Nomination Committee and Remuneration Committee of Ocean Vantage Holdings Berhad.

Puan Aida also holds directorships in several private companies and a public limited company, details of which are set out in Section 5.2.4 of this Prospectus. In addition to her multiple directorships, Puan Aida is a Human Resource Development Corporation (HRD Corp) Certified Trainer since 2023 and presently a freelance financial and capital market professional trainer for several companies.

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****5.2.3 Directors' shareholdings**

The Directors' shareholdings in our Company before and after the IPO are as follows:

Director	Before the IPO				After the IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Dato' Ponnudorai A/L Periasamy	55,902,250	16.62	-	-	49,960,250	11.54	-	-
Jayasielan A/L Gopal	55,902,250	16.62	-	-	49,960,250	11.54	-	-
Penu Mark	85,221,875	25.34	-	-	76,163,875	17.60	-	-
Neo Lip Pheng, Peter	85,221,875	25.34	-	-	76,163,875	17.60	-	-
Dato' Rozalila Binti Abdul Rahman	-	-	-	-	<sup>(3)</sup> 15,940,000	3.69	-	-
Dato' George Alfonso Miranda	-	-	-	-	250,000	0.06	-	-
Ong Teng Yan	-	-	-	-	100,000	0.02	-	-
Aida Mosira Binti Mokhtar	-	-	-	-	125,000	0.03	-	-

**Notes:**

- (1) Based on our issued share capital of 336,366,125 Shares after the Share Split, but before our IPO.
- (2) Based on our enlarged issued share capital of 432,866,125 Shares upon Listing and assuming the full subscription of the Issue Shares allocated to our Directors under the Pink Form Allocation.
- (3) Assuming that the 15,690,000 Offer Shares, representing approximately 3.63% of our enlarged issued share capital of 432,866,125 Shares upon Listing, are acquired by Dato' Rozalila Binti Abdul Rahman under the Offer for Sale as detailed in Section 4.3.3 of this Prospectus.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 5.2.4 Principal business performed outside our Group

Save as disclosed below, none of our Directors have any principal business activities performed outside our Group including principal directorships in the past 5 years prior to the LPD:

#### (a) Dato' Ponnudurai A/L Periasamy

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Lafiore Asia Sdn Bhd	Dormant <sup>(1)</sup>	Director and Shareholder	10 June 2020	-	100.00	-
<b>Past involvement</b>						
AG Overseas Sdn Bhd	Dissolved <sup>(2)</sup>	Director	8 March 2012	23 February 2023	-	-
AGX Forwarding Sdn Bhd	Dissolved <sup>(3)</sup>	Director	10 October 2011	17 October 2019	-	-
AGX Group Limited <sup>(4)</sup>	Struck off <sup>(5)</sup>	Director	16 May 2017	30 October 2020	-	-
AGX BVI <sup>(6)</sup>	Dissolved <sup>(7)</sup>	Director	18 May 2017	30 October 2020	-	-
DD Holding Limited <sup>(8)</sup>	Investment holding in shares	Director	11 August 2017	25 August 2020	-	-
JPPN Investments Inc. <sup>(6)</sup>	Investment holding in shares	Director	8 August 2016	30 October 2020	-	-

#### **Notes:**

- (1) This company is dormant as at the LPD and its intended principal activity is trading in goods.
- (2) This company was dissolved on 23 February 2023. Prior to dissolution, this company was an investment holding company.
- (3) This company was dissolved on 17 October 2019. Prior to dissolution, this company was principally involved in dealing with transportation.
- (4) Incorporated in the Cayman Islands.
- (5) This company was struck off on 29 April 2022. Prior to being struck off, this company was an investment holding company.
- (6) Incorporated in the British Virgin Islands.
- (7) This company was dissolved on 4 July 2023. Prior to dissolution, this company was an investment holding company.
- (8) Incorporated in Seychelles.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****(b) Jayasielan A/L Gopal**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Nil	-	-	-	-	-	-
<b>Past involvement</b>						
AG Overseas Sdn Bhd	Dissolved <sup>(1)</sup>	Director	8 March 2012	23 February 2023	-	-
AGX Forwarding Sdn Bhd	Dissolved <sup>(2)</sup>	Director	24 March 2005	17 October 2019	-	-
AGX Group Limited <sup>(3)</sup>	Struck off <sup>(4)</sup>	Director	16 May 2017	30 October 2020	-	-
AGX BVI <sup>(5)</sup>	Dissolved <sup>(6)</sup>	Director	18 May 2017	30 October 2020	-	-
JayRoss Investments Limited <sup>(7)</sup>	Investment holding in shares	Director	31 August 2017	21 October 2020	-	-
JPPN Investments Inc. <sup>(5)</sup>	Investment holding in shares	Director	8 August 2016	30 October 2020	-	-

**Notes:**

- (1) This company was dissolved on 23 February 2023. Prior to dissolution, this company was an investment holding company.
- (2) This company was dissolved on 17 October 2019. Prior to dissolution, this company was principally involved in dealing with transportation.
- (3) Incorporated in the Cayman Islands.
- (4) This company was struck off on 29 April 2022. Prior to being struck off, this company was an investment holding company.
- (5) Incorporated in the British Virgin Islands.
- (6) This company was dissolved on 4 July 2023. Prior to dissolution, this company was an investment holding company.
- (7) Incorporated in Seychelles.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**(c) Penu Mark**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Accelerating Asia Ventures Fund I LP <sup>(9)</sup>	Venture Fund - Limited Partner	Limited Partner	-	-	-	Less than 3.00 <sup>(1)(2)(3)</sup>
Accelerating Asia Ventures Fund II LP <sup>(9)</sup>	Venture Fund - Limited Partner	Limited Partner	-	-	-	Less than 3.00 <sup>(1)(2)(3)</sup>
Baanx Group Ltd <sup>(10)</sup>	Other professional, scientific and technical activities not elsewhere classified	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Buffalo Technology Pte Ltd <sup>(11)</sup>	Other information technology and computer service activities (e.g. disaster recovery services); IT, programming and software services	Director and Shareholder	6 April 2018	-	-	10.17 <sup>(1)</sup>
Cityzenith Holdings, Inc. <sup>(12)</sup>	Urban Digital Twin platform provider	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
CoGrammar Limited <sup>(10)</sup>	Business and domestic software development	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Crown SG (SGD) Limited Partnership <sup>(11)</sup>	Investment in real estate projects	Limited Partner	-	-	Less than 3.00 <sup>(2)(3)</sup>	-
Dream IT Get IT Limited <sup>(10)</sup>	Other business support service activities not elsewhere classified	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Epsilon ESPV Pte Ltd <sup>(11)</sup>	Investment holding in shares	Director	16 February 2023	-	-	-
FF Poplar Limited <sup>(10)</sup>	Other information technology service activities	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Gravilab Aerospace Services Limited <sup>(10)</sup>	Other research and experimental development on natural sciences and engineering; and other professional, scientific and technical activities	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Green Running Limited <sup>(10)</sup>	Information technology consultancy activities	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Habitat Learn Group Ltd <sup>(10)</sup>	Other software publishing	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
HH Eat Just Fund VII Pte Ltd <sup>(11)</sup>	Investment holding – investment in shares of Eat Just, Inc	Shareholder	-	-	-	4.03 <sup>(1)(4)</sup>
Manage My Ltd <sup>(10)</sup>	Business and domestic software development	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)(5)</sup>

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Master Plant Holdings Ltd <sup>(10)</sup>	Engineering design activities for industrial process and production; and research and experimental development on biotechnology	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Penu Investments Pte Ltd <sup>(11)</sup>	Investment holding in shares	Director and Shareholder	15 August 2017	-	100.00	-
Premier Sports <sup>(11)</sup>	Distribution of football merchandise to official sports retailers	Director and Shareholder	14 May 2002	-	-	100.00 <sup>(1)</sup>
Project NK II HK Pte Ltd <sup>(11)</sup>	Investment in real estate projects	Shareholder	-	-	3.48	-
Project Pearl AU Pte Ltd <sup>(11)</sup>	Investment in real estate projects	Shareholder	-	-	6.22	-
Project Washington US Pte Ltd <sup>(11)</sup>	Investment in real estate projects	Shareholder	-	-	3.29	-
Sen Corporation Limited <sup>(10)</sup>	Video production activities and leasing of intellectual property and similar products, except copyright works	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Scale ESPV Pte Ltd <sup>(11)</sup>	Dormant <sup>(17)</sup>	Director	23 July 2019	-	-	-
ScubaTx Limited <sup>(10)</sup>	Manufacture of irradiation, electromedical and electrotherapeutic equipment	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Spark EV Technology Limited <sup>(10)</sup>	Other information technology service activities; and other research and experimental development on natural sciences and engineering	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
Storelectric Limited <sup>(10)</sup>	Production of electricity	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>
TheScaleGroup <sup>(11)</sup>	Investment holding company for e-commerce distribution	Director and Shareholder	22 July 2019	-	-	13.70 <sup>(1)</sup>
Wave UK (SGD) Limited Partnership <sup>(11)</sup>	Investment in real estate projects	Limited Partner	-	-	Less than 3.00 <sup>(2)(3)</sup>	-
Xelba Ltd (Hong Kong) <sup>(13)</sup>	Dormant <sup>(6)</sup>	Shareholder	-	-	-	Less than 3.00 <sup>(1)(2)</sup>

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
<b>Past involvement</b>						
AAD Philippines <sup>(8)</sup>	Engage in, conduct and carry on an e-commerce distribution business, rendering solutions for clients such as online store management, online distribution channel development, online data analysis and online campaign including the development, marketing and provision of internet goods and services; software systems; logistic, digital and payment services; and other services related to the said business inside and outside the Philippines through subsidiaries or otherwise, without engaging in mass media and advertising activities and providing value added telecommunication services and payment services requiring special permission under the law	Director	26 July 2017	30 October 2022	-	-
AAD Holdings <sup>(11)</sup>	Investment holding company for e-commerce distribution	Director	12 July 2017	31 May 2021	-	-



**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

<b>Company</b>	<b>Principal activities</b>	<b>Position held</b>	<b>Date of appointment</b>	<b>Date of cessation</b>	<b>% of shareholdings held</b>	
AAD Indochina Pte Ltd <sup>(11)</sup>	Investment holding in shares	Director	4 December 2017	31 May 2021	-	-
AGX Group Limited <sup>(14)</sup>	Struck off <sup>(18)</sup>	Director	16 May 2017	30 October 2020	-	-
AGX BVI <sup>(15)</sup>	Dissolved <sup>(19)</sup>	Director	18 May 2017	30 October 2020	-	-
AAD Singapore <sup>(11)</sup>	Development of software and applications (except games and cybersecurity); e-commerce distribution	Director	18 September 2017	31 May 2021	-	-
Maxq Management Pte Ltd <sup>(11)</sup>	Management consultancy services	Director	10 May 2021	27 September 2021	-	-
JPPN Investments Inc. <sup>(15)</sup>	Investment holding in shares	Director	8 August 2016	30 October 2020	-	-
Premier Football <sup>(11)</sup>	Retail sale and wholesale of football merchandise	Director	13 June 2005	15 February 2023	-	-
Premier Ventures International Limited <sup>(16)</sup>	Investment holding in shares	Director	1 August 2017	21 October 2020	-	-
The Media Consultants LLP <sup>(11)</sup>	Struck off <sup>(7)</sup>	Partner	1 October 2012	10 January 2022	-	-

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**


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**Notes:**

- (1) *Deemed interested by virtue of his direct shareholding in Penu Investments pursuant to Section 8(4) of the Act.*
- (2) *These companies or limited partnerships are startups/venture capital-invested companies/ investments in real estate projects. The actual shareholding of Penu Investments or Penu Mark (as the case may be) in these companies and limited partnerships cannot be ascertained for certain and is subject to change whenever there is a new investor as the funding round for these companies is still ongoing or the latest shareholding is not made available to Penu Investments or Penu Mark. The shareholdings of Penu Investments and Penu Mark in these companies and limited partnerships are less than 3% and are likely to be diluted upon subscription by new investors. These investments are Penu Mark's personal investments and he is not involved, in any way whatsoever, in the management of each of these companies and limited partnerships.*
- (3) *Calculated based on the partnership units held by Penu Investments or Penu Mark (as the case may be) over the total partnership units.*
- (4) *Calculated based on the preference shares held by Penu Investments over the total issued preference shares.*
- (5) *ManageMy Nominees Limited is holding the entire shareholding of Penu Investments in Manage My Ltd as its nominee.*
- (6) *This company was incorporated as an investment holding company to raise funds for the development of software and hardware products by its operating subsidiary, Xelba Ltd. As at the LPD, this company is dormant as its operating subsidiary, Xelba Ltd, has been placed into creditors' voluntary liquidation.*
- (7) *This limited liability partnership was struck off on 10 January 2022. Prior to being struck off, this limited liability partnership was involved in the provision of training courses in media training, executive presence and public speaking, and public relations, marketing and brand consultancy services.*
- (8) *Incorporated in the Philippines.*
- (9) *An early-stage venture capital fund incorporated and headquartered in Singapore.*
- (10) *Incorporated in the United Kingdom.*
- (11) *Incorporated in Singapore.*
- (12) *Incorporated in the United States.*
- (13) *Incorporated in Hong Kong.*
- (14) *Incorporated in the Cayman Islands.*
- (15) *Incorporated in the British Virgin Islands.*
- (16) *Incorporated in Seychelles.*
- (17) *This company was incorporated as an investment holding company. As at the LPD, this company is dormant.*
- (18) *This company was struck off on 29 April 2022. Prior to being struck off, this company was an investment holding company.*
- (19) *This company was dissolved on 4 July 2023. Prior to dissolution, this company was an investment holding company.*

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**(d) Neo Lip Pheng, Peter**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Buffalo Technology Pte Ltd <sup>(1)</sup>	Other information technology and computer service activities (e.g. disaster recovery services); IT, programming and software services	Shareholder	-	-	7.70	-
TheScaleGroup <sup>(1)</sup>	Investment holding company for e-commerce distribution	Shareholder	-	-	10.71	-
<b>Past involvement</b>						
Awake Asia Distribution Sdn Bhd	Engage in commercial conduct and carry out the business of trading, retailing, distributing all kinds of goods through electronic trading and/or e-commerce	Director	20 September 2017	21 May 2020	-	-
AGX Group Limited <sup>(2)</sup>	Struck off <sup>(5)</sup>	Director	16 May 2017	30 October 2020	-	-
AGX BVI <sup>(3)</sup>	Dissolved <sup>(6)</sup>	Director	18 May 2017	30 October 2020	-	-
AAD Singapore <sup>(1)</sup>	Development of software and applications (except games and cybersecurity); e-commerce distribution	Director	18 September 2017	2 March 2020	-	-

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
JPPN Investments Inc. <sup>(3)</sup>	Investment holding in shares	Director	8 August 2016	30 October 2020	-	-
WP Limited <sup>(4)</sup>	Investment holding in shares	Director	9 August 2017	21 October 2020	-	-

**Notes:**

(1) *Incorporated in Singapore.*

(2) *Incorporated in the Cayman Islands.*

(3) *Incorporated in the British Virgin Islands.*

(4) *Incorporated in Seychelles.*

(5) *This company was struck off on 29 April 2022. Prior to being struck off, this company was an investment holding company.*

(6) *This company was dissolved on 4 July 2023. Prior to dissolution, this company was an investment holding company.*

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**(e) Dato' Rozalila Binti Abdul Rahman**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Affin Bank Berhad	Banking and related financial services	Director <sup>(2)</sup>	4 February 2019	-	-	-
Agensi Pekerjaan Nova Excel Sdn Bhd	To carry on the business as private employment agency to recruit and place workers to another employer in construction, manufacturer, cleaning services, management services, facilities service, general worker industries and other related industries	Director and Shareholder	7 December 2005	-	70.00	-
Buffalo Technology Pte Ltd <sup>(1)</sup>	Other information technology and computer service activities (e.g. disaster recovery services); IT, programming and software services	Shareholder	-	-	0.55	-
Lestari Prestasi Sdn Bhd	Retail sale of any kind of product over the internet	Director and Shareholder	29 October 2016	-	50.00	-
TheScaleGroup <sup>(1)</sup>	Investment holding company for e-commerce distribution	Shareholder	-	-	0.43	-

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Past Involvement</b>						
MISC Berhad	Shipowning, ship operating, other related activities to shipping services and owning and operating offshore floating terminals	Director	1 August 2018	1 September 2023	-	-
Awake Asia Distribution Sdn Bhd	To engage in commercial conduct and carry out the business of trading, retailing, distributing all kinds of goods through electronic trading and/or e-commerce	Director	20 September 2017	16 July 2021	-	-

**Notes:**

- (1) Incorporated in Singapore.  
(2) An independent non-executive director.

**(f) Dato' George Alfonso Miranda**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Fluency Translations Sdn Bhd	Translation and interpretation activities	Director and Shareholder	20 November 2023	-	100.00	-
Miranda & Samuel	Provision of legal services	Sole Proprietor	1 October 2002	-	-	-

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Platinum Aggregate Sdn Bhd	Buying, selling, renting and operating of self-owned or leased real estate – residential buildings; buying, selling, renting and operating of self-owned or leased real estate – land; real estate activities with own or leased property	Director and Shareholder	23 December 2008	-	24.90	-
Usaha Consolidated Sdn Bhd	Dormant <sup>(1)</sup>	Director	28 September 2018	-	-	-
VH Select (M) Sdn Bhd	Construct, manage and operate hotels	Director	24 January 2019	-	-	-
<b>Past Involvement</b>						
Bounty Harvest Oil Palm Berhad	Dissolved <sup>(2)</sup>	Director	30 November 2011	7 December 2022	-	-
Usaha Bestari Sdn Bhd	Dissolved <sup>(3)</sup>	Director	29 October 2018	16 September 2022	-	-
Usaha Bijak Sdn Bhd	Dissolved <sup>(4)</sup>	Director	29 January 2018	16 September 2022	-	-
Usaha Tegap Sdn Bhd	Dissolved <sup>(5)</sup>	Director	20 October 2017	22 October 2021	-	-

**Notes:**

- (1) This company is dormant as at the LPD and its intended principal activities are activities of holding companies and other business support service activities.
- (2) This company was dissolved on 7 December 2022. Prior to dissolution, this company was dormant.
- (3) This company was dissolved on 16 September 2022. Prior to dissolution, this company was dormant.
- (4) This company was dissolved on 16 September 2022. Prior to dissolution, this company was dormant.
- (5) This company was dissolved on 22 October 2021. Prior to dissolution, this company was dormant.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****(g) Ong Teng Yan**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Top Union Sdn Bhd	General trading, land and property investment and investment holding	Director and Shareholder	1 March 2012	-	20.00	-
<b>Past Involvement</b>						
Nil	-	-	-	-	-	-

**(h) Aida Mosira Binti Mokhtar**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
AmanahRaya-Kenedix REIT Manager Sdn Bhd	Providing management and administrative services to a diverse portfolio of properties and real estates investment trust	Director	30 August 2022	-	-	-
MIMOS Berhad	Research and development in the field of information and communication technologies	Director	7 April 2022	-	-	-
Ocean Vantage Holdings Berhad	Activities of holding companies <sup>(1)</sup>	Director <sup>(2)</sup>	6 September 2021	-	-	-



**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
Phillip Capital Sdn Bhd	Licensed future broker for its client and to execute proprietary trades in futures contracts and options	Director	1 May 2022	-	-	-
Puffy Buffy Sentral Sdn Bhd	Restaurants	Director	29 October 2014	-	-	-
<b>Past Involvement</b>						
Nil	-	-	-	-	-	-

**Notes:**

- (1) *Ocean Vantage Holdings Berhad is a public company listed on the ACE Market of Bursa Securities. Ocean Vantage Holdings Berhad and its subsidiaries are principally involved in the provision of support services for the oil and gas industry where they support both the upstream and downstream oil and gas activities, solar energy and electric vehicle charging.*
- (2) *An Independent Non-Executive Director.*

**5.2.5 Involvement of our Directors in other businesses or corporations**

Save as disclosed in Section 5.2.4 of this Prospectus, our Executive Directors are not involved in other businesses or corporations. Their involvement in other businesses or corporations are not expected to affect the operations of our Group as they do not hold executive positions in the aforesaid companies and such businesses or corporations' operations do not require their involvement on a day-to-day basis as these businesses or corporations are managed by their own management teams. Hence, our Executive Directors can continue to focus on the day-to-day operations of our Group and our Board is of the view that their contribution and performance in our Group would not be affected.

The involvement of our Independent Non-Executive Directors in other businesses or corporations will not affect their respective commitment and responsibilities to our Group as they are not involved in our Group's day-to-day operations.

Save as disclosed in Section 11 of this Prospectus, the present involvement of our Directors in the businesses or corporations set out in Section 5.2.4 of this Prospectus does not give rise to any conflict or potential conflict of interest with our business.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****5.2.6 Remuneration and material benefits-in-kind of our Directors**

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

**FYE 2021 (Actual)**

<b>Director</b>	<b>Salary RM'000</b>	<b>Fees RM'000</b>	<b>Bonus RM'000</b>	<b>Statutory Contributions (EPF, SOCSO and EIS) RM'000</b>	<b>Allowances RM'000</b>	<b>Benefits-in- kind RM'000</b>	<b>Total RM'000</b>
Dato' Ponnudorai A/L Periasamy	397.75	-	-	60.28	46.75	-	504.78
Jayasielan A/L Gopal	397.75	-	-	18.24	46.75	-	462.74
Penu Mark	432.97	-	-	37.75	38.86	-	509.58
Neo Lip Pheng, Peter	432.97	-	-	37.75	38.86	-	509.58
Dato' Rozalila Binti Abdul Rahman	-	-	-	-	-	-	-
Dato' George Alfonso Miranda	-	-	-	-	-	-	-
Ong Teng Yan	-	-	-	-	-	-	-
Aida Mosira Binti Mokhtar	-	-	-	-	-	-	-

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****FYE 2022 (Actual)**

<b>Director</b>	<b>Salary RM'000</b>	<b>Fees RM'000</b>	<b>Bonus RM'000</b>	<b>Statutory Contributions (EPF, SOCSO and EIS) RM'000</b>	<b>Allowances RM'000</b>	<b>Benefits-in- kind RM'000</b>	<b>Total RM'000</b>
Dato' Ponnudorai A/L Periasamy	559.00	-	43.00	83.68	88.00	-	773.68
Jayasielan A/L Gopal	559.00	-	43.00	28.13	88.00	-	718.13
Penu Mark	597.39	-	49.78	47.52	81.42	-	776.11
Neo Lip Pheng, Peter	597.39	-	49.78	47.52	81.42	-	776.11
Dato' Rozalila Binti Abdul Rahman	-	-	-	-	1.00	-	1.00
Dato' George Alfonso Miranda	-	-	-	-	1.00	-	1.00
Ong Teng Yan	-	-	-	-	1.00	-	1.00
Aida Mosira Binti Mokhtar	-	-	-	-	1.00	-	1.00

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****FYE 2023 (Proposed)**

<b>Director</b>	<b>Salary RM'000</b>	<b>Fees<sup>(1)</sup> RM'000</b>	<b>Bonus RM'000</b>	<b>Statutory Contributions (EPF, SOCSO and EIS) RM'000</b>	<b>Allowances RM'000</b>	<b>Benefits-in- kind RM'000</b>	<b>Total RM'000</b>
Dato' Ponnudorai A/L Periasamy	559.00	-	43.00	73.52	95.00	-	770.52
Jayasielan A/L Gopal	559.00	-	43.00	24.89	95.00	-	721.89
Penu Mark	651.46	-	54.29	51.81	87.70	-	845.26
Neo Lip Pheng, Peter	651.46	-	54.29	51.81	87.70	-	845.26
Dato' Rozalila Binti Abdul Rahman	-	84.00	-	-	5.00	-	89.00
Dato' George Alfonso Miranda	-	42.00	-	-	5.00	-	47.00
Ong Teng Yan	-	42.00	-	-	5.00	-	47.00
Aida Mosira Binti Mokhtar	-	42.00	-	-	5.00	-	47.00

**Note:**

(1) *Approved and to be paid in FYE 2023.*

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

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

### 5.3 BOARD PRACTICES

#### 5.3.1 MCCG

Our Board acknowledges and takes cognisance of the recommendations under the MCCG released in April 2021 and intends to have our Group adhere to its recommendations. Specifically, on Practice 5.9, where it is recommended that our Board comprises 30% female members. As at the date of this Prospectus, our Board comprises 2 females out of 8 members, which represents 25.0% of our Board, and is a departure from Practice 5.9. We undertake to secure the appointment of an additional female Director within a year after Listing to meet the recommendation of 30% female Board members.

Save for the recommendation above, there is no departure from the other recommendations of the MCCG in terms of the composition of our Board and Board Committees. We intend to comply with other aspects of the MCCG upon Listing, including the step-up practices recommended under the MCCG, if applicable.

#### 5.3.2 Responsibility of our Board

Our Board is responsible for our Group's overall strategic direction, business and financial performance, risk management, internal control and management, information systems and investor relations. The principal duties and responsibilities of our Board are as follows:

- (a) Establishing and reviewing the strategic direction of our Group and to ensuring that it supports long-term value creation and includes strategies on economic, environmental, and social considerations, underpinning sustainability at all times;
- (b) Promoting a good corporate governance culture within our Group that reinforces ethical, prudent and professional behaviour;
- (c) Reviewing and adopting the overall strategic direction and setting out our Group's short-term and long-term plans and programmes for our Company and Group;
- (d) Overseeing the conduct of business by our Company and Group, supervising and assessing management's performance to determine whether the business is being properly managed;
- (e) Identifying principal risks and ensuring the implementation of appropriate internal controls and risk management;
- (f) Setting the risk appetite within which our Board expects management to operate and ensure the implementation of an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risk;
- (g) Establishing an appropriate succession plan for the Board and senior management;
- (h) Developing and implementing an investor relations programme or a shareholder communication policy for our Company;
- (i) Reviewing the adequacy and the integrity of the management information and internal control systems of our Company and Group; and
- (j) Ensuring the integrity of our Company's financial and non-financial reporting.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 5.3.3 Directorship

As at the LPD, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

Name	Designation	Date of appointment as Director	Date of expiration of the current term in office	No. of years in office
Dato' Rozalila Binti Abdul Rahman	Independent Non-Executive Director, Chairperson	7 November 2022	At our AGM to be held in 2025	1 year and 2 months
Dato' Ponnudorai A/L Periasamy	Executive Director/ Group Chief Executive Officer	26 November 2019	At our AGM to be held in 2026	4 years and 1 month
Jayasielan A/L Gopal	Executive Director	26 November 2019	At our AGM to be held in 2026	4 years and 1 month
Penu Mark	Executive Director	26 November 2019	At our AGM to be held in 2026	4 years and 1 month
Neo Lip Pheng, Peter	Executive Director	26 November 2019	At our AGM to be held in 2024	4 years and 1 month
Dato' George Alfonso Miranda	Independent Non-Executive Director	7 November 2022	At our AGM to be held in 2024	1 year and 2 months
Ong Teng Yan	Independent Non-Executive Director	7 November 2022	At our AGM to be held in 2024	1 year and 2 months
Aida Mosira Binti Mokhtar	Independent Non-Executive Director	7 November 2022	At our AGM to be held in 2025	1 year and 2 months

In accordance with our Constitution, all the Directors shall retire from office at the first AGM and 1/3 of our Board, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 will retire by rotation at every subsequent AGM of our Company. Each Director shall retire at least once in every 3 years and shall be eligible for re-election. Any Director appointed within the year shall hold office only until the next AGM and shall then be eligible for re-election.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (*Cont'd*)

### 5.3.4 Audit and Risk Management Committee

The members of our Audit and Risk Management Committee as at the LPD are as follows:

Name	Designation	Directorship
Ong Teng Yan	Chairperson	Independent Non-Executive Director
Dato' George Alfonso Miranda	Member	Independent Non-Executive Director
Aida Mosira Binti Mokhtar	Member	Independent Non-Executive Director

The key duties and responsibilities of our Audit and Risk Management Committee (“**ARMC**”) are, amongst others, the following:

#### (i) Financial Statements

Review the quarterly results and year-end financial statements of the Company and the Group prior to approval by the Board, focusing particularly on the following:

- (a) any changes in or implementation of major accounting policy and practices;
- (b) significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters are addressed;
- (c) significant adjustments resulting from audit;
- (d) the going concern assumption; and
- (e) compliance with accounting standards regulatory and other legal requirements.

#### (ii) External Audit

- (a) To consider and recommend to our Board on the nomination and appointment/re-appointment of the external auditors, the audit fees and any questions of resignation or dismissal and on whether there is reason (supported by grounds) to believe that the Group’s external auditors is not suitable for re-appointment;
- (b) 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;
- (c) To review any letter of resignation from the external auditors and any issues regarding the resignation or dismissal of external auditors;
- (d) To review any management letter sent by the external auditors and the management’s response to such letter;
- (e) To review the financial statements of the Group with both the external auditors and the management;
- (f) To review all related party transactions and potential conflict of interests situations that may arise within the Group and the Company;

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**


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- (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 the Group in order to be satisfied that appropriate action is being taken; and
- (h) To assess the suitability, objectivity and independence of the external auditor annually by considering among others:
  - the competence, audit quality and resource capacity of the external auditor in relation to the audit;
  - the nature and extent of the non-audit services rendered and the appropriateness of the level of fees; and
  - assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

**(iii) Internal Audit**

- (a) To review the effectiveness and adequacy of the scope, functions, resources and competency of the internal audit functions and ensure that they have the necessary authority to carry out their work;
- (b) To review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal auditors and of the ARMC thereafter report the same to the Board, where necessary;
- (c) To evaluate the performance of the internal audit function, including having an external review periodically to assess the competency of the function;
- (d) To review the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- (e) To review and approve any appointment or termination of the internal auditors;
- (f) To take cognisance of the resignation of internal auditors and provide the resigning internal auditors an opportunity to submit reasons for resigning;
- (g) Direct any special investigations to be carried out by internal auditors as and when necessary and consider the major findings of the internal investigations and management's response;
- (h) To ensure that the Internal Audit function reports directly to the ARMC; and
- (i) To review the ARMC Report to be published in the Annual Report.

**(iv) Risk Management and Internal Control**

- (a) To review the adequacy of Group's risk management framework and assess the resources and knowledge of the management and employee involved in the risk management process for identifying, managing, and monitoring the critical risks that impact the Group;



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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**


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- (b) To review the effectiveness of internal control systems deployed by the Management to address those risks, and they shall be reviewed and evaluated from time to time to ensure they are continuously improved as the business environment changes;
- (c) To engage management in an ongoing risk appetite dialogue and report the same to our Board;
- (d) To review and evaluate the quality and effectiveness of the internal control systems including its processes within the Group's operation to mitigate against the risk of inefficiencies and threats to the creation of value to the Group; and
- (e) To review the statements to be included in the annual report concerning risk management and internal control.

**(v) Whistleblowing and Anti-Corruption**

- (a) Exercise its power and carry out its responsibilities as may be required from time to time under the Whistleblower Policy and anti-corruption policy guided by the Guidelines on Adequate Procedures issued pursuant to section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009; and
- (b) Report to the Board any suspected frauds, irregularities, serious internal control deficiencies or suspected infringement of laws, rules and regulations that come to its attention and are of sufficient importance to warrant the attention of the Board.

**(vi) Other matters**

- (a) The ARMC shall carry out any other function that may be mutually agreed upon by the ARMC and the Board, which would be beneficial to the Group and ensure the effectiveness of discharge of the ARMC's duties and responsibilities;
- (b) The ARMC shall review the terms of reference of the ARMC annually or if necessary;
- (c) The ARMC's actions shall be reported to the Board of Directors with such recommendations as the ARMC deems appropriate;
- (d) If the ARMC is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities for ACE Market, the ARMC has the responsibility for reporting such matters to the relevant authority. The ARMC shall have the discretion to undertake such action independently from the Board of Directors; and
- (e) To consider any other matters as delegated by the Board.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 5.3.5 Nomination Committee

The members of our Nomination Committee as at the LPD are as follows:

Name	Designation	Directorship
Dato' George Alfonso Miranda	Chairperson	Independent Non-Executive Director
Ong Teng Yan	Member	Independent Non-Executive Director
Aida Mosira Binti Mokhtar	Member	Independent Non-Executive Director

The key duties and responsibilities of our Nomination Committee are, among others, the following:

- (i) To consider, in making its recommendations to the Board, candidates proposed by any board of directors of the Group, any directors of the Group, any head of the company of the Group and, within the bounds of practicability, by any other senior executive or any shareholders of the Group, for the approval of the respective board of directors of the Group. The Nomination Committee shall also utilise independent services to identify suitably qualified candidates. In making its recommendations, the Nomination Committee should consider the candidates':
  - technical competency, skills, knowledge, expertise and experience;
  - strong sense of professionalism;
  - integrity;
  - merit and against objective criteria with due regard for the benefits of boardroom diversity, including gender, age, ethnicity, cultural background, character;
  - other commitments and time available to contribute inputs to the Board; and
  - in the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should evaluate the candidates' ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors;
- (ii) To review Board and senior management succession plans;
- (iii) To recommend to the Board, directors to fill the seats on Board's committees;
- (iv) To annually review the Board's required size, structure and composition of the board of directors of the Group, mix of skills and experience, diversity (including gender diversity) and other qualities, including core competencies which executive or non-executive directors should bring to the Board;
- (v) To annually review the effectiveness of the Board as a whole and the board committees, the contributions of each director to the respective board of directors and the performance of the managing director and executive directors of the Groups. All assessments and evaluations carried out by the committee in the discharge of all its functions should be properly documented;

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**


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- (vi) To recommend to the respective board of directors the removal of a director or managing director or executive director if he/ she is ineffective, errant or negligent in discharging his/ her responsibilities;
- (vii) Develop the criteria to assess independence and to assess on an annual basis, the independence of the Independent Non-Executive Directors and recommend the same to the Board;
- (viii) To ensure that the maximum tenure of its independent directors are limited to nine years without further extension;
- (ix) To recommend the re-election of directors who retired by rotation pursuant to the Company's Constitution and re-appointment of directors who retired pursuant to relevant sections of the Companies Act, 2016;
- (x) To consider and examine such other matters as the Nomination Committee considers appropriate;
- (xi) To perform exit interviews with directors and senior management leaving the organisation;
- (xii) To consider and recommend to the Board the training programme for directors; and
- (xiii) To conduct Annual Performance Assessment:
  - (a) To review annually the structure, size and composition of the Board, including the skills, knowledge, experience and diversity of the Board and core competencies that non-executive directors should bring to the Board;
  - (b) To assess annually, the effectiveness of the Board as a whole and each director individually, as well as the effectiveness of the various committees of the Board and to review the results of the performance evaluation thereafter;
  - (c) To review annually, the term of office, competency and performance of the ARMC and each of its members to determine whether such committee and its members have carried out their duties in accordance with their terms of reference;
  - (d) To conduct assessment annually on the independence of each of the Independent Non-Executive Directors to ensure he/she is continually fit and maintain independence in order to provide appropriate scrutiny and impartial judgment;
  - (e) To develop, maintain and review the criteria for evaluating the performance of the Board and board committees and each individual director; and
  - (f) To conduct board evaluation which is periodically facilitated by a professional, experienced and independent party.
- (xiv) Any other such functions as may be delegated by the Board from time to time.

## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 5.3.6 Remuneration Committee

The members of our Remuneration Committee as at the LPD are as follows:

Name	Designation	Directorship
Aida Mosira Binti Mokhtar	Chairperson	Independent Non-Executive Director
Dato' George Alfonso Miranda	Member	Independent Non-Executive Director
Ong Teng Yan	Member	Independent Non-Executive Director

The key duties and responsibilities of our Remuneration Committee are, among others, the following:

- (i) To review and establish the compensation, benefits package and salary scales for Executive Director(s), Non-Executive Director(s) and key senior executives of the Group;
- (ii) To review and recommend the annual bonus quantum for bonus schemes applicable to Executive Director(s), key senior executives and employees of the Group;
- (iii) To review and recommend to the Board on director's fees and other remuneration of Non-Executive Director(s) linking the level of remuneration to their level of responsibilities and contribution to the Group; and
- (iv) Any other such functions as may be delegated by the Board from time to time.

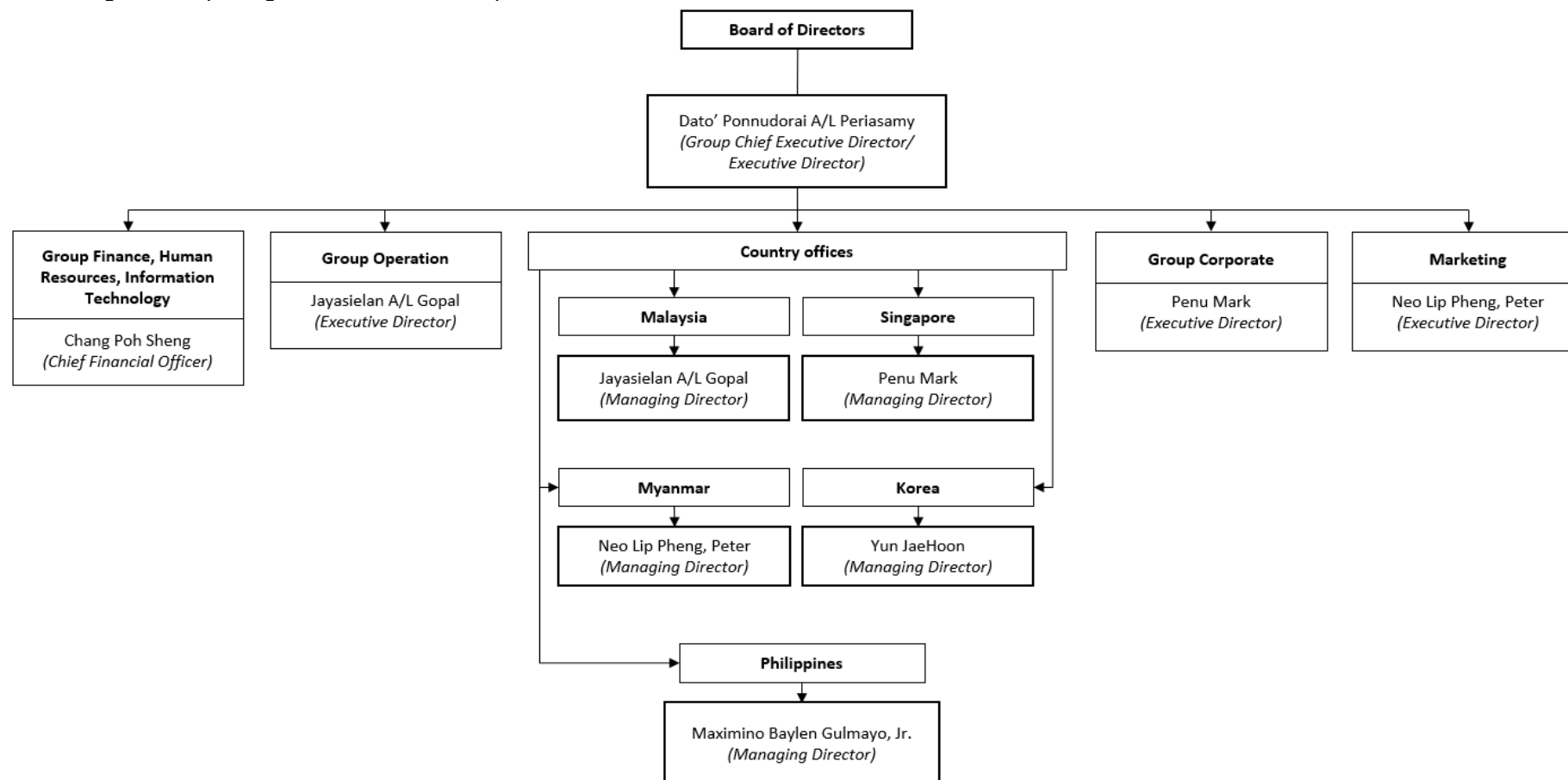
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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**5.4 KEY SENIOR MANAGEMENT**

**5.4.1 Management structure**

The management reporting structure of our Group is as follows:



**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**5.4.2 Key senior management's shareholdings**

The shareholdings of our key senior management (other than our Directors who are also part of our key senior management which is disclosed in Section 5.2.3 of this Prospectus) before and after our IPO are set out below:

Name	Before the IPO				After the IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Maximino Baylen Gulmayo, Jr.	21,330,125	6.34	-	-	21,530,125	4.97	-	-
Yun JaeHoon	7,967,625	2.37	-	-	8,767,625	2.02	-	-
Chang Poh Sheng	7,379,750	2.19	-	-	9,554,750	2.21	-	-

**Notes:**

(1) *Based on our issued share capital of 336,366,125 Shares after the Share Split, but before our IPO.*

(2) *Based on our enlarged issued share capital of 432,866,125 Shares upon Listing and assuming full subscription of the Issue Shares allocated to our employees under the Pink Form Allocation.*

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**


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**5.4.3 Profiles of key senior management**

Save for the profiles of Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, Penu Mark, Neo Lip Pheng, Peter and Maximino Baylen Gulmayo, Jr., who are also our Promoters and/ or substantial shareholders are set out in Section 5.1.2 of this Prospectus, the profiles of the other key senior management of our Group are as follows:

**(i) Chang Poh Sheng**  
*CFO*

Chang Poh Sheng ("**Mr. Chang**"), a Malaysian aged 52, is our CFO and he is responsible for overseeing all financial matters including financial reporting and internal control of our Group.

Mr. Chang obtained his professional qualification from The Chartered Institute of Management Accountants, United Kingdom (CIMA) and has been a member of CIMA since 2001. He is a Chartered Member of the Institute of Internal Auditors Malaysia and a member of the Malaysian Institute of Accountants since 2002.

Mr. Chang began his career as an Auditor with Wong Yeng Mun & Co., Chartered Accountants in 1995 with his last position as an Audit Senior. In 1997, he left Wong Yeng Mun & Co., Chartered Accountants to join UMS Corporation Sdn Bhd, a subsidiary of UMS Holdings Berhad, a company listed on the Main Market of Bursa Securities, as an Internal Audit Executive. UMS Corporation Sdn Bhd is principally involved in the sale and distribution of mechanical power transmission and material handling products and systems and industrial spare parts. His last position was Internal Audit Manager before he left UMS Corporation Sdn Bhd in 2002. In the same year, he joined Rubberflex Sdn Bhd, a company principally involved in manufacturing natural rubber latex threads, as an Accountant. He was subsequently promoted to be Finance Manager in 2004.

In 2005, he left Rubberflex Sdn Bhd to join IRIS Corporation Berhad, a company listed on the ACE Market of Bursa Securities and principally involved in technology consulting, and the implementation of trusted identification, payment and transportation and sustainable development, as a Finance Manager. He was later promoted to be the Director of Finance in 2013.

He left IRIS Corporation Berhad to join our Group as CFO in 2018.

**(ii) Yun JaeHoon**  
*Managing Director of AGX Korea*

Yun JaeHoon ("**Mr. Yun**"), a South Korean aged 45, is the Managing Director of AGX Korea and he is responsible for expanding our Group's logistics network and overseeing the product development and overall operations of AGX Korea.

Mr. Yun graduated from the Department of Office Automation – Trade Automation and Logistics Management at Kyungmin University, South Korea in 2002.

He began his career with Searoad Trans Corp Co., Ltd., a company principally involved in the provision of import and export services by sea or air and specialised in moving management in 2002. He held the position of Sales and Operations Executive where he was responsible for sea export operation for Full Container Load (FCL) / Less than Container Load (LCL), managing booking for vessel space and inland trucking.

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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In 2007, he left Searoad Trans Corp Co., Ltd. to join Forman Shipping Co., Ltd. as a Marketing Assistant Sales Manager where he was in charge of customer management / sales. Forman Shipping Co., Ltd. is a company principally involved in the provision of import and export services via sea or air and specialised in consolidation for the US market. He left Forman Shipping Co., Ltd. in the same year to join KMTC Air and Sea Services Co. as a Sea Freight Section Leader (Export) where he was responsible for managing the operation team and its performance, the overseas partner and customer consultation. KMTC Air and Sea Services Co. is principally involved in the provision of shipping, air, warehouse and logistics services.

In 2010, he left KMTC Air and Sea Services Co. to join Sunrise Corporation Co., a company principally involved in the provision of export services via sea or air and specialised in the rail services for Mongolia and Russia. He was a Sales Manager (General Affairs) in Sunrise Corporation Co. where he was responsible for sales / overseas partner management, employee management and overseeing the import and export business of the company.

In 2012, he left Sunrise Corporation Co. and co-founded AGX Korea together with Dato' Dorai, Mr. Jayasielan, Mr. Mark and Mr. Peter. He has been serving as the Managing Director of AGX Korea since 2012 and was appointed to the board of AGX Korea on 1 August 2012.

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

**5.4.4 Principal business performed outside our Group**

Save as disclosed in Section 5.2.4 and below, none of our key senior management has any other principal directorship and/or principal business activities performed outside our Group as at LPD:

**(a) Maximino Baylen Gulmayo, Jr.**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Unistop Outsourcing Inc <sup>(1)</sup>	Winding up	Shareholder	16 August 2019	13 August 2020	15.0	-
TheScaleGroup <sup>(2)</sup>	Investment holding company for e-commerce distribution	Shareholder	-	-	0.43	-

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Past Involvement</b>						
AAD Philippines <sup>(1)</sup>	Engage in, conduct and carry on an e-commerce distribution business, rendering solutions for clients such as online store management, online distribution channel development, online data analysis and online campaign including the development, marketing and provision of internet goods and services; software systems; logistic, digital and payment services; and other services related to the said business inside and outside the Philippines through subsidiaries or otherwise, without engaging in mass media and advertising activities and providing value added telecommunication services and payment services requiring special permission under the law	Director	26 July 2017	30 October 2022	-	-

**Notes:**

(1) Incorporated in the Philippines.

(2) Incorporated in Singapore.

**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)****(b) Chang Poh Sheng**

Company	Principal activities	Position held	Date of appointment	Date of cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Nil	-	-	-	-	-	-
<b>Past Involvement</b>						
Multimedia Display Technologies Sdn Bhd	Research and development in information technology	Director	1 September 2016	22 May 2020	-	-

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. Their involvement in those business activities does not require significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities in our Group.

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## 5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

### 5.4.5 Key senior management remuneration and benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management (save for our Directors which are disclosed in Section 5.2.6) for services rendered / to be rendered in all capacities to our Group for the FYE 2021, FYE 2022 and FYE 2023 are as follows:

Key senior management	Remuneration Band <sup>(1)</sup>		
	FYE 2021 (Actual) RM'000	FYE 2022 (Actual) RM'000	FYE 2023 (Proposed) RM'000
Maximino Baylen Gulmayo, Jr.	650-700	900-950	600-650
Yun JaeHoon	450-500	500-550	400-450
Chang Poh Sheng	350-400	450-500	500-550

**Note:**

(1) The remunerations include salaries, bonuses, statutory contributions and allowances.

## 5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

There are no family relationships or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD.

## 5.6 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors or key senior management is or has been involved in any of the following events (whether within or outside Malaysia):

- (i) in the last 10 years, a petition under any bankruptcy or insolvency laws that was filed (and not struck out) against such person or any partnership in which such person was a partner or any corporation of which he/she was a director or a member of key senior management;
- (ii) 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, charged or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (iv) in the last 10 years, any judgment that 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, 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) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining such person from engaging in any type of business practice or activity;

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**5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**

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- (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 judgment against such person.

**5.7 SERVICE AGREEMENTS**

As at the LPD, there are no existing or proposed service agreements entered into or to be entered into between our Group with our Directors or key senior management, which provide for benefits upon termination of employment.

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## **6. INFORMATION ON OUR GROUP**

### **6.1 OUR COMPANY**

Our Company was incorporated in Malaysia under the Act on 26 November 2019 as a public limited company under the name of AGX Group Berhad.

Our Company is principally involved in the activities of holding companies. As at the LPD, through our Subsidiaries, we are primarily a 3PL service provider where our services comprise sea and air freight forwarding, aerospace logistics, warehousing and other 3PL, and road freight transportation services.

There has been no material change in the manner in which our Company conducts its business or operations since our incorporation up to the LPD.

Please refer to Section 7.1 of this Prospectus for detailed information of our Group's history.

### **6.2 LISTING SCHEME**

In FYE 2019 and FYE 2020, we undertook the Pre-IPO Internal Reorganisation Exercise which consists of the Pre-IPO Internal Re-organisation Acquisitions. All Pre-IPO Internal Re-organisation Acquisitions were completed by December 2020 and thereafter, our Group was formed. Please refer to Section 6.6 of this Prospectus for further details of the Pre-IPO Internal Reorganisation Exercise.

Subsequent to FYE 2021 and prior to our Listing, our Group has undertaken the following exercises:

- (i) On 5 September 2022, AGX Philippines and All-Link Singapore incorporated an associated company namely, All-Link Philippines. AGB's effective interest in All-Link Philippines is 47.99%<sup>(1)</sup>. All-Link Philippines principally engages in, conducts and carries on the business of cargo and international freight forwarding, master consolidator or breakbulk agent of goods and cargoes of all kinds by sea bodies of water related to freight forwarding and collect fees for such services; to undertake and carry the business as a non-vessel operating common carrier (NVOCC).
- (ii) On 8 November 2022, AGX Malaysia incorporated a 70% owned subsidiary namely, AGX Transport. AGX Transport is principally involved in road freight transportation. The remaining shareholder of AGX Transport is Mohd Zalani Bin Abdullah (30%), who is a Bumiputera and non-related party. Mohd Zalani Bin Abdullah being the Director of AGX Transport will be responsible for its business development, i.e., by identifying and developing new business opportunities, improving and expanding existing relationships with its customers.

Prior to the incorporation of AGX Transport, Mohd Zalani Bin Abdullah was an employee of AGX Malaysia and held the position of Business Development Executive from 1 December 2017 to 30 April 2020, where he was responsible for AGX Malaysia's business development, i.e., by identifying and developing new business opportunities, improving and expanding existing relationships with its customers. He left AGX Malaysia in April 2020 and worked as a real estate agent, based in Kelantan, until November 2022.

**6. INFORMATION ON OUR GROUP (Cont'd)****Note:**

(1) *AGB's effective interest in All-Link Philippines is computed as follows:*

- (i) *Direct interest held through AGX Philippines (29.99%); and*
- (ii) *Indirect interest held through AGX Singapore and All-Link Singapore (30.0% x 59.99% = 18.0%),*

*AGB's total effective interest in All-Link Philippines is 47.99% (29.99% + 18.0%).*

- (iii) On 7 December 2023, AGX Philippines incorporated a 99.99% subsidiary namely, AGX Warehouse. As at the LPD, AGX Warehouse has not commenced business operations and its intended principal activity is to provide warehousing and other 3PL services. The remaining shareholders of AGX Warehouse are Maximino Baylen Gulmayo, Jr. (0.002%), Aldrich P. Espino (0.002%), Abigail P. Velasco (0.002%), Neo Lip Pheng, Peter (0.002%) and Jayasielan A/L Gopal (0.002%), all of whom are also directors of AGX Warehouse.

**6.2.1 Listing Scheme****(i) Share Split**

In conjunction with, and as an integral part of our Listing, our Company has carried out a subdivision of all the existing 269,092,900 Shares in issue into 336,366,125 Shares (i.e., subdivision of every 4 existing Shares into 5 subdivided Shares).

The purpose of the Share Split is to enhance the liquidity of the Shares at the time of our Listing.

Following the completion of the Share Split, we have 336,366,125 Shares in issue. The shareholdings of our Company before and after the Share Split are as follows:

	Before the Share Split		After the Share Split	
	No. of Shares	%	No. of Shares	%
Dato' Ponnudorai A/L Periasamy	44,721,800	16.62	55,902,250	16.62
Jayasielan A/L Gopal	44,721,800	16.62	55,902,250	16.62
Penu Mark	68,177,500	25.34	85,221,875	25.34
Neo Lip Pheng, Peter	68,177,500	25.34	85,221,875	25.34
Other shareholders <sup>(1)</sup>	43,294,300	16.08	54,117,875	16.08
<b>Total</b>	<b>269,092,900</b>	<b>100.0</b>	<b>336,366,125</b>	<b>100.0</b>

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**6. INFORMATION ON OUR GROUP (Cont'd)****Note:**

- (1) Shareholdings of the other shareholders held in our Company before and after the Share Split are as follows:

	Before the Share Split		After the Share Split	
	No. of Shares	%	No. of Shares	%
Maximino Baylen Gulmayo, Jr.	17,064,100	6.34	21,330,125	6.34
Kamar Ludin Bin Salleh	606,700	0.22	758,375	0.22
Wong Chuan Keat	2,452,900	0.91	3,066,125	0.91
Hnin Aye Chit	2,927,600	1.09	3,659,500	1.09
Kathy Thein	1,951,700	0.72	2,439,625	0.72
Thuzar Thet Pe	2,927,600	1.09	3,659,500	1.09
Shamma Parvin D/O Mohammad Hussain	1,239,600	0.46	1,549,500	0.46
Santhi Naidu D/O Ragavan	1,846,200	0.69	2,307,750	0.69
Chang Poh Sheng	5,903,800	2.19	7,379,750	2.19
Yun JaeHoon	6,374,100	2.37	7,967,625	2.37
<b>Total</b>	<b>43,294,300</b>	<b>16.08</b>	<b>54,117,875</b>	<b>16.08</b>

**(ii) Public Issue**

Pursuant to the Public Issue, we will issue 96,500,000 Issue Shares at the IPO Price to be allocated in the following manner:

- (i) 21,650,000 Issue Shares will be offered to the Malaysian Public by way of balloting, of which at least 50% will be set aside for Bumiputera Investors;
- (ii) 6,320,000 Issue Shares will be reserved for application by the Eligible Persons; and
- (iii) 68,530,000 Issue Shares will be made available by way of private placement to selected investors.

Upon completion of the Public Issue, our share capital will increase from RM27,120,124 comprising 336,366,125 Shares to RM60,895,124 comprising 432,866,125 Shares.

**(iii) Offer for Sale**

Concurrent with our Listing, our Selling Shareholders will undertake an Offer for Sale of 30,000,000 Offer Shares at the IPO Price by way of private placement to the selected investors.

**(iv) Listing**

Upon completion of our IPO, our Company's entire enlarged issued share capital of RM60,895,124 comprising 432,866,125 Shares will be listed on the ACE Market of Bursa Securities.

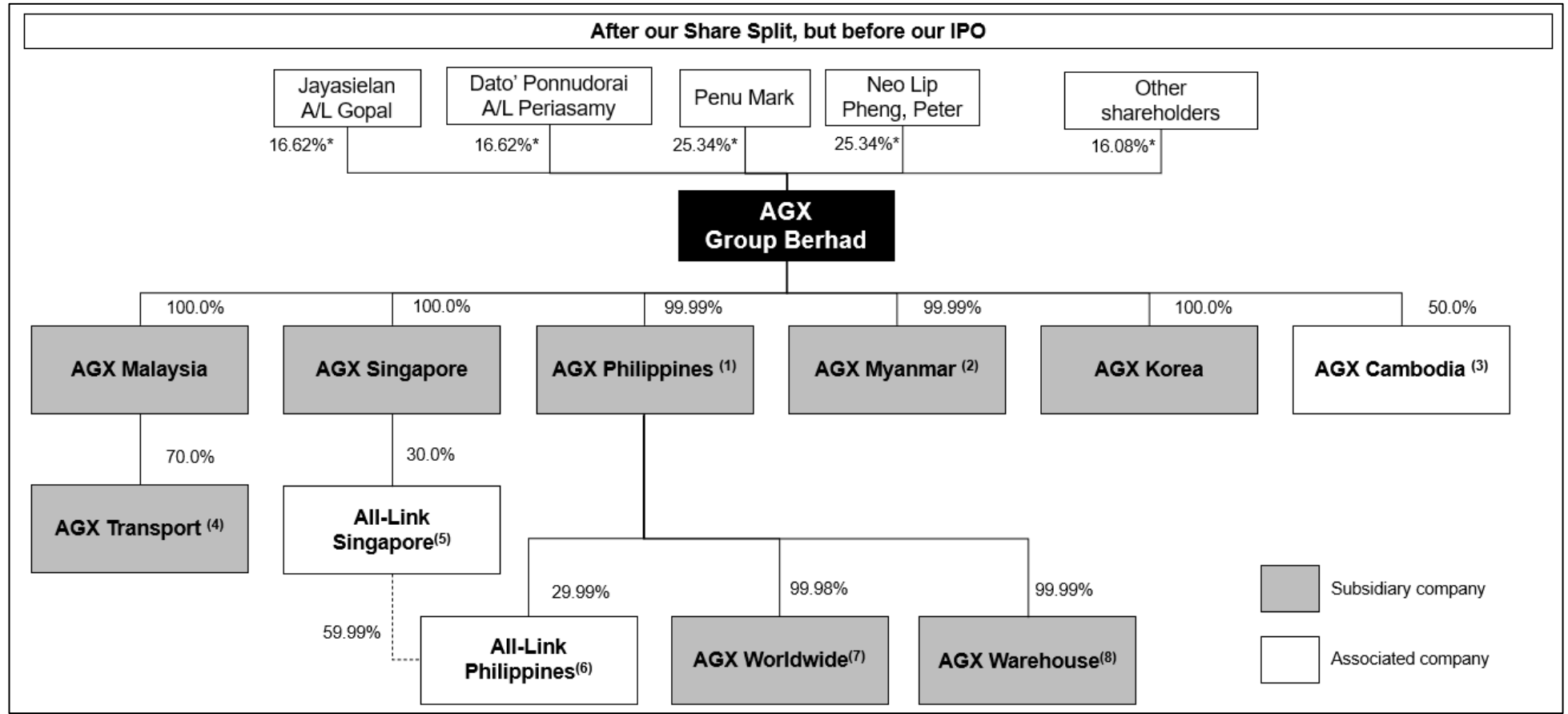
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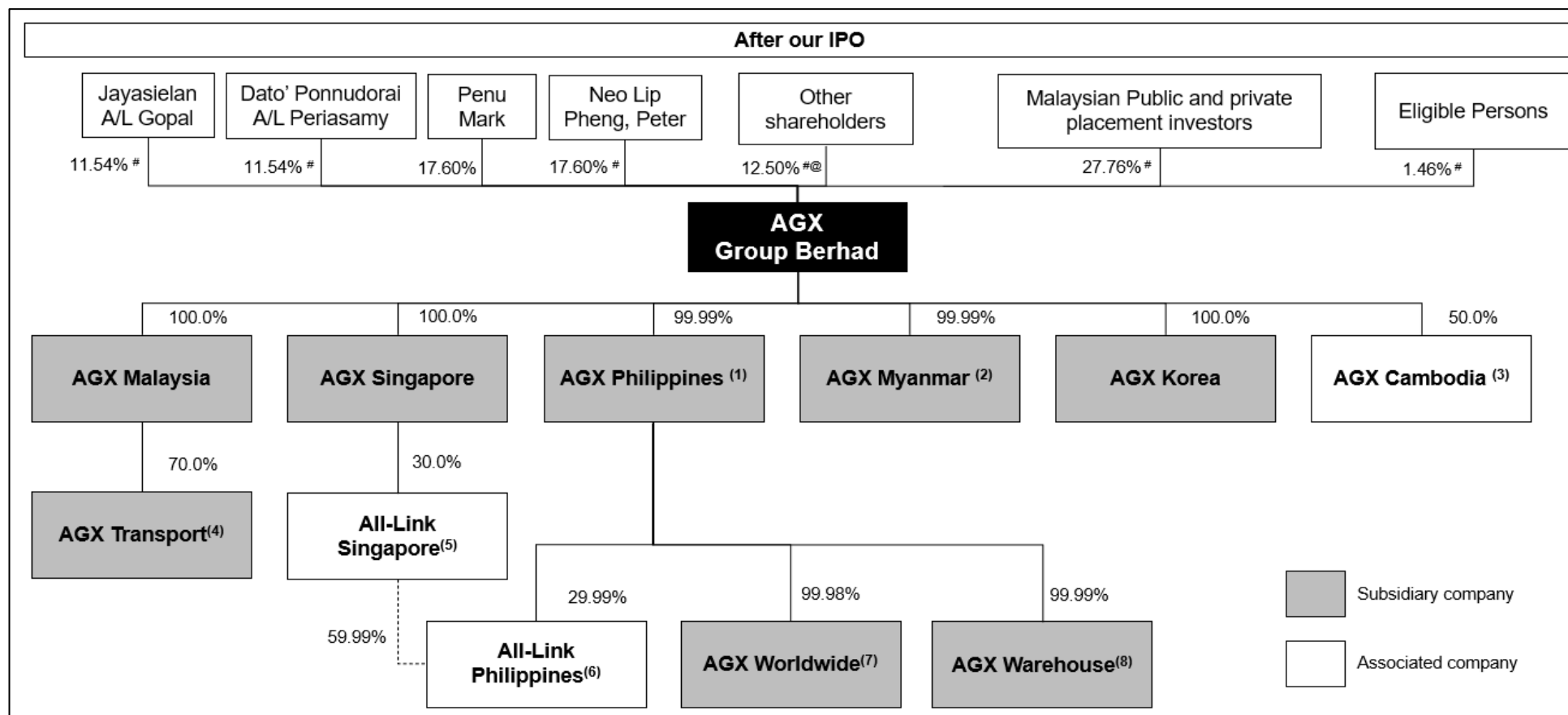
6. INFORMATION ON OUR GROUP (Cont'd)

6.3 OUR GROUP STRUCTURE

Our Group structure after our Share Split, but before our IPO and after our IPO is as set out below:



6. INFORMATION ON OUR GROUP (Cont'd)



**Notes:**

(1) The remaining 0.01% of the issued share capital of AGX Philippines is collectively held by Jayasielan A/L Gopal, Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigael P. Velasco, all of whom are directors of AGX Philippines. As required under Philippine law, each director of AGX Philippines must hold at least 1 share in AGX Philippines.

**6. INFORMATION ON OUR GROUP (Cont'd)**

- (2) *The remaining 0.01% of the issued share capital of AGX Myanmar is held by Neo Lip Pheng, Peter, as he retained a shareholding of 1 share in AGX Myanmar as one of the directors of AGX Myanmar. Neo Lip Pheng, Peter was appointed as the Managing Director of AGX Myanmar in 2023.*
- (3) *The remaining 50% of the issued share capital of AGX Cambodia is held by Kong Soryakbotrey, the Managing Director of AGX Cambodia. Kong Soryakbotrey did not intend to be part of the Pre-IPO Internal Re-organisation Acquisitions undertaken in conjunction with our Listing and wishes to focus on the growth of AGX Cambodia through her direct participation in the company, as she is not familiar with the laws and regulations as well as the business operations of our Group outside of Cambodia.*
- (4) *The remaining 30% of the issued share capital of AGX Transport is held by Mohd Zalani Bin Abdullah, a non-related party, whose background is set out in Section 6.2(ii) of this Prospectus. Mohd Zalani Bin Abdullah was identified as the 30% shareholder of AGX Transport for the following reasons:*
- (a) he has experience in the logistics industry;*
  - (b) he has expressed his intention to rejoin our Group through his participation in AGX Transport;*
  - (c) he is able to identify and develop new business opportunities, improve and expand existing relationships with our Group's customers; and*
  - (d) he is a Bumiputera who meets the equity conditions set out in the Licensing Policy Guide issued by Suruhanjaya Pengangkutan Awam Darat (which was dissolved and replaced by APAD). Details of the equity conditions are set out in Note (1) in Section 7.10.1 of this Prospectus. Please also refer to Section 14.6(v) of this Prospectus for further details of the Shareholders' Agreement dated 13 December 2022 and Supplemental Agreement dated 13 January 2023 between AGX Malaysia, Mohd Zalani Bin Abdullah and AGX Transport.*
- (5) *The remaining 70% of the issued share capital of All-Link Singapore is held by Tang Ying, a non-related party. Tang Ying was nominated by Shanghai All-Link Logistics Co. Ltd. to manage the operations of All-Link Singapore and carry out the responsibilities of Shanghai All-Link Logistics Co. Ltd. set out in the joint venture and shareholders' agreement. Please refer to Section 14.6(iii) of this Prospectus for further details of the Joint Venture and Shareholders' Agreement dated 13 July 2022 between Xu Hao, AGX Singapore and All-Link Singapore and Supplemental Agreement dated 13 April 2023 between Xu Hao, Shanghai All-Link Logistics Co., Ltd., Tang Ying, AGX Singapore and All-Link Singapore.*
- (6) *The remaining 10% of the issued share capital of All-Link Philippines is held by Jun Miao (a non-related party) and 0.02% is collectively held by Xu Hao (a non-related party), Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigail P. Velasco, all of whom are directors of All-Link Philippines. As required under Philippine law, each director of All-Link Philippines must hold at least 1 share in All-Link Philippines. Please refer to Section 14.6(iv) of this Prospectus for further details of the Joint Venture and Shareholders' Agreement dated 10 January 2023 between All-Link Singapore, AGX Philippines, Jun Miao and All-Link Philippines.*
- (7) *The remaining 0.02% of the issued share capital of AGX Worldwide is collectively held by Jayasielan A/L Gopal, Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigail P. Velasco, all of whom are directors of AGX Worldwide. As required under Philippine law, each director of AGX Worldwide must hold at least 1 share in AGX Worldwide.*

**6. INFORMATION ON OUR GROUP (Cont'd)**

(8) *The remaining 0.01% of the issued share capital of AGX Warehouse is collectively held by Maximino Baylen Gulmayo, Jr., Aldrich P. Espino, Abigail P. Velasco, Neo Lip Pheng, Peter and Jayasielan A/L Gopal, all of whom are directors of AGX Warehouse. As required under Philippine law, each director of AGX Warehouse must hold at least 1 share in AGX Warehouse.*

\* *Based on our issued share capital of 336,366,125 Shares after the Share Split, but before our IPO.*

# *Based on our enlarged issued share capital of 432,866,125 Shares after our IPO.*

@ *Our Other Shareholders include Maximino Baylen Gulmayo, Jr. His shareholdings in our Company before and after the IPO are 6.34% and 4.97%, respectively. He will cease to be a substantial shareholder of our Company upon the IPO.*

Further details of our Subsidiaries and associated companies are set out in Section 6.5 of this Prospectus.

**6.4 OUR SHARE CAPITAL**

As at the date of this Prospectus, our issued share capital is RM27,120,124, comprising 336,366,125 Shares. Pursuant to the Public Issue, our issued share capital will increase to RM60,895,124 comprising 432,866,125 Shares.

The changes in the issued share capital of our Company since incorporation are as follows:

Date of allotment	No. of Shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of Shares	Issued share capital (RM)
26 November 2019	10	Subscriber's shares / Cash	10	10
16 June 2021	263,741,310	Otherwise than cash <sup>(1)</sup>	263,741,320	26,374,141
16 June 2021	5,350,885	Cash	269,092,205	27,120,054
9 March 2022	695	Cash	269,092,900	27,120,124
28 November 2023	Share split	Not applicable	336,366,125	27,120,124

**Note:**

(1) *Pursuant to the Pre-IPO Internal Re-organisation Acquisitions.*

As at the LPD, we do not have any outstanding warrants, options, convertible securities or uncalled capital. There were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.5 OUR SUBSIDIARIES AND ASSOCIATED COMPANIES

The details of our subsidiaries and associated companies as at the LPD are as follows:

Company name and registration no.	Date/ Place of incorporation	Year of commencement of business	Issued share capital	Effective equity interest (%)	Principal activities
AGX Malaysia (200401002048 (640551-H))	26 January 2004/ Malaysia	2005	RM600,000	100.00	Sea and air freight forwarding, aerospace logistics, road freight transportation, and warehousing and other 3PL services.
AGX Singapore (201007379H)	7 April 2010/ Singapore	2010	SGD625,000 (equivalent to approximately RM2.18 million) <sup>(10)</sup>	100.00	Sea and air freight forwarding, aerospace logistics, road freight transportation, and warehousing and other 3PL services.
AGX Korea (110111-4931302)	1 August 2012/ Korea	2012	KRW300,000,000 (equivalent to approximately RM1.07 million) <sup>(10)</sup>	100.00	Sea and air freight forwarding services.
AGX Philippines (CS201219097)	12 October 2012/ Philippines	2013	PHP134,776,200 (equivalent to approximately RM11.27 million) <sup>(10)</sup>	<sup>(1)</sup> 99.99	Sea and air freight forwarding, aerospace logistics, and warehousing and other 3PL services.
AGX Myanmar (110858507)	17 July 2013/ Myanmar	2013	MMK43,180,000 (equivalent to approximately RM0.10 million) <sup>(10)</sup>	<sup>(2)</sup> 99.99	Sea and air freight forwarding, road freight transportation and warehousing <sup>(3)</sup> .
AGX Cambodia (00017261)	20 October 2015/ Cambodia	2015	KHR200,000,000 (equivalent to approximately RM0.23 million) <sup>(10)</sup>	<sup>(4)</sup> 50.00	Freight forwarding service.

**6. INFORMATION ON OUR GROUP (Cont'd)**

Company name and registration no.	Date/ Place of incorporation	Year of commencement of business	Issued share capital	Effective equity interest (%)	Principal activities
<b>Subsidiary of AGX Malaysia</b>					
AGX Transport (202201041524 (1487221-U))	8 November 2022/ Malaysia	#	RM500,100	<sup>(5)</sup> 70.00	Road freight transportation.
<b>Subsidiary of AGX Philippines</b>					
AGX Worldwide (CS201905247)	2 April 2019/ Philippines	2019	PHP2,500,000 (equivalent to approximately RM0.21 million) <sup>(10)</sup>	<sup>(6)</sup> 99.98	Warehousing and other 3PL services.
AGX Warehouse (2023120127340-02)	7 December 2023/ Philippines	@	PHP4,375,000 (equivalent to approximately RM0.37 million) <sup>(10)</sup>	<sup>(7)</sup> 99.99	Warehousing and other 3PL services.
<b>Associated company of AGX Singapore</b>					
All-Link Singapore (202144515K)	24 December 2021/ Singapore	2022	SGD100,000 (equivalent to approximately RM0.35 million) <sup>(10)</sup>	<sup>(8)</sup> 30.00	Freight transport arrangement and general warehousing.
<b>Associated company of AGX Philippines and subsidiary of All-Link Singapore</b>					
All-Link Philippines (2022090066808-09)	5 September 2022/ Philippines	2023	PHP12,000,000 (equivalent to approximately RM1.00 million) <sup>(10)</sup>	<sup>(9)</sup> 47.99	Engage in, conduct and carry on the business of cargo and international freight forwarding, master consolidator or breakbulk agent of goods and cargoes of all kinds by sea bodies of water related to freight forwarding and collect fees for such services; to undertake and carry the business as a non-vessel operating common carrier (NVOCC).

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**6. INFORMATION ON OUR GROUP (Cont'd)**


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**Notes:**

- (1) *The remaining 0.01% of the issued share capital of AGX Philippines is collectively held by Jayasielan A/L Gopal, Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigael P. Velasco.*
- (2) *The remaining 0.01% of the issued share capital of AGX Myanmar is held by Neo Lip Pheng, Peter.*
- (3) *The categories of business of AGX Myanmar registered with the public registry are water transport, air transport, warehousing and support activities for transportation, and land transport and transport via pipelines. These categories of business are pre-set and cannot be customised under the public registry. The principal activities of AGX Myanmar set out above are consistent and aligned with the aforesaid categories of business.*
- (4) *The remaining 50% of the issued share capital of AGX Cambodia is held by Kong Soryakbotrey.*
- (5) *The remaining 30% of the issued share capital of AGX Transport is held by Mohd Zalani Bin Abdullah, a non-related party.*
- (6) *The remaining 0.02% of the issued share capital of AGX Worldwide is collectively held by Jayasielan A/L Gopal, Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigael P. Velasco.*
- (7) *The remaining 0.01% of the issued share capital of AGX Warehouse is collectively held by Maximino Baylen Gulmayo, Jr., Aldrich P. Espino, Abigael P. Velasco, Neo Lip Pheng, Peter and Jayasielan A/L Gopal.*
- (8) *The remaining 70% of the issued share capital of All-Link Singapore is held by Tang Ying, a non-related party.*
- (9) *AGB's effective interest in All-Link Philippines is computed as follows:*
- (a) *direct interest held through AGX Philippines (29.99%); and*
- (b) *indirect interest held through AGX Singapore and All-Link Singapore (30.0% x 59.99% = 18.0%),*

*AGB's total effective interest in All-Link Philippines is 47.99% (29.99% + 18.0%).*

*10.0% of the issued share capital of All-Link Philippines is held by Jun Miao (a non-related party) and the remaining 0.02% is collectively held by Xu Hao (a non-related party), Neo Lip Pheng, Peter, Maximino Baylen Gulmayo, Jr., Aldrich P. Espino and Abigael P. Velasco.*

**6. INFORMATION ON OUR GROUP (Cont'd)**

(10) *The amounts stated herein are converted into RM based on Bank Negara Malaysia's middle exchange rates as at 12.00p.m. on the LPD:*

*KRW 100 = RM0.3561  
 USD 1 = RM4.6345  
 PHP 100 = RM8.3625  
 SGD 1 = RM3.4930  
 MMK 100 = RM0.2214  
 KHR 100 = RM0.1126*

# *As at the LPD, AGX Transport has not commenced business operations. AGX Transport is expected to commence its business operations in January 2024.*

@ *As at the LPD, AGX Warehouse has not commenced business operations. AGX Warehouse is expected to commence its business operations in the 1<sup>st</sup> quarter of 2024.*

Save as disclosed below, the individual shareholders of the respective Subsidiaries and associated companies do not have any relationship with the directors or shareholders of our Company or in any way connected to our Group:

<b>Name</b>	<b>Individual shareholder of the Subsidiary/ Associated Company</b>	<b>Role and relationship in the Subsidiary/ Associated Company</b>
Jayasielan A/L Gopal	AGX Philippines, AGX Worldwide and AGX Warehouse	Managing Director of AGX Malaysia and Director of AGX Singapore, AGX Philippines, AGX Myanmar, AGX Transport, AGX Worldwide and AGX Warehouse
Neo Lip Pheng, Peter	AGX Philippines, AGX Myanmar, AGX Worldwide, AGX Warehouse and All-Link Philippines	Managing Director of AGX Myanmar and Director of AGX Singapore, AGX Philippines, AGX Worldwide, AGX Warehouse, All-Link Singapore and All-Link Philippines
Maximino Baylen Gulmayo, Jr.	AGX Philippines, AGX Worldwide, AGX Warehouse and All-Link Philippines	Managing Director of AGX Philippines and Director of AGX Worldwide, AGX Warehouse and All-Link Philippines
Aldrich P. Espino	AGX Philippines, AGX Worldwide, AGX Warehouse and All-Link Philippines	Director of AGX Philippines, AGX Worldwide, AGX Warehouse and All-Link Philippines



**6. INFORMATION ON OUR GROUP (Cont'd)**

<b>Name</b>	<b>Individual shareholder of the Subsidiary/ Associated Company</b>	<b>Role and relationship in the Subsidiary/ Associated Company</b>
Abigael P. Velasco	AGX Philippines, AGX Worldwide, AGX Warehouse and All-Link Philippines	Director of AGX Philippines, AGX Worldwide, AGX Warehouse and All-Link Philippines
Kong Soryakbotrey	AGX Cambodia	Managing Director of AGX Cambodia
Mohd Zalani Bin Abdullah	AGX Transport	Director of AGX Transport
Tang Ying	All-Link Singapore	Director of All-Link Singapore
Jun Miao	All-Link Philippines	Director of All-Link Philippines
Xu Hao	All-Link Philippines	Director of All-Link Philippines

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**6. INFORMATION ON OUR GROUP (Cont'd)****6.5.1 AGX Malaysia****(a) Background, history and principal activities**

AGX Malaysia was incorporated on 26 January 2004 in Malaysia under the Companies Act 1965 as a private limited company and is deemed registered under the Act.

AGX Malaysia is principally involved in the provision of sea and air freight forwarding, aerospace logistics, road freight transportation, and warehousing and other 3PL services. AGX Malaysia commenced operations in 2005 with its principal place of business in Malaysia.

**(b) Share capital**

As at the LPD, the issued share capital of AGX Malaysia is RM600,000 comprising 600,000 ordinary shares.

The changes in the issued share capital of AGX Malaysia since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (RM)
26 January 2004	2	Cash	2	2
17 May 2005	599,998	Cash	600,000	600,000

As at the LPD, AGX Malaysia does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Shareholder and Director**

As at the LPD, AGX Malaysia is a wholly-owned direct subsidiary of AGB.

As at the LPD, the directors of AGX Malaysia are Dato' Ponnudorai A/L Periasamy and Jayasielan A/L Gopal.

**(d) Subsidiary, associated company and joint venture**

AGX Malaysia has a 70% owned direct subsidiary, namely AGX Transport. For further details, please refer to Section 6.5.7 of this Prospectus.

AGX Malaysia does not have any associated company or joint venture.

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.5.2 AGX Singapore

#### (a) Background, history and principal activities

AGX Singapore was incorporated on 7 April 2010 in Singapore under the Companies Act 1967 of Singapore.

AGX Singapore is principally involved in the provision of sea and air freight forwarding, aerospace logistics, road freight transportation, and warehousing and other 3PL services. AGX Singapore commenced operations in 2010 with its principal place of business in Singapore.

#### (b) Share capital

As at the LPD, the issued share capital of AGX Singapore is SGD625,000 comprising 625,000 ordinary shares.

The changes in the issued share capital of AGX Singapore since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (SGD)
7 April 2010	2	Cash	2	2
12 August 2010	62,498	Cash	62,500	62,500
12 August 2010	375,000	Cash	437,500	437,500
12 August 2010	62,500	Cash	500,000	500,000
15 December 2010	43,750	Cash	543,750	543,750
15 December 2010	31,250	Cash	575,000	575,000
15 December 2010	31,250	Cash	606,250	606,250
15 December 2010	18,750	Cash	625,000	625,000

As at the LPD, AGX Singapore does not have any outstanding warrants, options, convertible securities or uncalled capital.

#### (c) Shareholder and Director

As at the LPD, AGX Singapore is a wholly-owned direct subsidiary of AGB.

As at the LPD, the directors of AGX Singapore are Jayasielan A/L Gopal, Penu Mark and Neo Lip Pheng, Peter.

#### (d) Subsidiary, associated company and joint venture

AGX Singapore has a 30% owned direct associated company, namely All-Link Singapore. For further details, please refer to Section 6.5.9 of this Prospectus.

AGX Singapore does not have any subsidiary or joint venture.

**6. INFORMATION ON OUR GROUP (Cont'd)****6.5.3 AGX Korea****(a) Background, history and principal activities**

AGX Korea was incorporated on 1 August 2012 in Korea under the Commercial Act of Korea.

AGX Korea is principally involved in the provision of sea and air freight forwarding services. AGX Korea commenced operations in 2012 with its principal place of business in Korea.

**(b) Share capital**

As at the LPD, the issued share capital of AGX Korea is KRW300,000,000 comprising 600,000 ordinary shares.

The changes in the issued share capital of AGX Korea since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (KRW)
1 August 2012	600,000	Cash	600,000	300,000,000

As at the LPD, AGX Korea does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Shareholder and Director**

As at the LPD, AGX Korea is a wholly-owned direct subsidiary of AGB.

As at the LPD, the directors of AGX Korea are Yun JaeHoon, Kim Tae Hee and Kim Hong Gi.

**(d) Subsidiary, associated company and joint venture**

AGX Korea does not have any subsidiary, associated company or joint venture.

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## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.5.4 AGX Philippines

#### (a) Background, history and principal activities

AGX Philippines was incorporated on 12 October 2012 in the Philippines under the Corporation Code of the Philippines, Batas Pambansa Blg. 68.

AGX Philippines is principally involved in the provision of sea and air freight forwarding, aerospace logistics, and warehousing and other 3PL services. AGX Philippines commenced operations in 2013 with its principal place of business in the Philippines.

#### (b) Share capital

As at the LPD, the issued share capital of AGX Philippines is PHP134,776,200 comprising 1,347,762 common shares.

The changes in the issued share capital of AGX Philippines since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (PHP)
12 October 2012	30,000	Cash	30,000	3,000,000
29 September 2014	10,000	Cash	40,000	4,000,000
3 September 2015	60,000	Cash	100,000	10,000,000
28 August 2020	1,247,762	Cash	1,347,762	134,776,200

As at the LPD, AGX Philippines does not have any outstanding warrants, options, convertible securities or uncalled capital.

#### (c) Shareholder and Director

As at the LPD, the shareholders of AGX Philippines and their shareholdings are as follows:

Name	No. of common shares held	%
Maximino Baylen Gulmayo, Jr.	13	0.01 <sup>(1)</sup>
Aldrich P. Espino	13	
Abigael P. Velasco	13	
Neo Lip Pheng, Peter	13	
Jayasielan A/L Gopal	13	
AGB	1,347,697	99.99
<b>Total</b>	<b>1,347,762</b>	<b>100.00</b>

**Note:**

(1) The 0.01% of the issued share capital of AGX Philippines is collectively held by Maximino Baylen Gulmayo, Jr. (0.002%), Aldrich P. Espino (0.002%), Abigael P. Velasco (0.002%), Neo Lip Pheng, Peter (0.002%) and Jayasielan A/L Gopal (0.002%).

As at the LPD, the directors of AGX Philippines are Maximino Baylen Gulmayo, Jr., Aldrich P. Espino, Abigael P. Velasco, Neo Lip Pheng, Peter and Jayasielan A/L Gopal.

**6. INFORMATION ON OUR GROUP (Cont'd)****(d) Subsidiary, associated company and joint venture**

AGX Philippines has 2 subsidiaries, namely AGX Worldwide and AGX Warehouse, and 1 associated company, namely All-Link Philippines. For further details, please refer to Sections 6.5.8, 6.5.10 and 6.5.11 of this Prospectus. AGX Philippines does not have any joint venture.

**6.5.5 AGX Myanmar****(a) Background, history and principal activities**

AGX Myanmar was incorporated on 17 July 2013 in Myanmar under the Myanmar Companies Act, 1914 as a private company limited by shares, and re-registered in accordance with Myanmar Companies Law 2017.

AGX Myanmar is principally involved in sea and air freight forwarding, road freight transportation and warehousing.

AGX Myanmar commenced operations in 2013 with its principal place of business in Myanmar.

**(b) Share capital**

As at the LPD, the issued share capital of AGX Myanmar is MMK43,180,000 comprising 43,180 ordinary shares.

The changes in the issued share capital of AGX Myanmar since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (MMK)
17 July 2013	43,180	Cash	43,180	43,180,000

As at the LPD, AGX Myanmar does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Shareholder and Director**

As at the LPD, the shareholders of AGX Myanmar and their shareholdings are as follows:

Name	No. of ordinary shares held	%
AGB	43,179	99.99
Neo Lip Pheng, Peter	1	0.01
<b>Total</b>	<b>43,180</b>	<b>100.00</b>

As at the LPD, the directors of AGX Myanmar are Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, Penu Mark, Neo Lip Pheng, Peter, Thuzar Thet Pe, Hnin Aye Chit and Kathy Thein.

**(d) Subsidiary, associated company and joint venture**

AGX Myanmar does not have any subsidiary, associated company or joint venture.

**6. INFORMATION ON OUR GROUP (Cont'd)****6.5.6 AGX Cambodia****(a) Background, history and principal activities**

AGX Cambodia was incorporated on 20 October 2015 in Cambodia under the Law on Commercial Enterprises of Cambodia.

AGX Cambodia is principally involved in freight forwarding service. AGX Cambodia commenced operations in 2015 with its principal place of business in the Cambodia.

**(b) Share capital**

As at the LPD, the issued share capital of AGX Cambodia is KHR200,000,000 comprising 10,000 ordinary shares.

The changes in the issued share capital of AGX Cambodia since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (KHR)
20 October 2015	1,000	Cash	1,000	20,000,000
31 March 2017	9,000	Cash	10,000	200,000,000

As at the LPD, AGX Cambodia does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Shareholder and Director**

As at the LPD, the shareholders of AGX Cambodia and their shareholdings are as follows:

Name	No. of ordinary shares held	%
Kong Soryakbotrey	5,000	50.00
AGB	5,000	50.00
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

As at the LPD, the directors of AGX Cambodia are Kong Soryakbotrey and Dato' Ponnudorai A/L Periasamy.

**(d) Subsidiary, associated company and joint venture**

AGX Cambodia does not have any subsidiary, associated company or joint venture.

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**6. INFORMATION ON OUR GROUP (Cont'd)****6.5.7 AGX Transport****(a) Background, history and principal activities**

AGX Transport was incorporated on 8 November 2022 in Malaysia under the Act as a private limited company.

AGX Transport is principally involved in road freight transportation. As at the LPD, AGX Transport has not commenced business operations.

**(b) Share capital**

As at the LPD, the issued share capital of AGX Transport is RM500,100 comprising 500,100 ordinary shares.

The changes in the issued share capital of AGX Transport since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (RM)
8 November 2022	70	Cash	70	70
8 November 2022	30	Cash	100	100
12 January 2023	350,000	Cash	350,100	350,100
12 January 2023	150,000	Cash	500,100	500,100

As at the LPD, AGX Transport does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Shareholder and Director**

As at the LPD, the shareholders of AGX Transport and their shareholdings are as follows:

Name	No. of ordinary shares held	%
AGX Malaysia	350,070	70.00
Mohd Zalani Bin Abdullah	150,030	30.00
<b>Total</b>	<b>500,100</b>	<b>100.00</b>

As at the LPD, the directors of AGX Transport are Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal and Mohd Zalani Bin Abdullah.

**(d) Subsidiary, associated company and joint venture**

AGX Transport does not have any subsidiary, associated company or joint venture.



**6. INFORMATION ON OUR GROUP (Cont'd)****6.5.8 AGX Worldwide****(a) Background, history and principal activities**

AGX Worldwide was incorporated on 2 April 2019 in the Philippines under the Revised Corporation Code of the Philippines, Republic Act No. 11232.

AGX Worldwide is principally involved in warehousing and other 3PL services. AGX Worldwide commenced operations in 2019 with its principal place of business in the Philippines.

**(b) Share capital**

As at the LPD, the issued share capital of AGX Worldwide is PHP2,500,000 comprising 25,000 common shares.

The changes in the issued share capital of AGX Worldwide since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (PHP)
2 April 2019	25,000	Cash	25,000	2,500,000

As at the LPD, AGX Worldwide does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Shareholder and Director**

As at the LPD, the shareholders of AGX Worldwide and their shareholdings are as follows:

Name	No. of common shares held	%
Maximino Baylen Gulmayo, Jr.	1	0.02 <sup>(1)</sup>
Aldrich P. Espino	1	
Abigael P. Velasco	1	
Neo Lip Pheng, Peter	1	
Jayasielan A/L Gopal	1	
AGX Philippines	24,995	99.98
<b>Total</b>	<b>25,000</b>	<b>100.00</b>

**Note:**

(1) The 0.02% of the issued share capital of AGX Worldwide is collectively held by Maximino Baylen Gulmayo, Jr. (0.004%), Aldrich P. Espino (0.004%), Abigael P. Velasco (0.004%), Neo Lip Pheng, Peter (0.004%) and Jayasielan A/L Gopal (0.004%).

As at the LPD, the directors of AGX Worldwide are Maximino Baylen Gulmayo, Jr., Aldrich P. Espino, Abigael P. Velasco, Neo Lip Pheng, Peter and Jayasielan A/L Gopal.

**(d) Subsidiary, associated company and joint venture**

AGX Worldwide does not have any subsidiary, associated company or joint venture.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.5.9 All-Link Singapore

#### (a) Background, history and principal activities

All-Link Singapore was incorporated on 24 December 2021 in Singapore under the Companies Act 1967 of Singapore.

All-Link Singapore is principally involved in freight transport arrangement and general warehousing. All-Link Singapore commenced operations in 2022 with its principal place of business in Singapore.

#### (b) Share capital

As at the LPD, the issued share capital of All-Link Singapore is SGD100,000 comprising 100,000 ordinary shares.

The changes in the issued share capital of All-Link Singapore since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (SGD)
24 December 2021	1	Cash	1	1
26 February 2022	29,999	Cash	30,000	30,000
26 February 2022	70,000	Cash	100,000	100,000

As at the LPD, All-Link Singapore does not have any outstanding warrants, options, convertible securities or uncalled capital.

#### (c) Shareholder and Director

As at the LPD, the shareholders of All-Link Singapore and their shareholdings are as follows:

Name	No. of ordinary shares held	%
AGX Singapore	30,000	30.00
Tang Ying	70,000	70.00
<b>Total</b>	<b>100,000</b>	<b>100.00</b>

As at the LPD, the directors of All-Link Singapore are Neo Lip Pheng, Peter and Tang Ying.

#### (d) Subsidiary, associated company and joint venture

All-Link Singapore has a 59.99% owned direct subsidiary, namely All-Link Philippines. For further details, please refer to Section 6.5.10 of this Prospectus.

All-Link Singapore does not have any associated company or joint venture.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.5.10 All-Link Philippines

#### (a) Background, history and principal activities

All-Link Philippines was incorporated on 5 September 2022 in the Philippines under the Revised Corporation Code of the Philippines, Republic Act No. 11232.

All-Link Philippines principally engages in, conducts and carries on the business of cargo and international freight forwarding, master consolidator or breakbulk agent of goods and cargoes of all kinds by sea bodies of water related to freight forwarding and collect fees for such services; to undertake and carry the business as a NVOCC. All-Link Philippines commenced operations in 2023 with its principal place of business in the Philippines. However, All-Link Philippines is presently not registered as a NVOCC and does not have any immediate plan for registration of NVOCC.

#### (b) Share capital

As at the LPD, the issued share capital of All-Link Philippines is PHP12,000,000 comprising 120,000 common shares.

The changes in the issued share capital of All-Link Philippines since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (PHP)
5 September 2022	120,000	Cash	120,000	12,000,000

As at the LPD, All-Link Philippines does not have any outstanding warrants, options, convertible securities or uncalled capital.

#### (c) Shareholder and Director

As at the LPD, the shareholders of All-Link Philippines and their shareholdings are as follows:

Name	No. of common shares held	%
Maximino Baylen Gulmayo, Jr.	1	0.02 <sup>(1)</sup>
Aldrich P. Espino	1	
Abigael P. Velasco	1	
Xu Hao	1	
Neo Lip Pheng, Peter	1	
Jun Miao	12,000	10.00
AGX Philippines	35,997	29.99
All-Link Singapore	71,998	59.99
<b>Total</b>	<b>120,000</b>	<b>100.00</b>

**Note:**

(1) The 0.02% of the issued share capital of All-Link Philippines is collectively held by Maximino Baylen Gulmayo, Jr. (0.004%), Aldrich P. Espino (0.004%), Abigael P. Velasco (0.004%), Xu Hao (0.004%) and Neo Lip Pheng, Peter (0.004%).

As at the LPD, the directors of All-Link Philippines are Maximino Baylen Gulmayo, Jr., Aldrich P. Espino, Abigael P. Velasco, Neo Lip Pheng, Peter, Xu Hao and Jun Miao.

**6. INFORMATION ON OUR GROUP (Cont'd)****(d) Subsidiary, associated company and joint venture**

All-Link Philippines does not have any subsidiary, associated company or joint venture.

**6.5.11 AGX Warehouse****(a) Background, history and principal activities**

AGX Warehouse was incorporated on 7 December 2023 in the Philippines under the Revised Corporation Code of the Philippines, Republic Act No. 11232.

As at the LPD, AGX Warehouse has not commenced business operations and its intended principal activity is to provide warehousing and other 3PL services.

**(b) Share capital**

As at the LPD, the issued share capital of AGX Warehouse is PHP4,375,000 comprising 43,750 common shares.

The changes in the issued share capital of AGX Warehouse since its incorporation up to the LPD are as follows:

Date of allotment	No. of shares allotted	Type of issue / Consideration	Cumulative issued share capital	
			No. of shares	Issued share capital (PHP)
6 December 2023	43,750	Cash	43,750	4,375,000

As at the LPD, AGX Warehouse does not have any outstanding warrants, options, convertible securities or uncalled capital.

**(c) Shareholder and Director**

As at the LPD, the shareholders of AGX Warehouse and their shareholdings are as follows:

Name	No. of common shares held	%
Maximino Baylen Gulmayo, Jr.	1	0.01 <sup>(1)</sup>
Aldrich P. Espino	1	
Abigael P. Velasco	1	
Neo Lip Pheng, Peter	1	
Jayasielan A/L Gopal	1	
AGX Philippines	43,745	99.99
<b>Total</b>	<b>43,750</b>	<b>100.00</b>

**Note:**

(1) The 0.01% of the issued share capital of AGX Warehouse is collectively held by Maximino Baylen Gulmayo, Jr. (0.002%), Aldrich P. Espino (0.002%), Abigael P. Velasco (0.002%), Neo Lip Pheng, Peter (0.002%) and Jayasielan A/L Gopal (0.002%).

As at the LPD, the directors of AGX Warehouse are Maximino Baylen Gulmayo, Jr., Aldrich P. Espino, Abigael P. Velasco, Neo Lip Pheng, Peter and Jayasielan A/L Gopal.

**(d) Subsidiary, associated company and joint venture**

AGX Warehouse does not have any subsidiary, associated company or joint venture.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.6 PRE-IPO INTERNAL REORGANISATION EXERCISE

#### 6.6.1 Pre-IPO Internal Re-organisation Acquisitions

In FYE 2019 and FYE 2020, we undertook the Pre-IPO Internal Re-organisation Acquisitions vide the following agreements:

- (a) a share sale agreement dated 30 November 2019 (which was supplemented by a supplemental agreement dated 30 November 2020) with AGX BVI to acquire all ordinary shares held by AGX BVI in AGX Malaysia, AGX Singapore, AGX Philippines, AGX Myanmar, AGX Korea and AGX Cambodia ("**First SSA**") for a total consideration of USD6,444,505 equivalent to RM26,374,131 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of an aggregate of 263,741,310 Shares at an issue price of RM0.10 per Share to the existing ultimate shareholders of AGX BVI pursuant to the share sale agreement; and
- (b) a share sale agreement dated 26 December 2019 (which was supplemented by a supplemental letter dated 26 December 2019) with Yun JaeHoon ("**Second SSA**") to acquire 360,000 ordinary shares in AGX Korea held by Yun JaeHoon, representing 60% of the issued share capital of AGX Korea, for a total cash consideration of KRW210,709,995 equivalent to RM745,913.38 based on an exchange rate of KRW1:RM0.00354.

Further details of the Pre-IPO Internal Re-organisation Acquisitions are as follows:

#### (i) Acquisition of AGX Malaysia

Pursuant to the First SSA, AGB acquired 100.0% equity interest in AGX Malaysia comprising 600,000 ordinary shares for a purchase consideration of USD1,755,483 equivalent to RM7,184,314 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of 71,843,136 Shares. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on the unaudited net asset of AGX Malaysia as at 31 December 2018 (i.e. USD1,755,483 equivalent to RM7,184,314 based on an exchange rate of USD1:RM4.0925).

The acquisition of AGX Malaysia was completed on 19 May 2020.

#### (ii) Acquisition of AGX Singapore

Pursuant to the First SSA, AGB acquired 100.0% equity interest in AGX Singapore comprising 625,000 ordinary shares for a purchase consideration of USD1,690,343 equivalent to RM6,917,727.23 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of 69,177,272 Shares. The total purchase consideration was arrived at on a willing-buyer willing-seller basis based on the unaudited net asset of AGX Singapore as at 31 December 2018 (i.e. USD1,690,343 equivalent to RM6,917,727.23 based on an exchange rate of USD1:RM4.0925).

The acquisition of AGX Singapore was completed on 25 February 2020.

**6. INFORMATION ON OUR GROUP (Cont'd)****(iii) Acquisitions of AGX Korea**

- (a) Pursuant to the First SSA, AGB acquired 40.0% of the equity interest of AGX Korea comprising 240,000 ordinary shares for a purchase consideration of USD150,652 equivalent to RM616,543.18 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of 6,165,432 Shares. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on the unaudited net asset of AGX Korea as at 31 December 2018 (i.e. USD417,505 equivalent to RM1,708,639 based on an exchange rate of USD1:RM4.0925).
- (b) Pursuant to the Second SSA, AGB acquired 60.0% of the equity interest of AGX Korea comprising 360,000 ordinary shares for a purchase consideration of KRW210,709,995 equivalent to RM745,913.38 based on an exchange rate of 1KRW:RM0.00354 which was satisfied via electronic transfer of funds to the bank account of Yun JaeHoon. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on the unaudited net asset of AGX Korea as at 31 December 2018 (i.e. USD417,505 equivalent to RM1,708,639 based on an exchange rate of USD1:RM4.0925).

The acquisitions of AGX Korea were completed on 26 December 2019.

**(iv) Acquisition of AGX Philippines**

Pursuant to the First SSA, AGB acquired 99.99% equity interest in AGX Philippines comprising 1,347,697 common shares for a purchase consideration of USD2,237,427 equivalent to RM9,156,667.01 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of 91,566,670 Shares. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on the unaudited net asset of AGX Philippines as at 31 December 2018 (i.e. USD2,237,427 equivalent to RM9,156,667.01 based on an exchange rate of USD1:RM4.0925).

The acquisition of AGX Philippines was completed on 21 December 2020.

**(v) Acquisition of AGX Myanmar**

Pursuant to the First SSA, AGB acquired 99.99% equity interest in AGX Myanmar comprising 43,179 ordinary shares for a purchase consideration of USD576,041 equivalent to RM2,357,447.28 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of 23,574,473 Shares. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on the unaudited net asset of AGX Myanmar as at 31 December 2018 (i.e. USD576,041 equivalent to RM2,357,447.28 based on an exchange rate of USD1:RM4.0925).

The acquisition of AGX Myanmar was completed on 27 February 2020.

**(vi) Acquisition of AGX Cambodia**

Pursuant to the First SSA, AGB acquired 50.0% equity interest in AGX Cambodia comprising 5,000 ordinary shares of AGX Cambodia for a purchase consideration of USD34,559 equivalent to RM141,432.68 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of 1,414,327 Shares. The purchase consideration was arrived at on a willing-buyer willing-seller basis based on the net asset of AGX Cambodia as at 31 December 2018 (i.e. USD81,940 equivalent to RM335,339 based on an exchange rate of USD1:RM4.0925).

The acquisition of AGX Cambodia was completed on 2 April 2020.

## 6. INFORMATION ON OUR GROUP (Cont'd)

### 6.6.2 Subscription of Shares

Pursuant to our members' and directors' resolutions passed on 15 May 2021 and 16 May 2021 respectively, Yun JaeHoon subscribed for 5,350,885 new Shares at an issue price of RM0.1394 per Share, representing 1.99% of the issued share capital of AGB at that point in time of 269,092,205 Shares. The issue price of RM0.1394 per Share was determined based on the net asset of AGX BVI as at 31 December 2018 of USD7,350,962 equivalent to RM30,083,812, based on the latest available management accounts of AGX BVI at that point in time when Yun JaeHoon and AGB agreed to the terms of the subscription of shares.

### 6.6.3 Disposal of Shares

Jayasielan A/L Gopal and Dato' Ponnudorai A/L Periasamy completed the following disposals of their Shares on 25 February 2022 ("**Disposal of Shares**"):

- (a) Jayasielan A/L Gopal disposed of 10,761,000 Shares, representing 4.0% of the issued share capital of AGB, to Penu Mark for a consideration of RM1,500,083.40 which was satisfied via cash.
- (b) Dato' Ponnudorai A/L Periasamy disposed of 2,440,317 Shares, representing 0.91% of the issued share capital of AGB, to Chang Poh Sheng for a consideration of RM340,180.19 which was satisfied via cash.
- (c) Jayasielan A/L Gopal disposed of 3,463,442 Shares, representing 1.29% of the issued share capital of AGB, to Chang Poh Sheng for a consideration of RM482,803.81 which was satisfied via cash.
- (d) Dato' Ponnudorai A/L Periasamy disposed of 1,023,125 Shares, representing 0.38% of the issued share capital of AGB, to Yun JaeHoon for a consideration of RM142,623.63 which was satisfied via cash.
- (e) Dato' Ponnudorai A/L Periasamy disposed of 10,761,000 Shares, representing 4.0% of the issued share capital of AGB, to Neo Lip Pheng, Peter for a consideration of RM1,500,083.40 which was satisfied via cash.

### 6.6.4 Issuance and Allotment of 695 Shares

Pursuant to the authority granted under the Act by our members at the meeting of members held on 15 June 2021 and directors' resolution dated 9 March 2022, our Company has approved the issuance and allotment of 695 Shares to our existing shareholders so that the Shares held by them will be in board lots ("**Issuance and Allotment of 695 Shares**"). The Shares were allotted and issued on 9 March 2022 at an issue price of RM0.10 per Share as follows:

Name	No. of Shares issued and allotted on 9 March 2022
Dato' Ponnudorai A/L Periasamy	58
Jayasielan A/L Gopal	58
Penu Mark	20
Neo Lip Pheng, Peter	20
Yun JaeHoon	90
Maximino Baylen Gulmayo, Jr.	31
Thuzar Thet Pe	78
Chang Poh Sheng	41
Shamma Parvin D/O Mohammad Hussain	15
Santhi Naidu D/O Ragavan	6
Kamar Ludin Bin Salleh	94
Hnin Aye Chit	78
Kathy Thein	9
Wong Chuan Keat	97
<b>TOTAL</b>	<b>695</b>

**6. INFORMATION ON OUR GROUP (Cont'd)**

The changes in our shareholding structure arising from the Pre-IPO Internal Re-organisation Exercise set out in Section 6.6 of this Prospectus are as follows:

	Before the Pre-IPO Internal Re-organisation Acquisitions		After the Pre-IPO Internal Re-organisation Acquisitions and Subscription of Shares		After the Disposal of Shares and Issuance and Allotment of 695 Shares	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Dato' Ponnudorai A/L Periasamy	3	30.00	58,946,184	21.91	44,721,800	16.62
Jayasielan A/L Gopal	3	30.00	58,946,184	21.91	44,721,800	16.62
Penu Mark	2	20.00	57,416,480	21.34	68,177,500	25.34
Neo Lip Pheng, Peter	2	20.00	57,416,480	21.34	68,177,500	25.34
Yun JaeHoon	-	-	5,350,885	1.98	6,374,100	2.37
Maximino Baylen Gulmayo, Jr.	-	-	17,064,069	6.34	17,064,100	6.34
Chang Poh Sheng	-	-	-	-	5,903,800	2.19
Thuzar Thet Pe	-	-	2,927,522	1.09	2,927,600	1.09
Hnin Aye Chit	-	-	2,927,522	1.09	2,927,600	1.09
Wong Chuan Keat	-	-	2,452,803	0.91	2,452,900	0.91
Santhi Naidu D/O Ragavan	-	-	1,846,194	0.69	1,846,200	0.69
Kathy Thein	-	-	1,951,691	0.72	1,951,700	0.72
Shamma Parvin D/O Mohammad Hussain	-	-	1,239,585	0.46	1,239,600	0.46
Kamar Ludin Bin Salleh	-	-	606,606	0.22	606,700	0.22
<b>TOTAL</b>	<b>10</b>	<b>100.00</b>	<b>269,092,205</b>	<b>100.00</b>	<b>269,092,900</b>	<b>100.00</b>

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## 7. BUSINESS OVERVIEW

### 7.1 HISTORY AND BACKGROUND OF OUR GROUP

The history of our Group can be traced back to the incorporation of AGX Malaysia (formerly known as AGI Logistic (Malaysia) Sdn Bhd) in 2004 and the commencement of its business as a provider of sea and air freight forwarding, and aerospace logistics services in 2005. The initial shareholders of AGX Malaysia were Phoon Yew Sang and Audrey Catherine Siow (non-related parties), who each held 1 share in AGX Malaysia. Phoon Yew Sang and Audrey Catherine Siow had, on 7 May 2005, disposed of their entire shareholding to AGI Logistics (S) Pte Ltd and JPS Resources Sdn Bhd respectively. On 17 May 2005, AGI Logistics (S) Pte Ltd and JPS Resources Sdn Bhd subscribed for additional 305,999 shares and 293,999 shares in AGX Malaysia respectively. Thereafter, AGI Logistics (S) Pte Ltd and JPS Resources Sdn Bhd held 51.00% and 49.00% of equity interests in AGX Malaysia respectively in 2005.

The shareholders of JPS Resources Sdn Bhd were Dato' Ponnudorai A/L Periasamy (our Executive Director and Group CEO), Jayasielan A/L Gopal (our Executive Director and Managing Director of AGX Malaysia) and Santhyanathan A/L Ratnam who held 40.00%, 30.00% and 30.00% equity interests in JPS Resources Sdn Bhd respectively.

Meanwhile, Neo Lip Pheng, Peter (our Executive Director and Managing Director of AGX Myanmar) was a shareholder of AGI Logistics (S) Pte Ltd who held 30.00% equity interest in AGI Logistics (S) Pte Ltd and the remaining 70.00% equity interest was held by non-related parties.

In 2009, Santhyanathan A/L Ratnam disposed of 10.00% and 20.00% of his equity interest in JPS Resources Sdn Bhd, being his entire shareholding, to Dato' Ponnudorai A/L Periasamy and Jayasielan A/L Gopal respectively. Following the said disposal, Dato' Ponnudorai A/L Periasamy and Jayasielan A/L Gopal each held 50.00% equity interest in JPS Resources Sdn Bhd.

In November 2009, JPS Resources Sdn Bhd conducted a management buyout and acquired the remaining 51.00% equity interest in AGX Malaysia from AGI Logistics (S) Pte Ltd at a purchase consideration of RM1,089,360. Thereafter, AGX Malaysia became a wholly-owned subsidiary of JPS Resources Sdn Bhd. Prior to the acquisition of the entire equity interest in AGX Malaysia by AGB from AGX BVI which was completed on 19 May 2020 (as part of the Pre-IPO Internal Re-organisation Acquisitions), the equity interest in AGX Malaysia was held by Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, AG Overseas Sdn Bhd and AGX BVI respectively at different points in time between 2010 and 2020.

Over the years, our Group expanded geographically to different countries through AGX Singapore, AGX Korea, AGX Myanmar, AGX Philippines, AGX Worldwide and AGX Warehouse. As at LPD, all of these companies, together with AGX Malaysia and AGX Transport, are subsidiaries of our holding company, AGB, following the completion of the Pre-IPO Internal Re-organisation Acquisitions. Please refer to Section 6.6 of this Prospectus for further details. AGB was incorporated in Malaysia on 26 November 2019 and commenced business operations in the same year as an investment holding company. As at the LPD, Penu Mark, Neo Lip Pheng, Peter, Dato' Ponnudorai A/L Periasamy and Jayasielan A/L Gopal holds 25.34%, 25.34%, 16.62% and 16.62% equity interests in AGB, respectively.

The key events in our Group's history and the development of our business are set out in the following table:

Year	Events
2004 - 2005	<ul style="list-style-type: none"> <li>AGX Malaysia<sup>(1)</sup> was incorporated in Malaysia in 2004 and commenced business in 2005 providing logistics services. Our initial head office was located in Subang Jaya, Selangor.</li> </ul>
2009	<ul style="list-style-type: none"> <li>JPS Resources Sdn Bhd conducted a management buyout by acquiring the remaining 51.00% equity interest in AGX Malaysia from AGI Logistics (S) Pte Ltd.</li> </ul>

**7. BUSINESS OVERVIEW (Cont'd)**

Year	Events
2010	<ul style="list-style-type: none"> <li>Our Group started to expand our geographical presence outside of Malaysia with the incorporation of our subsidiary, AGX Singapore<sup>(5)</sup>. The company commenced business providing logistics services at the First Singapore Office at the Changi Logistics Centre.</li> </ul> <p>Penu Mark, our Executive Director and Managing Director of AGX Singapore was the sole shareholder of Premier Investment Holdings Pte Ltd<sup>(2)</sup>. Subsequently, in 2011, Neo Lip Pheng, Peter, our Executive Director and Managing Director of AGX Myanmar joined as a shareholder of Premier Investment Holdings Pte Ltd in 2011 and held 50.0% equity interest in the company.</p>
2011	<ul style="list-style-type: none"> <li>We started providing warehousing and other 3PL services, and road freight transportation services in Malaysia through AGX Malaysia.</li> <li>We commenced operations at our Changi Airport Warehouse in Singapore, which we continue to operate as at the LPD. This was our first warehouse in Singapore and it is mainly used to support our air freight forwarding and aerospace logistics services in Singapore.</li> </ul>
2012	<ul style="list-style-type: none"> <li>In line with management's intention to expand our geographical coverage, we expanded to Korea and incorporated AGX Korea<sup>(5)</sup>. The company commenced business providing logistics services in the same year. At that time AGX Korea was held by AG Overseas Sdn Bhd (a company previously held by Dato' Ponnudorai A/L Periasamy and Jayasielan A/L Gopal) (20%), Premier Investment Holdings Pte Ltd (a company previously held by Penu Mark and Neo Lip Pheng, Peter) (20%), and Yun JaeHoon (60%), our Managing Director of AGX Korea. As at the LPD, AGX Korea is a subsidiary of our Group.</li> <li>During the same year, we further expanded to the Philippines and incorporated our subsidiary, AGX Philippines<sup>(5)</sup>.</li> </ul>
2013	<ul style="list-style-type: none"> <li>AGX Philippines commenced business in providing logistics services.</li> <li>We continued our geographical expansion and incorporated AGX Myanmar<sup>(5)</sup>. The company commenced business providing logistics services in Previous Myanmar Office.</li> <li>We started providing warehousing and other third-party logistics (3PL) services in our Previous Nan Wah Building Warehouse in Singapore.</li> </ul>
2015	<ul style="list-style-type: none"> <li>To cater to the growth of our business in Singapore, we relocated our head office operations, warehousing and other 3PL service operations from the Previous Nan Wah Building Warehouse to the Previous Changi South Warehouse. As at the LPD, we have moved our head office operations to Gul Warehouse and Office in Singapore.</li> </ul>
2017	<ul style="list-style-type: none"> <li>We commenced operations in our Yangon Warehouse in Myanmar which continues to operate as at the LPD. We also started providing warehousing and other 3PL services, and road freight transportation services in Myanmar.</li> <li>We commenced operations at the following operational facilities: <ul style="list-style-type: none"> <li>KLIA Warehouse in Malaysia commenced operations supporting our air freight forwarding and aerospace logistics services, and we continue to operate at this premises as at the LPD;</li> <li>Our Previous Manila Warehouse in the Philippines commenced operations where we operated until 2022.</li> </ul> </li> </ul>
2018	<ul style="list-style-type: none"> <li>We submitted via AGX Group Limited ("<b>HKSE Listing Company</b>") an application to the Hong Kong Stock Exchange (HKSE) for a primary listing of HKSE Listing Company on the Growth Enterprise Market (GEM) of HKSE. The HKSE Listing Company subsequently withdrew its listing application from HKSE in 2019 due to various factors, including among others, delays in the listing process, fees incurred and unfavourable HKSE market conditions.</li> </ul>
2019	<ul style="list-style-type: none"> <li>We incorporated our subsidiary, AGX Worldwide<sup>(3)(5)</sup> in the Philippines which commenced operations providing warehousing and other 3PL services in Subic Bay Warehouse 1 during the same year. This warehouse continues to operate as at the LPD.</li> </ul>

**7. BUSINESS OVERVIEW (Cont'd)**

Year	Events
	<ul style="list-style-type: none"> <li>AGB was incorporated in Malaysia and commenced business operations as an investment holding company.</li> <li>AGB completed the acquisition of the remaining 60.00%<sup>(4)</sup> of the equity interest in AGX Korea (at the purchase consideration of KRW210,709,995, equivalent to approximately RM745,913) and it became a subsidiary of our Group.</li> </ul>
2021	<ul style="list-style-type: none"> <li>AGB became the holding company of our Group upon the completion of Pre-IPO Internal Re-organisation Acquisitions.</li> <li>In line with our business growth and customer demand in Malaysia, we commenced operations at our Port Klang Warehouse 2 in Malaysia.</li> <li>We relocated our Singapore office and warehouse operations from our Previous Changi South Warehouse to Gul Warehouse and Office which continues to operate as at the LPD. The Gul Warehouse and Office has 232,556 cubic feet of storage capacity as at the LPD compared to 91,039 cubic feet for the Previous Changi South Warehouse.</li> </ul>
2022	<ul style="list-style-type: none"> <li>To cater to the growth of the business, AGX Worldwide commenced operations at our Subic Bay Warehouse 2.</li> <li>We relocated our warehousing and other 3PL operations from our Previous Manila Warehouse to our current Manila Warehouse which commenced operations in the same month.</li> <li>AGX Philippines was registered as a Non-vessel Operating Common Carrier (NVOCC) under the Ocean Transportation Intermediaries list (OTI) by the Federal Maritime Commission of the US (FMC).</li> <li>AGX Transport was incorporated in Malaysia. The company's intended principal activity is to provide road freight transportation services, and it has not commenced business operations as at the LPD.</li> </ul>
2023	<ul style="list-style-type: none"> <li>In February 2023, we ceased operations at the Previous Port Klang Warehouses 1 and 2 and relocated our warehousing and other 3PL services operations to the Lot 41 Warehouse. The Lot 41 Warehouse is in a rented premises located at Taman Perindustrian Pulau Indah in Selangor, Malaysia.</li> <li>AGX Philippines was accredited as an International Air Transport Association (IATA) cargo agent in February 2023.</li> <li>AGX Warehouse was incorporated in the Philippines. The company's intended principal activity is to provide warehousing and other 3PL services, and it has not commenced business operations as at the LPD.</li> </ul>

**Notes:**

- (1) The company's name upon incorporation in 2004 was AGI Logistic (Malaysia) Sdn Bhd before changing its name to AGI Logistics (Malaysia) Sdn Bhd in the same year, and to AGX Malaysia in 2009.
- (2) Premier Investment Holdings Pte Ltd was an investment holding company in shares. On 8 March 2018, Premier Investment Holdings Pte Ltd was struck off pursuant to the laws of Singapore.
- (3) AGX Worldwide was incorporated to apply for the certificate of registration and tax exemption for the Subic Bay Warehouse 1 and Subic Bay Warehouse 2 to undertake warehousing and other 3PL services at the Subic Bay Freeport Zone.
- (4) AGB acquired 40.00% equity interest in of AGX Korea from AGX BVI for a purchase consideration of USD150,652 equivalent to approximately RM616,543 based on an exchange rate of USD1:RM4.0925 which was satisfied via the issuance and allotment of 6,165,432 Shares. Further details of which are set out in Section 6.6.1 of this Prospectus.

**7. BUSINESS OVERVIEW (Cont'd)**

(5) The initial shareholders of these subsidiaries at the time of incorporation were as follows:

<b>Subsidiary</b>	<b>Shareholder name</b>	<b>Equity interest (%)</b>
AGX Singapore <i>Based on the equity interest of AGX Singapore on 7 April 2010.</i>	Prema D/O Subroyan	100.00
AGX Korea <i>Based on the equity interest of AGX Korea on 1 August 2012.</i>	Yun JaeHoon AG Overseas Sdn Bhd Premier Investment Holdings Pte Ltd	60.00% 20.00% 20.00%
AGX Myanmar <i>Based on the equity interest of AGX Myanmar on 17 July 2013.</i>	Premier Investment Holdings Pte Ltd Thuzar Thet Pe Hnin Aye Chit Kathy Thein	55.00 17.50 17.50 10.00
AGX Philippines <i>Based on the equity interest of AGX Philippines on 12 October 2012.</i>	Maximino Baylen Gulmayo, Jr. Jayasielan A/L Gopal Neo Lip Pheng, Peter Abigael P. Velasco Junald Dionaldo (non-related party)	56.00 20.00 20.00 2.00 2.00
AGX Worldwide <i>Based on the equity interest of AGX Worldwide on 2 April 2019.</i>	AGX Philippines Other shareholders <i>(collectively held by Maximino Baylen Gulmayo, Jr. (0.004%), Aldrich P. Espino (0.004%), Abigael P. Velasco (0.004%), Neo Lip Pheng, Peter (0.004%) and Jayasielan A/L Gopal (0.004%))</i>	99.98 0.02

As at LPD the awards that we have received include the following:

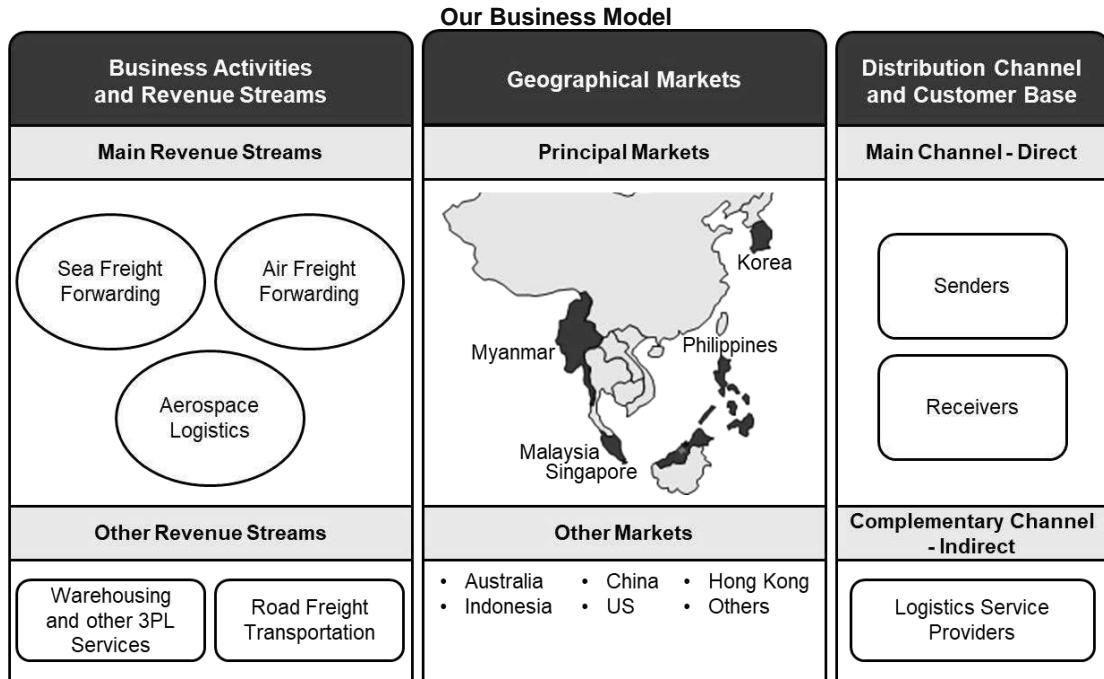
<b>Year</b>	<b>Awarding Party</b>	<b>Recipient</b>	<b>Awards</b>
2013	Lognet Global Logistics Network	AGX Group	Best Partner Award 2013 – 1 <sup>st</sup> Place
2014	Lognet Global Logistics Network	AGX Group	Best Partner Award 2014 – 1 <sup>st</sup> Place
2015	Lognet Global Logistics Network	AGX Group	Best Partner Award 2015 – 3 <sup>rd</sup> Place
2016	X2 Logistics Networks	AGX Group	Outstanding Tier 1 Member Award
2016	X2 Logistics Networks	AGX Group	Loyalty and Commitment Award
2017	X2 Logistics Networks	AGX Group	Best Overall Network Contribution Award
2018	JCtrans Logistics Network	AGX Philippines	Top 10 Global Logistics Enterprises 2017
2018	X2 Logistics Networks	AGX Group	Best Operation Asia
2019	X2 Logistics Networks	AGX Group	Best Overall Network Contribution Award
2020	Department of Finance – Bureau of Customs, Philippines	AGX Philippines	Plaque of Recognition for being one of the Top Brokers for 2020
2022	X2 Logistics Networks	AGX Malaysia	Best Overall Asia
2023	X2 Logistics Networks	AGX Malaysia	Best Operations – X2 Elite

**7. BUSINESS OVERVIEW (Cont'd)**

**7.2 BUSINESS OVERVIEW**

**7.2.1 Our business model**

Our business model is depicted in the following diagram:

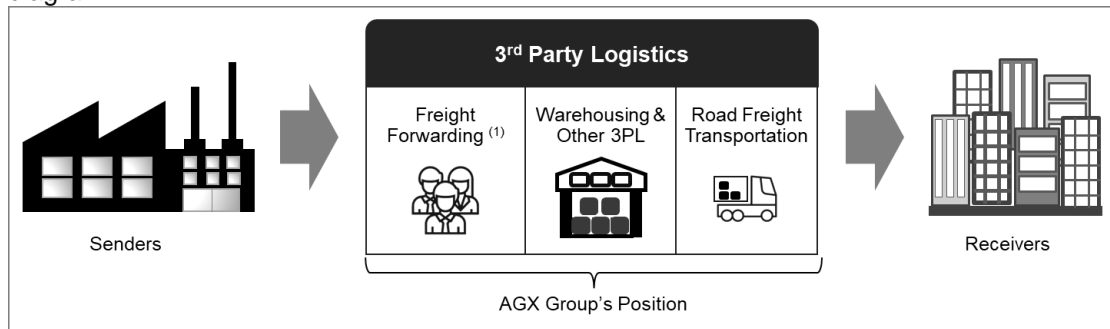


3PL = Third party logistics.

**7.2.2 Business Activities and Revenue Streams**

We are primarily a 3PL service provider where our services comprise sea and air freight forwarding, aerospace logistics, warehousing and other 3PL, and road freight transportation services. These services accounted for all of our revenues for the Financial Years and Period Under Review.

Our Group's position in the logistics industry value chain is summarised in the following diagram:



**Note:**

(1) Freight forwarding services include organising and managing shipment of cargo traversing sea, air and/or land, warehousing and aerospace logistics services, where relevant.

We are primarily a 3PL service provider where our services comprise sea and air freight forwarding, aerospace logistics, warehousing and other 3PL, and road freight transportation services. We provide our services to assist senders or receivers to transport their goods from the point of origin to their final destinations.

## 7. BUSINESS OVERVIEW (Cont'd)

We do not own the ships or aircrafts used to transport the cargo for the sea and air freight forwarding services, and aerospace logistics that we provide. We provide sea and air freight forwarding, and aerospace logistics services in all the countries where we have a physical presence, namely Malaysia, the Philippines, Korea, Myanmar and Singapore. Sea and air freight forwarding, and aerospace logistics services accounted for at least 90% of our total revenue in each of the respective years of the Financial Years and Period Under Review.

Our sea and air freight forwarding services are mostly concerned with organising the transportation of cargo for our customers, starting from the point of origin and ending when the freight is delivered to its final destination. They are mainly based on scheduled routes by common carriers. We provide a single point of contact for our customers and we represent them in dealing with other logistics service providers where required, and customs and port authorities. Sea and air freight forwarding services commonly incorporate road freight transportation, and in some cases also warehousing services.

Our aerospace logistics services involve organising air freight for aircraft parts, components, and equipment. These are project-based and carried out as and when required. In many situations, we carry out time-critical aerospace logistics services to bring crucial aircraft items from suppliers or vendors' facilities in various parts of the world, to where the malfunctioning aircraft-on-ground (AOG) is located. The time-critical aspect of our aerospace logistics services is to facilitate AOG to be repaired and return to service in the shortest time possible.

We use leased warehouses for our warehousing and other 3PL services. We provide warehousing for general goods. Our other 3PL services include the provision of domestic distribution management and e-fulfilment services. We carry out domestic distribution management services in Malaysia and Singapore, and e-fulfilment services in the Philippines and Singapore. We also utilise our warehouses to support our sea and air freight forwarding, aerospace logistics, and road freight transportation services. As at the LPD, our warehouse facilities are as follows:

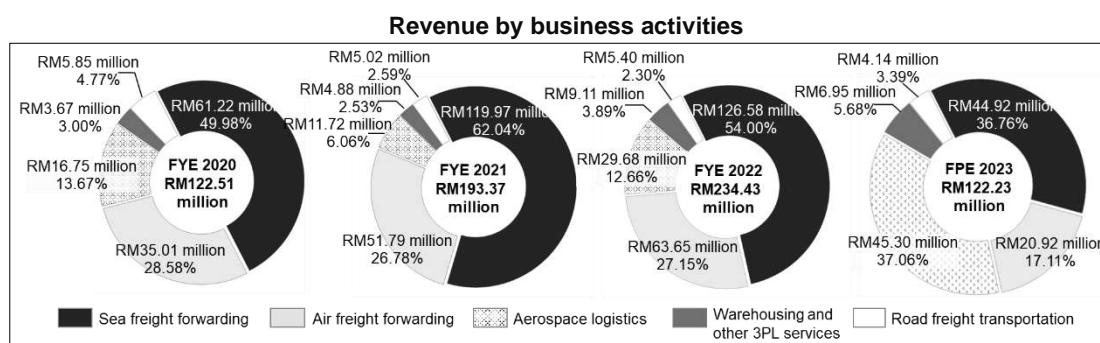
Warehouse	Approximate Storage Area	Type of Storage
<b>Malaysia</b>		
KLIA Warehouse	Bonded 1,757 sq. ft.	Floor space
Lot 41 Warehouse	Non-bonded, 55,004 sq. ft.	Floor space
<b>Philippines</b>		
Subic Bay Warehouse 1	Bonded, 451 bins*	Storage bins
Subic Bay Warehouse 2	Bonded, 651 bins*	Storage bins
Manila Warehouse	Non-bonded, 306 bins*	Storage bins
<b>Myanmar</b>		
Yangon Warehouse	Non-bonded, 20,368 cubic ft.	Palletised racking
<b>Singapore</b>		
Changi Airport Warehouse	Bonded 1,475 sq. ft.	Floor space
Gul Warehouse and Office	Bonded 73,819 cubic ft, non-bonded 158,737 cubic ft.	Palletised racking
Gul Warehouse 2	Non-bonded, 7,860 cubic ft.	Shelving

**Note:**

\* The average size of the bins is approximately 2.6 cubic metres (91.8 cubic ft.) per bin.

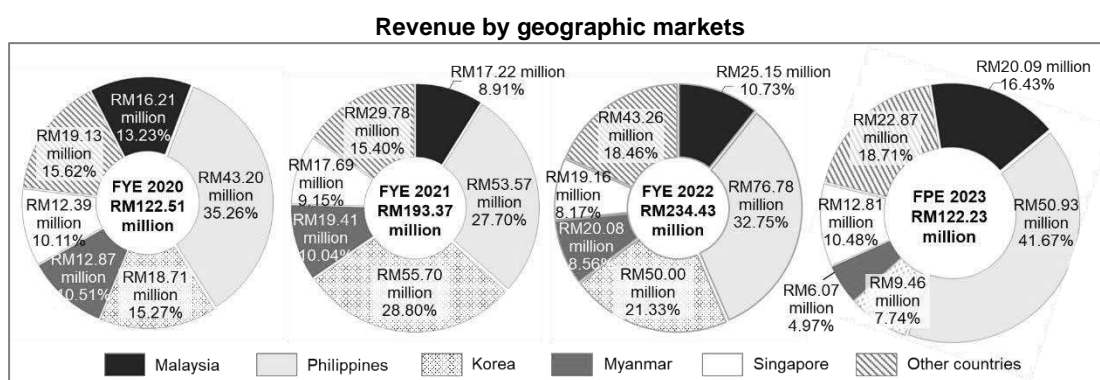
## 7. BUSINESS OVERVIEW (Cont'd)

Our road freight transportation services involve the transportation of freight from one point to another by road. Our road freight transportation services are provided as standalone services, as well as to support our sea and air freight forwarding, aerospace logistics, warehousing, and other 3PL services. We only provide carriage of general goods that do not require temperature or humidity-controlled transportation, including container haulage and trucking of non-containerised goods. We provide road freight transportation in Malaysia, Myanmar, and Singapore. We own and lease vehicles such as prime movers, trailers and trucks in Malaysia, Myanmar and Singapore to provide this service. In addition, we own and lease vehicles in the Philippines, although these vehicles are not used to provide road freight transportation services on a standalone basis and are instead used to transport goods in support of our sea and air freight forwarding, aerospace logistics, and warehousing and other 3PL services.



### 7.2.3 Our Principal Markets

For the Financial Years and Period Under Review, the majority of our revenues were derived from foreign countries, which collectively accounted for RM106.30 million (86.77%), RM176.15 million (91.09%), RM209.28 million (89.27%) and RM102.14 million (83.57%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. For the FYE 2022, our largest foreign market was the Philippines, followed by Korea, Myanmar and Singapore. We had customers in approximately 69, 70, 60 and 65 other foreign countries for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively.



**Note:**

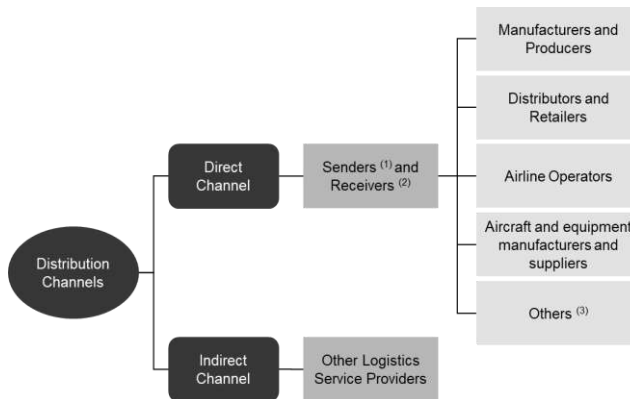
Other countries during the Financial Years and Period Under Review include, among others, Australia, China, Hong Kong, Indonesia, Japan, Thailand and the United States. During the Financial Years and Period Under Review, no individual "other country" accounted for more than 5.00% of our Group's revenue during any financial year except for China in FYE 2020, when it accounted for 5.01% of total Group revenue.

**7. BUSINESS OVERVIEW (Cont'd)**

Our principal markets are Malaysia, the Philippines, Korea, Myanmar and Singapore as they are our largest markets and where our operating subsidiary companies are located. These countries collectively accounted for RM103.38 million (84.38%), RM163.59 million (84.60%), RM191.17 million (81.55%) and RM99.35 million (81.28%) of our total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively.

**7.2.4 Distribution Channels and Customers**

We mainly utilise direct distribution channel where our customers comprise senders and receivers, who mainly use our sea and air freight forwarding, and aerospace logistics services. Other direct distribution channel customers also include owners of goods, such as manufacturers, who use our warehousing and other 3PL services, and road freight transportation.



Our focus on using a direct distribution channel, whereby we deal directly with the owners or end-users of the goods being transported or stored, enables us to develop strong business relationships with decision makers, which will facilitate building customer loyalty, reputation and track record to position ourselves to win future jobs to sustain and grow our business. In addition, the direct distribution channel provides us with the following advantages:

**Notes:**

- (1) The sender is usually the point of origin.
- (2) The receiver is usually the final destination.
- (3) Others include a wide range of companies.

It is important for us to deal directly with and know our customers, particularly for sea and air freight forwarding, and aerospace logistics because the customer is ultimately responsible for the accuracy and completeness of the export and import information that we submit on their behalf to port authorities and other government bodies.

- It is important for us to deal directly with and know our customers, particularly for sea and air freight forwarding, and aerospace logistics because the customer is ultimately responsible for the accuracy and completeness of the export and import information that we submit on their behalf to port authorities and other government bodies.
- The aerospace logistics services that we provide are time sensitive, and we have to liaise promptly and constantly with our customers to ensure timely delivery of goods to AOG.

We also utilise indirect distribution channel, whereby we are engaged by other logistics service providers to provide logistics services to their customers. This usually occurs when these logistics service providers do not have physical presence in the countries that we do. The services that we provide to other logistics service providers mainly involve the initial pick-up at the point of origin and/or the delivery to the final destination portions of their end-to-end logistics services. The services that we provide to other logistics providers include preparing and processing documentation, customs brokerage, road freight transportation services, warehousing and other 3PL services.

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## 7. BUSINESS OVERVIEW (Cont'd)

The revenue contribution from our direct and indirect distribution channels is summarised in the following table:

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct distribution channel	103,821	84.75	168,162	86.96	190,316	81.18	105,702	86.48
Indirect distribution channel	18,686	15.25	25,210	13.04	44,113	18.82	16,526	13.52
<b>Total</b>	<b>122,507</b>	<b>100.00</b>	<b>193,372</b>	<b>100.00</b>	<b>234,429</b>	<b>100.00</b>	<b>122,228</b>	<b>100.00</b>

### 7.3 OUR SERVICES

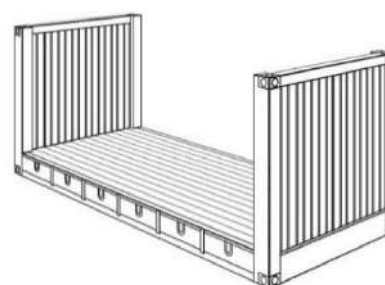
#### 7.3.1 Sea Freight Forwarding Services

Sea freight forwarding services represented our largest revenue segment for FYE 2020, FYE 2021 and FYE 2022 and second largest revenue segment for FPE 2023, amounting to RM61.22 million (49.98%), RM119.97 million (62.04%), RM126.58 million (54.00%) and RM44.93 million (36.76%), respectively. As at the LPD, we provide sea freight forwarding services in all the countries we have a physical presence namely, Malaysia, the Philippines, Korea, Myanmar and Singapore.

Our sea freight forwarding services involve organising shipments of freight mainly by sea on behalf of our customers. Although other modes of transport are also used for end-to-end transportation, the sea freight component is the largest in terms of distance covered and/or cost incurred.

The sea freight forwarding services that we provide are mainly for international shipments, where freight is shipped from one country to another, and thus require customs clearance and brokerage services. Customs clearance and brokerage services involve representing our customers in dealing with customs authorities in exporting or importing goods, submitting documents and paying duties and fees on our customer's behalf. We also provide domestic sea freight forwarding services to handle shipments between Peninsular and East Malaysia, and between the islands of the Philippines.

**20-foot flat rack container**



Customers who engage us to provide sea freight forwarding services include either senders or receivers located in the countries where we are physically present, or other logistics service providers:

- The **sender** of a shipment of goods such as manufacturers, producers, traders and procurement companies. They are the point of origin of the goods.
- The **receiver** is the party that is responsible for the receipt of a shipment of goods and is usually the final destination for the goods. Some of our receiver customers include manufacturers, processors, traders, distributors, major retailers and procurement companies.
- **Other logistics service providers** also engage us to provide some sea freight forwarding services for their customers, typically in countries where we have a physical presence but they do not have a physical presence.

## 7. BUSINESS OVERVIEW (Cont'd)

We mainly provide sea freight forwarding services for the shipment of containerised cargo, which is cargo that is packed into a container for shipment as a single unit. Containers commonly come in standard sizes of 20-foot or 40-foot length. We handle the following types of containerised cargo:

- **Full container load (FCL)**, where the cargo is packed in a container belonging to a single customer;
- **Less than container load (LCL)**, where cargoes belonging to several customers are packed together in a single container and forwarded to the same seaport destination;
- **Flat rack container**, are standard containers that have fixed or collapsible end walls, but without side walls and roofs. This facilitates loading and unloading of cargo, such as motor vehicles, via the larger side openings. Flat rack container is also used for out-of-gauge (OOG) cargo whose sides protrude out of the side or top of the container.

**Standard 20-foot container**



In addition, we also provide sea freight forwarding services for the shipment of cargo that are too large and/or heavy to be packed into a container as non-containerised cargo. Examples of such non-containerised cargo that we have handled include heavy construction equipment.

We provide sea freight forwarding services for general cargo, which is cargo that does not require specialised storage, handling or transportation arrangements, such as temperature and humidity control, additional security, or care while handling. Examples of general cargo that we handle include building materials, automobile parts, cosmetics, consumer electronics, and oil and gas industry parts and components.

We provide sea freight forwarding services on a full-service basis or documentation-only basis, depending on the requirements of the sender, receiver or other logistics service providers:

- **Full-service basis** where we are responsible for all aspects of the freight shipment, starting from the point of origin and ending when the freight is delivered to its final destination. We provide a single point of contact for customers and serve as their representative in dealing with other parties involved in the freight's transportation, including customs, port authorities and other logistics service providers. We will handle the full shipment, including arranging sea freight transportation and container haulage of the container, as well as documentation including customs clearance and brokerage;
- **Documentation-only basis** where the customer only engages us to handle the documentation, including customs clearance and brokerage. The sea freight transportation aspect would be arranged by the customer or another logistics service provider.

Our sea freight forwarding services for international shipments can be categorised into inbound and outbound shipments:

- **Inbound** shipments refer to cargo that is being brought into the country. With inbound sea freight forwarding services, our customers typically engage us on a documentation-only services basis, although in some cases customers may engage us on a full-service basis; and
- **Outbound** shipments refer to cargo that is being sent out of the country. Customers normally engage us on a full-service basis for outbound shipments.

**7. BUSINESS OVERVIEW (Cont'd)**

**7.3.2 Air Freight Forwarding Services**

Air freight forwarding services represented our second largest revenue segment for FYE 2020, FYE 2021, FYE 2022 and third largest revenue segment for FPE 2023, whereby revenue from air freight forwarding services amounted to RM35.01 million (28.58%), RM51.79 million (26.78%), RM63.65 million (27.15%) and RM21.20 million (17.34%), respectively. As at the LPD, we provide air freight forwarding services in all the countries we have a physical presence, namely Malaysia, the Philippines, Korea, Myanmar and Singapore.

Our air freight forwarding services are similar to our sea freight forwarding services, in that we are engaged by our customers to organise the air freight of cargo on their behalf. The main difference between the 2 services is that with air freight forwarding services, the cargo is carried out predominantly by air, measured in terms of distance covered and/or cost incurred. We only use scheduled commercial cargo and passenger flights for our air freight.

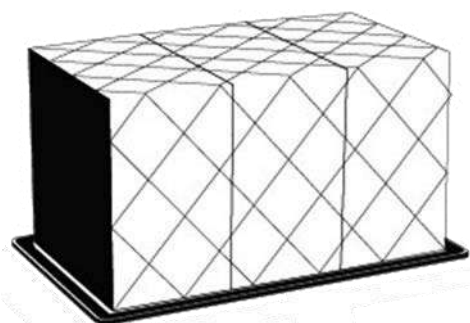
Our air freight forwarding services mainly involve international shipments where freight is shipped from one country to another and thus require customs clearance and brokerage services. We provide air freight forwarding services for inbound and outbound shipments.

Customers who engage us to provide air freight forwarding services mainly consist of senders and receivers located in the countries where we are physically present. Other logistics service providers also engage us to provide this service, typically in countries where we have a physical presence but they do not. We provide services to our customers on a full-service basis or documentation-only basis, depending on our customers' requirements.

With air freight forwarding services, the cargo is packed in unit load devices (ULD), sealed and each transported as a single unit. There are 2 main types of ULD, namely:

- ULD pallets, which are made of aluminium and are designed to lock onto the body of the aircraft. Cargo packed in boxes, cartons and parcels is stacked on the ULD pallet and secured in place with netting or plastic film.
- ULD containers are either made entirely of aluminium or have an aluminium frame with plastic walls. Cargo is packed into the ULD containers, and the unit is sealed for carriage on the aircraft.

**ULD pallet with goods secured with netting**



Our air freight forwarding services typically involve cargo that is time sensitive. They include:

- Perishable goods, including pharmaceutical and healthcare products; and
- Finished goods, such as consumer electronics and cosmetics.

**ULD container**



We provide air freight forwarding services for general cargo and specialised cargo. General cargo refers to cargo that does not require specialised storage, handling or transportation arrangements, such as pharmaceutical and healthcare products, and electronics products. Specialised cargo refers to cargo that requires special storage, handling and/or transportation arrangements, such as careful handling, additional security, transportation on cargo aircraft or more urgent delivery compared to general air freight. Some examples of specialised air freight cargo that we have handled include refurbished rotors for a gas turbine, metal enclosure for electricity generating equipment and hybrid cars.

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**7. BUSINESS OVERVIEW (Cont'd)**

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**7.3.3 Aerospace Logistics Services**

Aerospace logistics services represented our largest revenue segment for FPE 2023. For FYE 2020, FYE 2021, FYE 2022 and FPE 2023, revenue for aerospace logistics services amounted to RM16.75 million (13.67%), RM11.72 million (6.06%), RM29.68 million (12.66%) and RM45.30 million (37.06%), respectively. As at the LPD, our operations in Malaysia, the Philippines and Singapore provide aerospace logistics services.

Our aerospace logistics services are mainly to support aircraft maintenance, repair and overhaul (MRO) services. We are involved in organising air freight of aircraft parts, components and equipment to support routine and scheduled maintenance of our customer's aircraft at specified MRO workshops.

We also provide aerospace logistics services in response to unscheduled aircraft-on-ground (AOG). AOG is when an aircraft experiences faults that require repairs before it is allowed to return to service. In all such situations, time is of the essence to restore the AOG to be operational as soon as practicable. This is to minimise the flow-on effect of delayed or cancelled flights including disruptions in flight scheduling and passenger inconvenience, all of which may lead to unexpected expenses and losses for airline operators.

Our aerospace logistics services are predominantly carried out using air transportation. Although other modes of transport, such as road transportation, are also used for end-to-end transportation, the air transportation component is the largest in terms of distance covered and/or cost incurred.

We organise all aspects of air freighting the goods. We are the customer's single point of contact for dealing with other service providers and authorities, and we serve as the customer's representative in dealing with these parties. Our role begins with picking up goods from the vendor's facility and ends when the goods are delivered to their final destination, normally at the airport where the AOG is sited, or the next most practical airport.

Vendors of aircraft parts, components and equipment include aircraft and equipment manufacturers, original equipment manufacturers (OEM), and wholesalers and distributors of aircraft parts. They are in various locations across the world.

An AOG can be in any airport in the world. However, during the Financial Years and Period Under Review, our aerospace logistics services are mainly concerned with AOG located in Asia. This is because we have a physical presence in several Asian countries, and most of our customers have a high concentration of scheduled flights within Asia.

Our normal fulfilment time for aerospace logistics services depends on where the vendor facility and AOG are located. If both are located within Asia, our normal fulfilment time is within 24 hours from receiving the confirmed purchase order. If the vendor's facility is located in Europe or the US, while the AOG is located in Asia, then our normal fulfilment time is within 48 hours from receiving the confirmed purchase order.

**7.3.4 Warehousing and Other 3PL Services**

Our revenue from our warehousing and other 3PL services amounted to RM3.67 million (3.00%), RM4.88 million (2.53%), RM9.11 million (3.89%) and RM6.95 million (5.68%) for FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. We provide warehousing and other 3PL services to customers in countries where we operate warehouses, namely in Malaysia, the Philippines, Myanmar and Singapore.

**7. BUSINESS OVERVIEW (Cont'd)**

Our warehouses are utilised to store general cargo. We have a warehouse with bonded and non-bonded storage areas, as follows:

- A **bonded storage area** is a secured storage area licensed by the customs authority of the country where it is located where dutiable goods may be stored and handled without payment of duty. We have bonded storage areas at Subic Bay Warehouse 1 and 2, and Changi Airport Warehouse and Gul Warehouse and Office licensed by Singapore Customs.
- A **non-bonded storage area** is a general storage area that has not been licensed as a bonded area.

In addition, our KLIA Warehouse is located in the KLIA Free Trade Zone. Dutiable goods may be stored and handled within the KLIA Free Trade Zone without having to pay customs duty and sales tax. The KLIA Free Trade Zone is not categorised as a bonded storage area or non-bonded storage area.

As at the LPD, our warehouse facilities and services that we carry out are as follows:

Warehouse	Approximate Storage Area	Type of Storage	Commonly Stored Goods	Services Provided	Ownership status
<b>Malaysia</b>					
KLIA Warehouse	FTZ, 1,757 sq. ft.	Floor space	Aircraft parts, components and equipment, finished goods	Domestic distribution management, #	Rented
Lot 41 Warehouse	Non-bonded, 55,004 sq. ft.	Floor space	Finished goods and raw materials	Warehousing	Rented
<b>Philippines</b>					
Subic Bay Warehouse 1	Bonded, 451 bins	Storage bins	Finished goods	Warehousing	Rented
Subic Bay Warehouse 2	Bonded, 651 bins	Storage bins	Finished goods	Warehousing	Rented
Manila Warehouse	Non-bonded, 306 bins	Storage bins	Finished goods	Warehousing	Rented
<b>Myanmar</b>					
Yangon Warehouse	Non-bonded, 20,368 cubic ft.	Palletised racking	Books, plastic products, electronic devices, lubricants	Warehousing	Rented
<b>Singapore</b>					
Changi Airport Warehouse	Bonded 1,475 sq. ft.	Floor space	Aircraft parts, components and equipment, electronic devices	#	Rented
Gul Warehouse and Office	Bonded 73,819 cubic ft, non-bonded 158,737 cubic ft.	Palletised racking	Electronic devices, arts and craft supplies, furniture, shoes and apparel, perfume and medical accessories	Warehousing, domestic distribution management, and e-fulfilment	Rented
Gul Warehouse 2	Non-bonded, 7,860 cubic ft.	Shelving	Electronic devices, arts and craft supplies, shoes and apparel, perfume and medical accessories	Warehousing, domestic distribution management, and e-fulfilment	Rented

**Notes:**

**FTZ** Located in the KLIA Free Trade Zone

**#** Short-term storage of goods in transit to support our air freight forwarding and aerospace logistics services.

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**7. BUSINESS OVERVIEW (Cont'd)**


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The warehousing and other 3PL services that we provide comprise the following:

- **Warehousing services:** This service comprises bonded and/or non-bonded space for our customers to store their goods, either in the form of floor space, storage bins or palletised racking space. With floor space, the customer is allocated a specified area within the warehouse for them to store their goods. With storage bins, the warehouse is equipped with storage bins on racks, and the customer is allocated specified bins to store their goods. Storage bins may be the preferred option compared to palletised racking for storing goods that are fragile, small in size, vary in shape and/or weight, and which are usually put into storage and retrieved frequently and/or in small numbers at a time. In addition, there may be different setups within the storage bin depending on the type of goods to be stored. This may be in the form of trays (i.e., for smaller items) and/or goods wrapped in plastics packaging film.

With palletised racking space, the warehouse is equipped with floor-to-ceiling racks to hold palletised goods in bays. The customer is allocated specified pallet bays to store their goods. Palletised racking may be the preferred option compared to storage bins for storing goods that are packaged in boxes that are of the same size, are relatively large in size, and are usually put into storage and retrieved as complete pallets.

For floor space and palletised racking space, we charge our customers based on the actual space occupied. As for storage bins, we charge our customers based on the number of storage bins allocated by our customers regardless of whether all the space within the storage bins are occupied.

As at the LPD, we provide this service in Malaysia, Singapore, the Philippines and Myanmar.

- **Domestic distribution management:** This service utilises our facilities and personnel to fulfil the functions of a distribution centre for our customers. This involves:
  - . receiving and inspecting goods;
  - . storing goods into assigned palletised racks and managing inventory;
  - . packing goods into consignment lots following consignment notes from retail outlets; and
  - . making scheduled deliveries to retail outlets.

As at the LPD, we provide this service in Malaysia and Singapore.

- **E-fulfilment:** This service involves fulfilling e-commerce and online purchases from buyers who are mainly consumers. Our role includes, among others, the following:
  - . receiving and inspecting goods;
  - . storing goods and managing inventory for sellers or suppliers;
  - . receiving buyers' confirmed orders;
  - . picking the ordered goods from storage;
  - . packing ordered goods into protective parcels;
  - . labelling the parcels;
  - . arranging for the parcels to be picked up by the courier or other service providers for delivery to the buyer; and
  - . inputting e-fulfilment activity data into the respective seller's online information system.

For e-fulfilment services, our customers are the sellers or suppliers of the goods. As at the LPD, we provide this service in the Philippines and Singapore.

## 7. BUSINESS OVERVIEW (Cont'd)

- **Container stuffing and unstuffing:** Container stuffing involves packing a container with customers' freight and sealing it, usually in the presence of customs authorities, before it is sealed and loaded onto a container ship. Container unstuffing involves unsealing and unloading the contents of a container, usually in the presence of customs authorities. As at the LPD, we provide this service in Malaysia.

### 7.3.5 Road Freight Transportation Services

Our revenue from our road freight transportation services amounted to RM5.85 million (4.77%), RM5.02 million (2.59%), RM5.40 million (2.30%) and RM4.14 million (3.39%) for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. As at the LPD, we provide road freight transportation services in Malaysia, Singapore and Myanmar.

We provide 2 types of road transportation as follows:

- container haulage, which involves transportation of laden and unladen containers that do not require temperature or humidity control using prime movers and trailers; and
- trucking, which involves the transportation of goods that do not require temperature or humidity control using trucks and vans.

#### Some of our container haulage vehicles in Malaysia



Our road freight transportation services involve carrying out the physical transportation of freight from one point to another by road. We provide road freight transportation as a standalone service, as well as a supporting service for our sea and air freight forwarding, aerospace logistics, warehousing and other 3PL services.

As at the LPD we provide the following types of road freight transportation services:

- **Haulage:** Our haulage involves the road transportation of containers between 2 locations within the same country, mainly involving moving goods between customers' premises and a seaport. In some situations, we transport containers between other destinations such as a warehouse and a factory. As at the LPD, we provide container haulage services in Malaysia and Myanmar using our in-house resources.
- **Cross-border:** This service involves road transportation of containerised and non-containerised freight from a location in one country to a location in another country. As this service crosses international borders, we also provide customs brokerage as part of this service. This includes making the necessary customs declarations, and paying any export and import duties that may be required, on behalf of our customer. As at the LPD, we provide cross-border freight transportation services between Malaysia, Singapore and Myanmar.

**7. BUSINESS OVERVIEW (Cont'd)**

- **Domestic distribution:** Our domestic distribution service involves delivering non-containerised goods from our warehouse or our customer's central warehouse to our customer's retail outlets or their customers. The goods are packed into consignment lots for specific retail outlets, and we will deliver them to each of the retail outlets. Alternatively, we will deliver the goods from our customer's warehouses to their respective customers' premises. As at the LPD, we provide domestic distribution services in Malaysia and Singapore.

Our provision of road freight transportation services involves the following:

- Malaysia: We own and operate prime movers, trailers, trucks and vans to provide container haulage, cross-border and domestic distribution services, and we sometimes engage third-party service providers for haulage and trucking services;
- Myanmar: We own and lease trailers and trucks to provide haulage and trucking services, and engage third-party service providers to provide container haulage services; and
- Singapore: We lease and operate trucks and vans to provide domestic distribution and cross-border transportation services, and sometimes engage third-party operators for haulage and trucking services.

As at the LPD, the composition of our vehicle fleet used to provide road freight transportation services is as follows:

	Owned units	Leased units	Total units
<b>Malaysia</b>			
Prime mover	7 <sup>(1)</sup>	-	7 <sup>(1)</sup>
Trailer – 40 ft	14	-	14
Trailer – 20 ft	3	-	3
Side lifter trailer	2	-	2
Side curtain trailer	1	-	1
Truck	3	-	3
<b>Myanmar</b>			
Side curtain trailer	2	-	2
<b>Singapore <sup>(2)</sup></b>			
Truck	-	5	5
Van	-	4	4

**Notes:**

- (1) *Comprises 6 prime movers operating to provide road freight transportation services related to container haulage, and 1 prime mover that is assigned to a side curtain trailer and thus not available for road freight transportation services related to container haulage.*
- (2) *AGX Singapore also rents additional vehicles on short-term to provide road freight transportation services, as and when required.*



**7. BUSINESS OVERVIEW (Cont'd)**

We also own and lease vehicles in the Philippines that are used to transport goods in support of our sea and air freight forwarding, aerospace logistics, warehousing and other 3PL services. These vehicles are not used to provide standalone road freight transportation services for external customers. Our vehicle fleet in the Philippines as at the LPD is as follows:

	Owned units	Leased units	Total units
<b>Philippines</b>			
Truck	-	3	3
Van	6	1	7

**7.3.6 Our Contracts in Hand****Service Contracts**

As at the LPD, our subsisting service contracts are as follows:

Customer	Subsidiary	Services Provided	Contract Start Date	Contract Duration	Current Contract Validity
Kukdo Chemical Co., Ltd	AGX Korea	Sea and air freight forwarding services	1 August 2012	Automatic renewal until terminated	On-going <sup>(1)</sup>
Yoma Micro Power Myanmar Ltd	AGX Myanmar	Sea and air freight forwarding services	7 January 2021	2 years, automatic renewal until terminated	On-going <sup>(1)</sup>
Emerald Brewery Myanmar Ltd	AGX Myanmar	Sea and air freight forwarding, and road freight transportation services	6 February 2023	1 year 11 months	6 February 2023 to 31 December 2024
Jotun Myanmar Co., Ltd	AGX Myanmar	Sea and air freight forwarding, and road freight transportation services	27 June 2023	2 years, with an option to renew for 2 additional terms of 1 year each	27 June 2023 to 27 June 2025
PT Indonesia AirAsia	AGX Malaysia	Sea and air freight forwarding services	1 September 2023	24 months, with an option to renew	1 September 2023 to 1 September 2025

**Note:**

(1) As at the LPD, the contract has not been terminated and is ongoing.

As our contracts with the customers listed above are service contracts, there can be no assurance that they will engage us to provide services during the contract duration period. We only carry out services based on the issuance of purchase orders as and when they are issued by our respective customers from time to time or the acceptance of quotations when quotations are requested by our customers. Thus, there can be no assurance that we will continue to generate revenue from these customers under these service contracts in the future.

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**7. BUSINESS OVERVIEW (Cont'd)****Fixed-term Contracts**

As at the LPD, our subsisting fixed-term contracts are as follows:

Customer	Subsidiary	Services Provided	Contract Start Date	Contract Duration	Current Contract Validity
Trendz360 Philippines Inc	AGX Philippines	Warehousing and other 3PL services	28 March 2019	2 years, automatic renewal until terminated	On-going <sup>(1)</sup>
Molex Integrated Products Philippines Inc	AGX Philippines	Warehousing and other 3PL services	1 November 2019	1 year, automatic renewal until terminated	On-going <sup>(1)</sup>
MercuryPM OPC	AGX Philippines	Warehousing and other 3PL services	14 December 2020	1 year, with an option to renew <sup>(2)</sup>	On-going <sup>(1)</sup>
Srishti Digilife Pte Ltd	AGX Singapore	Warehousing and other 3PL services	1 August 2021	24 months, with option to renew for additional 12 months	1 August 2023 to 31 July 2024
Grey and Sanders Singapore Pte Ltd	AGX Singapore	Warehousing and other 3PL services	16 November 2021	23 months, with option to renew for additional 24 months	On-going <sup>(1)</sup>
Triboa Bay BPO Inc	AGX Philippines	Warehousing and other 3PL services	5 April 2022	1 year, with an option to renew <sup>(2)</sup>	On-going <sup>(1)</sup>
Harada Corporation (Singapore branch)	AGX Singapore	Warehousing and other 3PL services	1 October 2022	18 months, with option to renew for additional 2 years	1 October 2022 to 31 March 2024
Outdoor Venture (S) Pte Ltd	AGX Singapore	Warehousing and other 3PL services	1 December 2022	13 months, automatic renewal until terminated	1 December 2022 to 31 December 2023 <sup>(3)</sup>
Sterra Tech Singapore Pte Ltd	AGX Singapore	Warehousing and other 3PL services	3 April 2023	12 months, with an option to renew for additional 12 months	3 April 2023 to 31 March 2024
OSS Technology Corporation	AGX Worldwide	Warehousing and other 3PL services	14 April 2023	4 months, automatic renewal until terminated	On-going <sup>(1)</sup>
YCH Philippines (Subicbay) Inc.	AGX Worldwide	Warehousing and other 3PL services	30 March 2023	12 months, automatic renewal until terminated	30 March 2023 to 30 March 2024

**Notes:**

- (1) As at the LPD, the contract has not been terminated and is ongoing.
- (2) Based on the terms of the contract, the contract is deemed automatically renewed provided that the customer continues to store their goods at one of our warehouses.
- (3) As at 1 January 2024, the contract is deemed automatically renewed and is ongoing.

## 7. BUSINESS OVERVIEW (Cont'd)

Our fixed-term contracts with the customers listed above are for the provision of warehousing and other 3PL services. Under the terms of these fixed-term contracts, our customers rent storage space at one of our warehouses for which they are billed a fixed rate as specified in their contracts. As such, there is some assurance that we will generate revenue from these customers for the duration of their respective contracts. Our fixed-term contracts only set out the rates applicable for our warehousing and other 3PL services and hence the value derived from these contracts are dependent on the volume of goods stored by the respective customers.

In addition, in some cases, these contracts include the provision of other 3PL services, whereby we carry out services based on the issuance of purchase orders and the acceptance of quotations, as and when they are issued by our respective customers from time to time. There can be no assurance that these customers will issue purchase orders or that we will accept quotations for other 3PL services, and thus there is no assurance for any revenue from providing these other 3PL services in the future.

### 7.3.7 Operational Facilities

#### Current Operational Facilities

The operational facilities that we are using as at the LPD are as follows:

Operational Facility	Main Functions	Approximate Size (sq. ft.)	Ownership Status	Address	Operational Period under our Group <sup>(1)</sup>
<b>Malaysia</b>					
Group Head Office	Office	4,933	Rented	Unit 1A-C and Unit 2A-C, 2 <sup>nd</sup> Floor, Jalan USJ 10/1A, Pusat Perniagaan USJ 10, 47610 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia	November 2020 to the LPD <sup>(2)</sup>
KLIA Warehouse	Office and warehouse	3,513	Rented	Lot C1, Block C, Malaysia Airlines Berhad Freight Forwarders Complex, Free Commercial Zone, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia.	May 2017 to the LPD
Lot 41 Warehouse	Warehouse	57,000	Rented	Lot 41 (PT 121659), Jalan Sg. Pinang 4/9, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia	January 2023 to the LPD
Port Klang Office	Office	1,652	Rented	No. 23A, Jalan Jelai 10/KS1, Teluk Gadong Besar, 42000 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia	January 2023 to the LPD
<b>Singapore</b>					
Changi Airport Warehouse <sup>(3)</sup>	Office and warehouse	2,153	Rented	7 Airline Road, #03-03, Singapore 819834	July 2011 to the LPD
Gul Warehouse and Office	Warehouse	29,522	Rented	1 Gul Circle #03-04 and #03-08, Singapore 629637	July 2021 to the LPD

**7. BUSINESS OVERVIEW (Cont'd)**

Operational Facility	Main Functions	Approximate Size (sq. ft.)	Ownership Status	Address	Operational Period under our Group <sup>(1)</sup>
Gul Warehouse 2	Warehouse	4,930	Rented	1 Gul Circle #04-07 Singapore 629637	October 2023 to the LPD
<b>Philippines</b>					
Clark Office <sup>(4)</sup>	Office	9,688	Rented	3rd floor, Clark Center 10, Berthaphil III, Jose Abad Santos Avenue, Clark Freeport Zone, Philippines	August 2019 to the LPD
Baguio City branch office	Branch office	319	Rented	Baguio City Economic Zone (BCEZ), Utility Building, Philippines	August 2016 to the LPD
Bataan branch office	Branch office	646	Rented	Ground Floor, Klutch Bldg., DEA Compound, Mindanao Avenue, Phase III, Freeport Area of Bataan Annex (FAB), Maligaya, Mariveles, Bataan, Philippines	October 2023 to the LPD
Batangas branch office	Branch office	377	Rented	Brgy. Bolbok, Diversion Road Extension, Batangas City, Philippines	January 2019 to the LPD
Cebu branch office 1	Branch office and warehouse	2,852	Rented	M.L. Quezon St., Casuntingan, Mandaue City, Cebu, Philippines	August 2020 to the LPD
Cebu branch office 2	Branch office	1,604	Rented	2 <sup>nd</sup> Floor, LKG Building A.C. Cortes Avenue, Alang-Alang, Mandaue City, Cebu, Philippines	June 2023 to the LPD
Laguna branch office	Branch office	1,076	Rented	Unit 2, Second Floor Kim-Kat Building 2, Barangay Parian, Calamba City, Laguna, Philippines	January 2022 to the LPD
Manila Warehouse	Office and warehouse	16,214	Rented	Lot 3-D, Psd-00-075250, Brgy. San Dionisio, Parañaque City (Gedcor Warehouse 1 & 3), Philippines	May 2022 to the LPD
Subic Bay branch office	Branch office	1,485	Rented	V-201 The Venue 2 Bldg., beside The Venue Bldg. Brilliant St., Commercial Area, Subic Bay Gateway Park, Subic Bay Freeport Zone (SBF), Philippines	May 2019 to the LPD
Subic Bay Warehouse 1 <sup>(5)</sup>	Warehouse	7,750	Rented	Unit N3, Lot 12, Efficiency Street, Subic Bay Gateway Park, Phase 1, Subic Bay Freeport Zone (SBFZ), Philippines	August 2019 to the LPD
Subic Bay Warehouse 2 <sup>(5)</sup>	Warehouse	15,113	Rented	Unit H-3, Lot 12, Efficiency Street, Subic Bay Gateway Park, Phase 1, Subic Bay Freeport Zone (SBFZ), Philippines	January 2022 to the LPD

**7. BUSINESS OVERVIEW (Cont'd)**

Operational Facility	Main Functions	Approximate Size (sq. ft.)	Ownership Status	Address	Operational Period under our Group <sup>(1)</sup>
<b>Korea</b>					
Korea Office <sup>(6)</sup>	Office	1,417	Rented	NewT Castle Building Room 509, 108, Gasan Digital 2-ro, Geumcheon-gu, Seoul, Republic of Korea	January 2020 <sup>(7)</sup> to the LPD
<b>Myanmar</b>					
Myanmar Office <sup>(8)</sup>	Office	4,600	Rented	No. 214, 5th Floor (501, 502), Min Ye Kyaw Swar Street, Lanmadaw, Myanmar	January 2020 to the LPD
Yangon Warehouse	Warehouse	3,150	Rented	No. 129, Mya Nandar Street, Thaketa Industry Zone, (35x90) First Floor, BN Godown, Myanmar	March 2017 to the LPD

**Notes:**

- (1) Commencement of operations at a facility is based on when it started carrying out business operations.
- (2) We have been operating at unit 1A-C since November 2020 up to the LPD, and at unit 2A-C since January 2022 up to the LPD.
- (3) Our main office in Singapore.
- (4) Our main office in the Philippines.
- (5) We intend to relocate our existing Subic Bay Warehouse 1 and Subic Bay Warehouse 2 to a new and larger warehouse at the Freeport Area of Bataan in the Philippines. The relocation is necessary as the space in our existing Subic Bay Warehouse 1 and Subic Bay Warehouse 2 are almost fully utilised at the LPD. In this regard, the incorporation of AGX Warehouse was to facilitate the leasing of the proposed new warehouse and to procure the necessary registrations to undertake warehousing and other 3PL services at the Freeport Area of Bataan. We are currently identifying a suitable warehouse and expect to relocate to the proposed new warehouse by the 1<sup>st</sup> quarter of 2024.
- (6) Our main office in Korea.
- (7) Commencing from the date when AGX Korea became a wholly-owned subsidiary of our Group.
- (8) Our main office in Myanmar.

**Previous Operational Facilities**

The major operational facilities where we have operated in the past including during some part of the Financial Years and Period Under Review but no longer operate as at the LPD are as follows:

Operational Facility	Main Functions	Approximate Size (sq. ft.)	Ownership Status	Address	Operational Period under our Group <sup>(1)</sup>
<b>Malaysia</b>					
First Group Head Office	Office	1,722	Rented	No. 33-1 (1 <sup>st</sup> Floor), Jalan USJ 10/1D, 47620 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia	April 2005 to April 2009

**7. BUSINESS OVERVIEW (Cont'd)**

<b>Operational Facility</b>	<b>Main Functions</b>	<b>Approximate Size (sq. ft.)</b>	<b>Ownership Status</b>	<b>Address</b>	<b>Operational Period under our Group <sup>(1)</sup></b>
Previous Group Head Office	Office	3,595	Rented	Units 3A-C, 3A-D and 4A-D (2nd & 3rd Floors), Jalan USJ 10/1A, Pusat Perniagaan USJ 10, 47610 Subang Jaya, Selangor Darul Ehsan, Malaysia	February 2009 to December 2021 <sup>(2)</sup>
Previous Port Klang Warehouse 1	Office and warehouse	20,000	Rented	Lot 603 (Gudang B-1), Lebuhraya Raja Lumu, Kawasan Perindustrian PKNS, Pandamaran, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	December 2010 to January 2023
Previous Port Klang Warehouse 2	Office and warehouse	18,493	Rented	Back Lot, Lot No. 590, Persiaran Raja Lumu, Kawasan 12, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	November 2021 to January 2023
Previous Telok Gong Warehouse	Warehouse	49,213	Rented	No. 39, Lot 77159 Lorong Jalan 14/KS 10, Telok Gong, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	October 2022 to January 2023
<b>Singapore</b>					
First Singapore Office	Office	2,024	Rented	19 Loyang Way #02-08, Changi Logistics Centre, Singapore 508724	October 2010 to September 2015
Previous Nan Wah Building Warehouse	Warehouse	7,610	Rented	4 Changi South Lane #03-04, Nan Wah Building, Singapore 486127	October 2013 to September 2015
Previous Changi South Warehouse	Office and warehouse	13,433	Rented	Unit #01-02 & #02-01, 3 Changi South Street 3, Singapore 486351	August 2015 to July 2021
<b>Philippines</b>					
Previous Bataan branch office	Branch office	646	Rented	Retail No. 1A, One Mariveles Bldg., Lot 4, Block 23 New Diversion Road, Freeport Area of Bataan, Mariveles, Bataan, Philippines	October 2021 to September 2023
Previous Clark Office	Office	3,617	Rented	Bldg IG Berthaphil IV Clark Aviation Complex, Clark Freeport Zone, Philippines	November 2012 to December 2021
Previous Manila Warehouse	Office and warehouse	14,402	Rented	L-1, D-3 Ninoy Aquino Avenue, Brgy, San Dionisio, Paranaque City, Manila, Philippines	May 2017 to June 2022
Previous Clark Warehouse A	Office and warehouse	13,003	Rented	Building 6, Berthaphil I Industrial Park, Jose Abad Santos Avenue, Clark Freeport Zone, Philippines	May 2015 to November 2021

**7. BUSINESS OVERVIEW (Cont'd)**

Operational Facility	Main Functions	Approximate Size (sq. ft.)	Ownership Status	Address	Operational Period under our Group <sup>(1)</sup>
Previous Clark Warehouse B	Warehouse	3,617	Rented	Bldg. 1G Berthaphil IV, Civil Aviation Complex, Clark Freeport Zone, Philippines	January 2020 to June 2020
<b>Myanmar</b>					
Previous Myanmar Office	Office	3,089	Rented	No 608 Room (5B & 5D) 5 <sup>th</sup> Floor, Bo Soon Pat Tower, Merchant Road, Pabedan Township, Yangon, Myanmar	January 2014 to December 2020 <sup>(3)</sup>

**Notes:**

- (1) Commencement of operations at a facility is based on when it started carrying out business operations.
- (2) We operated at Unit 3A-C from February 2009 to August 2020, unit 3A-D from March 2016 to December 2021, and Unit 4A-D from June 2018 to August 2020.
- (3) We operated at Room 5B from January 2014 to December 2020, and at Room 5D from October 2018 to January 2020.

**7.3.8 Modes of Operation****Sea and Air Freight Forwarding, and Aerospace Logistics Services****Service engagement and rates**

Our sea and air freight forwarding and aerospace logistics services are engaged based on the following:

## (a) Service contract

We enter into service contracts for sea freight forwarding and/or air freight forwarding services with certain customers. The service contract duration ranges from 12 months to 24 months, and thereafter the contract may continue to be valid until termination by either party. The service contract states the general terms and conditions for our services, obligations between our customers and us, and unit rates for services such as customs clearance and document submissions. In general, our service contracts for sea and air freight forwarding or aerospace logistics services do not specify the unit rates for providing these services. As and when they want us to provide the service, the customer will issue a booking to us.

Our service contract customers are under no obligation to engage our services during the duration of the contract. Similarly, we are not obliged to accept bookings issued by our service contract customers during the duration of the contract if the terms offered are not acceptable to us.

## (b) Bookings

All customers who wish to engage us to provide sea and air freight forwarding, and aerospace logistics services will issue a written request to us. The request will specify their requirements such as, among others, the type and quantity of cargo to be transported, special handling or other considerations required (if any), pick-up locations and timing, and delivery destinations.

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**7. BUSINESS OVERVIEW (Cont'd)**


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After we receive the request, we will provide a proposal for the customer's consideration, which will include, among others, our proposal for the modes of transportation required, customs brokerage, terms and conditions, terms of service (i.e. scope of service) as well as a quotation of our charges. Once our proposal and quotation are accepted in writing, it will serve as our sales order for providing sea freight forwarding services.

**Issuance of invoice**

We will invoice the customer upon completion of our scope of work as per the booking.

**Warehousing and 3PL Services**
**Service engagement and rates**

Our warehousing and 3PL services are engaged based on the following:

(a) Fixed term contract

We operate based on fixed-term contracts for the following services:

- leasing of designated storage space in a specified warehouse; and
- warehouse and 3PL services.

The duration of our fixed-term contracts for warehousing and 3PL services is between 1 year and 2 years, and thereafter the contract may continue to be valid until terminated by either party thereafter.

Our fixed-term contracts for the leasing of designated storage space will stipulate, among others, the leasing charges, the defined area being leased out, unit rates for other services that may be provided, and the duration of the contract.

Our fixed-term contracts for warehousing and 3PL services will stipulate, among others, the fixed monthly operations fees, unit rates for other services that may be provided, and duration of the contract.

(b) Bookings

All customers who wish to engage us to store goods at one of our warehouses and/or engage us to provide other 3PL services will issue a written request to us. The request will specify their requirements such as, among others, the type and quantity of goods to be stored, and/or types of other 3PL services required.

After we receive the request, we will provide a proposal for the customer's consideration, which will include, among others, a proposed storage location (if relevant), terms of service as well as a quotation of our charges. Once our proposal and quotation are accepted in writing, this will serve as our sales order to provide the warehousing and/or other 3PL services.

**Issuance of invoice**

For fixed-term contracts and all other customers, we will issue monthly invoices to them based on the fixed monthly rate, plus charges for any additional services that we may have provided during the month.

**Guarantees, warranties and liabilities**

We do not provide any guarantees that goods will be delivered within a specified timeframe for our sea and air freight forwarding, aerospace logistics and road freight transportation services. We also do not provide any warranties for our warehousing and 3PL services.



## 7. BUSINESS OVERVIEW (Cont'd)

As we adopt the standard trading conditions issued by the respective association of freight forwarders in the countries that we operate in, namely Malaysia, Singapore, the Philippines, Korea and Myanmar, any liability for loss or damage that may be borne by us in relation to providing sea and air freight forwarding services, aerospace logistics and road freight transportation services are governed by these terms and conditions which have also been pre-agreed with our customers. We will not transport their cargo if the customer does not accept these terms and conditions. The standard trading conditions prescribe the liability of freight forwarders for loss or damage of goods which may be based on, amongst others, the value and/ or weight of the goods.

We have insurance coverage for the loss or damage of goods involving our Group's logistics services. Our Group's insurance coverage is up to USD0.50 million (equivalent to RM2.32 million as at the LPD) for any one incident or occurrence for all our logistics services, including sea and air freight forwarding, aerospace logistics, warehousing and 3PL services and road freight transportation.

During the Financial Years and Period Under Review and up to the LPD, we have not received any material customer claims against us for loss or damage of goods in relation to our sea and air freight forwarding, aerospace logistics and road freight transportation services, and no claims against us for the loss or damage of goods in storage at our warehouses. Consequently, we have not made any material claims against our insurance policy during the Financial Years and Period Under Review.

### Road Freight Transportation Services

#### **Service engagement and rates**

Our road freight transportation services are engaged based on the following:

(a) Service contract

We entered into service contracts for road freight transportation services with one customer. The service contract does not have a fixed duration and is valid until terminated by either party. The service contract states the general terms and conditions for our services, as well as obligations between our customers and us. As and when they want us to provide the service, the customer will issue a request for transportation (ROT) to us. However, our service contract customers are under no obligation to engage our services during the duration of the contract. Similarly, we are not obliged to accept ROT issued by our service contract customers during the duration of the contract if the terms offered are not acceptable to us.

The service contract will stipulate, among others, the unit rates that we charge for providing the service. The unit rates are based on one of the following forms:

- base rate plus fuel adjustment factor based on the prevailing price of diesel;
- variable rates based on the prevailing price of diesel; or
- fixed rate for the duration of the service contract.

Charges for other services may also be included, depending on the customer.

(b) Request for transportation

All customers who wish to engage us to provide road freight transportation services will issue a written ROT to us. We will respond to the ROT with a written quotation for the service for the customer's consideration and acceptance in writing. The accepted ROT will specify, among others, pickup location and time, delivery destination, terms of service and agreed charges for the service. We will only provide road freight transportation services based on confirmed ROT.

## 7. BUSINESS OVERVIEW (Cont'd)

The ROT will specify their requirements such as, among others, the type and quantity of cargo to be transported, special handling or other considerations required (if any), pick-up locations and timing, and delivery destination.

### Issuance of invoice

We will invoice the customer upon completion of the scope as per the accepted ROT.

### 7.3.9 International Logistics Networks and Platform

As at the LPD, we are members of the X2 Logistics Networks and Lognet Global Logistics Network all of which are industry organisations and paid memberships.

- X2 Logistics Networks is a membership network comprising independent logistics service providers and freight forwarders. Its headquarters are in Bangkok, Thailand. All of our operations in Malaysia, the Philippines and Korea are members. Our Malaysian operations have been a member of this network since 13 March 2013; and
- Lognet Global Logistics Network is a membership network comprising independent freight forwarders. It has teams in Miami, United States; Amsterdam, the Netherlands; Mumbai, India; Bangkok, Thailand; and Shanghai, China to support its members. All of our operations in Malaysia, the Philippines, Korea, Myanmar and Singapore are members of this network. Our Malaysian operations have been a member of this network since 13 March 2010.

Our memberships in these 2 networks provide us with access to logistics service providers where we may engage them in countries where we do not have physical presence. Business dealings among members are governed by rules, regulations and codes of conduct, with a conflict resolution channel. X2 Logistics Networks and Lognet Global Logistics Network also provide payment guarantees, up to a specified amount, for business transactions between members.

Members of the 2 logistics networks have been vetted by their respective networks and only accepted after they have been found to fulfil the membership criteria. As part of the X2 Logistics Networks vetting process, a prospective member is required to submit commercial references (such as audited financial statements, profiles of directors and bank reference letters) and bank credit ratings, as well as satisfy the network's requirements before they are accepted as a member. To be accepted as a member of the Lognet Global Logistics Network, a prospective member must have been in business for a minimum of 3 years, provide commercial and bank references, shareholder information and demonstrate that the company is reliable and trustworthy, by providing references from at least 3 freight forwarders in other countries that they have done business with for at least 1 year.

In addition, X2 Logistics Networks does not accept new members for a particular market if the limit for that market has been reached. The X2 Logistics Networks limits the number of members to 5 members per city in Malaysia, 3 members per city in the Philippines, 3 members per city in Korea, 3 members in Myanmar and 5 members in Singapore. As we are members of the Malaysia, Philippines, Korea, Myanmar and Singapore markets, the limited memberships in these countries would be advantageous to us when customers are looking for logistics service providers in these countries through the X2 Logistics Networks.

## 7. BUSINESS OVERVIEW (Cont'd)

We also have a contract to register and list our business with JCtrans Logistics Network which is a trading platform for logistics service providers including freight forwarders, traders and vendors. JCtrans Logistics Network mainly facilitates the registered logistics service providers to list their company information on their trading platform for external parties looking for logistics service providers. All our operations in Malaysia, the Philippines, Korea, Myanmar and Singapore are registered with this trading platform. Our Malaysia operations have been registered with this platform since 7 June 2017. There are no registration criteria requirements for this platform as a regular participant. We are also a premium status participant with JCtrans Logistics Network which provides payment guarantee up to USD100,000 per year for business transactions between registered logistics service providers. Premium participants are subjected to JCtrans Logistics Network's admission requirements including financial performance before being accepted as a premium status participant.

Our memberships in these 2 international logistics networks and registration in 1 trading platform provide us with the following benefits:

- We have access to a network of logistics service providers in countries where we do not have a physical presence to represent us and our customers;
- Any member of the logistics networks and trading platform can reach out to us to provide logistics services in the countries where we have a physical presence, providing us with business opportunities;
- The logistics networks and trading platform provide various marketing activities including business matching, direct promotional emails and social media promotions among members;
- Participation in conferences and events organised by the logistics networks and trading platforms where we can market our services and build business relationships with prospective suppliers and customers; and
- Collection of payments among members is guaranteed by the logistics networks and trading platform, up to a specified amount such as USD100,000 per year, depending on the international logistics networks and trading platform. The international logistics network and trading platform will provide compensation for money lost due to non-payment of confirmed invoices between registered members.

Additionally, our memberships in X2 Logistics Networks and Lognet Global Logistics Network provide us with the following benefits:

- Members of the logistics networks have been vetted by their respective networks, and are only accepted after they have been found to fulfil membership criteria. This provides some assurance in dealing with other members of these networks that they will fulfil their obligations to us;
- The logistics networks operate payment platforms to facilitate efficient transactions between members making payments;
- Business dealings among members of each logistics service network are governed by specified rules and codes of conduct;
- The logistics networks have dispute resolution channels with some power to adjudicate disputes among members; and
- The X2 Logistics Networks places a limit on the number of members that it accepts from each country, which reduces the competition we face when prospective customers search for logistics service providers in Malaysia, the Philippines and Korea through this network.

## **7. BUSINESS OVERVIEW (Cont'd)**

### **7.4 COMPETITIVE STRENGTHS**

#### **7.4.1 We have physical presence in five countries via our Subsidiaries to provide us with business growth, market diversification and risk mitigation**

As at the LPD we operate in five countries, namely Malaysia (where our Group Head Office is located), the Philippines, Korea, Myanmar and Singapore. We have offices in each of these countries, as well as a total of 9 warehouses with 2 in Malaysia, 3 in the Philippines, 1 in Myanmar and 3 in Singapore.

Our physical presence in Malaysia, the Philippines, Korea, Myanmar and Singapore allows us to serve our customers by physically representing them in dealings with other logistics service providers, customs and port authorities. Our warehouses also allow us to store their goods and provide other related services, such as domestic distribution management, e-fulfilment or container stuffing and unstuffing services, as and when they are required.

These five countries represent our core addressable markets to sustain and grow our business, compared to operating only in one market. In addition, it also provides us with geographic market diversity to mitigate against risks associated with unfavourable regulatory changes and trends in the logistics industry and reduce our overdependency on any one or a small number of countries or economies.

#### **7.4.2 We have a track record of approximately 19 years to serve as the platform for continuing business sustainability and growth**

We have built a track record of approximately 19 years in providing logistics services since we started operation in Malaysia in 2005 with the provision of sea and air freight forwarding, and aerospace logistics services. We started to provide warehousing and other 3PL and road freight transportation services in 2011.

Our track record of providing logistics services in the countries we have operations is as follows:

- Malaysia for 19 years;
- Singapore for 14 years;
- Korea for 12 years;
- The Philippines for 11 years; and
- Myanmar for 11 years.

Our track record will serve as the platform for us to secure new businesses, especially in the countries where we have physical presence and operations.

#### **7.4.3 We have both direct and indirect distribution channels to provide business growth and minimise dependencies on a small number of customers**

Since the commencement of our business, we have used both direct and indirect distribution channels for our marketing and sales activities. For the FYE 2022, direct and indirect distribution channels represented 81.18% and 18.82% of our total revenue respectively. For FYE 2022, we had approximately 1,220 direct distribution channel customers comprising senders and receivers, and approximately 630 indirect distribution channel customers comprising mainly logistics service providers. For the FPE 2023, direct and indirect distribution channels represented 86.48% and 13.52% of our total revenue respectively, with approximately 990 direct distribution channel customers comprising senders and receivers, and approximately 500 indirect distribution channel customers comprising mainly logistics service providers.

## 7. BUSINESS OVERVIEW (Cont'd)

Our direct distribution channel enables us to provide end-to-end logistics services which normally are higher value works compared to providing only one or some aspects of logistics services derived from our indirect distribution channel. Nevertheless, our indirect distribution channel enables us to address potential business from a wider coverage of countries anywhere in the world where we do not have a physical presence. Similarly, our business relationships established through indirect distribution channels with logistics service providers enable us to use them in our provision of end-to-end logistics services in their respective countries where we do not have a physical presence.

Thus, our use of both direct and indirect channel strategies will provide us with the platform for business sustainability and growth, as well as minimising dependency on any one or a small number of customers.

### 7.4.4 We provide a range of services to meet the diverse needs of customers

We provide a range of services to meet the diverse needs of our customers, comprising sea and air freight forwarding, aerospace logistics, warehousing and other 3PL services, and road freight transportation. The main types of 3PL services that we provide in the countries where we have a physical presence are summarised in the following table:

	Sea freight forwarding services	Air freight forwarding services	Aerospace logistics services	Warehousing and other 3PL services	Road freight transportation services
AGX Malaysia <sup>(1)</sup>	√	√	√	√	√
AGX Transport <sup>(2)</sup>	-	-	-	-	-
AGX Philippines <sup>(3)</sup>	√	√	√	√	-
AGX Worldwide <sup>(4)</sup>	-	-	-	√	-
AGX Warehouse <sup>(5)</sup>	-	-	-	-	-
AGX Korea <sup>(6)</sup>	√	√	-	-	-
AGX Myanmar <sup>(7)</sup>	√	√	-	√	√
AGX Singapore <sup>(8)</sup>	√	√	√	√	√

#### **Notes:**

- (1) During the Financial Years and Period Under Review, AGX Malaysia had customers from, among other countries, Malaysia, Korea, Myanmar, Singapore, Australia, China, Hong Kong, Indonesia, and the United States.
- (2) AGX Transport has not commenced business operations as at the LPD. Its intended business activity is providing road freight transportation services. We expect AGX Transport to commence business operations in January 2024.
- (3) During the Financial Years and Period Under Review, AGX Philippines had customers from, among other countries, the Philippines, Malaysia, Korea, Singapore, Australia, China, Hong Kong, Indonesia, and the United States.
- (4) During the Financial Years and Period Under Review, AGX Worldwide had customers from the Philippines.
- (5) AGX Warehouse has not commenced business operations as at the LPD. Its intended principal activity is to provide warehousing and other 3PL services. We expect AGX Warehouse to commence business operations in the 1<sup>st</sup> quarter of 2024.
- (6) During the Financial Years and Period Under Review, AGX Korea had customers from, among other countries, Korea, Malaysia, Singapore, Australia, China, Hong Kong, and the United States.
- (7) During the Financial Years and Period Under Review, AGX Myanmar had customers from, among other countries, Myanmar, Philippines, Korea, Singapore, Australia, China, Hong Kong, Indonesia, and the United States.
- (8) During the Financial Years and Period Under Review, AGX Singapore had customers from, among other countries, Singapore, Malaysia, Myanmar, Australia, China, Hong Kong, Indonesia and the United States.

## **7. BUSINESS OVERVIEW (Cont'd)**

We are well positioned to serve as a one-stop logistic centre to customers in Malaysia and Singapore to offer end-to-end services to provide convenience and accountability from one company. In the other countries where we have a physical presence, we can address a potentially larger market as we offer both sea and air freight forwarding services, compared to if we only offered one of these services.

### **7.4.5 Our aerospace logistics services provide us with an additional area of business growth and differentiate us from other logistics companies**

Since we commenced our business in 2005, we have been involved in providing aerospace logistics services, as well as sea and air freight forwarding services. Aerospace logistics services are specialised and not commonly provided by general logistics companies. Our specialisation has enabled us to create customer loyalty where our largest customer for aerospace logistics services has been with us since 2006. Aerospace logistics was our third largest revenue contributor for FYE 2020, FYE 2021 and FYE 2022, having represented 13.67%, 6.06% and 12.66%, respectively of our total revenue. For FPE 2023, aerospace logistics was our largest revenue contributor, having represented 37.06% of our total revenue.

The decline in revenue for our aerospace logistics services in FYE 2021 was mainly attributed to the restrictions placed on domestic and international air travel as a result of the COVID-19 pandemic. However, our revenue and volume from aerospace logistics services in FYE 2022 were higher compared to FYE 2021, and revenue for FPE 2023 was higher compared to FPE 2022, reflecting higher demand to transport aircraft parts, components and equipment for maintenance as domestic and international air travel increased with the relaxation of COVID-19 pandemic-related restrictions.

### **7.4.6 We (through our subsidiary, AGX Philippines) are registered as a Non-vessel Operating Common Carrier and accredited as an IATA Cargo Agent and are thus permitted to deal directly with common carriers**

Our subsidiary, AGX Philippines, is registered as a Non-vessel Operating Common Carrier (NVOCC) under the Ocean Transportation Intermediaries list (OTI) by the Federal Maritime Commission of the US (FMC) since June 2022 and was accredited as an IATA Cargo Agent by IATA in February 2023.

As a NVOCC, AGX Philippines is permitted to issue bills of lading and function like a shipping company for sea freight cargo shipments to the United States, although we do not own or operate any vessels. We are permitted to rent or lease container or cargo space directly from sea freight common carriers, and we can use the space to provide our sea freight forwarding services or lease the space to third-party customers, such as other sea freight forwarders. In contrast, sea freight forwarders that are not registered as NVOCC cannot obtain container or cargo space directly from sea freight common carriers for shipments to the United States and must deal with registered NVOCC, such as AGX Philippines. AGX Philippines issues bills of lading and secures container and cargo space from sea freight common carriers for sea freight cargo shipments to the United States on behalf of our Group.

Similarly, as an accredited IATA Cargo Agent, AGX Philippines can issue bills of lading and function like an air cargo company without owning or operating any aircraft, and we (through our subsidiary, AGX Philippines) can rent cargo space directly from air freight common carriers. We can use the space for our air freight forwarding or aerospace logistics services or lease them to third-party logistics service providers. Third-party logistics service providers that are not accredited IATA Cargo Agents cannot obtain cargo space directly from air freight common carriers and must deal with an accredited IATA Cargo Agent, such as our Group. AGX Philippines will issue bills of lading and secure cargo space from air freight common carriers on behalf of our Group.

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**7. BUSINESS OVERVIEW (Cont'd)**

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Our status as a registered NVOCC and accredited IATA Cargo Agent is a strength as we can deal directly with sea (for shipments to the United States) and air freight common carriers, and do not need to rely on third-party agents or service providers. As a result, we may be able to obtain better sea and air freight rates and be in a better position and priority to secure cargo or container space on ships and aircraft. In addition, should we choose to do so we can potentially serve as an agent for sea and air freight common carriers to third-party logistics service providers to provide an additional revenue stream.

**7.4.7 We have an experienced management team to expand and develop our business**

We are led by an experienced management team. Our co-founders have experience in the logistics industry, as follows:

- Dato' Ponnudurai A/L Periasamy, our Executive Director and Chief Executive Officer, has approximately 35 years of experience in the logistics industry;
- Jayasielan A/L Gopal, our Executive Director and the Managing Director of AGX Malaysia, has approximately 44 years of experience in the logistics industry;
- Penu Mark, our Executive Director and the Managing Director of AGX Singapore has approximately 14 years of experience in the logistics industry; and
- Neo Lip Pheng, Peter, our Executive Director and the Managing Director of AGX Myanmar, has approximately 31 years of experience in the logistics industry.

Our other directors and key management also have experience in the logistics industry in their respective countries, namely:

- Maximino Baylen Gulmayo, Jr., our Managing Director of AGX Philippines, has approximately 31 years of experience in the logistics industry;
- Yun JaeHoon, the Managing Director of AGX Korea has approximately 22 years of experience in the logistics industry.

We believe our experienced management team will enable us to capitalise on future growth opportunities.

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**7. BUSINESS OVERVIEW (Cont'd)**

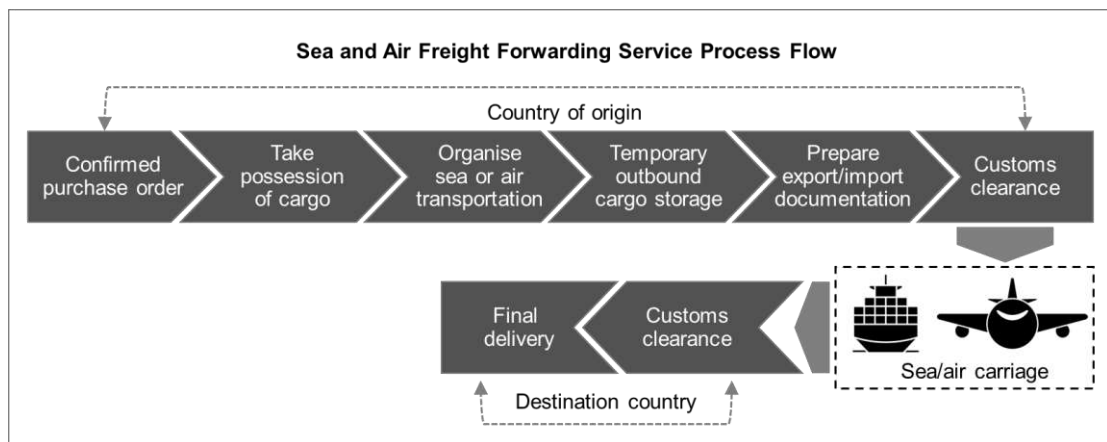
**7.5 PROCESS FLOW**

**7.5.1 Sea and Air Freight Forwarding Services**

In general, our process flow for providing sea and air freight logistics services is similar, as the tasks performed are similar. The main difference between these 2 services is as follows:

- With sea freight forwarding the sea transportation component (involving the transportation of freight by ship) predominates in terms of distance covered and/or cost incurred; whereas
- With air freight forwarding the air transportation component (involving the transportation of freight by aircraft) predominates in terms of distance covered and/or cost incurred.

The following diagram depicts our general process flow for providing sea and air freight forwarding services:



**Confirmed purchase order**

A confirmed purchase order or acceptance of quotation for sea or air freight forwarding services would include, among others, the location and nature of the goods, final destination and identities of the sender and receiver.

**Take possession of freight**

The cargo is either delivered to our facilities or picked up from a location designated by our customers. In countries where we have a physical presence, we either pick up the cargo using our in-house personnel and resources or engage third-party service providers. In countries where we do not have a physical presence, we will engage third-party service providers. As at the LPD, we have in-house personnel and resources to pick up cargo in Malaysia, the Philippines, Myanmar and Singapore.

**Organise sea or air transportation**

We will secure space on container ships for sea freight and space on scheduled cargo or passenger flights for air freight. We do not own or operate cargo vessels, cargo aircraft or passenger aircraft. We make bookings with shipping lines, airlines, air cargo companies, or their agents. Organising sea or air freight forwarding takes into consideration factors such as space availability, departure port and time, number of transit points, total end-to-end time, and cost.



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**7. BUSINESS OVERVIEW (Cont'd)**

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**Temporary outbound cargo storage**

In some cases, our sea or air freight forwarding service includes temporary in-transit outbound cargo storage at or near the seaport or airport. In countries where we have warehouses close to airports, we will use these facilities as staging areas to temporarily store air freight ahead of the loading times to reduce the risk of missing flights. In other countries where we do not have warehouses, we may utilise temporary storage space at seaports and airports to hold cargo in advance of carriers' loading times.

**Prepare export/Import Documentation**

We will prepare and process the documentation that is required to ship the cargo to the final destination. This includes the cargo's invoice, bill of lading, and customs documentation (for international shipments, and shipments between Peninsular Malaysia and East Malaysia), and any other documentation that may be required by the carrier, and country of export and import. The accuracy of all of the information disclosed in these documents is the responsibility of the customer.

**Customs clearance - outwards**

We provide customs brokerage for international sea and air freight forwarding shipments, where we represent our customers in clearing their cargo through customs and port authorities of the originating and destination countries. We also compute and pay duties, taxes and other charges on behalf of our customers, and we subsequently recover all such payments from customers.

Customs brokerage services are carried out by our personnel where we have a physical presence, and by third-party service providers in the countries where we do not have a physical presence.

**Sea/air carriage**

The goods are loaded onto either containerised cargo ship or cargo plane for carriage either direct to the destination port or via another location for transshipment. Cargo ships or planes are owned and/or operated by third parties.

We are responsible for booking and purchasing cargo space on behalf of our customers, and we subsequently recover all such payments from customers.

**Customs clearance - inwards**

At the destination port, we provide customs brokerage to clear our customers' cargo. We also compute and pay duties, taxes and other charges on behalf of our customers, and we subsequently recover all such payments from customers.

Customs brokerage services are carried out by our personnel where we have a physical presence, and by third-party service providers in the countries where we do not have a physical presence.

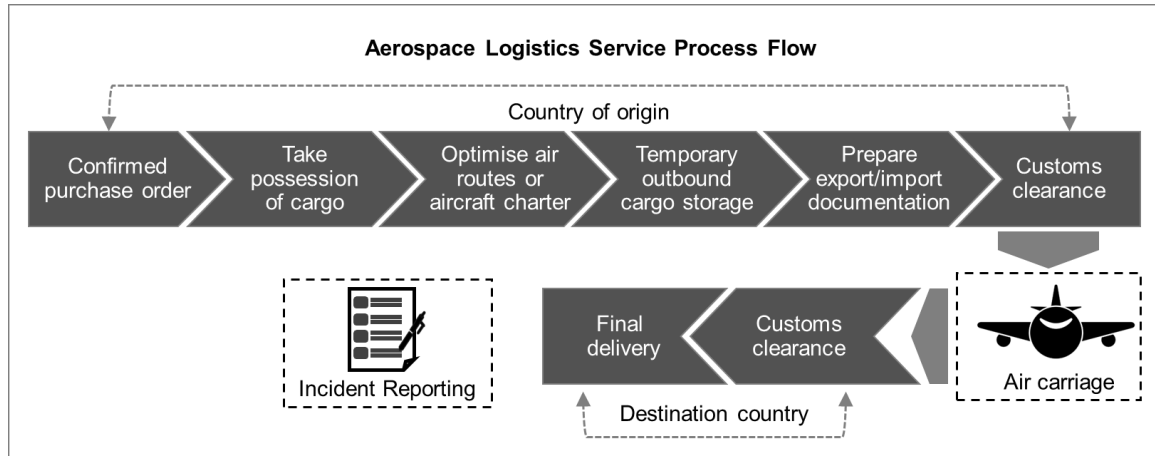
**Final delivery**

If the final destination of the cargo is in countries where we have a physical presence, we will deliver the cargo using our personnel and resources or engage a third-party service provider. In countries where we do not have a physical presence, we engage third-party logistics service providers.

**7. BUSINESS OVERVIEW (Cont'd)**

**7.5.2 Aerospace Logistics Services**

Our general process flow for providing aerospace logistics services is depicted in the following diagram:



**Confirmed purchase order**

Our aerospace logistics services are initiated upon receiving a confirmed purchase order or acceptance of quotation from the customer. This includes, among others, the pick-up location, type of cargo and location of the AOG.

**Take possession of the cargo**

We will organise the cargo pick-up and deliver them either to one of our warehouses for temporary storage or to an airport for onward loading onto the aircraft. We utilise the KLIA Warehouse in Malaysia and Changi Airport Warehouse in Singapore for this purpose.

In countries where we have a physical presence, we either pick up the cargo using our in-house personnel and resources or engage a third-party service provider. As at the LPD, we have in-house resources and personnel to provide road freight transportation services in Malaysia, the Philippines, Myanmar and Singapore.

In countries where we do not have a physical presence, we will engage third-party service providers. In such situations, our personnel will fly to the vendor’s facility to supervise the packing and transportation of the cargo. Examples of some goods that require specialised knowledge include:

- Large or oversized cargo such as aircraft engines, wing and fuselage parts. Our personnel have the experience to supervise safe loading and tie-down during transportation, to avoid dropping or knocking the goods.
- Restricted items such as lithium batteries that cannot be shipped as cargo and must be hand-carried by onboard courier.

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**7. BUSINESS OVERVIEW (Cont'd)**


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**Optimise air routes or aircraft charter**

We are responsible for finding the most time-efficient routes between the vendor's location and the AOG. This is usually determined by factors such as the nature of the cargo, availability of scheduled flights for the cargo, flight routes and time required for export and import customs clearance procedures in the 2 countries. In some situations, the closest pick-up airport may require a materially longer time for export procedures compared to a further airport that provides faster export clearance to the destination country.

Once the optimum route is determined, we will secure the necessary cargo space, commonly on scheduled commercial cargo or passenger flights. However, we sometimes charter cargo aircraft to transport oversized or heavy aircraft parts, components and equipment that cannot be transported by commercial cargo or passenger flights. We also charter aircraft for highly urgent orders, at the request of the customer.

**Temporary outbound cargo storage**

We have warehouse facilities close to international airports as follows:

- Malaysia: Our KLIA Warehouse is close to the Kuala Lumpur International Airport
- Philippines: Our Clark Warehouse 1 and Clark Warehouse 2 are close to Clark Angeles International Airport, and Manila Warehouse is close to Manila International Airport;
- Myanmar: Our Yangon Warehouse is close to Yangon International Airport; and
- Singapore: Our Changi Airport Warehouse is close to Changi International Airport.

When we are transporting the cargo that originates from vendors in these countries, we may temporarily store the goods at the respective warehouse ahead of the scheduled aircraft departure time. This allows us to load the goods onto the aircraft promptly, which helps to reduce the risk of missing the flight. In countries where we do not have a physical presence or warehouse facilities, we use third-party logistics service providers' warehouse facilities for temporary storage.

**Prepare export/import documentation**

We will prepare the necessary documentation to transport the cargo from its point of origin to the final destination and to ensure compliance with all relevant regulations. The documentation that we prepare may include packing list, commercial invoice, destination control statement, consular invoice, certificate of origin, shipper's export declaration, bill of lading, export packing list, export and import licence, inspection certification, and any other documentation that may be required by the carrier, and the countries of export and import. We are also responsible for arranging insurance required to air freight the goods. The customer is responsible for the accuracy of all of the information disclosed in these documents.

**Customs clearance - outwards**

Our services include clearing customs at the originating airports. We also compute and pay duties, taxes and other charges on behalf of customers. We subsequently recover all such payments from customers.

Our personnel will carry out customs brokerage in the countries where we have a physical presence, while we engage third-party service providers in countries where we do not have a physical presence.

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**7. BUSINESS OVERVIEW (Cont'd)**

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**Air carriage**

The goods are loaded onto the cargo plane for carriage to the most practical destination port that provides the fastest cargo clearance and delivery to the final destination. The planes are owned and/or operated by third parties.

We are responsible for booking and purchasing cargo space or chartering aircraft on behalf of our customers, and we subsequently recover all such payments from customers.

**Customs clearance - inwards**

Our services include clearing customs at destination airports. We also compute and pay duties, taxes and other charges on behalf of customers. We subsequently recover all such payments from customers.

Our personnel will carry out customs brokerage in the countries where we have a physical presence, while we engage third-party service providers in countries where we do not have a physical presence.

**Final delivery**

When the cargo has arrived at the destination country, we will organise transportation from the airport to the AOG or other designated facility. In the countries where we have a physical presence, we will utilise our personnel and resources, or engage a third-party logistics service provider. In countries where we do not have a physical presence, we will engage a third-party logistics service provider.

**Incident Reporting**

We are required to take note of specified incidents that involve the aircraft parts, components and equipment as they are being transported, from the point where we take possession of the goods up to the final handover to the customer or their authorised representatives. Such incidents may include rough handling or dropping of the cargo, or heavy contact with hard surfaces. All incidents are documented and included in an incident report filed with the customer. Incidence reporting is required because aircraft parts, components and equipment are critical to the safe operation of aircraft. As such, all incidents will need to be investigated to determine the integrity and safety aspects of the aircraft parts, components and equipment.

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## 7. BUSINESS OVERVIEW (Cont'd)

### 7.6 MAJOR MACHINERY AND EQUIPMENT

The major machinery and equipment that we own and utilise as at the LPD to carry out our logistics services comprise the following:

Major machinery and equipment	Brief description	Number of units as at the LPD	NBV as at 31 August 2023 (RM'000)
Prime mover	Motorised vehicle that provides power to tow a trailer	7 <sup>(1)</sup>	#
Truck	Cargo vehicle where the driver's cabin is separate from the cargo area.	3	#
Van	Cargo vehicle where the driver's cabin is not separated from the cargo area.	6	218
Trailer – 40 ft	Chassis, axles and wheels designed to carry one (1) 40 ft container or up to two (2) 20 ft containers.	14	#
Trailer – 20 ft	Chassis, axles and wheels designed to carry one (1) 20 ft container.	3	#
Side lifter trailer	Trailer installed with machinery to load and unload containers onto itself.	2	#
Side curtain trailer	Trailer where the cargo area is enclosed by movable curtains.	3	2
<b>Total</b>			<b>220</b>

**Notes:**

# NBV of less than RM1,000 as the respective major machinery and equipment have been fully depreciated as at 31 August 2023.

(1) Comprises 6 prime movers operating to provide road freight transportation services related to container haulage, and 1 prime mover that is assigned to a side curtain trailer and thus not available for road freight transportation services related to container haulage.

In addition to the major machinery and equipment that we own listed above, as at the LPD we lease the following major machinery and equipment that we use to provide logistics services:

Major machinery and equipment	Brief description	Number of units as at the LPD
Truck	Cargo vehicle where the driver's cabin is separate from the cargo area.	8
Van	Cargo vehicle where the driver's cabin is not separated from the cargo area.	5

### 7.7 CAPACITY AND UTILISATION

#### 7.7.1 Sea and Air Freight Forwarding, and Aerospace Logistics

In general, measurements of capacity and utilisation do not apply to our sea and air freight forwarding, and aerospace logistics services. This is because the main portion of the activities is carried out using vessels and aircraft that are owned and operated by other service providers.

## 7. BUSINESS OVERVIEW (Cont'd)

### 7.7.2 Warehousing

As at the LPD, we utilise the Lot 41 Warehouse in Malaysia, Subic Bay Warehouse 1, Subic Bay Warehouse 2 and the current Manila Warehouse in the Philippines, Gul Warehouse and Office and Gul Warehouse 2 in Singapore and Yangon Warehouse in Myanmar to provide warehousing services to third-party customers.

We mainly use the KLIA Warehouse in Malaysia and Changi Airport Warehouse in Singapore to provide temporary in-transit storage for our customers' freight as part of our air freight forwarding and aerospace logistics services. They do not directly generate revenue, and as such, they are not included in the calculation of our warehousing capacity and utilisation rates.

During the Financial Years and Period Under Review, we also utilised Previous Port Klang Warehouses 1 and 2, Previous Clark Warehouses A and B, Previous Manila Warehouse and Previous Changi South Warehouse to provide warehousing services to third-party customers. However, as at the LPD, we have ceased operations at these warehouses and relocated business activities from these warehouses to our other warehouses in the respective countries.

The methodology for calculating capacity, actual usage and utilisation rates are as follows:

- Capacity is calculated by taking the storage space of each warehouse and multiplying the number of days that the warehouse was operational during the year. Measurement of storage space may be in terms of floor space area, warehouse space volume, number of pallet bays and number of storage bins, depending on the warehouse.
- Actual usage is based on the number of storage space days allocated to or used by customers.
- The utilisation rate is calculated by dividing the actual usage by the capacity.

The capacity, actual usage and utilisation rates during the Financial Years and Period Under Review of the warehouses where we are currently operating as at the LPD are as follows:

#### Lot 41 Warehouse in Malaysia

	Capacity (sq. ft. days)	Actual Usage (sq. ft. days)	Utilisation Rate (%)
FPE 2023 <sup>(1)</sup>	11,660,848	7,794,728	67

#### Note:

- (1) Lot 41 Warehouse became operational for storage of goods in February 2023 with a warehouse space capacity of 55,004 sq. ft. between February 2023 and August 2023 (212 days).

#### Subic Bay Warehouse 1 in the Philippines

	Capacity (storage bin days)	Actual Usage (storage bin days)	Utilisation Rate (%)
FYE 2020 <sup>(1)</sup>	148,346	78,182	53 <sup>(3)</sup>
FYE 2021 <sup>(2)</sup>	164,615	155,786	95
FYE 2022 <sup>(2)</sup>	164,615	163,481	99
FPE 2023 <sup>(2)</sup>	109,593	97,276	89

#### Notes:

- (1) Subic Bay Warehouse 1 was operational throughout FYE 2020 with a storage capacity of 341 bins between January 2020 and May 2020 (152 days) and 451 bins between June 2020 and December 2020 (214 days).
- (2) Subic Bay Warehouse 1 was operational throughout FYE 2021 (365 days), FYE 2022 (365 days) and FPE 2023 (243 days) with a storage capacity of 451 bins throughout the year.

**7. BUSINESS OVERVIEW (Cont'd)**

- (3) *The relatively low utilisation rate in FYE 2020 was mainly due to 1 existing customer reducing demand for storage space during 2020. We were not able to secure new customers to take up the space.*

**Subic Bay Warehouse 2 in the Philippines**

	Capacity (storage bin days)	Actual Usage (storage bin days)	Utilisation Rate (%)
FYE 2022 <sup>(1)</sup>	237,615	113,291	48 <sup>(2)</sup>
FPE 2023 <sup>(1)</sup>	158,193	105,355	67

**Notes:**

- (1) *Subic Bay Warehouse 2 became operational in January 2022 with a storage capacity of 651 bins throughout FYE 2022 (365 days) and FPE 2023 (243 days).*
- (2) *The relatively low utilisation rate in FYE 2022 was mainly due to 1 existing customer transferred their goods to a third-party warehouse and 1 existing customer reduced demand for storage space. We were not able to secure new customers to take up the space.*

**Manila Warehouse in the Philippines**

	Capacity (storage bin days)	Actual Usage (storage bin days)	Utilisation Rate (%)
FYE 2022 <sup>(1)</sup>	65,484	24,565	38 <sup>(2)</sup>
FPE 2023 <sup>(1)</sup>	74,358	22,231	30

**Notes:**

- (1) *Our current Manila Warehouse became operational in June 2022 with a storage capacity of 306 bins between June 2022 and December 2022(214 days), as well as FPE 2023 (243 days).*
- (2) *The relatively low utilisation rate for FYE 2022 and FPE 2023 was mainly due to 1 existing customer transferred all of their goods from our Philippines operations to our Singapore operations due to low demand for their products in the Philippines. We were not able to secure new customers to take up the space.*

**Yangon Warehouse in Myanmar**

	Capacity (cubic ft. days)	Actual Usage (cubic ft. days)	Utilisation Rate (%)
FYE 2020 <sup>(1)</sup>	7,454,725	1,647,025	22 <sup>(2)</sup>
FYE 2021 <sup>(1)</sup>	7,434,357	2,109,384	28 <sup>(2)</sup>
FYE 2022 <sup>(1)</sup>	7,434,357	3,319,647	45 <sup>(2)</sup>
FPE 2023 <sup>(1)</sup>	4,949,448	699,613	14 <sup>(2)</sup>

**Notes:**

- (1) *Yangon Warehouse was operational throughout FYE 2020 (366 days), FYE 2021 (365 days), FYE 2022 (365 days) and FPE 2023 (243 days) with 20,368 cubic feet of storage space throughout this period.*
- (2) *Our Yangon Warehouse is mainly used to provide temporary storage for our sea and air freight forwarding services, and the space allocated for this is not included in actual usage as it does not generate separate warehousing and other 3PL services revenue. Consequently, there was less warehouse space utilised as actual usage resulting in relatively low utilisation rates for the Financial Years and Period Under Review.*

**Gul Warehouse and Office in Singapore**

	Capacity (cubic ft. days)	Actual Usage (cubic ft. days)	Utilisation Rate (%)
FYE 2021 <sup>(1)</sup>	35,665,143	13,572,372	38 <sup>(3)</sup>
FYE 2022 <sup>(2)</sup>	81,591,749	58,992,317	72
FPE 2023 <sup>(2)</sup>	56,511,205	53,255,310	94

**Notes:**

- (1) *Gul Warehouse and Office became operational in July 2021 with a storage capacity of 193,832 cubic feet between July 2021 and December 2021 (184 days).*

**7. BUSINESS OVERVIEW (Cont'd)**

- (2) Gul Warehouse and Office had a storage capacity of 193,832 cubic feet between January 2022 and March 2022 (90 days). Following the installation of additional racking systems, storage capacity increased to 232,556 cubic feet from April 2022 to December 2022 (275 days), as well as FPE 2023 (243 days).
- (3) The relatively low utilisation rate for FYE 2021 was mainly because we had to secure additional customers to make use of the space at Gul Warehouse and Office, which is larger compared to the Previous Changi South Warehouse.

**Gul Warehouse 2 in Singapore**

Gul Warehouse 2 commenced operations in October 2023 and was not operational during the Financial Years and Period Under Review.

The capacity, actual usage and utilisation rates for the Financial Years and Period Under Review of the warehouses where we had previously operated during this period but are not operating as at the LPD are as follows:

**Previous Port Klang Warehouse 1 in Malaysia**

	Capacity (sq. ft. days)	Actual Usage (sq. ft. days)	Utilisation Rate (%)
FYE 2020 <sup>(1)</sup>	7,320,000	4,523,197	62 <sup>(2)</sup>
FYE 2021 <sup>(1)</sup>	7,300,000	4,764,645	65 <sup>(2)</sup>
FYE 2022 <sup>(1)</sup>	7,300,000	6,159,184	84
FPE 2023 <sup>(1)</sup>	620,000	534,037	86

**Notes:**

- (1) The Previous Port Klang Warehouse 1 was operational throughout FYE 2020 (366 days), FYE 2021 (365 days), FYE 2022 (365 days) and the period in January 2023 (31 days) with a warehouse space capacity of 20,000 sq. ft. throughout these years. We ceased operations at the Previous Port Klang Warehouse 1 in February 2023.
- (2) The relatively low utilisation rates for FYE 2020, FYE 2021 and FPE 2023 were mainly due to allocation of proportionally more space for non-revenue generating temporary storage for our sea freight forwarding services cargo, which was not revenue generating and consequently not included as actual usage.

**Previous Port Klang Warehouse 2 in Malaysia**

	Capacity (sq. ft. days)	Actual Usage (sq. ft. days)	Utilisation Rate (%)
FYE 2021 <sup>(1)</sup>	1,128,500	878,369	78
FYE 2022 <sup>(1)</sup>	6,752,500	4,822,053	71
FPE 2023 <sup>(1)</sup>	1,091,500	883,526	81

**Note:**

- (1) The Previous Port Klang Warehouse 2 became operational in November 2021 with a warehouse space capacity of 18,500 sq. ft. from November to December 2021 (61 days), during FYE 2022 (365 days) and the period in January 2023 (31 days). We ceased operations at the Previous Port Klang Warehouse 2 in February 2023.



**7. BUSINESS OVERVIEW (Cont'd)****Previous Manila Warehouse in the Philippines**

	<b>Capacity (storage bin days)</b>	<b>Actual Usage (storage bin days)</b>	<b>Utilisation Rate (%)</b>
FYE 2020 <sup>(1)</sup>	121,878	39,815	33 <sup>(3)</sup>
FYE 2021 <sup>(1)</sup>	122,545	61,197	50 <sup>(4)</sup>
FYE 2022 <sup>(2)</sup>	50,283	26,105	52 <sup>(5)</sup>

**Notes:**

- (1) The Previous Manila Warehouse was operational throughout FYE 2020 (366 days) and FYE 2021 (365 days) with a storage capacity of 333 bins throughout the year.
- (2) During FYE 2022, the Previous Manila Warehouse was operational between January 2022 and May 2022 (151 days) with a storage capacity of 333 bins during this period. We ceased operations at the Previous Manila Warehouse in June 2022.
- (3) Relatively lower demand for FYE 2020 as 1 existing customer transferred their goods from this warehouse to a different warehouse. We were not able to secure new customers to fill the space,
- (4) Relatively lower demand for FYE 2021 was mainly because we were not able to secure new customers to fill the space.
- (5) The relatively low utilisation rate for FYE 2022 was mainly due to 1 existing customer transferred all of their goods from our Philippines operations to our Singapore operations due to low demand for their products in the Philippines. We were not able to secure new customers to take up the space.

**Previous Clark Warehouse A in the Philippines**

	<b>Capacity (sq. ft. days)</b>	<b>Actual Usage (sq. ft. days)</b>	<b>Utilisation Rate (%)</b>
FYE 2020 <sup>(1)</sup>	3,423,125	2,268,278	66
FYE 2021 <sup>(2)</sup>	3,123,835	373,418	12 <sup>(3)</sup>

**Notes:**

- (1) The Previous Clark Warehouse A was operational throughout FYE 2020 (366 days) with a storage capacity of 9,353 sq. ft. throughout the year.
- (2) The Previous Clark Warehouse A was operational between January 2021 and we ceased operations there in November 2021 with a storage capacity of 9,353 sq. ft. throughout this period (344 days).
- (3) The relatively low utilisation rate was mainly due to lower demand from customers that were adversely affected by the effects of the COVID-19 pandemic.

**Previous Clark Warehouse B in the Philippines**

	<b>Capacity (sq. ft. days)</b>	<b>Actual Usage (sq. ft. days)</b>	<b>Utilisation Rate (%)</b>
FYE 2020 <sup>(1)</sup>	321,084	154,932	48 <sup>(2)</sup>

**Notes:**

- (1) The Previous Clark Warehouse B became operational in January 2020 and ceased operations in June 2020 with a storage capacity of 1,728 sq. ft. in January and February 2020 (59 days), and 1,782 sq. ft. between March and June 2020 (122 days).
- (2) The relatively low utilisation rate was mainly due to 1 existing customer reducing demand for storage space as they were adversely affected by the COVID-19 pandemic.

**7. BUSINESS OVERVIEW (Cont'd)****Previous Changi South Warehouse in Singapore**

	<b>Capacity (cubic ft. days)</b>	<b>Actual Usage (cubic ft. days)</b>	<b>Utilisation Rate (%)</b>
FYE 2020 <sup>(1)</sup>	33,320,164	27,819,659	83
FYE 2021 <sup>(1)</sup>	16,569,043	11,801,409	71

**Note:**

- (1) The Previous Changi South Warehouse was operating since August 2015 until we ceased operations there in July 2021 with a storage capacity of 91,039 cubic feet during FYE 2020 (366 days) and between January and July 2021 (212 days).

**7.7.3 Road Freight Transportation**

We own and lease various types of vehicles in Malaysia, Myanmar and Singapore for our road freight transportation. We also use third-party service providers to supplement our fleet in Malaysia, the Philippines, Myanmar and Singapore, and in countries where we do not have our vehicles.

The methodology used for calculating capacity, actual usage and utilisation rates of prime movers is as follows:

- Capacity is estimated by first calculating the number of days each vehicle is owned or leased by us during the year, subtracting the days on which we do not normally operate (namely Sundays and public holidays in the respective countries), and subtracting an estimated 3% of the total days under our control for repair and maintenance.
- Actual usage is based on the number of days that each prime mover has been used to transport containers for customers.
- Utilisation rate is calculated by dividing the actual usage by the capacity.

The methodology used for calculating capacity, actual usage and utilisation rates of trailers is as follows:

- Capacity is calculated by 24 working days per month for each month that the trailer is in service, and multiplied by 1.5 times as each trailer is usually used per working day.
- Actual usage is based on the number of times that each trailer has been allocated for use by customers.
- Utilisation rate is calculated by dividing the actual usage by the capacity.

<b>Malaysia</b>	<b>Capacity (vehicle days)</b>	<b>Actual Usage (vehicle days)</b>	<b>Utilisation Rate (%)</b>
<b>FYE 2020</b>			
Prime Movers <sup>(1)</sup>	2,196	1,298	59 <sup>(2)</sup>
<b>FYE 2021</b>			
Prime Movers <sup>(1)</sup>	2,190	1,161	53 <sup>(2)</sup>
<b>FYE 2022</b>			
Prime Movers <sup>(1)</sup>	2,190	1,166	53 <sup>(3)</sup>
<b>FPE 2023</b>			
Prime Movers <sup>(1)</sup>	1,215	682	56 <sup>(4)</sup>

**Notes:**

- (1) We had 6 prime movers operating for road freight transportation services related to container haulage, all of which were in service during FYE 2020, FYE 2021 and FYE 2022. During the FPE 2023, 1 prime mover was not operated due to maintenance.
- (2) The relatively low utilisation rates in FYE 2020 and FYE 2021 were mainly due to lower demand from customers that had been adversely affected by the COVID-19 pandemic.

**7. BUSINESS OVERVIEW (Cont'd)**

- (3) The relatively low utilisation rate in FYE 2022 was mainly because we discontinued business with 1 existing customer.
- (4) The relatively low utilisation rate in FPE 2023 was mainly because we discontinued business with 1 existing low-margin customer, and 1 other existing customer that was slow in making payments.

Singapore	Capacity (vehicle days)	Actual Usage (vehicle days)	Utilisation Rate (%)
<b>FYE 2020</b>			
Vehicles <sup>(1)</sup>	1,604	1,478	92
<b>FYE 2021</b>			
Vehicles <sup>(2)</sup>	2,642	2,382	90
<b>FYE 2022</b>			
Vehicles <sup>(3)</sup>	2,817	2,614	93
<b>FPE 2023</b>			
Vehicles <sup>(4)</sup>	1,580	1,539	97

**Notes:**

- (1) We hire additional vehicles to provide road freight transportation services on a short-term basis, as and when required. We had 4 vehicles operating for 2 months, 5 vehicles operating for 4 months, and 6 vehicles operating for 6 months in FYE 2020. AGX Singapore's in-house vehicle fleet comprised 5 leased vehicles as at 31 December 2020.
- (2) We hire additional vehicles to provide road freight transportation services on a short-term basis, as and when required. We had 4 vehicles operating for 1 month, 6 vehicles operating for 3 months, 7 vehicles operating for 1 month, 9 vehicles operating for 3 months, 10 vehicles operating for 1 month, 11 vehicles operating for 1 month, and 14 vehicles operating for 2 months in FYE 2021. AGX Singapore's in-house vehicle fleet comprised 7 leased vehicles as at 31 December 2021.
- (3) We hire additional vehicles to provide road freight transportation services on short-term basis, as and when required. We had 6 vehicles operating for 1 month, 7 vehicles operating for 3 months, 8 vehicles operating for 1 month, 9 vehicles operating for 1 month, 10 vehicles operating for 2 months, 11 vehicles operating for 1 month, 12 vehicles operating for 2 months, and 13 vehicles operating for 1 month in FYE 2022. AGX Singapore's in-house vehicle fleet comprised 8 leased vehicles as at 31 December 2022.
- (4) We hire additional vehicles to provide road freight transportation services on a short-term basis, as and when required. We had 7 vehicles operating for 3 months, 8 vehicles operating for 3 month and 9 vehicles operating for 2 months in FPE 2023. AGX Singapore's in-house vehicle fleet comprised 9 leased vehicles as at 31 August 2023.

Myanmar	Capacity (trailer days)	Actual Usage (trailer days)	Utilisation Rate (%)
<b>FYE 2020</b>			
Trailers <sup>(1)</sup>	1,095	557	51 <sup>(2)</sup>
<b>FYE 2021</b>			
Trailers <sup>(1)</sup>	1,095	534	49 <sup>(2)</sup>
<b>FYE 2022</b>			
Trailers <sup>(1)</sup>	1,095	435	40 <sup>(2)</sup>
<b>FPE 2023</b>			
Trailers <sup>(1)</sup>	729	-	-( <sup>2</sup> )

**Notes:**

- (1) We had 3 trailers operating in Myanmar during FYE 2020, FYE 2021, FYE 2022 and FPE 2023.
- (2) Our relatively low utilisation rates for FYE 2020, FYE 2021 and FYE 2022 were mainly due to lower demand from customers that had been adversely affected by COVID-19 pandemic. Our contracts with the customers were terminated since July 2022.

**7. BUSINESS OVERVIEW (Cont'd)****7.8 TYPES AND SOURCES OF INPUT MATERIALS AND SERVICES**

The following are the major types of services that we purchased for our business operations for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023:

**FYE 2020**

Services purchased	RM'000	%	Sources	
			Malaysia RM'000	Other Countries RM'000
Sea freight charges	14,813	16.98	856	13,957
Sea freight forwarding services	31,103	35.65	3,799	27,304
Air freight charges	23,753	27.23	4,043	19,710
Air freight forwarding services	13,361	15.31	1,737	11,624
Warehouse rental and services	1,453	1.66	6	1,447
Road freight services	2,762	3.17	1,568	1,194
<b>Total purchases</b>	<b>87,245</b>	<b>100.00</b>	<b>12,009</b>	<b>75,236</b>

**FYE 2021**

Services purchased	RM'000	%	Sources	
			Malaysia RM'000	Other Countries RM'000
Sea freight charges	65,522	43.04	2,294	63,228
Sea freight forwarding services	33,960	22.30	2,364	31,596
Air freight charges	31,867	20.93	5,827	26,040
Air freight forwarding services	15,874	10.43	2,318	13,556
Warehouse rental and services	2,735	1.80	-	2,735
Road freight services	2,291	1.50	1,431	860
<b>Total purchases</b>	<b>152,249</b>	<b>100.00</b>	<b>14,234</b>	<b>138,015</b>

**FYE 2022**

Services purchased	RM'000	%	Sources	
			Malaysia RM'000	Other Countries RM'000
Sea freight charges	65,153	35.41	2,805	62,348
Sea freight forwarding services	43,274	23.52	3,324	39,950
Air freight charges	46,847	25.46	4,623	42,224
Air freight forwarding services	23,059	12.53	2,476	20,583
Warehouse rental and services	3,007	1.63	5	3,002
Road freight services	2,668	1.45	1,474	1,194
<b>Total purchases</b>	<b>184,008</b>	<b>100.00</b>	<b>14,707</b>	<b>169,301</b>

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**7. BUSINESS OVERVIEW (Cont'd)****FPE 2023**

Services purchased	RM'000	%	Sources	
			Malaysia RM'000	Other Countries RM'000
Sea freight charges	8,685	10.54	2,294	6,391
Sea freight forwarding services	25,452	30.88	2,364	23,088
Air freight charges	30,125	36.55	5,827	24,298
Air freight forwarding services	13,961	16.94	2,318	11,643
Warehouse rental and services	1,563	1.90	-	1,563
Road freight services	2,628	3.19	1,431	1,197
<b>Total purchases</b>	<b>82,414</b>	<b>100.00</b>	<b>14,234</b>	<b>68,180</b>

During the Financial Years and Period Under Review, suppliers in Malaysia accounted for RM12.01 million (13.76% of total purchases), RM14.23 million (9.35%), RM14.71 million (7.99%) and RM14.23 million (17.27%) of our total purchases for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. Suppliers in other countries accounted for RM75.24 million (86.24%), RM138.02 million (90.65%), RM169.30 million (92.01%) and RM68.18 million (82.73%) of our total purchases for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively.

Our largest purchases for FYE 2022 were related to our sea freight forwarding services and comprised sea freight charges amounting to RM65.15 million (35.41%) and sea freight forwarding services amounting to RM43.27 million (23.52%). Sea freight charges are mainly related to container and cargo space on shipping lines. Sea freight forwarding services are related to engaging third-party logistics service providers to represent us in countries where we do not have a physical presence, and include local, documentation and handling charges, and trucking services. For FPE 2023, purchases for our sea freight forwarding services were our second largest purchases and comprised sea freight charges amounting to RM8.69 million (10.54%) and sea freight forwarding services amounting to RM25.45 million (30.88%).

Purchases for our air freight forwarding and aerospace logistics services were our next largest purchases for FYE 2022. Air freight charges for FYE 2022, which included air cargo space on commercial and cargo aircraft, as well as aircraft charter, amounted to RM46.85 million (25.46%). Air freight forwarding services amounted to RM23.06 million (12.53%) for FYE 2022, and relate to engaging third-party service providers to represent us in countries where we do not have a physical presence and include local, documentation and handling charges, and trucking services. Purchases for our air freight forwarding and aerospace logistics services were our largest purchases for FPE 2023 and comprised air freight charges amounting to RM30.13 million (36.55%) and air freight forwarding services amounting to RM13.96 million (16.94%).

Purchases for our warehousing and 3PL services for FYE 2022 and FPE 2023 were RM3.01 million (1.63%) and RM1.56 million (1.90%) respectively, and mainly comprised rental of warehouses, as well as handling and other services.

Our purchases for our road freight transportation services were RM2.67 million (1.45%) and RM2.63 million (3.19%) for the FYE 2022 and FPE 2023 respectively, and mainly comprised fuel and services to operate commercial vehicles, and other services.

## 7. BUSINESS OVERVIEW (Cont'd)

### 7.9 PROPERTIES, PLANT AND EQUIPMENT

#### 7.9.1 Properties owned by our Group

As at the LPD, we do not own any material properties.

#### 7.9.2 Properties rented by our Group

The details of material properties rented by our Group as at the LPD are set out below:

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
1.	AGX Malaysia	MAB Kargo Sdn Bhd	Operational facility: KLIA Warehouse  Postal address: Lot C1, Block C, Malaysia Airlines Berhad Freight Forwarders Complex, Free Commercial Zone, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia	Description: A two (2)-storey office and warehouse  Existing Use: Office and warehouse	15 March 2023 to 14 March 2026	3,513	13 August 2002	RM189,716
2.	AGX Malaysia	Top Speed Holding Sdn Bhd	Operational facility: Group Head Office  Postal address: Unit 1A-C and Unit 2A- C, 2 <sup>nd</sup> Floor, Jalan USJ 10/1A, Pusat	Description: Two units of commercial lot and a store on the second floor of a five (5)- storey office building  Existing Use:	1 September 2023 to 31 August 2026	4,933	29 January 2009	RM108,864

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
			Perniagaan USJ 10, 47610, UEP Subang Jaya, Selangor Darul Ehsan, Malaysia	Headquarter / Office and store				
3.	AGX Malaysia	Maltaco MS Sdn Bhd	Operational facility: Lot 41 Warehouse  Postal address: Lot 41 (PT 121659), Jalan Sg. Pinang 4/9, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia <sup>(1)</sup>	Description: A single storey office and warehouse  Existing Use: Office and warehouse	1 January 2023 to 31 December 2025	57,000	30 September 2015	RM1,080,000
4.	AGX Malaysia	Ng Hwee Ling	Operational facility: Port Klang Office  Postal address: No. 23A, Jalan Jelai 10/KS1, Teluk Gadong Besar, 42000 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia	Description: One unit of commercial lot on the first floor of a three (3)-storey shop office  Existing Use: Office	16 January 2023 to 15 January 2025	1,652	10 December 2009	RM15,600

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
5.	AGX Singapore	Changi Airport Group (Singapore) Pte. Ltd.	Operational facility: Changi Airport Warehouse  Postal address: 7 Airline Road, #03-03, Singapore 819834	Description: One unit of commercial lot on the third floor of a five (5)-storey office and warehouse  Existing use: Main office in Singapore and warehouse	1 July 2023 to 30 June 2024	2,153	22 September 1999 and 27 August 2013	SGD68,029 (equivalent to approximately RM0.24 million) <sup>(8)</sup> (excluding airport service charge)
6.	AGX Singapore	JTC Corporation	Operational facility: Gul Warehouse and Office  Postal address: 1 Gul Circle #03-04 and #03-08 Singapore 629637	Description: One unit of commercial lot on the third floor of a nine (9)-storey warehouse  Existing use: Office and warehouse	1 September 2021 to 31 August 2024	29,522	27 May 2021 <sup>(2)</sup>	SGD10.20 (equivalent to approximately RM35.60) <sup>(8)</sup> per square metre per month of area (excluding service charge and usage charge)
7.	AGX Singapore	JTC Corporation	Operational facility: Gul Warehouse 2  Postal address: 1 Gul Circle #04-07 Singapore 629637	Description: One unit of commercial lot on the fourth floor of a nine (9)-storey warehouse  Existing use: Warehouse	11 October 2023 to 31 August 2024	4,930	27 May 2021 <sup>(2)</sup>	SGD10.40 (equivalent to approximately RM36.30) <sup>(8)</sup> per square metre per month of area (excluding service charge and usage charge)



**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
8.	AGX Korea	Jong-Gyoon Kim <sup>(3)</sup>	Operational facility: Korea Office  Postal address: NewT Castle Building Room 509, 108, Gasan Digital 2-ro, Geumcheon-gu, Seoul, Republic of Korea	Description: One unit of commercial lot on the fifth floor of a fourteen (14)-storey office building  Existing use: Main office in Korea	3 April 2023 to 2 April 2024 <sup>(4)</sup>	1,417	Not applicable	KRW24,000,000 (equivalent to approximately RM0.09 million) <sup>(8)</sup>
9.	AGX Philippines (Lessee)	Bertaphil, Inc. (Sublessor)	Operational facility: Clark Office  Postal address: 3 <sup>rd</sup> floor, Clark Center 10, Berthaphil III, Jose Abad Santos Avenue, Clark Freeport Zone, Philippines.	Description: Third floor of a five (5)- storey office building  Existing use: Main office in the Philippines	1 June 2019 to 31 July 2024	9,688	19 June 2019	PHP6,254,678 (equivalent to approximately RM0.52 million) <sup>(8)</sup>
10.	AGX Philippines (Lessee)	Felimon V. Magadia (Lessor)	Operational facility: Batangas branch office  Postal address: Brgy. Bolbok, Diversion Road Extension, Batangas City, Philippines	Description: One unit of commercial lot on a single storey office building  Existing use: Branch office	1 January 2024 to 31 December 2024	377	23 August 2017	PHP180,000 (equivalent to approximately RM0.02 million) <sup>(8)</sup> exclusive of 12% value-added tax ("VAT") and withholding tax

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
11.	AGX Philippines (Lessee)	Greenhills Products, Inc. (Lessor)	Operational facility: Cebu branch office 1  Postal address: M.L. Quezon St., Casuntingan, Mandaue City, Cebu, Philippines	Description: A single storey office building  Existing use: Branch office and warehouse	1 August 2023 to 31 July 2024	2,852	5 May 2005	PHP600,000 (equivalent to approximately RM0.05 million) <sup>(8)</sup>
12.	AGX Philippines (Lessee)	Josie T. Lu (Lessor)	Operational facility: Laguna branch office  Postal address: Unit 2, Second Floor Kim-Kat Building 2, Barangay Parian, Calamba City, Laguna, Philippines	Description: One unit of commercial lot on the second floor of a three (3)-storey office building  Existing use: Branch office	1 January 2022 to 31 December 2024	1,076	21 July 2022	PHP420,000 (equivalent to approximately RM0.04 million) <sup>(8)</sup>
13.	AGX Philippines (Lessee)	Guerrero Estate Development Corporation (Lessor)	Operational facility: Manila Warehouse  Postal address: Lot 3-D, Psd-00- 075250, Brgy. San Dionisio, Parañaque City (Gedcor Warehouse 3), Philippines	Description: A two (2)-storey office building  Existing use: Branch office	1 May 2022 to 30 April 2025	6,548 and parking area of 3,261 sq. ft.	22 February 2023	PHP4,195,530 (equivalent to approximately RM0.35 million) <sup>(8)</sup> inclusive of 12% VAT and net of 5% withholding tax

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
14.	AGX Philippines (Lessee)	Guerrero Estate Development Corporation (Lessor)	Operational facility: Manila Warehouse  Postal address: Lot 3-D, Psd-00- 075250, Brgy. San Dionisio, Parañaque City (Gedcor Warehouse 1), Philippines	Description: A single storey warehouse  Existing use: Warehouse	1 May 2022 to 30 April 2025	6,405	22 February 2023	PHP3,786,000 (equivalent to approximately RM0.32 million) <sup>(8)</sup> inclusive of 12% VAT and net of 5% withholding tax
15.	AGX Philippines (Lessee)	Klutch Inc. (Lessor)	Operational facility: Bataan branch office  Postal address: Ground Floor, Klutch Bldg., DEA Compound, Mindanao Avenue, Phase III, Freeport Area of Bataan Annex (FAB), Maligaya, Mariveles, Bataan, Philippines	Description: One unit on the ground floor of a two (2)-storey commercial building  Existing use: Branch office	1 October 2023 to 30 September 2026	646	31 August 2021	PHP847,440 (equivalent to approximately RM0.07 million) <sup>(8)</sup> (inclusive of 12% VAT and net of 5% withholding tax) (with an escalation clause of 5% per year, beginning on the second year of the lease)

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
16.	AGX Philippines (Sublessee)	Anglo Asia Commodities Corporation (Sublessor) <sup>(5)</sup>	Operational facility: Subic Bay branch office  Postal address: V-201 The Venue 2 Bldg., beside The Venue Bldg. Brilliant St., Commercial Area, Subic Bay Gateway Park, Subic Bay Freeport Zone (SBF), Philippines	Description: One unit of commercial lot on the second floor of a seven (7)-storey office building  Existing use: Branch office	1 February 2023 to 31 January 2024 <sup>(9)</sup>	1,485	23 February 2023	PHP1,380,259 (equivalent to approximately RM0.12 million) <sup>(8)</sup> (with an escalation clause of 5% per year, beginning on the second year of the sublease)
17.	AGX Worldwide (Sublessee)	Anglo Asia Commodities Corporation (Sublessor) <sup>(5)</sup>	Operational facility: Subic Bay Warehouse 1  Postal address: Unit N3, Lot 12, Efficiency Street, Subic Bay Gateway Park, Phase 1, Subic Bay Freeport Zone (SBFZ), Philippines	Description: A single storey warehouse  Existing use: Warehouse	1 March 2023 to 28 February 2024	7,750	15 November 2016 and 11 November 2021	PHP2,574,743 (equivalent to approximately RM0.22 million) <sup>(8)</sup> (with an escalation clause of 5% per year, beginning on the second year of the sublease)

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
18.	AGX Worldwide (Sublessee)	Anglo Asia Commodities Corporation (Sublessor) <sup>(5)</sup>	Operational facility: Subic Bay Warehouse 2  Postal address: Unit H-3, Lot 12, Efficiency Street, Subic Bay Gateway Park, Phase 1, Subic Bay Freeport Zone (SBFZ), Philippines	Description: A single storey warehouse  Existing use: Warehouse	15 August 2021 to 14 August 2024	15,113	15 November 2016 and 25 March 2022	PHP4,422,600 (equivalent to approximately RM0.37 million) <sup>(8)</sup>
19.	AGX Philippines	Philippine Economic Zone Authority	Operational facility: Baguio City branch office  Postal address: Baguio City Economic Zone (BCEZ), Utility Building, Philippines	Description: A single storey office building  Existing use: Branch office	1 January 2023 to 31 December 2023 <sup>(10)</sup>	319	Permit to Locate: 28 June 2022 <sup>(6)</sup>	PHP444,847 (equivalent to approximately RM0.04 million) <sup>(8)</sup> (exclusive of 12% VAT and withholding tax)
20.	AGX Philippines (Lessee)	International Cultural Studies & Education Corp. (Lessor)	Operational facility: Cebu branch office 2  Postal address: 2 <sup>nd</sup> Floor, LKG Building, A.C. Cortes Avenue, Alang-Alang, Mandaue City, Cebu, Philippines	Description: Second floor of a three (3)-storey office building  Existing use: Branch office	1 June 2023 to 31 May 2024	1,604	21 November 2008	PHP832,315 (equivalent to approximately RM0.07 million) <sup>(8)</sup> (inclusive of 12% VAT and net of 5% withholding tax)

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Tenant	Landlord	Operational facility/ Postal address	Description / Existing use	Tenure	Built-up area (approximate) (sq. ft.)	Date of issuance of CF / CCC	Rental per annum
21.	AGX Myanmar	Daw Kyi Kyi Myint	Operational facility: Myanmar office  Postal address: No. 214, 5 <sup>th</sup> Floor, Room (501, 502), Min Ye Kyaw Swar Street, Lanmadaw, Myanmar	Description: One unit of commercial lot on the fifth floor of an eleven (11)-storey office building  Existing use: Main office in Myanmar	1 January 2024 to 31 December 2024	4,600	19 November 2019	MMK 48,000,000 (equivalent to approximately RM0.11 million) <sup>(8)</sup>
22.	AGX Myanmar	U Thet Zaw	Operational facility: Yangon Warehouse  Postal address: No. 129, Mya Nandar Street, Thaketa Industry Zone, (35x90) First Floor, BN Godown, Myanmar	Description: A single storey warehouse  Existing use: Warehouse	6 January 2024 to 5 July 2024	3,150	Recommen dation for True Situation of Building: 29 August 2022 <sup>(7)</sup>	MMK 14,400,000 for a period of 6 months (equivalent to approximately RM0.03 million) <sup>(8)</sup>

**Notes:**

(1) *The Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse previously rented and occupied by AGX Malaysia are designated premises within the meaning of the Fire Services (Designated Premises) Order 1998 (as amended by the Fire Services (Designated Premises) (Amendment) Order 2020) but the respective landlords did not obtain a fire certificate and a fire safety organisation was not established in these warehouses as required under the Fire Services Act 1988.*

*Further, the Previous Port Klang Warehouse 2 contained unapproved awning extension of approximately 320 sq. ft. and CF/CCC was not obtained by the landlord in respect of the unapproved extension, which was in contravention of the Street, Drainage and Building Act 1974. Notwithstanding this, the awning extension was built and in existence before AGX Malaysia rented it and was constructed of metal deck for the purposes of rain protection.*

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**7. BUSINESS OVERVIEW (Cont'd)**

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*As part of the remedial steps taken by our Group to rectify the non-compliances above, we have amalgamated and terminated our tenancies at the Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse, and relocated to the Lot 41 Warehouse.*

*We had, on 19 October 2022, met and consulted an officer from the Malaysian Fire and Rescue Department, Selangor State (“**BOMBA**”), followed by a call on 24 May 2023 to BOMBA, and during which was informed that no fine or penalty will be imposed on AGX Malaysia for occupying the Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse without a fire certificate and a fire safety organisation being established in these warehouses as:*

- (i) AGX Malaysia was a tenant of the Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse; and*
- (ii) AGX Malaysia had terminated the tenancies at the Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse and relocated to the Lot 41 Warehouse.*

*Further, we had, on 30 May 2023, met and consulted an officer from Klang Municipal Council, and during which was informed that no fine or penalty will be imposed on AGX Malaysia for occupying the Previous Port Klang Warehouse 2 which contained the unapproved awning extension as:*

- (i) AGX Malaysia was a tenant of the Previous Port Klang Warehouse 2; and*
- (ii) AGX Malaysia did not apply for any renovation or building approval from Klang Municipal Council for the unapproved awning extension.*

*Premised on the above and that AGX Malaysia had terminated the tenancy at the Previous Port Klang Warehouse 2 and relocated to the Lot 41 Warehouse, AGX Malaysia was informed that should any action be taken, it would be against the landlord, who is the registered owner of the Previous Port Klang Warehouse 2.*

*Please refer to Section 7.20.1 of this Prospectus for the relevant provisions of the Fire Services Act 1988 and Street, Drainage and Building Act 1974 and Section 9.1.1 of this Prospectus for the consequences of non-compliance with such provisions.*

- (2) The landlord had, on 27 May 2021, obtained the temporary occupation permit. As at the LPD, the application for the certificate of statutory completion is being processed by the Building and Construction Authority of Singapore. Pursuant to the Building Control Act 1989 of Singapore, AGX Singapore is permitted to occupy the building in reliance on the temporary occupation permit until the issuance of the certificate of statutory completion.*
- (3) English spelling is transliteration of Korean name provided for reference purposes only.*

**7. BUSINESS OVERVIEW (Cont'd)**

- (4) *The lease is automatically extended if there is no notice of termination from either party within sixty (60) days before termination date. The lease may be terminated if AGX Korea fails to pay rent for two (2) months, or, without the landlord's consent, changes the structure or use of the property, sub-leases, etc.*
- (5) *Anglo Asia Commodities Corporation is doing business under the name and style of the Venue Subic and Getaway Hub.*
- (6) *The permit to locate is a permit issued by the Philippine Economic Zone Authority to enterprises located or intending to locate inside the economic zones.*
- (7) *The Recommendation for True Situation of Building is a certification of the existence and location of a building issued by the Yangon City Development Committee for buildings constructed prior to 1988. A Recommendation for True Situation of Building was issued to this property as it was constructed before 1988.*
- (8) *The amounts stated herein are converted into RM based on Bank Negara Malaysia's middle exchange rates as at 12.00p.m. on the LPD:*
- KRW 100 = RM0.3561*  
*USD 1 = RM4.6345*  
*PHP 100 = RM8.3625*  
*SGD 1 = RM4.6345*  
*MMK 100 = RM0.2214*
- (9) *AGX Philippines has renewed the sublease for another one (1) year commencing from 1 February 2024 to 31 January 2025 at an annual rental of PHP1,518,285.*
- (10) *AGX Philippines had, on 13 November 2023, requested for a renewal of the lease for another one (1) year commencing from 1 January 2024 to 31 December 2024. As at the LPD, the renewal is being processed by the Philippine Economic Zone Authority and the lease is expected to be renewed by February 2024.*

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## 7. BUSINESS OVERVIEW (Cont'd)

### 7.10 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

As at the LPD, our Group has obtained all major approvals, licences and permits required for our business operations in Malaysia, Singapore, Korea, the Philippines and Myanmar, which are set out below:

#### 7.10.1 Major approvals, licences and permits obtained in respect of our business operations in Malaysia

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
1.	AGX Malaysia	Operator's Licence pursuant to the LPTA 2010 <sup>(1)</sup>	Licence No.: 200401002048 (LA)	APAD	23 August 2021 / 14 September 2026	<p>1. This licence is subject to the conditions as set out in the Service Level Requirements (<i>Keperluan Tahap Perkhidmatan</i>) issued by APAD (effective 1 March 2022) which shall be and be considered as part of and shall be read together with the operator's licence. The conditions include, amongst others, the following:</p> <p>(a) licensed operator shall ensure that the driver of the vehicle possesses a valid Vocational Licence (GDL) during operation;</p> <p>(b) licensed operator shall ensure that the vehicles used have a valid Vehicle Permit during operation;</p> <p>(c) no changes shall be made to the Operator's Licence or Vehicle Permit without the written approval of APAD;</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						(d) licensed operator carrier 'A' shall be allowed to only carry goods for hire or reward for or in relation to any trade and business carried out;	Noted
						(e) in the event of death, the appointed manager or next of kin of the licensed operator shall inform APAD within thirty (30) days from date of death. Failure to do so shall result in the operator's licence being revoked by itself subject to Section 62 of the LPTA 2010;	Noted
						(f) licensed operator shall at all times comply with: <ul style="list-style-type: none"> <li>i) provisions of LPTA 2010 and the regulations made thereunder including the Vehicle Permit and Service Permit;</li> <li>ii) provisions of the Road Transport Act 1987 as well as the rules and regulations made thereunder;</li> <li>iii) other written law as well as rules and regulations made thereunder; and</li> </ul>	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>iv) previous circulars issued by Commercial Vehicle Licensing Board Peninsular Malaysia and APAD for the purpose of land public transport laws so long as they do not conflict with these conditions or have been revoked.</p> <p>2. The licence must be renewed at least 90 days prior to its expiry.</p>	Noted
2.	AGX Malaysia	Service permit issued as a component of the Operator's Licence set out in item 1 above, certifying that the permissible route of the operator is the whole of Peninsular Malaysia.	Permit No.: PP013075	APAD	23 August 2021 / 14 September 2026	Nil	Not applicable
3.	AGX Malaysia	Approval to act as Forwarding Agent ( <i>Ejen Penghantaran</i> ) pursuant to Section 90 of the Customs Act 1967.	Approval No.: 22000103/22 Reference No.: KE.WB(39)001 /01-924Kit.2(9)	RMCD	1 September 2022 / 31 August 2024	1. The company can only act as an agent on behalf of the client who has appointed it and is authorised in writing by the said client.	Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
		Agent Code: WF0805				<p>2. The company shall be appointed by the importer/ exporter whereby the importer/exporter is only allowed to appoint three (3) representatives (agent) for trade clearance. If more than that is required, application must be submitted to the State Director of Customs for consideration and approval.</p> <p>3. The company shall comply with the Bumiputera participation condition at all times in accordance with the current policy that has been set.</p> <p>4. The company shall always have at least one director or manager and one staff, which deals with RMCD, whereby they are required to attend the course and pass the examinations and possess the Customs Agent Course Certificate (<i>Sijil Kursus Ejen Kastam</i>).</p> <p>5. The application to renew the approval must be submitted no later than 90 days before the date of expiry of the approval.</p> <p>6. All duty/tax arrears must be cleared before the renewal application is submitted. The company with duty/tax arrears will not have their approval renewed until the arrears have been cleared to RMCD.</p>	<p>Complied</p> <p>Complied<sup>(2)</sup></p> <p>Complied</p> <p>Noted</p> <p>Noted</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>7. The company shall be deemed to be no longer operating as an agent if no application for renewal has been submitted for one (1) year from the last expiry date and the approval as agent is automatically void (<i>terbatal</i>).</p>	Noted
						<p>8. The company is responsible to provide correct and complete information such as company address, members of the board of directors, shareholdings, management staff and support staff. Supporting documents shall be submitted to State Director of Customs within fourteen (14) days if there is a change to the company's information. Failure of the company to submit latest information may result in temporary suspension or cancellation of the approval as agent in accordance with Section 90(4) of the Customs Act 1967.</p>	Noted
						<p>9. An agent company cannot change its name, status, address, be sold, change its ownership or be handed over to any party without the consent of RMCD.</p>	Noted
						<p>10. The company cannot rent or allow other parties to use the approval which it has obtained to conduct customs clearance matters.</p>	Complied

## 7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						11. A breach of any of the conditions to the approval is an offence punishable under Section 138 of the Customs Act 1967 and the appropriate actions may be taken including imposing a compound.	Noted
4.	AGX Malaysia	Approval to act as Freight Forwarder ( <i>Ejen Pengangkut Barang</i> ) pursuant to Section 90 of the Customs Act 1967.  Agent Code: BZ1360	Reference No.: KE.BB(34)001/05-0416/SK.2(10)	RMCD	21 December 2023 to 20 December 2026	<p>1. The company can only act as an agent on behalf of the client who has appointed it and is authorised in writing by the said client.</p> <p>2. The company shall be appointed by the importer/exporter whereby the importer/exporter is only allowed to appoint three (3) representatives (agent) for trade clearance. If more than that is required, application must be submitted to the State Director of Customs for consideration and approval.</p> <p>3. The company shall always have at least one director or manager and one staff, which deals with RMCD, whereby they are required to attend the course and pass the examinations and possess the Customs Agent Course Certificate (<i>Sijil Kursus Ejen Kastam</i>) / Shipping Agent Course Certificate (<i>Sijil Kursus Ejen Perkapalan</i>).</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p>

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						4. The application to renew the approval must be submitted no later than 90 days before the date of expiry of the approval.	Noted
						5. All duty/tax arrears must be cleared before the renewal application is submitted. The company with duty/tax arrears will not have their approval renewed until the arrears have been cleared to RMCD.	Noted
						6. The company shall be deemed to be no longer operating as an agent if no application for renewal has been submitted for one (1) year from the last expiry date and the approval as agent is automatically void ( <i>terbatal</i> ).	Noted
						7. The company is responsible to provide correct and complete information such as company address, members of the board of directors, shareholdings, management staff and support staff. Supporting documents shall be submitted to State Director of Customs within fourteen (14) days if there is a change to the company's information. Failure of the company to submit latest information may result in temporary suspension or cancellation of the approval as agent in accordance with Section 90(4) of the Customs Act 1967.	Noted

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>8. An agent company cannot change its name, status, address, be sold, change its ownership or be handed over to any party without the consent of RMCD.</p> <p>9. The company cannot rent or allow other parties to use the approval which it has obtained to conduct customs clearance matters.</p> <p>10. A breach of any of the conditions to the approval is an offence punishable under Section 138 of the Customs Act 1967 and the appropriate actions may be taken including imposing a compound.</p>	<p>Noted</p> <p>Complied</p> <p>Noted</p>
5.	AGX Malaysia	Letter of approval from Malaysian Investment Development Authority (“MIDA”) granting AGX Malaysia the International Logistics Services (“IILS”) provider status	Reference No.: 200/00018/044 510/000001AC I 200/9/18/107 (IILS)	MIDA	Issuance date: 19 June 2017  Expiry date: Not applicable	<p>1. The company shall manage forwarding, transportation, warehousing and one of the value-added activities such as distribution or suggested value-added activities in an integrated manner.</p> <p>2. The company shall manage the following minimum infrastructure:</p> <p>(i) warehouse facilities with an area of at least 5000m<sup>2</sup>; and</p> <p>(ii) Transport facilities of at least 20 units commercial vehicles.</p>	<p>Complied</p> <p>Complied</p>



**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>3. Total full-time employment of the company shall comprise at least 80% Malaysians by 2020. The employment of foreigners (including workers procured through outsourcing) is subject to current policies.</p> <p>4. The company must use Malaysia as a logistics hub for related logistics chain services.</p> <p>5. The company must have a network of relationships with foreign companies to provide services to the regional market.</p> <p>6. The company must have a high usage of ICT in the logistics supply chain and value-added activities.</p> <p>7. MIDA reserves the right to cancel or withdraw this approval at any time if the company is found not to comply with the conditions of the approval that have been set.</p>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p>
6.	AGX Malaysia	Free Commercial Zone KLIA Operating Licence	Certificate No.: FCZ/MABK/O FF/0158(M)	Malaysia Airports (Sepang) Sdn Bhd	Expiry date: 14 July 2024	<p>1. The certificate is granted subject to the terms and conditions as stated in the FCZ Operating License Agreement.</p> <p>2. Any company that wishes to operate within Free Commercial Zone area shall follow:</p>	<p>Complied</p> <p>Complied</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>(a) Free Zone Regulation 1991, No. 5: Application for approval to operate within free zone. Any person wishing to carry out any activity within a free zone shall apply in writing for approval to the authority using a form as in form FZ No. 4 as specified in the First Schedule, and the authority may approve or refuse the application.</p> <p>(b) Free Zone Regulation 1991, No. 7: Permission to erect buildings or structures or to hold leases and tenancies in free zones. No person shall (a) erect any building or other structure; or (b) hold any tenancy or lease of any movable or immovable property, in a free zone for the purpose of carrying out any commercial or manufacturing activity and related operations in the zone, except with the permission of the authority. A person may apply for the permission required under this regulation by making an application to the authority as in form FZ No. 5 as specified in the First Schedule.</p>	

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>3. The maximum period of FCZ Operating Licence validity is two (2) years. The licence holder shall renew the licence within two (2) or one (1) month before the expiry date. If there is any changes or amendments in the company profile, to notify the Free Zone Authority immediately and furnish all relevant documents.</p>	Noted
						<p>4. Licence holder is required to display their company signage board indicating the full name of their company at their premise and warehouse. The specification of the signage must be approved by Free Zone Authority.</p>	Complied
						<p>5. This FCZ Operating Licence approval is subject to all conditions and regulations as stipulated by Free Zone Authority.</p>	Complied
						<p>6. The issued FCZ Operating Licence cannot be transferred in ownership or be used by other parties.</p>	Noted
						<p>7. Approval granted may be revoked if the applicant, including the company that is authorised by the Free Zone Authority, violate any of the regulations, terms and conditions stipulated therein.</p>	Noted

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						8. Licence holder shall maintain liability insurance of minimum RM100,000 per incident in the operating warehouse.  9. In the event of failure to comply with the terms and conditions, Malaysia Airports (Sepang) Sdn Bhd could revoke the FCZ Operating Licence.	Complied  Noted
7.	AGX Malaysia	Approval to erect / rent building, lease land or carry out activity pursuant to the Free Zone Act 1990.  List of goods under commercial activity: freight forwarding including import, export, shipping, trans-shipment of goods.	Nil	Malaysia Airports (Sepang) Sdn Bhd	Approval date: 1 August 2022	1. Same conditions as set out in item 6 above.  2. This approval is issued subject to the provisions of the Free Zone Act 1990 and the regulations made thereunder and to the conditions endorsed in the approval.	Complied  Complied

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**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
8.	AGX Malaysia	<p>Business Premise Licence for MAB Kargo Freight Forwarders Complex, Lot C-1, Block C, Free Commercial Zone, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan, Malaysia.</p> <p>Description:</p> <p>(a) business office;</p> <p>(b) business office – express forwarding agency;</p> <p>(c) factory storing goods (warehouse); and</p> <p>(d) non-illuminated billboard.</p>	Account No.: 331201029977	Sepang Municipal Council	30 November 2023 / 31 December 2024	Renewal of licence shall be made latest on 31 December each year. Sepang Municipal Council reserves the right to take enforcement action on failure to renew this licence.	Noted

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
9.	AGX Malaysia	Business Licence for Unit 1A-C and Unit 2A-C, Jalan USJ 10/1A, Pusat Perniagaan USJ 10, 47610 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia.  Description:  (a) horizontal/ illuminated billboards; and  (b) business offices.	Account No.: 20201000010  Reference No.: MPSJ/LES/60 0/03/08371-20	Subang Jaya City Council	16 August 2023/ 30 September 2024	The licence must be renewed three (3) months before the expiry date unless the status of the licence is temporary.	Noted
10.	AGX Malaysia	Industrial and Advertisement Licence for Lot 41 (PT 121659), Jalan Sg. Pinang 4/9, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia.  Description:	Licence Account No.: LL0383980507 2020237	Klang Municipal Council	1 January 2024 / 31 December 2024	<ol style="list-style-type: none"> <li>1. The licence is approved subject to the conditions set by the Klang Municipal Council from time to time.</li> <li>2. The licence will be revoked if the conditions or requirements of the licence including any By-laws or instructions published by the Klang Municipal Council are not complied with.</li> <li>3. The licence cannot be transferred or displayed at a different premise from the address stated on the licence.</li> </ol>	<p>Complied</p> <p>Noted</p> <p>Noted</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
		(a) Storing general goods (telecommunication equipment, beverage cans, building materials and furniture), providing storage space rental services and delivery of general goods, business office ; and  (b) billboard.				4. The company shall comply with the general licensing conditions set by the Licensing Department and other departments of the Klang Municipal Council	Complied

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**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
11.	AGX Malaysia	<p>Business and Advertisement Licence for No. 23A, Jalan Jelai 10/KS1, Teluk Gadong Besar, 42000 Pelabuhan Klang, Selangor Darul Ehsan, Malaysia.</p> <p>Description:</p> <p>(a) business office; and</p> <p>(b) billboard.</p>	Licence Account No.: LL1087970508 4120237	Klang Municipal Council	1 January 2024 / 31 December 2024	<p>1. The company shall comply with the general licensing conditions set by the Licensing Department and Internal Department of Klang Municipal Council.</p> <p>2. The licence holder shall not carry out business activities other than those licensed.</p>	<p>Complied</p> <p>Complied</p>
12.	AGX Malaysia	<p>Certificate of Fitness pursuant to the Factories and Machinery Act 1967 ("<b>FMA 1967</b>") certifying that the container side loader crane located at the Lot 41 Warehouse can be operated at a load of no more than 45,000 kilogram.</p>	<p>Certificate No.: PMA-SL/23365377</p> <p>Registration No.: SL PMA 48910</p>	DOSH	18 August 2023 / 9 November 2024	Nil	Not applicable



**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
13.	AGX Malaysia	Certificate of Fitness pursuant to the FMA 1967 certifying that the container side loader crane located at the Lot 41 Warehouse can be operated at a load of no more than 40,000 kilogram.	Certificate No.: PMA-SL/23365376  Registration No.: SL PMA 26208	DOSH	18 August 2023 / 9 November 2024	Nil	Not applicable
14.	AGX Transport	Operator's Licence pursuant to the LPTA 2010	Licence No.: 202201041524 (LA)	APAD	22 May 2023 / 21 May 2025	<p>1. This licence is subject to the conditions as set out in the Service Level Requirements (<i>Keperluan Tahap Perkhidmatan</i>) issued by APAD (effective 1 March 2022) which shall be and be considered as part of and shall be read together with the operator's licence. The conditions include, amongst others, the following:</p> <p>(a) licensed operator shall ensure that the driver of the vehicle possesses a valid Vocational Licence (GDL) during operation;</p> <p>(b) licensed operator shall ensure that the vehicles used have a valid Vehicle Permit during operation;</p>	<p>Complied</p> <p>Complied</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						(c) no changes shall be made to the Operator's Licence or Vehicle Permit without the written approval of APAD;	Noted
						(d) licensed operator carrier 'A' shall be allowed to only carry goods for hire or reward for or in relation to any trade and business carried out;	Noted
						(e) in the event of death, the appointed manager or next of kin of the licensed operator shall inform APAD within thirty (30) days from date of death. Failure to do so shall result in the operator's licence being revoked by itself subject to Section 62 of the LPTA 2010;	Noted
						(f) licensed operator shall at all times comply with: <ul style="list-style-type: none"> <li>i) provisions of LPTA 2010 and the regulations made thereunder including the Vehicle Permit and Service Permit;</li> <li>ii) provisions of the Road Transport Act 1987 as well as the rules and regulations made thereunder;</li> </ul>	Complied

## 7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						iii) other written law as well as rules and regulations made thereunder; and  iv) previous circulars issued by Commercial Vehicle Licensing Board Peninsular Malaysia and APAD for the purpose of land public transport laws so long as they do not conflict with these conditions or have been revoked.  2. The licence must be renewed at least 90 days prior to its expiry.	Noted
15.	AGX Transport	Service permit issued as a component of the Operator's Licence set out in item 14 above, certifying that the permissible route of the operator is the whole of Peninsular Malaysia.	Permit No.: PP036356	APAD	22 May 2023 / 21 May 2025	Nil	Not applicable

**Notes:**

(1) AGX Malaysia does not meet the following equity conditions set out in the Licensing Policy Guide issued by Suruhanjaya Pengangkutan Awam Darat ("**SPAD**") (which was dissolved and replaced by APAD):

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**7. BUSINESS OVERVIEW (Cont'd)**


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- (a) at least 30% of the local equity ownership in the company shall be held by Bumiputera; and
- (b) only up to 49% foreign equity ownership is allowed in the company,

(collectively, "**Equity Conditions**") as it is wholly-owned by AGB, which is not a registered Bumiputera company, and, as at the LPD, the shareholders of AGB consist of approximately 35.43% Malaysian citizens (100% non-Bumiputera individuals) and 64.57% foreigner nationals.

AGX Malaysia was nevertheless able to obtain and renew the Operator's Licence from SPAD without meeting the Equity Conditions, and no Equity Conditions were expressly imposed on the Operator's Licence issued to AGX Malaysia. The Operator's Licence was obtained prior to the acquisition of the entire equity interest in AGX Malaysia by AGB as detailed in Section 6.6.1 of this Prospectus.

Further, AGX Transport had, on 23 June 2023, obtained the Operator's Licence from APAD which is effective from 22 May 2023 to 21 May 2025. Further details of the Operator's Licence are set out in item 14 of the table above.

In addition, AGX Malaysia had, on 9 January 2023, entered into service agreements with 2 third-party service providers with the requisite operator's licence from APAD, namely Iwin Haulage (M) Sdn Bhd and Viva Haulage Sdn Bhd, to provide road freight transportation services including, without limitation, delivering and transporting goods to designated destinations, if required.

There is no material adverse impact on the business operations of our Group in the event AGX Malaysia is unable to renew its Operator's Licence as AGX Malaysia can manage and operate the goods vehicles through AGX Transport or third-party service providers engaged by AGX Malaysia. AGX Malaysia's revenue contribution from road freight transportation services to our Group were approximately 2.15%, 1.12%, 1.21% and 1.22%, for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively.

- (2) Pursuant to the Customs Agent Guide (Panduan Ejen Kastam) published by RMCD on 22 February 2021 pursuant to Section 90 of the Customs Act 1967 ("**Customs Agent Guide**"), the Bumiputera participation of the company in respect of each of the following criteria shall be at least 51%:
  - (a) total share capital held by Bumiputera individual/ company;
  - (b) number of members of the board of directors/ owners of the company;
  - (c) number of management staff; and
  - (d) number of support staff,

("Bumiputera Participation Condition").

As at the LPD, AGX Malaysia does not comply with the Bumiputera Participation Condition in respect of paragraphs 2(a) and (b) above as more than 51% of its directors and shareholders consist of non-Bumiputera individuals. Further, AGX Malaysia does not fall under any of the following exemptions to the Bumiputera Participation Condition provided under the Customs Agent Guide, namely:

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**7. BUSINESS OVERVIEW (Cont'd)**

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- (i) a company which has obtained ILS status approval from MIDA whereby majority of the members of its board of directors and shareholders consist of foreign ownership; or
- (ii) a public company which is listed on Bursa Securities. However, a subsidiary of a public company listed on Bursa Securities is not exempted and will remain subject to the Bumiputera Participation Condition.

Notwithstanding the above, MOF has, vide its letter dated 25 October 2022, granted further extension of time until 31 December 2023 for local companies acting as forwarding agents to comply with the Bumiputera Participation Condition.

MOF has, vide its letter dated 22 December 2023, granted further extension of time until 31 December 2024 for local companies acting as forwarding agents to comply with the Bumiputera Participation Condition on the condition that 40% Bumiputera participation is met by 31 December 2024.

If AGX Malaysia is unable to comply with the Bumiputera Participation Condition (or any subsequent revised Bumiputera Participation Condition by MOF) by 31 December 2024 or any further extensions of time granted by MOF, and if the approval to act as forwarding agent granted to AGX Malaysia by RMCD is revoked, cancelled or not renewed as a result of the non-compliance with the Bumiputera Participation Condition, AGX Malaysia will engage third party forwarding agents to undertake custom clearance services. As at the LPD, AGX Malaysia has made arrangements with a third-party forwarding agent and shipping agent with the necessary approvals from RMCD, namely New Sign Logistics (M) Sdn Bhd, to act as its forwarding agent, and provide customs documentation and clearance services including, without limitation, completing documentation, making customs declarations, applications for export and/or import duty exemption (if applicable) and paying import or export duties and other charges. AGX Malaysia may, from time to time, make arrangements with several other third-party forwarding agents to undertake the aforementioned customs clearance services.

Due to the arrangements above and the possibility of AGX Malaysia not being able to provide custom clearance services on its own, the revenue and gross profit contributions from the processing of documentations for custom clearance for AGX Malaysia's customers' cargos will be reduced. During the Financial Years and Period Under Review, the processing of documentations for custom clearance contributed less than 2% of AGX Malaysia's revenue and less than 3% of AGX Malaysia's gross profits.

The risk of disruption to AGX Malaysia's business operations is minimal as there are many other third-party forwarding agents similar to New Sign Logistics (M) Sdn Bhd that AGX Malaysia may engage or work with. As at 26 December 2023, there are 1,421 operators registered as members of the Federation of Malaysian Freight Forwarders (Source: IMR Report), which may potentially include companies who do not comply with the Bumiputera Participation Condition. The nature of the custom clearance services is also administrative in nature, and with AGX Malaysia's experience in customs clearance, AGX Malaysia would also be able to provide guidance to the third-party forwarding agents to carry out the customs clearance services on AGX Malaysia's behalf.

**7. BUSINESS OVERVIEW (Cont'd)****7.10.2 Major approvals, licences and permits obtained in respect of our business operations in Singapore**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
1.	AGX Singapore	Food storage warehouse licence for 1 Gul Circle, #03-04, Singapore 629637	Registration No.: WH22F0091	Singapore Food Agency ("SFA")	Expiry date: 30 June 2024	<p>1. The licence is to be issued in accordance with the "Good Warehousing Practices" guidelines issued by the SFA.</p> <p>2. The licence is valid for 1 year only and must be renewed upon expiry.</p>	<p>Noted</p> <p>Noted</p>
2.	AGX Singapore	Licensed Type I Zero-GST warehouse licence for 1 Gul Circle, #03-04, Singapore 629637	Registration No.: BW1280	Singapore Customs	30 December 2023 / 31 December 2024	The licence is issued subject to full compliance with the licensing conditions issued by the Singapore Customs. Non-compliance with any of the stated conditions may result in the suspension or withdrawal of the licence to operate the licensed premises.	Complied

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**7. BUSINESS OVERVIEW (Cont'd)**

**7.10.3 Major approvals, licences and permits obtained in respect of our business operations in Korea**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
1.	AGX Korea	Certificate of International Forwarding Business	No.: 3854	Seoul Metropolitan City	8 November 2021 / 60 days after 8 November 2024	AGX Korea must maintain KRW300,000,000 or more in capital, etc.	Complied
2.	AGX Korea	Certificate of Registration for Cargo Transportation Broker	Code.: AGXK	Busan customs office	12 November 2021 / 11 November 2024	AGX Korea must be equipped with means of transportation or facilities and equipment, etc.	Complied

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**7. BUSINESS OVERVIEW (Cont'd)**

**7.10.4 Major approvals, licences and permits obtained in respect of our business operations in the Philippines**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
1.	AGX Philippines	Certificate of Registration	Certificate No.: OCN 21CRC20210000 000057, TIN 008-394-984-00000	Bureau of Internal Revenue	16 October 2012 / -	AGX Philippines must pay the annual registration fee, file the appropriate tax returns and pay the corresponding taxes on their respective due dates.	Complied
2.	AGX Worldwide	Certificate of Registration	Certificate No.: OCN 4RC0001345585, TIN 010-297-524	Bureau of Internal Revenue	4 February 2019 / -	AGX Worldwide must pay the annual registration fee, file the appropriate tax returns and pay the corresponding taxes on their respective due dates.	Complied
3.	AGX Philippines	Certificate of Registration for the Sub-lease Agreement with Berthaphil, Inc. (" <b>Berthaphil</b> ") in respect of 3 <sup>rd</sup> floor, Clark Center 10, Berthaphil III, Jose Abad Santos Avenue, Clark Freeport Zone, Philippines.	Certificate No.: 2021-388	Clark Development Corporation (" <b>CDC</b> ")	16 July 2021 / 14 July 2024	<p>1. This certificate shall be revoked, upon written notice by CDC, in case of violation of any of the following:</p> <p>(a) terms and conditions of the lease agreement between CDC and Berthaphil, and the sub-lease agreement between Berthaphil and AGX Philippines, and approvals made by CDC on the said lease and sub-lease;</p>	Complied



**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						(b) any provision of the Republic Act No. 7227 (as amended by the Republic Act No. 9400) and their implementing rules and regulations;	Complied
						(c) customs and tax regulations of the Republic of the Philippines (Requirements of the Republic Act No. 10708 also known as the Tax Incentives Management and Transparency Act (TIMTA), provides that entities qualifying and availing of incentives shall be required to file an annual tax incentive report, reporting incentives received);	Complied
						(d) the Subic-Clark Business Registration System outlined in a Memorandum of Agreement signed on 22 July 2009;	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						<p>(e) leasing and/or subleasing policies of CDC (the business operations in the Clark Freeport Zone shall at all times be carried out in accordance with the terms and conditions of the Lease Agreement/CDC Approval of Sublease Lease Agreement); and</p> <p>(f) labour laws, rules and regulations.</p> <p>2. This certificate shall also be rendered automatically of no force and effect if the same is invalidated by any subsequent legal issuance of the government or any of its instrumentalities.</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p>
4.	AGX Philippines	Certificate of Registration for V-201 The Venue 2 Bldg., beside The Venue Bldg. Brilliant St., Commercial Area, Subic Bay Gateway Park, Subic Bay Freeport Zone (SBF), Philippines.	Certificate No.: SBMA-0217  Business Plate No.: 0691	Subic Bay Metropolitan Authority	1 March 2023 / 31 January 2024 <sup>(1)</sup>	Nil	Not applicable

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
5.	AGX Worldwide	<p>Certificate of Registration for Unit N3, Lot 12, Efficiency Street, Subic Bay Gateway Park, Phase 1, Subic Bay Freeport Zone (SBFZ), Philippines.</p> <p>Nature of business: General bonded warehouses except grain warehouses.</p>	Certificate No.: IM0008454590	Bureau of Customs	28 April 2023 / 27 April 2024	<p>AGX Worldwide agrees to the following conditions:</p> <ol style="list-style-type: none"> <li>1. must comply with the Customs Memorandum Order (CMO), subsequent issuance governing Client Registration Application Processing;</li> <li>2. non-repudiation of any declaration filed through the Value-Added Service Providers (VASP); and</li> <li>3. recognition of Trade World Manager (TWM) system information duly certified by its administrator as valid and/or correct.</li> </ol>	Complied

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**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						3. Any change/changes in the composition of the stockholders/stockholdings, directors/officers, and increase/decrease in the capitalisation, shall be submitted to CAB for prior approval;	Noted
						4. AGX Philippines shall not adopt a new corporate name without first securing the approval of CAB;	Complied
						5. AGX Philippines shall not sell, alienate or encumber the permit herein granted without the approval of CAB;	Complied
						6. AGX Philippines shall comply with all the existing rules/regulations and those which may be promulgated from time to time insofar as it pertains to air freight forwarding business;	Complied
						7. AGX Philippines is recommended to become a member of the Philippine Multimodal Transport and Logistics Association Inc.;	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						8. An application for renewal of authority must be filed before CAB sixty (60) days before its expiry date; and  9. Any violation of these conditions shall be ground for revocation or cancellation of this permit.	Noted  Noted
8.	AGX Philippines	Annual Certificate of Registration to operate as an international airfreight forwarder	CAB No.: RO23-19208	CAB	14 February 2023 / 13 January 2024 <sup>(1)</sup>  Effective Date: 14 January 2023	This permit is not transferable and will be revoked for violation of any rules, law and regulation.	Noted
9.	AGX Philippines	Certificate of Authority to operate as an international air freight forwarder	CAB-R No.: 2K23RS017M02	CAB	14 February 2023 / 13 January 2028  Effective Date: 14 January 2023	Nil	Not applicable
10.	AGX Philippines	Business Permit for Baguio City Economic Zone (BCEZ), Utility Building, Philippines.	Permit No.: 12-6-52291-128428	City of Baguio	3 January 2024 / 31 December 2024	1. This permit must be displayed in a conspicuous place within the business establishment.  2. This permit is not valid if there are any alterations, additions or erasures or the tax, fees/charges are not paid, as required under the existing ordinance.	Complied  Noted

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						<p>3. AGX Philippines shall report within 20 days from retirement, abandonment, closure, discontinuance, and surrender of this permit to the Permits and Licensing Division and City Treasury Office.</p> <p>4. This permit is subject to the compliance by permittee to all existing laws, ordinances, rules and regulations on the business, trade or calling granted to the permittee.</p> <p>5. This permit is non-transferable.</p>	<p>Noted</p> <p>Complied</p> <p>Noted</p>
11.	AGX Philippines	Business Permit for Brgy. Bolbok, Diversion Road Extension, Batangas City, Philippines.	Permit No.: 2019-P0152	Office of the City Mayor, Business Permits & Licensing Office, Batangas City	4 January 2024 / 31 December 2024	<p>1. This permit was granted pursuant to the Batangas City Revenue Code of 2009 subject to pertinent rules and regulations. This permit is not transferable and valid only with the corresponding official receipt and the official seal of the city. It shall be posted conspicuously at the place of business.</p>	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						2. Failure to surrender this permit upon termination of the business shall be deemed operational and should be renewed every year thereafter.	Noted
12.	AGX Philippines	Business Permit for M.L. Quezon St., Casuntingan, Mandaue City, Cebu, Philippines.	Permit No.: 2023-072230000-01659	Office of the City Mayor, Mandaue Cebu	13 January 2023 / 31 December 2023 <sup>(2)</sup>	This permit is subject to revocation and closure of business establishment for any violation of existing laws and ordinances and conditions set forth in the permit and must be renewed on or before 20 <sup>th</sup> January of the following year unless revoked sooner for cause. Failure to renew within the time required shall subject the taxpayer to a surcharge of 25% of the amount of taxes, fees or charges due, plus an interest of 2% per month of the unpaid taxes, fees or charges including surcharges.	Noted
13.	AGX Philippines	Business Permit for 2 <sup>nd</sup> Floor, LKG Building, A.C. Cortes Avenue, Alang-Alang, Mandaue City, Cebu, Philippines.	Permit No.: 2023-072230000-13354	Office of the City Mayor, Mandaue Cebu	20 April 2023 / 31 December 2023 <sup>(2)</sup>	This Permit is subject to revocation and closure of business establishment for any violation of existing laws and ordinances and conditions set forth in the permit and must be renewed on or before 20 <sup>th</sup> January of the following year	Noted



**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						unless revoked sooner for cause. Failure to renew within the time required shall subject the taxpayer to a surcharge of 25% of the amount of taxes, fees or charges due, plus an interest of 2% per month of the unpaid taxes, fees or charges including surcharges.	
14.	AGX Philippines	Mayor's Permit to operate business for Unit 2, Second Floor Kim-Kat Building 2, Barangay Parian, Calamba City, Laguna, Philippines.	Permit No.: 2024-00170  Business Plate No.: 00170	Business Permits and Tricycle Franchising Office, City of Calamba, Laguna	3 January 2024 / 31 December 2024	<ol style="list-style-type: none"> <li>1. This permit must be renewed within the first twenty (20) days of January of the succeeding year unless revoked or declared null and void for a cause. Failure to renew within the time shall subject the taxpayer to a 25% surcharge on the unpaid taxes, fees or charges due, plus an interest of 2% per month thereon.</li> <li>2. This permit must be posted in conspicuous place within the business establishment and must be presented upon demand by proper authorities.</li> <li>3. This permit is only a privilege and not a right, subject to revocation for any</li> </ol>	<p>Noted</p> <p>Complied</p> <p>Noted</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						violation of existing laws and ordinances. 4. This permit is valid only at the business address indicated herein.	Noted
15.	AGX Philippines	Mayor's Permit to operate business for Lot 3-D, Psd-00-075250, Brgy. San Dionisio, Parañaque City (Gedcor Warehouse 3), Philippines.	Permit / BIN No.: 2013010161	Business Permits & Licensing Office, City of Parañaque	27 January 2023 / 31 December 2023 <sup>(2)</sup>	1. Failure to renew this permit within the prescribed period shall subject the taxpayer a twenty-five percent (25%) surcharge and two percent (2%) penalty per month. 2. This permit shall be placed conspicuously at the place where the business is being conducted and shall be presented and/or surrendered to the concerned authorities upon demand.	Noted  Complied
16.	AGX Philippines	Mayor's Permit to operate business for Lot 3-D, Psd-00-075250, Brgy. San Dionisio, Parañaque City (Gedcor Warehouse 1), Philippines.	Permit / BIN No.: 2021020063	Business Permits & Licensing Office, City of Parañaque	26 January 2023 / 31 December 2023 <sup>(2)</sup>	1. Failure to renew this permit within the prescribed period shall subject the taxpayer a twenty-five percent (25%) surcharge and two percent (2%) penalty per month. 2. This permit shall be placed conspicuously at the place where the business is being conducted and shall be presented and/or	Noted  Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						surrendered to the concerned authorities upon demand.	
17.	AGX Philippines	Business License for Retail Ground Floor, Klutch Bldg., DEA Compound, Mindanao Avenue, Phase III, Freeport Area of Bataan Annex (FAB), Maligaya, Mariveles, Bataan, Philippines.	Licence No.: OB-005-24	Office of the President, Authority of the Freeport Area of Bataan ("AFAB")	11 December 2023 / 31 December 2024	<ol style="list-style-type: none"> <li>1. The licensee shall conform to the accompanying rules and regulations on the operation of small businesses in the Freeport Area of Bataan.</li> <li>2. The licensee shall not operate and undertake any other business activity not contained in the issued business license.</li> <li>3. The licensee shall comply with the requirements that may be imposed by the AFAB.</li> <li>4. This licence may be revoked and cancelled any time should public safety and interest so demand.</li> <li>5. The licensee's operation of this business shall not be hazardous to both life and property.</li> <li>6. The licensee is not allowed to sell and/or serve liquor</li> </ol>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p> <p>Complied</p> <p>Complied</p>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						without the consent of the AFAB.	
						7. The licensee shall maintain the sanitation and cleanliness of its area and shall adhere to the AFAB's policy on ecological solid wastes management and other environmental policies, rules and regulations.	Complied
						8. The licensee shall not store hazardous materials within its facility and all flammable materials shall be subject to the safety requirements imposed by the AFAB.	Complied
						9. The licensee's operation of this business shall not be conducted along the sidewalk and/or the government road right-of-way.	Complied
						10. The licensee shall not conduct any repairs along the sidewalk and/or government road right-of-way.	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
						11. This licence is not transferable without the consent of the AFAB.	Noted
						12. The licensee shall comply with the existing laws, policies, rules and regulations.	Complied
						13. Non-compliance with any of the terms and conditions of this licence shall result in its suspension, cancellation and/or imposition of fines and penalties by the AFAB.	Noted
						14. The term of this licence shall be valid until 31 December 2024, subject to renewal upon compliance with existing requirements and upon payment of the required fees. It is understood that this licence may be revoked at any time by the AFAB upon violation(s) of any of the conditions aforementioned and when the exigencies of the AFAB so require.	Noted

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
18.	AGX Philippines	Certificate of Accreditation as an international freight forwarder for Baguio City Economic Zone (BCEZ), Utility Building, Philippines.	Certificate No.: 23-2182	Department of Trade and Industry	9 May 2023 / 18 April 2025	Nil	Not applicable
19.	AGX Philippines	Certificate of Accreditation as an international freight forwarder for Retail No. 1A, One Mariveles Bldg., Lot 4, Block 23 New Diversion Road, Freeport Area of Bataan, Mariveles, Bataan, Philippines <sup>(3)</sup> .	Certificate No.: 23-2182	Department of Trade and Industry	9 May 2023 / 18 April 2025	Nil	Not applicable
20.	AGX Philippines	Certificate of Accreditation as a non-vessel operating common carrier (NVOCC) and an international freight forwarder for 3 <sup>rd</sup> floor, Clark Center 10, Berthaphil III, Jose Abad Santos Avenue, Clark Freeport Zone, Philippines.	Certificate No.: 23-2182	Department of Trade and Industry	8 May 2023 / 18 April 2025	Nil	Not applicable
21.	AGX Philippines	Certificate of Accreditation as an international freight forwarder for Unit 2, Second Floor Kim-Kat Building 2, Barangay Parian, Calamba City, Laguna, Philippines.	Certificate No.: 23-2182	Department of Trade and Industry	9 May 2023 / 18 April 2025	Nil	Not applicable

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Issue date / Expiry date	Major conditions	Status of compliance
22.	AGX Philippines	Certificate of Accreditation as an international freight forwarder for Lot 3-D, Psd-00-075250, Brgy. San Dionisio, Parañaque City (Gedcor Warehouse 1), Philippines.	Certificate No.: 23-2182	Department of Trade and Industry	8 May 2023 / 18 April 2025	Nil	Not applicable
23.	AGX Philippines	Certificate of Accreditation as an international freight forwarder for V-201 The Venue 2 Bldg., beside The Venue Bldg, Brilliant St., Commercial Area, Subic Bay Gateway Park, Subic Bay Freeport Zone (SBF), Philippines.	Certificate No.: 23-2182	Department of Trade and Industry	8 May 2023 / 18 April 2025	Nil	Not applicable
24.	AGX Philippines	Certificate of Accreditation as an international freight forwarder for M.L. Quezon St., Casuntingan, Mandaue City, Cebu, Philippines <sup>(4)</sup> .	Certificate No.: 23-2182	Department of Trade and Industry	9 May 2023 / 18 April 2025	Nil	Not applicable

**Notes:**

- (1) AGX Philippines has submitted the renewal applications and the applications are being processed by the relevant authority. AGX Philippines expects to receive the renewed certificates of registration by February 2024.
- (2) The business licences/ permits which have expired on 31 December 2023 must be renewed on or before 20 January 2024. AGX Philippines has submitted the renewal applications and the applications are being processed by the relevant local authority. AGX Philippines expects to receive the renewed business licences/permits by February 2024.
- (3) The business address of the new office at Ground Floor, Klutch Bldg., DEA Compound, Mindanao Avenue, Phase III, Freeport Area of Bataan Annex (FAB), Maligaya, Mariveles, Bataan, Philippines will be updated during the next renewal of the Certificate of Accreditation as advised by the Department of Trade and Industry.
- (4) The new office at 2<sup>nd</sup> Floor, LKG Building A.C. Cortes Avenue, Alang-Alang, Mandaue City, Cebu, Philippines is now the main office in Cebu and its business address will be updated during the next renewal of the Certificate of Accreditation as advised by the Department of Trade and Industry.

**7. BUSINESS OVERVIEW (Cont'd)**

**7.10.5 Major approvals, licences and permits obtained in respect of our business operations in Myanmar**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
1.	AGX Myanmar	Licence for using Master Airway Bill and House Airway Bill in clearing freight cargo	Licence No.: (045), Tha Ka/2020 (005)/(045)	Customs Department	22 June 2020 / 11 June 2024	<ol style="list-style-type: none"> <li>1. The master airway bill and house airway bill shall be used in accordance with the authority conferred by Section 113 of the Sea Custom Act.</li> <li>2. AGX Myanmar is granted to conduct freight forwarding business.</li> <li>3. AGX Myanmar shall use airway bill for clearing import airway freight cargo and master airway bill and house airway bill for clearing freight cargo.</li> <li>4. AGX Myanmar must receive permission from the relevant Ministry of the Union Government.</li> <li>5. The business is not transferable other than to a company who is permitted to operate house airway bill business.</li> </ol>	<p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Complied</p> <p>Noted</p>



**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>6. AGX Myanmar shall comply with the Order and Directives of internal office instruction No.9/2019. Letter No. 33-WaTha/2019 (1117) dated 29 May 2019 of the Customs Department.</p> <p>7. The licensee must surrender its licence to the Customs Department within 1 month if its business has ceased, suspended or shut down.</p>	<p>Complied</p> <p>Noted</p>
2.	AGX Myanmar	Certificate of Service Industry.	Reference No.: 0181 of 2013	Supervisory Committee for Mercantile Marine Transport Service Companies	15 August 2023 / 14 August 2025	Nil	Not applicable
3.	AGX Myanmar	Business Licence for factory, workshop, warehouse, supporting goods, production, selling, display, distribution and other service business for No. 129, Mya Nandar Street, Thaketa Industry Zone, (35x90) First Floor, BN Godown, Myanmar.	Reference No.: 202020272	Yangon City Development Committee ("YCDC")	1 April 2023 / 31 March 2024	1. The business licence holder shall not cause any business-related disturbances to the public in the vicinity of the business location.	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						2. The business licence shall in no way be affected by any ownership dispute or personal objections to the business.	Noted
						3. The business licence holder shall strictly comply with all existing laws, rules, directives issued by the administrative bodies from time to time as well as conditions and procedures announced by the respective Ministries.	Complied
						4. The business licence holder shall be registered with and shall have obtained the permission of the respective administrative bodies to carry out its business.	Complied
						5. The business licence holder shall comply strictly with the directive of YCDC in relation to the consumption of water, sanitation plans, city beautification and security, safety and hygiene plans for workers and customers, plans to avoid the blockage of public roads and plans adopted to prevent any fire hazards.	Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						6. Any properties used for the storage or distribution of raw materials must comply with the specifications prescribed by the Ministry and the respective bodies. The properties used for such purposes shall be hygienic, otherwise there shall be relevant procedures in place for the safety of the public.	Complied
						7. The business licence holder shall allow inspection by the relevant authorities from time to time. The business licence holder or the person in charge must explain how the business is implemented, where necessary.	Complied
						8. In the event the business is relocating to another location, the business licence holder shall strictly abide by any rules which may be imposed.	Noted
						9. In case of breach of any of the conditions of the business licence or failure to comply with any such	Noted

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						<p>conditions, the business licence shall be subject to termination or revocation as an administrative punishment.</p> <p>10. In the event any further action is required to be taken by the business licence holder, there shall be legal implications. During the period of punishment when the business of the business licence holder is suspended, the business licence holder shall remain responsible for all matters relating to its workers.</p>	Noted
4.	AGX Myanmar	Recommendation Certificate for free from offensive and dangerous health	Reference No.: 7/ThaKaTa (Bay)/ 2023-2024	YCDC	1 April 2023 / 31 March 2024	<p>1. The equipment and raw materials, used as part of the storage business shall conform with the regulations stipulated by the relevant ministry or authority and it must ensure that it will not cause any health hazards to any of its users.</p> <p>2. The certificate must be displayed in a public space.</p>	Complied  Complied

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Description of approval / licence / permit	Licence No. / Reference No.	Issuer / Authority	Effective date / Expiry date	Major conditions	Status of compliance
						3. If the business needs to amend (or supplement) the information on the certificate, it may submit an application to do so.	Noted
						4. If the business loses the certificate, it may apply for a new copy with the valid supporting documents.	Noted
						5. The certificate shall not be applicable except for businesses in the hazardous industry. The certificate cannot be transferred to other persons / business.	Noted
						6. The application to renew the certificate must be carried out three (3) months before the expiry of the certificate. The certificate must be attached to the renewal application.	Noted

Our Group does not foresee any hindrance in applying for or renewing the major licences, permits and certificates set out above as and when they become due and has not encountered any issues to renew these licences, permits and certificates in the past. In this respect, our Board also does not foresee that there would be any material adverse effect on our Group's operations arising from the renewal process as our Group actively engages with the respective authorities to ensure timely renewal of its licenses, permits and certificates.

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**7. BUSINESS OVERVIEW (Cont'd)**

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As part of our Group's initiative in enhancing the monitoring of and ensuring compliance with relevant laws and regulations, our Group has prepared and compiled a register which tracks all valid licences, permits, approvals and certificates required and relevant to our Group's businesses and countries of operations with dates of expiry to facilitate its monitoring effort and renewal prior to expiry. The compilation and continuous update of the said register is overseen and monitored by the CFO while the implementation of such continuous compliance is undertaken by the respective heads of department.


Where necessary, our Group may seek or engage professional advice and assistance from appropriate professional advisers in respect of matters relating to regulatory compliances of our Group and to keep our Group informed on any latest updates on the applicable laws relevant to our Group's operations. Compliance audits may be undertaken from time to time to ensure that continuous compliance is achieved.

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**7. BUSINESS OVERVIEW (Cont'd)**

**7.11 INTELLECTUAL PROPERTY**

As at the LPD, save as disclosed below, our Group does not have any other registered or pending registration patents, trademarks, brand names or intellectual property rights:


No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
1.	AGX Malaysia		2011055577	Malaysia Intellectual Property Corporation Malaysia ("MyIPO")	Class 39 / Freight forwarding; freight distribution; freight brokerage; freight shipping of goods by land and sea; freight warehousing; freighting; land transport; marine transport; provision of storage and offloading services; logistic services (transport, packaging, and storage of goods and materials); services rendered in transporting people, goods, materials or cash and valuables from one place to another (by rail, road, water, air or pipeline) and services necessarily connected with such transport; arranging transportation of goods; services relating to the storing of goods in a warehouse or other building for their preservation or guarding; services relating to the inspection of goods before transport; import and export cargo handling services; storage and warehousing; conveyer handling services; removal services; transport brokerage; wrapping and packaging services; preparation of reports relating to transportation; preparation of reports relating to the storage of	21 December 2021 to 21 December 2031	Registered

7. BUSINESS OVERVIEW (Cont'd)


No.	Company	Trademark	Registration no. / Application no.	Country place registration or of / Issuing authority	Class / Description of trademark	Validity period	Status
					goods; providing information including online, relating to the transport of freight; rental of ships, transport of trash; ferry-boat transport; rental of warehouse space; rental of storage containers; consultancy, information and advisory services relating to the aforesaid; all included in Class 39.		
2.	AGX Malaysia		T13101991	Singapore / Intellectual Property Office of Singapore	Class 39 / Freight forwarding; freight distribution; freight brokerage; freight shipping of goods by land and sea; freight warehousing; freighting; land transport; marine transport; provision of storage and offloading services; logistic services (transport, packaging, and storage of goods and materials); transportation of people, goods, materials or cash and valuables from one place to another (by rail, road, water, air or pipeline) and advisory services connected with such transport; arranging transportation of goods; services relating to the storing of goods in a warehouse or other building for their preservation or guarding; services relating to the inspection of goods before transport; import and export cargo handling services; storage and warehousing; removal services; transport brokerage; wrapping and packaging services;	27 June 2023 to 27 June 2033	Registered



7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
					preparation of reports relating to transportation; preparation of reports relating to the storage of goods; providing information, including online, relating to the transport of freight; rental of ships, transport of trash; ferry-boat transport; rental of warehouse space; rental of storage containers; consultancy, information and advisory services relating to the aforesaid; all included in Class 39.		
3.	AGX Malaysia		4/2012/00013484	Philippines / Intellectual Property Office of the Philippines	Class 39 / Freight forwarding; freight distribution; freight brokerage; freight shipping of goods by land and sea; freight warehousing; freighting; land transport; marine transport; provision of storage and offloading services; logistic services (transport, packaging, and storage of goods and materials); services rendered in transporting people, goods, materials or cash and valuables from one place to another (by rail, road, water, air or pipeline); and services necessarily connected with such transport; arranging transportation of goods; services relating to the storing of goods in a warehouse or other building for their preservation or guarding; services relating to the inspection of goods before transport; import and export	12 September 2023 to 12 September 2033	Registered


7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
					cargo handling services; storage and warehousing; conveyer handling services; removal services; transport brokerage; wrapping and packaging services; preparation of reports relating to transportation; preparation of reports relating to the storage of goods; providing information, including online, relating to the transport of freight; rental of ships, transport of trash; ferry-boat transport; rental of warehouse space; rental of storage containers; consultancy, information and advisory services relating to the aforesaid; all included in Class 39.		
4.	AGX Malaysia		255100	Vietnam / Intellectual Property Office of Vietnam	Class 39 / Freight forwarding; freight distribution; freight brokerage; freight shipping of goods by land and sea; freight warehousing; freighting; land transport; marine transport; provision of storage and offloading services; logistic services (transport, packaging, and storage of goods and materials); services rendered in transporting people, goods, materials or cash and valuables from one place to another (by rail, road, water, air or pipeline); arranging transportation of goods; services relating to the storing of goods in a warehouse or other building for their preservation or guarding;	14 February 2014 to 14 February 2024	Registered


7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
					services relating to the inspection of goods before transport; import and export cargo handling services; storage and warehousing; conveyer handling services; removal services; transport brokerage; wrapping and packaging services; preparation of reports relating to transportation; preparation of reports relating to the storage of goods; providing information, including online, relating to the transport of freight; rental of ships, transport of trash; ferry-boat transport; rental of warehouse space; rental of storage containers; consultancy, information and advisory services relating to the aforesaid; all included in Class 39.		
5.	AGX Malaysia	<p>The logo features the letters 'AGX' in a bold, stylized font. Below the letters, the tagline 'Air • Sea • Land' is written in a smaller font, with dots separating the words.</p>	2598535	India / Office of the Controller General of Patents, Designs & Trade Marks, Ministry of Commerce and Industry, India	Class 39 / Transportation logistics; freight forwarding; freight brokerage; freighting; transportation information; air transport; ship transport; car transport; railway transport; offloading services; transport brokerage; guarded transport of valuables; conveyer handling services for transportation; packaging of goods; storage of goods; warehousing; rental of warehouse space; rental of storage containers; removal services; delivery of goods.	18 September 2023 to 18 September 2033	Registered



7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
6.	AGX Malaysia		012748811	European Union / European Union Intellectual Property Office	Class 39 / Freight forwarding; freight distribution; freight brokerage; freight\ shipping of goods by land and sea; freight warehousing; freighting; land transport; marine transport; provision of storage\ and offloading services; logistic services (transport, packaging,\ and storage of goods and materials); services rendered in\ transporting people, goods, materials or cash and valuables from\ one place to another (by rail, road, water, air or pipeline) and\ services necessarily connected with such transport; arranging\ transportation of goods; services relating to the storing of goods\ in a warehouse or other building for their preservation or\ guarding; services relating to the inspection of goods before\ transport; import and export cargo handling services; storage and\ warehousing; removal services; transport brokerage; wrapping\ and packaging services; preparation of reports relating to\ transportation; preparation of reports relating to the storage of\ goods; providing information, including online, relating to the\ transport of freight; rental of ships, transport of trash; ferry-boat\ transport; rental of warehouse space; rental of storage\ containers;	1 April 2014 to 1 April 2024	Registered

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
					consultancy, information and advisory services relating\ to the aforesaid; all included in Class 39.		
7.	AGX Malaysia		UK00912748811	United Kingdom / The Intellectual Property Office of the United Kingdom	Class 39 – Freight forwarding; freight distribution; freight brokerage; freight\ shipping of goods by land and sea; freight warehousing; freighting; land transport; marine transport; provision of storage\ and offloading services; logistic services (transport, packaging,\ and storage of goods and materials); services rendered in\ transporting people, goods, materials or cash and valuables from\ one place to another (by rail, road, water, air or pipeline) and\ services necessarily connected with such transport; arranging\ transportation of goods; services relating to the storing of goods\ in a warehouse or other building for their preservation or\ guarding; services relating to the inspection of goods before\ transport; import and export cargo handling services; storage and\ warehousing; removal services; transport brokerage; wrapping\ and packaging services; preparation of reports relating to\ transportation; preparation of reports relating to the storage of\ goods; providing information, including online,	1 April 2014 to 1 April 2024	Registered



7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
					relating to the\ transport of freight; rental of ships, transport of trash; ferry-boat\ transport; rental of warehouse space; rental of storage\ containers; consultancy, information and advisory services relating\ to the aforesaid; all included in Class 39.		
8.	AGX Malaysia		01641281	Taiwan / Taiwan Intellectual Property Office	Class 39 / Transportation logistics; freight forwarding; freight brokerage; freighting; providing transportation information; air transport; ship transport; car transport; railway transport; loading/offloading of cargo or cargo container; transport brokerage; guarded transport of valuables; packaging of goods; storage of goods; warehousing; rental of warehouse space; rental of storage containers; removal services; delivery of goods.	1 May 2014 to 30 April 2024	Registered
9.	AGX Malaysia		303951496	Hong Kong / Trade Marks Registry, Intellectual Property Department, The Government of the Hong Kong Special	Class 39 / Transport; packaging and storage of goods; travel arrangement; freight forwarding; distribution (transportation) of goods; freight brokerage; transportation of goods by air, sea or land; freight shipping services; freight warehousing; freighting; land transport; marine transport; storage services; cargo loading and unloading services;	3 November 2016 to 2 November 2026	Registered

**7. BUSINESS OVERVIEW (Cont'd)**


No.	Company	Trademark	Registration no. / Application no.	Country place registration Issuing authority or of /	Class / Description of trademark	Validity period	Status
				Administrative Region	transportation logistics; transportation of freight, passengers and luggage by road, rail, sea or air; arranging transportation of cargo; warehouse storage services; inspection of goods before transport; import and export cargo handling services; storage; warehousing; conveyer handling services; removal services; transport brokerage; wrapping services; packaging services; preparation of reports relating to transportation; preparation of reports relating to the storage of goods; providing information, including online, relating to the transport of goods and people; rental of ships; transportation of waste and trash; ferry-boat transport; rental of warehouse space; rental of storage containers; consultancy, information and advisory services relating to the aforesaid; all included in Class 39.		

**7. BUSINESS OVERVIEW (Cont'd)**



No.	Company	Trademark	Registration no. / Application no.	Country or place of registration / Issuing authority	Class / Description of trademark	Validity period	Status
10.	AGX Malaysia		14083912	China / China National Intellectual Property Administration	Class 39 / Transportation logistics; freight forwarding; freight [shipping of goods]; transportation information; air transport; marine transport; car transport; railway transport; unloading cargo; transport brokerage; guarded transport of valuables; packaging of goods; storage of goods; warehousing; rental of warehouse; storage; removal services; delivery of goods. [18 items of services]	7 April 2015 to 6 April 2025	Registered
11.	AGX Malaysia		KH/54541/15	Cambodia / The Kingdom of Cambodia, Ministry of Commerce, Department of Intellectual Property Rights	Class 39 / Freight forwarding; freight distribution; freight brokerage; freight shipping of goods by land and sea; freight warehousing; freighting; car transport; bus transport; marine transport; provision of storage and offloading services; logistic services (transport, packaging, and storage of goods and materials); services rendered in transporting people, goods, materials or cash and valuables from one place to another (by rail, road, water, air or pipeline) and services necessarily connected with such transport; arranging transportation of goods; services relating to the storing of goods in a warehouse or other building for their preservation or guarding; services relating to the inspection of goods	19 March 2014 to 19 March 2024	Registered




7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Country place registration Issuing authority	Class / Description of trademark	Validity period	Status
					before transport; import and export cargo handling services; storage and warehousing; removal services; transport brokerage; wrapping and packaging services; preparation of reports relating to transportation; preparation of reports relating to the storage of goods; providing information, including online, relating to the transport of freight; rental of ships, transport of trash; ferry-boat transport; rental of warehouse space; rental of storage containers; consultancy, information and advisory services relating to the aforesaid.		
12.	AGX Malaysia		IDM000506345	Indonesia / The Directorate General of Intellectual Property Rights, the Ministry of Law and Human Rights, The Republic of Indonesia	Class 39 / Transportation logistics; freight forwarding; freight brokerage; freight [shipping of goods]; transportation of freight; transportation information; air transport; marine transport; land transport; chartering; offloading services; unloading cargo; transport brokerage; guarded transport of valuables; conveyer handling services for transportation; packaging of goods; storage of goods; warehousing; rental of warehouse space; rental of storage containers; removal services; delivery of goods.	11 September 2023 to 11 September 2033	Registered

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Trademark	Registration no. / Application no.	Country place registration Issuing authority	Class / Description of trademark	Validity period	Status
13.	AGX Malaysia	 <p>• Air • Sea • Land</p>	41-0295836	Korea / Korean Intellectual Property Office	Class 39 / Transportation logistics, freight forwarding, freight brokerage, freighting, transportation information, air transport, ship transport, car transport, railway transport, offloading services, transport brokerage, guarded transport of valuables, conveyer handling services for transportation, packaging of goods, storage of goods, warehousing, rental of warehouse space, rental of storage containers, removal services, delivery of goods.	6 November 2023 to 6 August 2034	Registered
14.	AGX Malaysia	 <p>• Air • Sea • Land</p>	913127/Bor68449	Thailand / The Department of Intellectual Property, Ministry of Commerce, Thailand	Class 39 – Transportation logistics; freight forwarding; freight brokerage; freighting; transportation information; air transport; ship transport; car transport; railway transport; goods unloading services; goods transport brokerage; guarded transport of valuables; conveyer handling services for transportation; packaging of goods; storage of goods; warehousing; rental of warehouse space; rental of storage containers; removal services for goods or objects; delivery of goods.	14 October 2013 to 13 October 2023 <sup>(1)</sup>	Registered

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Trademark	Registration no. / Application no.	Country place registration or of / Issuing authority	Class / Description of trademark	Validity period	Status
15.	AGX Malaysia		T/2020/08300	Myanmar / Myanmar Intellectual Property Department, Ministry of Commerce, Myanmar	Class 39 – Freight forwarding; freight distribution; freight brokerage; freight shipping of goods by land and sea; freight warehousing; freighting; land transport; marine transport; provision of storage and offloading services; logistic services (transport, packaging, and storage of goods and materials); services rendered in transporting people, goods, materials or cash and valuables from one place to another (by rail, road, water, air or pipeline) and services necessarily connected with such transport; arranging transportation of goods; services relating to the storing of goods in a warehouse or other building for their preservation or guarding; services relating to the inspection of goods before transport; import and export cargo handling services; storage and warehousing; conveyer handling services; removal services; transport brokerage; wrapping and packaging services; preparation of reports relating to transportation; preparation of reports relating to the storage of goods; providing information, including online, relating to the transport of freight; rental of ships, transport of trash; ferry-boat transport; rental of warehouse space; rental of storage	Application Date: 20 November 2020  Filing Date: 26 April 2023	Pending registration <sup>(2)</sup>

**7. BUSINESS OVERVIEW (Cont'd)**

No.	Company	Trademark	Registration no. / Application no.	Country place registration Issuing authority	or of /	Class / Description of trademark	Validity period	Status
						containers; consultancy, information and advisory services relating to the aforesaid; all included in Class 39.		

**Notes:**

- (1) *AGX Malaysia has submitted the application for the renewal of the trademark registration. As at the LPD, the renewal application is being processed and the trademark renewal certificate is expected to be issued approximately 10 to 12 months from the filing date, 13 July 2023.*
- (2) *This trademark was previously registered with the Office of the Registration of Deeds in Myanmar on 7 August 2013 under Trade Mark Registration No. 4/8388/2013. Following the introduction of the new Trade Mark Law of 2019 in Myanmar, AGX Malaysia had, on 20 November 2020, re-filed this trademark under Trade Mark Application No. T/2020/08300 with the Myanmar Intellectual Property Department (“MIPD”), Ministry of Commerce. The re-filed application was made during the re-filing period (“**Soft Opening Period**”), which began on 1 October 2020, announced by the MIPD. The re-filed application is still being processed as the trademark registrations and procedures for accepting payment of official fees only commenced after the new Trade Mark Law of 2019 came into force on 1 April 2023. AGX Malaysia has submitted the relevant form and paid the official fees to MIPD, and secured an early filing date on 26 April 2023, being the grand opening of trademark registration. As at the LPD, the re-filed mark is undergoing examination under the new Trade Mark Law of 2019 and this process is expected to take approximately 10 to 12 months from the date of submission and payment of official fees to MIPD. Once the examination of the re-filed mark is complete, the registration fee shall become payable.*

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## 7. BUSINESS OVERVIEW (Cont'd)

### 7.12 MARKETING ACTIVITIES

We participate in local and overseas exhibitions and conferences to market and promote our services. During the Financial Years and Period Under Review and as at the LPD, we participated in the following:

Year	Event	Location
2020	Lognet Global Logistics Network Virtual Conference 2020	#
2021	Lognet Global Logistics Network Virtual Conference 2021	#
2022	X2 Logistics Network 7 <sup>th</sup> Annual Conference	Hua Hin, Thailand
2022	Lognet Global Logistics Network Conference 2022	Pattaya, Thailand
2023	JCtrans 12 <sup>th</sup> Global Freight Forwarders Conference	Pattaya, Thailand
2023	X2 Logistics Network 8 <sup>th</sup> Annual Conference	Khao Lak, Thailand
2023	Lognet 11 <sup>th</sup> Global Annual Conference	Dubai, United Arab Emirates
2023	JCtrans 14 <sup>th</sup> Global Freight Forwarders Conference	Shanghai, China

**Note:**

# No physical location as meetings, gatherings and discussions were conducted online due to the COVID-19 pandemic.

Our memberships in 2 international logistics networks and listed on a trading platform provide us with the platform to promote our services to other members as well as non-members globally. Many of the logistics services are global and require a presence in both the originating and destination countries to provide end-to-end logistics services. As such, through these 2 international logistics networks and the trading platform, we are promoting our services globally to provide us with jobs.

### 7.13 RESEARCH AND DEVELOPMENT

We do not conduct research and development as it is not relevant to our business, as we provide services and utilise vehicles, equipment and technologies that are provided or supplied by third parties.

### 7.14 SEASONALITY

We did not experience any seasonality in our business during the Financial Years and Period Under Review and up to the LPD.

### 7.15 MATERIAL INTERRUPTIONS TO OUR BUSINESS

We did not experience any material interruptions to our business during the past 12 months before the LPD, except for those related to the COVID-19 pandemic.

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**7. BUSINESS OVERVIEW (Cont'd)**

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**7.15.1 Effects of the COVID-19 pandemic on our business operations****Operations in Malaysia**

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. Commencing from 18 March 2020, the government of Malaysia implemented measures to reduce COVID-19 transmission in the country, which included, among others, controls on the movement of people within Malaysia, controls on international travel, and restrictions on business, government, educational, cultural, recreational and other activities.

The first phase of the MCO was from 18 March 2020 to 3 May 2020, and the control measures implemented included, among others, the closure of all businesses except for those classified as essential services or that have received written approval from the MITI to operate and restrictions on international travel into and out of Malaysia.

Our services were deemed “essential services” in Malaysia and therefore we were allowed to operate during the MCO period, subject to obtaining written approval from MITI and following the relevant standard operating procedures (“SOP”) and guidelines. We temporarily closed our operational facilities on 18 March 2020 under MCO 1.0. AGX Malaysia received written approval to operate from MITI on 21 April 2020 and subsequently resumed operations in accordance with the relevant SOP and guidelines.

The MCO was implemented in various phases in Malaysia between 18 March 2020 to June 2021, including the Conditional MCO (“CMCO”), Recovery MCO (“RMCO”) and Enhanced MCO (“EMCO”) where restrictions were relaxed or tightened for specific states, districts and/or locations, based on the number of daily and active COVID-19 cases in the respective areas. On 15 June 2021, the Government of Malaysia announced the National Recovery Plan (“NRP”), a phased exit strategy from the COVID-19 pandemic consisting of 4 phases where restrictions were gradually eased in each phase. Subsequently, on 1 April 2022, the Government of Malaysia announced that Malaysia was in the “Transition to Endemic” phase where all economic sectors are allowed to operate, and interstate and international travel are allowed, subject to adherence to the relevant SOP and guidelines.

During the various phases of the MCO including CMCO, RMCO, EMCO, and NRP, and the Transition to Endemic Phase, AGX Malaysia continued to operate according to the specified guidelines and SOP, including specified workforce capacity during the respective periods. Save for the temporary closure of our operational facilities between 18 March 2020 and 21 April 2020, our business operations in Malaysia were not affected by COVID-19 during the Financial Years and Period Under Review.

**Operations in the Philippines**

Our offices and branch offices were not allowed to operate between 16 March 2020 and 15 May 2020 as part of the Enhance Community Quarantine (“ECQ”) measures implemented by the government of the Philippines. During this period, our staff who were normally based at these operational facilities worked from home. Our warehouses were not required to shut down during this period, subject to following the relevant SOP and guidelines. Our offices and branch offices subsequently resumed operations on 16 May 2020 with operations following the relevant SOP and guidelines. Save for the period between 16 March 2020 and 15 May 2020 when our offices and branch offices were not allowed to operate, our business operations in the Philippines were not affected by COVID-19 during the Financial Years and Period Under Review.

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**7. BUSINESS OVERVIEW (Cont'd)**

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**Operations in Korea**

AGX Korea's business activities were classified as an essential service by the government of Korea, and we were not required to suspend or shut down our operations as part of COVID-19 pandemic control measures. AGX Korea operated following the relevant SOP and guidelines, and its business operations were not affected by COVID-19 during the Financial Years and Period Under Review.

**Operations in Myanmar**

AGX Myanmar's business activities were classified as an essential service by the government of Myanmar, and we were not required to suspend or shut down our office and warehouse as part of COVID-19 pandemic control measures. AGX Myanmar operated following the relevant SOP and guidelines, and its business operations were not affected by COVID-19 during the Financial Years and Period Under Review.

**Operations in Singapore**

To control the spread of COVID-19 cases, the government of Singapore imposed strict "circuit breaker" lockdown measures from 7 April 2020 to 1 June 2020, which included the closure of non-essential workplaces, places of worship and entertainment venues, reduced crowd density in retail outlets, and restrictions on gatherings. These measures were subsequently gradually lifted.

AGX Singapore's operations were classified as an essential sector, and consequently, we were allowed to continue our business operations during the circuit breaker lockdown period. Our warehouse staff worked on a rotational basis during the circuit breaker period subject to adherence to the relevant SOP and guidelines. Our business operations in Singapore were not affected by COVID-19 during the Financial Years and Period Under Review.

**Our Group's COVID-19 pandemic SOP and guidelines**

As at the LPD we fully comply with and follow the directives of the respective governments and local authorities in the countries where we have a physical presence. As at the LPD, all staff and visitors are encouraged to wear face masks when they are present at our operational facilities. They are also encouraged to practice social distancing.

**Effects on our supply chain**

Between mid-March 2020 and the LPD, we have not faced any material disruptions to our supply chain caused by the COVID-19 pandemic.

**Effects on our financial performance**

The effects of the COVID-19 pandemic on our financial performance in FYE 2020 included the following:

- Lower revenue from AGX Malaysia and AGX Singapore sea freight forwarding services revenue mainly due to lower volume as their respective customers were negatively affected by the COVID-19 pandemic;
- Higher revenue from AGX Philippines air freight forwarding services mainly due to higher demand for inbound and outbound air freight volume as some customers chose to ship their cargo by air after facing COVID-19 related delays in sea freight;

**7. BUSINESS OVERVIEW (Cont'd)**

- Implementation of COVID-19 pandemic-related restrictions on domestic and international air travel reduced passenger flights and consequently aircraft maintenance requirements and AOG incidents, thereby reducing demand for aerospace logistics services;
- Decrease in AGX Singapore's warehousing and other 3PL services revenue as COVID-19 reduced its customers' demand for other 3PL services; and
- Decrease in our road freight transportation services revenue as customers were negatively affected by the COVID-19 pandemic-related restrictions.

The effects of the COVID-19 pandemic on our financial performance in FYE 2021 included the following:

- Higher sea freight rates contributed to an increase in our Group's sea freight forwarding services revenue by RM58.75 million or 95.96% to RM119.97 million in FYE 2021 (FYE 2020: RM61.22 million);
- Higher air freight rates contributed to higher air freight forwarding services revenue, which increased by RM16.78 million or 47.91% to RM51.79 million in FYE 2021 (FYE 2020: RM35.01 million);
- Demand for aerospace logistics services was reduced as there were still some COVID-19 pandemic-related restrictions on domestic and international air travel, and revenue from aerospace logistics services decreased by RM5.03 million or 30.05% to RM11.72 million in FYE 2021 (FYE 2020: RM16.75 million);
- Increase in AGX Singapore's warehousing and other 3PL services revenue following the easing of COVID-19 pandemic restrictions in Singapore, which contributed towards increase in revenue from warehousing and other 3PL services by RM1.21 million or 32.88%, to RM4.88 million in FYE 2021 (FYE 2020: RM3.67 million); and
- Decrease in AGX Malaysia and AGX Myanmar road freight transportation services revenue as their respective customers were negatively affected by the COVID-19 pandemic, which contributed towards decrease in revenue from road freight transportation services by RM0.83 million or 14.23% to RM5.02 million in FYE 2021 (FYE 2020: RM5.85 million).

The COVID-19 pandemic did not have a material effect on our financial performance in FYE 2022 and FPE 2023.

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**7. BUSINESS OVERVIEW (Cont'd)****7.16 MAJOR CUSTOMERS****7.16.1 Major Customers**

Set out below are our Group's top 5 customers for the Financial Years and Period Under Review:

**FYE 2020**

Top 5 Customers for FYE 2020	Location of Customers	Main services provided	Approximate length of relationship (years)		FYE 2020	
			FYE 2020 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	% <sup>(iii)</sup>
Kukdo Chemical Co., Ltd <sup>(iv)</sup>	Korea	Sea and air freight forwarding services	8	11	16,238	13.25
Coronation Premium Manufacturing Inc	Philippines	Sea and air freight forwarding services	5	8	10,318	8.42
AirAsia Group <sup>(v)</sup>	Malaysia, Philippines, Thailand, Indonesia and Japan	Aerospace logistics and warehousing services	15	18	9,776	7.98
Moog Controls Corporation	Philippines	Aerospace logistics services	5	8	3,668	2.99
Molex Integrated Products Philippines Inc	Philippines	Sea and air freight forwarding and warehousing services	1	4	2,814	2.30
<b>Sub-total</b>					<b>42,814</b>	<b>34.94</b>
<b>Total revenue</b>					<b>122,507</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FYE 2020.
- (ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a customer to our Group unless otherwise stated.
- (iii) As a percentage of our Group's total revenue for the FYE 2020.
- (iv) Kukdo Chemical Co., Ltd has been a customer of AGX Korea since 2012, and it became one of our major customers in FYE 2020 after we completed the acquisition of the remaining 60.00% of the equity interest in AGX Korea that we had not previously owned on 26 December 2019.
- (v) For FYE 2020, AirAsia Group included of AirAsia Berhad, AirAsia X Berhad, Thai AirAsia Co., Ltd., PT Indonesia AirAsia, Philippines AirAsia Inc. and AirAsia Japan Co., Ltd.

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**7. BUSINESS OVERVIEW (Cont'd)****FYE 2021**

Top 5 Customers for FYE 2021	Location of Customer	Main services provided	Approximate length of relationship (years)		FYE 2021	
			FYE 2021 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	% <sup>(iii)</sup>
Kukdo Chemical Co., Ltd	Korea	Sea and air freight forwarding services	9	11	53,288	27.56
Molex Integrated Products Philippines Inc	Philippines	Sea and air freight forwarding, and warehousing services	2	4	9,791	5.06
AirAsia Group <sup>(iv)</sup>	Malaysia, Thailand, Indonesia and Philippines	Aerospace logistics services	16	18	6,403	3.31
Coronation Premium Manufacturing Inc	Philippines	Sea and air freight forwarding services	6	8	4,549	2.35
Bay Sports Manufacturing, Inc	Philippines	Sea and air freight forwarding services	5	7	3,752	1.94
<b>Sub-total</b>					<b>77,783</b>	<b>40.22</b>
<b>Total revenue</b>					<b>193,372</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FYE 2021.
- (ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a customer to our Group unless otherwise stated.
- (iii) As a percentage of our Group's total revenue for the FYE 2021.
- (iv) For FYE 2021, AirAsia Group included AirAsia Berhad, Thai AirAsia Co., Ltd, PT Indonesia AirAsia, AirAsia X Berhad, Thai AirAsia X Co., Ltd and Philippines AirAsia Inc.

**FYE 2022**

Top 5 Customer for FYE 2022	Location of Customer	Main services provided	Approximate length of relationship (years)		FYE 2022	
			FYE 2022 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	% <sup>(iii)</sup>
Kukdo Chemical Co., Ltd	Korea	Sea and air freight forwarding services	10	11	47,013	20.05
AirAsia Group <sup>(iv)</sup>	Malaysia, Thailand, Indonesia and Philippines	Aerospace logistics and warehousing services	17	18	24,616	10.50
Customer Group A	Philippines and Singapore	Sea and air freight forwarding, and warehousing services	3	4	13,142	5.61
Autoliv Cebu Safety Manufacturing Inc.	Philippines	Sea and air freight forwarding services	5	6	12,104	5.16
Moog Controls Corporation	Philippines	Aerospace logistics services	7	8	5,035	2.15
<b>Sub-total</b>					<b>101,910</b>	<b>43.47</b>
<b>Total revenue</b>					<b>234,429</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FYE 2022.

**7. BUSINESS OVERVIEW (Cont'd)**

- (ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a customer to our Group unless otherwise stated.
- (iii) As a percentage of our Group's total revenue for the FYE 2022.
- (iv) For FYE 2022, AirAsia Group included Philippines Air Asia Inc., Asia Digital Engineering Sdn Bhd, PT. Indonesia AirAsia, AirAsia Berhad, Thai AirAsia Co., Ltd., AirAsia X Berhad and Thai AirAsia X Co., Ltd.

**FPE 2023**

Top 5 Customer for FPE 2023	Location of Customer	Main services provided	Approximate length of relationship (years)		FPE 2023	
			FPE 2023 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	% <sup>(iii)</sup>
AirAsia Group <sup>(iv)</sup>	Malaysia, Thailand, Indonesia and Philippines	Aerospace logistics and warehousing services	18	18	33,458	27.37
Kukdo Chemical Co., Ltd	Korea	Sea and air freight forwarding services	11	11	8,757	7.16
Autoliv Cebu Safety Manufacturing Inc.	Philippines	Sea and air freight forwarding services	6	6	4,265	3.49
Moog Controls Corporation	Philippines	Aerospace logistics services	8	8	4,027	3.29
Customer Group B	Philippines	Sea and air freight forwarding services	7	7	3,457	2.83
<b>Sub-total</b>					<b>53,964</b>	<b>44.15</b>
<b>Total revenue</b>					<b>122,228</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FPE 2023.
- (ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a customer to our Group unless otherwise stated.
- (iii) As a percentage of our Group's total revenue for the FPE 2023.
- (iv) For FPE 2023, AirAsia Group included Philippines Air Asia Inc., Asia Digital Engineering Sdn Bhd, PT. Indonesia AirAsia, AirAsia Berhad, Thai AirAsia Co., Ltd., AirAsia X Berhad and Thai AirAsia X Co., Ltd.

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## 7. BUSINESS OVERVIEW (Cont'd)

### 7.16.2 Dependence on Major Customers

Save for Kukdo Chemical and AirAsia Group no other customers accounted for more than 10.00% of our total revenue during the Financial Years and Period Under Review.

#### (a) Kukdo Chemical

Kukdo Chemical is a manufacturer of organic chemical (Source: Bloomberg) based in Korea that is listed on the Korean Stock Exchange. Kukdo Chemical has been a customer of AGX Korea for approximately 11 years as at the LPD, and engages AGX Korea primarily for sea and air freight forwarding services. We are dependent on Kukdo Chemical as a customer during the Financial Years and Period Under Review, as:

- (i) the revenue contribution from Kukdo Chemical represents a significant portion of our Group's total revenue as it accounted for more than 10% of our Group's total revenue for FYE 2020 (13.25%), FYE 2021 (27.56%) and FYE 2022 (20.05%) respectively.

In addition, the revenue contribution from Kukdo Chemical represents a significant portion of our revenue from Korea's operations for the Financial Years and Period Under Review (i.e. 82.10%, 91.04%, 86.20% and 73.87% for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively).

Furthermore, the revenue contribution from Kukdo Chemical to our Group was the largest as compared to our other customers during the FYE 2020, FYE 2021 and FYE 2022, and the second largest during FPE 2023; and

- (ii) in view that the sea and air freight forwarding segments were our Group's main revenue contributor, the loss of revenue from Kukdo Chemical is expected to result in material adverse impact on our overall financial performance.

#### (b) AirAsia Group

AirAsia Group provides low-cost air carrier service (Source: Bloomberg). The company provides services on short-haul, point-to-point domestic and international routes. AirAsia Group has been a customer of our Group for approximately 18 years as at the LPD, and engages our Group primarily for aerospace logistics and warehousing services. Our Group is dependent on AirAsia Group as a customer, as:

- (i) notwithstanding that the revenue contribution from AirAsia Group was less than 10% of our Group's total revenue for the FYE 2020 and FYE 2021 (i.e. 7.98% and 3.31% respectively), the revenue contribution from AirAsia Group represents a significant portion of our Group's total revenue for the FYE 2022 and FPE 2023 (i.e. 10.50% and 27.37% respectively);
- (ii) during the Financial Years and Period Under Review, our Group's revenue from aerospace logistics services contributed 13.67%, 6.06%, 12.66% and 37.06% of the Group's total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

As a result of the COVID-19 pandemic in 2020 when restrictions were imposed on domestic and international air travel, scheduled and routine maintenance requirements as well as AOG incidents for passenger aircrafts were reduced. As such, this resulted in lower demand for our Group's aerospace logistics services for aircraft parts, components and equipment. In turn, this resulted in a lower revenue contribution from AirAsia Group for aerospace logistics services of our Group from RM9.78 million in FYE 2020 to RM6.40 million in FYE 2021.

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**7. BUSINESS OVERVIEW (Cont'd)**

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In FYE 2022, there was an increase in revenue contribution from AirAsia Group to RM24.62 million, following an increase in activities within the aviation industry as the COVID-19 related restrictions have been lifted. In FPE 2023, the revenue contribution from AirAsia Group was RM33.46 million for the 8-month period, and aerospace logistics services became the largest revenue contributor of our Group, accounting for 37.06% of our Group's total revenue;

- (iii) Considering the increase in activities in the aviation industry as the COVID-19 related restrictions have been lifted, the aerospace logistics services of our Group is expected to be one of the main revenue contributors to our Group. As our Group is dependent on AirAsia Group as a customer, any loss of revenue from AirAsia Group is expected to result in a material adverse impact on the overall financial performance of our Group.

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**7. BUSINESS OVERVIEW (Cont'd)****7.17 MAJOR SUPPLIERS****7.17.1 Major Suppliers**

Set out below are our Group's top 5 major suppliers for the Financial Years and Period Under Review:

**FYE 2020**

Supplier	Location of supplier	Services provided to our Group	Approximate length of relationship (years)		FYE 2020	
			FYE 2020 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	% <sup>(iii)</sup>
Supplier Group A	Korea, Malaysia and Singapore	Sea freight space	9	12	3,401	3.90
Supplier Group B	Philippines, Malaysia, Myanmar, Singapore and Korea	Sea freight forwarding services	16	19	3,273	3.75
Jiangsu BSB Global Logistics Co	China	Sea freight forwarding services	3	6	2,811	3.22
Polaris Express Logistics Corp	Philippines	Sea freight space and forwarding services, and air freight space and forwarding services	8	11	2,751	3.15
Suzhou Wiz Logistics Co., Ltd	China	Sea freight forwarding services	5	6 <sup>(iv)</sup>	2,306	2.64
<b>Sub-total</b>					<b>14,542</b>	<b>16.66</b>
<b>Total purchases</b>					<b>87,245</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FYE 2020.  
(ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a supplier to our Group unless otherwise stated.  
(iii) As a percentage of total purchases for the FYE 2020.  
(iv) We last engaged Suzhou Wiz Logistics Co., Ltd as a supplier in FYE 2021.

**FYE 2021**

Supplier	Location of supplier	Types of services provided to our Group	Approximate length of relationship (years)		FYE 2021	
			FYE 2021 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	% <sup>(iii)</sup>
Supplier Group A	Korea, Malaysia and Singapore	Sea freight space and forwarding services	10	12	11,691	7.68
Supplier Group C	Korea, Malaysia and Singapore	Sea freight space and forwarding services	5	7	8,647	5.68
Dongsue Consol Co., Ltd	Korea	Sea freight space and forwarding services	8	10	6,665	4.38

**7. BUSINESS OVERVIEW (Cont'd)**

Supplier	Location of supplier	Types of services provided to our Group	Approximate length of relationship (years)		FYE 2021	
			FYE 2021 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	% <sup>(iii)</sup>
Shenzhen Risheng International Freight Forwarding Co., Ltd	China	Sea freight space and forwarding services, and air freight space and forwarding services	7	9	6,074	3.99
HK LS Limited	China	Sea freight space and forwarding services, and air freight space and forwarding services	4	6	4,136	2.72
<b>Sub-total</b>					<b>37,213</b>	<b>24.45</b>
<b>Total purchases</b>					<b>152,249</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FYE 2021.
- (ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a supplier to our Group unless otherwise stated.
- (iii) As a percentage of total purchases for the FYE 2021.

**FYE 2022**

Supplier	Location of supplier	Types of services provided to our Group	Approximate length of relationship (years)		FYE 2022	
			FYE 2022 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	%
HK LS Limited	China	Sea freight space and forwarding services, and air freight space and forwarding services	5	6	11,345	6.17
Supplier Group C	Korea, Malaysia and Singapore	Sea freight space and forwarding services	6	7	10,925	5.94
Supplier Group A	Korea, Malaysia and Singapore	Sea freight space	11	12	9,675	5.26
Supplier Group D	Malaysia, Myanmar, Singapore and Philippines	Sea freight space	9	10	7,851	4.27
Supplier Group E	Korea, Malaysia, Myanmar and Singapore	Sea freight space	11	12	6,892	3.75
<b>Sub-total</b>					<b>46,688</b>	<b>25.39</b>
<b>Total purchases</b>					<b>184,008</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FYE 2022.
- (ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a supplier to our Group unless otherwise stated.
- (iii) As a percentage of total purchases for the FYE 2022.

**7. BUSINESS OVERVIEW (Cont'd)****FPE 2023**

Supplier	Location of supplier	Types of services provided to our Group	Approximate length of relationship (years)		FPE 2023	
			FPE 2023 <sup>(i)</sup>	As at LPD <sup>(ii)</sup>	RM'000	%
Polaris Express Logistics Corp	Philippines	Sea freight space and forwarding services, and air freight space and forwarding services	11	11	7,104	8.62
Iron Fleet Cargo Movers Inc.	Philippines	Road freight transportation services	5	5	3,234	3.92
Megacorp Freight Services Pte., Ltd.	Singapore	Air freight space	8	8	3,034	3.68
SITC Group <sup>(iv)</sup>	Philippines and Malaysia	Sea freight forwarding services	5	5	2,670	3.24
Di Di Global Logistics Co., Ltd.	Philippines	Sea and air freight forwarding services	2	2	2,636	3.20
<b>Sub-total</b>					<b>18,678</b>	<b>22.66</b>
<b>Total purchases</b>					<b>82,414</b>	<b>100.00</b>

**Notes:**

- (i) The approximate length of relationship is calculated based on the end of FPE 2023.
- (ii) The approximate length of relationship is calculated based on the LPD. As at the LPD, they continue to be a supplier to our Group unless otherwise stated.
- (iii) As a percentage of total purchases for the FPE 2023.
- (iv) For FPE 2023, SITC Group included SITC Container Lines Co., Ltd. and SITC Container Lines Malaysia Sdn Bhd.

**7.17.2 Dependence on Major Suppliers**

We are not dependent on any of our suppliers as no supplier contributed more than 10.00% of our total purchases of services and materials for the Financial Years and Period Under Review. In addition, the services provided by our top 5 suppliers for the Financial Years and Period Under Review are widely available and we can engage other service providers if required.

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## 7. BUSINESS OVERVIEW (Cont'd)

### 7.18 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS / FINANCIAL CONTRACTS / INTELLECTUAL PROPERTY RIGHTS / LICENCES OR PERMITS / BUSINESS PROCESSES

Save for the following contracts which our Group is materially dependent on, major licences in Section 7.10 of this Prospectus, registered trademarks and intellectual property rights in Section 7.11 of this Prospectus, our Group's business or profitability is not materially dependent on any contracts, intellectual property rights, licences and permits, and production or business processes as at the LPD:

(i) **International Freight Transportation Agreement dated 1 August 2012 between AGX Korea and Kukdo Chemical ("International Freight Transportation Agreement")**

Pursuant to the International Freight Transportation Agreement, AGX Korea has agreed to provide freight handling services to Kukdo Chemical. It is a term under the International Freight Transportation Agreement that, upon reserving freights, Kukdo Chemical will provide correct information about the freights concerned to AGX Korea so that AGX Korea can make reservations with the shippers and air carriers, and AGX Korea will notify Kukdo Chemical of the shipment schedules once reserved. AGX Korea will issue a bill of lading (or a waybill) to Kukdo Chemical after the completion of each shipment, and invoice will be issued by AGX Korea at the end of each month, and Kukdo Chemical will remit the billed amount by the end of the following month. The International Freight Transportation Agreement shall be automatically extended unless both parties give notice of termination.

(ii) **Sea and Air Freight Forwarding Services and Customs Clearance Services Agreement dated 1 September 2023 between AGX Malaysia and PT Indonesia AirAsia ("AirAsia") ("Services Agreement")**

Pursuant to the Services Agreement, AGX Malaysia has agreed to provide sea and air freight forwarding services and customs clearance services for the delivery of various aircraft space parts and other goods related to or intended for the operations of AirAsia ("**Services**") in accordance with the written service order(s) from AirAsia. For inbound freight forwarding services, AGX Malaysia is responsible for providing the following services:

- (a) door-to-door services which include (i) the retrieval of goods at the place specified by AirAsia; (ii) delivery of goods to destinations specified by AirAsia; (iii) carry out export procedures in the origin country and import procedures in the destination country in accordance with applicable law and (iv) delivery of goods to the location specified by AirAsia; and
- (b) warehouse-to-destination port services which include (i) the retrieval of goods at the origin warehouse; (ii) delivery of goods to the destination port specified by AirAsia; (iii) carry out export procedures in the origin country and import procedures in the destination country in accordance with applicable law and (iv) handover of goods to AirAsia at the destination port warehouse.

Upon successful delivery of the Services by AGX Malaysia, AirAsia shall pay AGX Malaysia based on the rates and fees set out in the Services Agreement, which shall be calculated based on the cost-incurred basis (for air freight) or volume/cubic metre or full container load (for sea freight). Payment shall be made within sixty (60) days from the receipt of the invoice issued by AGX Malaysia together with the supporting documents such as airway bill/bill of lading, commercial invoice and/or other necessary documents required by AirAsia's finance department.

**7. BUSINESS OVERVIEW (Cont'd)**

The Services Agreement is valid for a period of two (2) years from 1 September 2023 to 1 September 2025 and can be renewed if either party provides the other party with a written notice thirty (30) days before the expiry of the Services Agreement.

AirAsia may terminate the Services Agreement with or without any reason, by providing thirty (30) days prior written notice to AGX Malaysia. In the event that one of the parties commits a breach of any material provision of the Services Agreement, and the breach remains not remedied within thirty (30) days after the other party has received a written notice of such breach, the party issuing the notice of such breach may immediately terminate the Services Agreement.

AirAsia will make payments to AGX Malaysia for the Services that have been carried out by AGX Malaysia and are well and satisfactorily accepted by AirAsia and all costs arising therefrom before the end date of the Services Agreement, within thirty (30) days since the termination of the Services Agreement.

**7.19 EMPLOYEES**

As at the LPD, our Group has a total of 378 employees, of which 377 employees are permanent employees and 1 employee is contractual employee. A summary of our Group's permanent employees and contractual employee as at the FYE 2022 and the LPD is set out in Sections 7.19.1 and 7.19.2 below.

**7.19.1 Permanent employees**

The number of permanent employees in our Group as at FYE 2022 and the LPD by category and geographical location is as follows:

**(a) Category**

<b>Category</b>	<b>As at FYE 2022</b>	<b>As at the LPD</b>
<b><u>Group Corporate</u></b>		
Management	8	8
<b><u>Group Finance, HR &amp; IT</u></b>		
Finance	43	51
HR & Administration	16	17
IT	7	7
<b><u>Group Marketing</u></b>		
Sales and Marketing	36	45
<b><u>Group Operation</u></b>		
Operation Support	183	194
Driver	32	29
Warehousing	24	26
<b>Total</b>	<b>349</b>	<b>377</b>

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**7. BUSINESS OVERVIEW (Cont'd)****(b) Geographical location**

Geographical location	No. of employees					
	As at FYE 2022			As at the LPD		
	Local	Foreign <sup>(1)</sup>	Total	Local	Foreign <sup>(1)</sup>	Total
Malaysia	58	-	58	58	-	58
Singapore	24	6	30	20	12	32
Philippines	189	-	189	216	-	216
Korea	7	-	7	6	-	6
Myanmar	65	-	65	65	-	65
<b>Total</b>	<b>343</b>	<b>6</b>	<b>349</b>	<b>365</b>	<b>12</b>	<b>377</b>

**Note:**

(1) Foreign national who is not a citizen or national of a particular country.

**7.19.2 Contractual employee**

The number of contractual employees in our Group as at FYE 2022 and the LPD by category and geographical location is as follows:

**(a) Category**

Category	As at FYE 2022	As at the LPD
<b>Group Finance, HR &amp; IT</b>		
HR & Administration	1	1

**(b) Geographical location**

Geographical location	No. of employees					
	As at FYE 2022			As at the LPD		
	Local	Foreign	Total	Local	Foreign	Total
Malaysia	-	-	-	-	-	-
Singapore	1	-	1	1	-	1
Philippines	-	-	-	-	-	-
Korea	-	-	-	-	-	-
Myanmar	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>

As at the LPD, none of our employees are members of any union nor have there been any major industrial disputes in the past. Our foreign employee working in Singapore has valid working permit and we have not been and are not in breach of any immigration laws.

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## 7. BUSINESS OVERVIEW (Cont'd)

### 7.20 GOVERNING LAWS AND REGULATIONS

#### 7.20.1 Malaysia

Our Group's business is regulated by, and, in some instances, required to be licenced under specific laws of Malaysia. The relevant laws and regulations governing our Group's business operations in Malaysia, which do not purport to be an exhaustive description of all laws and regulations which our business is subject to, are summarised below:

##### (i) LPTA 2010

Pursuant to Section 51(1) of the LPTA 2010, no person shall operate or provide a goods vehicle service using a class of goods vehicles for the carriage of goods for hire or reward, or for or in connection with any trade or business, unless he holds an operator's licence issued under the LPTA 2010. Under the LPTA 2010, a person is deemed to be operating or providing a goods vehicle service if he uses or drives a goods vehicle himself, or employs one or more persons to use or drive a goods vehicle, to operate or provide a goods vehicle service, and he owns the said goods vehicle, or he is responsible, under any form of arrangement with the owner or lessor of the said goods vehicle to manage, maintain or operate such goods vehicle.

Section 51(7) of the LPTA 2010 provides that a company or corporation which contravenes Section 51(1) of the LPTA 2010 commits an offence, and shall, on conviction, be liable to a fine not exceeding RM200,000. Section 51(6) of the LPTA 2010 further provides that a person, other than a company or corporation, who contravenes Section 51(1) of the LPTA 2010 commits an offence and shall, on conviction, be liable to a fine not less than RM2,000 but not more than RM10,000 or to imprisonment for a term not exceeding 1 year or to both.

As at the LPD, our Group is in compliance with Section 51(1) of the LPTA 2010. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the LPTA 2010. Please refer to Section 7.10.1 of this Prospectus for further details of the operator's licence issued to AGX Malaysia.

##### (ii) Customs Act 1967 ("CA 1967")

Pursuant to Section 90 of the CA 1967, any person who intends to act as a customs agent shall obtain the approval of the Director General of Customs and Excise. Under the Customs Agent Guide, a customs agent registered under Section 90 of the CA 1967 consists of the following:

- (a) Forwarding agent (*Ejen Penghantaran*) – any person approved as customs agent to manage declaration and clearance of trade from custom control;
- (b) Shipping agent (*Ejen Perkapalan*) – any person approved as customs agent to manage matters related to entry and clearance of vessel; and
- (c) Freight forwarder (*Ejen Pengangkut Barang*) – any person approved as customs agent in the declaration of sea and air manifest.

Any person who acts as customs agent when approval has not been granted to him or while such approval is cancelled or suspended, or who makes or causes to be made a declaration of any goods without being duly authorised for that purpose by the proprietor or consignee of such goods shall be guilty of an offence and shall, on conviction, be liable to imprisonment for a term not exceeding five (5) years or to a fine not exceeding RM100,000 or to both.

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**7. BUSINESS OVERVIEW (Cont'd)**


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Pursuant to Section 90(4) of the CA 1967, the Director General of Customs and Excise may suspend or cancel any approval granted if the customs agent commits any breach of the CA 1967, or of any regulation made thereunder or if he fails to comply with the terms and conditions imposed by the Director General of Customs and Excise or any direction given by an officer of customs with regard to the business transacted by the customs agent. Further, pursuant to Section 138 of the CA 1967, every omission or neglect to comply with, and every act done or attempted to be done contrary to, the provisions of the CA 1967, or any breach of the conditions and restrictions subject to, or upon which, any licence or permit is issued or any exemption is granted under the CA 1967, shall be an offence against the CA 1967 and in respect of any such offence for which no penalty is expressly provided, the offender shall be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five (5) years or to both.

As at the LPD, our Group is in compliance with Section 90 of the CA 1967. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the CA 1967. Please refer to Section 7.10.1 of this Prospectus for further details of the 2 approvals from RMCD to act as forwarding agent and freight forwarder, respectively, issued to AGX Malaysia.

**(iii) Free Zones Act 1990 (“FZA 1990”) and Free Zones Regulations 1991 (“FZR 1991”)**

Pursuant to Regulations 5 and 7 of the FZR 1991, any person wishing to carry out any activity, erect any building or other structure, or hold any tenancy or lease of any movable or immovable property within a free zone shall obtain approval/permission from the authority appointed under Section 3(2) of the FZA 1990.

Pursuant to Section 19 of the FZA 1990, any omission or neglect to comply with, and every act done or attempted to be done contrary to the provisions of FZA 1990 or any of the regulations made under the FZA 1990 shall be an offence and in respect of any such offence for which no penalty is expressly provided, the offender shall be liable on conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding three (3) years or to both.

As at the LPD, our Group is in compliance with the relevant provisions of FZA 1990 and FZR 1991. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the FZA 1990. Please refer to Section 7.10.1 of this Prospectus for further details of the Free Commercial Zone KLIA operating licence and approval to erect / rent building, lease land or carry out activity within the free zone issued to AGX Malaysia.

**(iv) Local Government Act 1976 (“LGA 1976”)**

Under the LGA 1976 and the by-laws of the respective local councils and authorities, our business operation premises are required to have business and signboard/advertising licences, display the licences at the business premises and produce the licences upon request.

Pursuant to the LGA 1976, any person who fails to exhibit or produce his licences on the premises shall be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding six (6) months or both.

## 7. BUSINESS OVERVIEW (Cont'd)

Pursuant to the Licensing of Trades, Businesses and Industries (Sepang Municipal Council) By-Laws 2007, Licensing of Trades, Businesses and Industries (Subang Jaya City Council) By-Laws 2007, and Licensing of Trades, Businesses and Industries (Klang Municipal Council) By-Laws 2007, no person shall operate any activity of trade, business and industry or use any place or premise in the local area of the Sepang Municipal Council, Subang Jaya City Council and Klang Municipal Council respectively, for any activity of trade, business and industry without a licence issued by the licensing authority. Any person who contravenes this requirement commits 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, and to a further fine not exceeding RM200 for each day during which such offence is continued after conviction.

As at the LPD, our Group is in compliance with the relevant provisions of the LGA 1976 and the relevant by-laws of the respective local councils. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the LGA 1976 and the relevant by-laws. Please refer to Section 7.10.1 of this Prospectus for further details of the business licences issued to AGX Malaysia.

**(v) Street, Drainage and Building Act 1974 (“SDBA 1974”) and Uniform Building By-Laws 1984 (“UBBL 1984”)**

In the course of our business operations, we are required to ensure that the properties owned or rented by our Group for our business operations comply with the SDBA 1974, UBBL 1984 and the relevant by-laws issued pursuant thereto which regulate, among others, the occupation of buildings and uniformity of local government matters relating to street, drainage and buildings. The SDBA provides uniformity of law and policy with regard to local government matters relating to street, drainage and buildings in Peninsular Malaysia. It provides for the requirement to have a CF/CCC to ensure that the building is safe and fit for occupation. The UBBL 1984 is a subsidiary legislation made under the SDBA 1974.

Pursuant to the SDBA 1974, prior written permission of the local authority is required among others for any partition, compartment, loft, roof, ceiling or other structures built in a building, any deviation from any plans or specifications approved by the local authorities, or any alteration to a building otherwise than allowed by the local authority or by-laws made under the SDBA 1974. Failure to obtain the local authorities' prior written permission for the above may subject the person in breach to fines or imprisonment or both, if convicted. Depending on the applicable provisions of the SDBA 1974 in breach, the maximum fines may range from RM25,000 to RM50,000 and additional daily fine of RM1,000 for continuing offences after conviction, and the maximum imprisonment term may be up to three (3) years. The SDBA 1974 also stipulates that any person who occupies or permits to be occupied any building or any part of a building without a CF/CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding ten (10) years or to both.

As at the LPD, our Group is in compliance with the relevant provisions of the SDBA 1974, UBBL 1984 and the relevant by-laws as all the properties currently rented and occupied by our Group in Malaysia have valid CF/ CCC. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to such legislations or by-laws. Please refer to Section 7.9.2 of this Prospectus for further details of the rented properties.

**(vi) Occupational Safety and Health Act 1994 (“OSHA 1994”)**

The OSHA 1994 provides provisions for securing the safety, health and welfare of persons at work, protecting others against risk to safety or health in connection with the activities of persons at work. The OSHA 1994 applies throughout Malaysia to the industries specified in the OSHA 1994, which includes transport and storage industry.

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**7. BUSINESS OVERVIEW (Cont'd)**


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The OSHA 1994 provides that it is the duty of every employer to ensure the safety, health and welfare at work of all his employees, so far as is practicable, in particular:

- (a) the provision and maintenance of plant and systems of work that are safe and without risks to health;
- (b) the making of arrangements for ensuring 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 the safety and health at work of his employees;
- (d) as regards to any place of work under the control of the employer, 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 his employees that is safe, without risks to health, and adequate as regards facilities for their welfare at work.

Non-compliance of the above will result in an offence and on conviction would constitute to a fine not exceeding RM50,000 and/or to imprisonment for a term not exceeding two (2) years. We also have a duty to ensure, in so far as is practicable, that other persons, not being our employees, who may be affected, are not exposed to risks to their safety or health.

As at the LPD, our Group is in compliance with the relevant provisions of the OSHA 1994. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the OSHA 1994.

For further information, the Occupational Safety and Health (Amendment) Act 2022 (“**OSHAA 2022**”) was enacted with the aim of enhancing the existing regulatory framework by providing a higher standard of safety, health and welfare to workers, and placing a higher degree of accountability on employers. The OSHAA 2022 received Royal Assent on 4 March 2022 and was gazetted on 16 March 2022. As at the LPD, the OSHAA 2022 has not come into operation.

Upon the OSHAA 2022 coming into operation, an employer who fails to ensure the safety, health and welfare at work of all his employees shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 and/or to imprisonment for a term not exceeding two (2) years.

**(vii) Fire Services Act 1988 (“FSA 1988”)**

The FSA 1988 provides for, among others, the protection of persons and property from fire risks or emergencies. Pursuant to Section 28 of the FSA 1988, every designated premises shall require a fire certificate. A fire certificate is issued by the Director General of Fire and Rescue after an inspection of the designated premises has been carried out and on being satisfied that there exists adequate fire-fighting equipment or fire safety installation in relation to the use of the designated premises.

“Designated premises” has been defined under the Fire Services (Designated Premises) Order 1998 (as amended by the Fire Services (Designated Premises) (Amendment) Order 2020) to include the following:

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**7. BUSINESS OVERVIEW (Cont'd)**

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- (a) premises throughout Malaysia used as an office with a size of 30 metres (98 ft.) and above in height or 10,000 square metres (107,639 sq. ft.) and over (total floor area); and
- (b) premises throughout Malaysia for storage and general use with a size of 1,000 square metres (10,764 sq. ft.) and over (total floor area) or 7,000 cubic metres (247,203 cubic ft.) and over, where the automatic sprinkler systems are installed.

Where there is no fire certificate in force in respect of the designated premises, the owner of such 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 five (5) years or to both.

Further, Section 27A of the FSA 1988 requires the owner, occupier or person having the overall management of the designated premises to establish a fire safety organisation. Any owner, occupier or person having the overall management of the designated premises who fails to establish a fire safety organisation 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 five (5) years or to both.

The Lot 41 Warehouse rented by AGX Malaysia is a designated premise. The landlord (owner) of the Lot 41 Warehouse has obtained the requisite fire certificate and a fire safety organisation has been established in accordance with the FSA 1988.

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**7. BUSINESS OVERVIEW (Cont'd)**


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**7.20.2 Singapore**

Our Group's business is regulated by, and in some instances required to be licensed under specific laws of Singapore. The relevant laws and regulations governing our Group's business operations in Singapore, which do not purport to be an exhaustive description of all laws and regulations which our business is subject to, are summarised below:

**(i) Sale of Food Act 1973 ("SFA 1973")**

As an operator of a warehouse which stores, among other goods, food intended for sale, AGX Singapore is subjected to the provisions set out in the SFA 1973. Under Section 21 in Part 4 of the SFA 1973, a person must not carry on a non-retail food business except in accordance with a licence issued to the person by the Singapore Food Agency. A "*non-retail food business*" is defined to include an operator of a warehouse for the storage of food intended for sale, whether by wholesalers or retail food business.

Pursuant to Section 24(1) of the SFA 1973, any person who contravenes any provision of Part 4 of the SFA 1973 shall be guilty of an offence and may be arrested without warrant by any police officer or authorised officer and taken before a Magistrate's Court. Section 49 of the SFA 1973 further provides that any person who is guilty of an offence under the SFA 1973 for which no penalty is expressly provided shall be liable on conviction to a fine not exceeding SGD5,000 and, in the case of a second or subsequent conviction, to a fine not exceeding SGD10,000 or to imprisonment for a term not exceeding 3 months or to both.

As at the LPD, our Group is in compliance with Section 21 in Part 4 of the SFA 1973. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the SFA 1973. Please refer to Section 7.10.2 of this Prospectus for further details of the food storage warehouse licence issued to AGX Singapore.

**(ii) Customs Act 1960 ("CA 1960")**

As a company dealing with import and export of goods, AGX Singapore is subject to the provisions set out in the CA 1960. In particular, the provisions under Part 6 of the CA 1960 relating to licensed warehouses would apply to AGX Singapore.

Pursuant to Section 52(1) of the CA 1960, all dutiable goods imported into Singapore (a) by sea, must, on first arrival, be landed and deposited by the importer or the importer's agent in a free trade zone; and (b) by any other means, must on first arrival or landing, be deposited by the importer or the importer's agent in a Government warehouse or licensed warehouse or, if so required, a customs office or customs station or in any other place approved by the Singapore Customs in writing. Under the CA 1960 and the Singapore Customs' Licensed Warehousing Scheme, such approved companies are able to store imported dutiable goods for an indefinite period of time in a designated area licensed by the Singapore Customs, with the duty and Goods and Services Tax ("**GST**") suspended. This designated area is termed as licensed premises. Duty and GST will be payable when these goods are removed from the licensed warehouse for local use or consumption. Duty and GST are not payable when these goods are removed for export, or when supply or sale of these goods takes place while they are in the warehouse.

A company may make an application and payment of such fees prescribed by the Singapore Customs to be granted a licence for operating a licensed warehouse pursuant to Section 51(1) of the CA 1960. A licence granted by the Singapore Customs to operate a licensed warehouse may be subject to imposition of additional terms and conditions. The penalties under the CA 1960 include:

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**7. BUSINESS OVERVIEW (Cont'd)**

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- (a) pursuant to Section 139, failure to comply with the conditions imposed on removal of dutiable goods from customs control may incur a fine up to SGD5,000; and
- (b) pursuant to Section 128K, any person who illegally removes or withdraws, or in any way assists or is concerned in the illegal removal or withdrawal of any goods from customs control, may incur a fine not less than 10 times the customs duty, excise duty or GST evaded, or SGD5,000, whichever is lesser and subject to a minimum of SGD1,000 where the specified offence involves goods consisting wholly or partly of relevant tobacco products; and not more than 20 times the customs duty, excise duty or GST evaded, or SGD5,000, whichever is greater.

As at the LPD, our Group is in compliance with the relevant provisions of the CA 1960. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the CA 1960. Please refer to Section 7.10.2 of this Prospectus for further details of the licensed Type I Zero-GST warehouse licence issued to AGX Singapore.

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**7. BUSINESS OVERVIEW (Cont'd)**

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**7.20.3 Korea**

Our Group's business is regulated by, and in some instances required to be licensed under specific laws of Korea. The relevant laws and regulations governing our Group's business operations in Korea, which do not purport to be an exhaustive description of all laws and regulations which our business is subject to, are summarised below:

**(i) Framework Act on Logistics Policies ("FALP")**

Pursuant to Article 43(1) of the FALP, any person who intends to conduct international logistics brokerage business shall file for registration with a mayor/Do governor as prescribed by the ordinance of the Ministry of Land, Infrastructure and Transport.

Article 71(4)(2) of the FALP provides that any person who performs international logistics brokerage business without filing for registration of international logistics brokerage business under Article 43 (1) of the FALP shall be punished by imprisonment with labour for not more than 1 year or by fine not exceeding KRW10,000,000. Article 72 of the FALP further provides that if the representative of a corporation or an agent or employee of, or any other person employed, by a corporation or individual, commits an offence set forth in Article 71 of the FALP in connection with the affairs of the corporation or individual, not only shall such person in violation be liable, but the corporation or individual shall also be liable to pay a fine under each relevant provision provided, that the aforesaid shall not apply where such corporation or individual has not been negligent in giving due attention and supervision concerning the relevant affairs in order to prevent such offence.

As at the LPD, our Group is in compliance with Article 43(1) of the FALP. For the Financial Years and Period Under Review and up to the LPD, AGX Korea has not been issued with any fines or penalties pursuant to the FALP. Please refer to Section 7.10.3 of this Prospectus for further details of the business licence issued to AGX Korea.

**(ii) Customs Act (Korea) ("Customs Act")**

Pursuant to Article 222(1)2 of the Customs Act, a person that intends to handle bonded goods and that runs the business of brokering cargo transportation in accordance with other statutes ("**Cargo Transportation Broker**") shall register with the Commissioner of the Korea Customs Service or the head of a customs office. Article 222(3) further provides that in order to verify the compliance with the Customs Act, the Commissioner of the Korea Customs Service or the head of a customs office may order such person to file reports on their business or to present books of account and other documents.

Pursuant to Article 222(5) of the Customs Act, the registration remains valid for 3 years and Article 224(2) of the Customs Act provides that the registration shall be invalidated if the above term of validity expires or the registration is revoked on the grounds that the registration has been made by fraud or other improper means or for any other reasons. Article 276(3) of the Customs Act specifies that any person who engages in the business of brokering cargo transportation without making such registration shall be punished by a fine not exceeding KRW20,000,000 (or by a fine not exceeding KRW3,000,000, if such failure arose by negligence). Pursuant to Article 277(5)2 of the Customs Act, a person who fails to comply with an order given by the Commissioner of the Korea Customs Service or the head of a customs office in accordance with Article 222(3) may be subject to an administrative fine not exceeding KRW2,000,000.

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**7. BUSINESS OVERVIEW (Cont'd)**

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Further, pursuant to Article 224 of the Customs Act, if a Cargo Transportation Broker violates any applicable laws or lends his/her/its name to a third party in connection with the business, the Korea Customs Service may revoke the registration, suspend the business, take other necessary measures and if the suspension of business is likely to cause significant inconveniences to the user or to cause any damage to public interest, the Korea Customs Service may impose a penalty surcharge in the amount not exceeding 3% of the sales amount to be accrued by continuing the business, in lieu of the suspension of business.

As at the LPD, our Group is in compliance with the relevant provisions of the Customs Act. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the Customs Act. Please refer to Section 7.10.3 of this Prospectus for further details of the certificate of registration issued to AGX Korea.

**(iii) Marine Transportation Act (“MTA”)**

Under Subparagraph 6 of Article 2 of the MTA, "marine transportation brokerage business" refers to any brokerage service for intermediating marine cargo transportation, vessel leasing, chartering or hiring of vessels, or purchase or sale of vessels, and pursuant to Article 33(1) of the MTA, any person who intends to engage in the marine transportation brokerage business shall file for registration with the head of the Korea Maritime and Port Administration as prescribed by the Ordinance of the Ministry of Oceans and Fisheries, and any person who intends to modify any registered matter shall file for registration of modification thereof; provided, however, that under Exhibit 4 of the Enforcement Regulation of the MTA, there is no requirement for registration of marine transportation brokerage business other than being a company under the Commercial Act.

Pursuant to Article 33(3) of the MTA, the term of validity for such registration is 3 years and a person who intends to continue to engage in the above business shall renew the registration as prescribed by the Ordinance of the Ministry of Oceans and Fisheries. Subparagraph 2 of Article 56 of the MTA states that a person who engages in marine transportation brokerage business without the above registration shall be punished by a fine not exceeding KRW20,000,000, and pursuant to Article 59(3-3-3) thereof, a person who fails to file for registration of any modification of registered matters or includes any false entry in the registration of modification may be subject to an administrative fine not exceeding KRW1,000,000.

As at the LPD, our Group is in compliance with the relevant provisions of the MTA as AGX Korea has duly completed the registration of its marine transportation brokerage business and maintains the qualification. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the MTA.

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**7. BUSINESS OVERVIEW (Cont'd)**


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**7.20.4 Philippines**

Our Group's business is regulated by, and in some instances required to be licensed under specific laws of the Philippines. The relevant laws and regulations governing our Group's business operations in the Philippines, which do not purport to be an exhaustive description of all laws and regulations which our business is subject to, are summarised below:

**(i) Republic Act No. 7227 (as amended by Republic Act No. 9400) otherwise known as the Bases Conversion and Development Act of 1992 ("BCDA")**

Under the BCDA, the Subic Bay Metropolitan Authority ("**SBMA**") has jurisdiction over the Subic Bay Freeport Zone ("**SBF**"), consisting of the City of Olongapo, and the municipality of Subic, Province of Zambales, the lands occupied by the Subic Naval Base and its contiguous extensions as embraced, covered and defined by the 1947 Philippine-U.S. Military Base Agreement as amended, and within the territorial jurisdiction of Morong and Hermosa, Province of Bataan, the metes and bounds of which shall be delineated in a proclamation to be issued by the President of the Philippines.

The SBF shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital within, into and exported out of the Subic Special Economic Zone, as well as provide incentives such as tax and duty free importations of raw materials, capital and equipment. Further, no national and local taxes shall be imposed within the Subic Special Economic Zone. In lieu of said taxes, a 5% tax on gross income earned shall be paid by all business enterprises within the Subic Special Economic Zone and shall be remitted as follows:

- (a) 3% to the national government; and
- (b) 2% to the SBMA for distribution to the local government units affected by the declaration of and contiguous to the zone.

All business enterprises or concerns applying to be SBF enterprises are required to be registered with SBMA. The issuance of a certificate of registration shall entitle and subject the business enterprise to all the benefits and obligations under the BCDA and its implementing rules and regulations and other regulations that may be promulgated by SBMA. In general, any business or enterprise registered as an SBF enterprise shall be automatically excluded from benefiting from any other preferential regime such as that provided for in Republic Act No. 7042, otherwise known as the Omnibus Investments Code of 1987, or other special laws of the Philippines.

All certificates issued by SBMA shall be valid for a period of 1 year from issuance and shall be deemed automatically renewed every year upon payment of the prescribed fees at least 10 days prior to the expiration of the said 1 year period for the particular year involved, and as long as the SBF enterprise remains qualified to continue its business operations within the SBF under similar terms and conditions for which the original certificate(s) was/were issued.

Any existing enterprise located within the SBF may elect not to register as an SBF enterprise. In doing so, the enterprise shall not benefit from tax and other advantages accorded to SBF enterprises. Notwithstanding any such election, any enterprise located within the SBF shall still be subjected to the customs and other regulations and procedures applicable to the SBF.

As at the LPD, our subsidiaries, AGX Philippines and AGX Worldwide have obtained the certificate of registration and certificate of registration and tax exemption from SBMA, respectively, and are in compliance with the relevant rules and regulations governing the SBF and promulgated by SBMA. Please refer to Section 7.10.4 of this Prospectus for further details of the certificates of registration.

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**7. BUSINESS OVERVIEW (Cont'd)**


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**(ii) Executive Order No. 80 ("EO No. 80")**

The Clark Development Corporation ("**CDC**") was formed as the operating and implementing arm of the BCDA to manage the Clark Special Economic Zone, covering the lands occupied by the Clark military reservations and its contiguous extensions as embraced, covered and defined by the 1947 Military Bases Agreement between the Philippines and the United States of America, as amended, located within the territorial jurisdiction of Angeles City, municipalities of Mabalacat and Porac, Province of Pampanga, and the municipalities of Capas and Bamban, Province of Tarlac, in accordance with the provisions therein provided insofar as applied to the Clark military reservations. The Clark Air Base proper with an area of 4,400 hectares, with the exception of 22 hectare commercial area situated near the main gate and the Bayanihan Park consisting of 7.5 hectares located outside the main gate of the Clark Special Economic Zone, is hereby declared a freeport zone.

The Clark Freeport Zone ("**CFZ**") shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital within, into and exported out of the CFZ, as well as provide incentives such as tax and duty-free importations of raw materials, capital and equipment. Further, no national and local taxes shall be imposed within the CFZ. In lieu of said taxes, a 5% tax on gross income earned shall be paid by all business enterprises within the CFZ and shall be remitted as follows:

- (a) 3% to the national government; and
- (b) 2% to CDC for distribution to the local government units affected by the declaration of and contiguous to the zone.

All business permits (certificate of registration and tax exemption and registration certificate) should be renewed at least 90 days prior to expiration.

Any existing enterprise located within the CFZ may elect not to register as an SBF enterprise. In doing so, the enterprise shall not benefit from tax and other advantages accorded to CFZ enterprises. Notwithstanding any such election, any enterprise located within the CFZ shall still be subject to the customs and other regulations and procedures applicable to the CFZ.

As at the LPD, our subsidiary, AGX Philippines has obtained a valid certificate of registration from CDC and is in compliance with the relevant rules and regulations governing the CFZ and promulgated by CDC. Please refer to Section 7.10.4 of this Prospectus for further details of the certificate of registration.

**(iii) National Internal Revenue Code of 1997 ("NIRC")**

Under the NIRC, its amendments, and the issuances of the Bureau of Internal Revenue ("**BIR**"), every person subject to any internal revenue tax shall register once with the appropriate Revenue District Officer ("**RDO**") on or before the commencement of business. An annual registration fee of PHP500 for every separate or distinct establishment or place of business, including facility types where sales transactions occur, shall be paid upon registration and every year thereafter on or before the last day of January. Once filed and paid, it must be displayed in the business establishment or office premises together with other business licences and permits.

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**7. BUSINESS OVERVIEW (Cont'd)**


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Failure to register will result in a fine of not less than PHP5,000 but not more than PHP20,000 and imprisonment of not less than 6 months but not more than 2 years. Failure to display the certificate of registration, the poster "Ask for Receipt" or "Notice to the Public" to demand receipts/invoice and failure to file, pay and display BIR Form 0605 Annual Registration Fee will result to a compromise penalty of PHP1,000, or criminal penalty of imprisonment of not more than 6 months. In case of corporations, the penalty shall be imposed on the president, general manager, branch manager, treasurer, officer-in-charge and employees responsible for the violation.

As at the LPD, our Group is in compliance with the relevant provisions of the NIRC. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the NIRC. Please refer to Section 7.10.4 of this Prospectus for further details of the certificates of registration issued to AGX Philippines and AGX Worldwide, respectively.

**(iv) Revised Corporation Code of the Philippines ("RCC")**

Under the RCC as well as its amendments and rules, regulations, and issuances from the Securities and Exchange Commission ("**SEC**") Philippines, a person or group of persons desiring to incorporate shall submit their articles of incorporation and by-laws to the SEC. A private corporation organized under the RCC commences its corporate existence and juridical personality from the date the SEC issues the certificate of incorporation under its official seal. All persons who assume to act as a corporation knowing it to be without authority to do so shall be liable as general partners for all debts, liabilities and damages incurred or arising as a result thereof; provided however, that when any such ostensible corporation is sued on any transaction entered by it as a corporation or on any tort committed by it as such, it shall not be allowed to use its lack of corporate personality as a defence. Anyone who assumes an obligation to an ostensible corporation as such cannot resist performance thereof on the ground that there was in fact no corporation.

As at the LPD, our subsidiaries, AGX Philippines and AGX Worldwide are in compliance with the relevant requirements under the RCC as they have obtained the SEC Certificates of Incorporation which were issued on 12 October 2012 and 2 April 2019, respectively. As at the LPD, AGX Philippines and AGX Worldwide have not been dissolved nor has the SEC received any information derogatory to AGX Philippines or AGX Worldwide that would prevent it from exercising its primary franchise. AGX Warehouse has obtained the SEC Certificate of Incorporation on 7 December 2023.

**(v) Republic Act No. 776 (as amended by Presidential Decree No. 1462) ("R.A No. 776")**

Being engaged in the business of air freight forwarding, AGX Philippines is required to secure a letter of authority ("**LOA**") from the Civil Aeronautics Board ("**CAB**"). The LOA is an approval issued by CAB authorising a person or entity to engage in air freight forwarding. The LOA is renewed on a 5-year basis. A certificate of authority is also issued together with the LOA. The permittee is further required to secure an annual registration certificate within the validity period of the LOA.

Any person engaging in air commerce without a permit issued by CAB as provided in the R.A No. 776 shall be punished by a fine not exceeding PHP5,000 or by imprisonment for not more than one year, or both, at the discretion of the court provided that a person engaging in air commerce on the date of the approval of the R.A No. 776 may continue to engage until such time as CAB shall pass upon an application for a permit for such service, which application must be filed, as provided in the R.A No. 776 within 120 days after the approval of the R.A No. 776.

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**7. BUSINESS OVERVIEW (Cont'd)**


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Any air carrier or person who violates or fails to comply with any provision of the R.A. No. 776 or the terms, conditions, or limitations in a permit or amendment thereto or any orders, rules, or regulations, issued by CAB, shall be subject to a fine not exceeding PHP5,000 for each violation. In addition thereto, a fine not exceeding PHP200 per day for every day during which such default or violation continues shall likewise be imposed. CAB is empowered to impose such fine, after due notice and hearing. The fines so imposed shall be paid to the government of the Philippines through CAB, and failure to pay fine in any case within the time specified in the order or decision of CAB shall be a ground for suspension of the permit of such air carrier until payment is made. Payment may also be enforced by appropriate action brought to a court of competent jurisdiction.

As at the LPD, our Group is in compliance with the relevant provisions of the R.A. No. 776. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the R.A. No. 776. Please refer to Section 7.10.4 of this Prospectus for further details of the LOA, Certificate of Authority and Annual Certificate of Registration to operate as an international air freight forwarder issued to AGX Philippines.

**(vi) Philippine Shippers' Bureau Administrative Order No. 06 ("AO No. 06")**

Being engaged in the business of sea freight forwarding, AGX Philippines is required to secure a certificate of accreditation from the Philippine Shippers' Bureau ("PSB") of the Department of Trade and Industry ("DTI"). The certificate of accreditation is a legal recognition conferred by PSB upon an entity authorising it to engage in sea freight forwarding functions and/or the category(ies) it can operate.

The certificate of accreditation is valid for a period of 2 years unless cancelled sooner under Rule XI of the AO No. 06. The renewal of the certificate of accreditation may be filed at any time on or before the expiry date of the accreditation.

Engaging in or transacting business by a firm, operating either as a main, sole, or branch office, without prior accreditation, shall be a cause for the issuance of a cease and desist order for the non-continuance of operation and a monetary fine of PHP50,000.

Pursuant to the Memorandum Circular No. 16-01, DTI has transferred the regulatory functions of PSB to the Business Licensing and Accreditation Division of Fair Trade Enforcement Bureau. Notwithstanding the transfer of the regulatory functions of PSB, all PSB-related issuances like PSB MC. No. 1, series of 2005 and A.O. No. 06, series of 2005 shall remain valid and effective.

As at the LPD, our Group is in compliance with the relevant provisions of the AO No. 06. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the AO No. 06. Please refer to Section 7.10.4 of this Prospectus for further details of the certificates of accreditation issued to AGX Philippines.

**(vii) Republic Act No. 3893 ("R.A. No. 3893") otherwise known as the General Bonded Warehouse Act**

An operator of a warehouse is required to apply for a licence with DTI to operate a warehouse. The licence issued by DTI is valid for 1 year and shall expire on the 31<sup>st</sup> day of December.

Any person violating the provision of this section of the R.A. No. 3893 shall, upon conviction, be punished with imprisonment for not more than 5 years or with a fine of not more than PHP5,000, or with both such fine and imprisonment, at the discretion of the court.



## 7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, our Group is in compliance with the relevant provisions of the R.A. No. 3893. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the R.A. No. 3893. Please refer to Section 7.10.4 of this Prospectus for further details of the certificates of accreditation issued to AGX Philippines.

### (viii) Customs Administrative Order No. 01-2022 (“CAO”)

Customs bonded warehouses (“CBW”) are warehouses authorised/licensed by the Bureau of Customs, to import, receive and store, without payment of duties and taxes and under bond, goods, raw materials, accessories and packing materials either for manufacture into finished products for export or storage for the account of accredited exporter/client, are required to secure an authority to operate from the Bureau of Customs.

The authority to operate a CBW, including warehouse extensions and additional facilities issued pursuant to the CAO shall be valid for 3 years from the date of approval of the application for establishment, as stated in the certificate of authority to operate. The application for renewal of authority to operate shall be filed not later than 90 days but not earlier than 120 days before its expiration.

Any person, natural or juridical, found to be operating as a bonded warehouse without a valid customs authority, shall be barred from being granted any warehousing privileges.

As at the LPD, our Group is in compliance with the relevant provisions of the CAO as our subsidiary, AGX Worldwide who operates a CBW, has obtained the certificate of registration from the Bureau of Customs. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any notice of non-compliance with the CAO. Please refer to Section 7.10.4 of this Prospectus for further details of the certificate of registration.

### 7.20.5 Myanmar

Our Group’s business is regulated by, and in some instances required to be licensed under specific laws of Myanmar. The relevant laws and regulations governing our Group’s business operations in Myanmar, which do not purport to be an exhaustive description of all laws and regulations which our business is subject to, are summarised below:

#### (i) Sea Customs Act 1878 (“SCA”)

Pursuant to Section 113 of the SCA, application to clear goods from any warehouse for home consumption or for shipment shall be made in such form as the Chief Customs Officer prescribes from time to time. Such application shall ordinarily be made to the Customs Collector at least 24 hours before it is intended so to clear such goods.

Item 1, Section 167 of the SCA sets out the penalty for violation or non-compliance with Section 113 of the CRA whereby the goods related to this offence shall be liable to confiscation or any person concerned in such offence shall be liable to a penalty not exceeding 3 times of the customs value of the goods or such person concerned shall, on conviction of any such offence before a Magistrate, be liable to imprisonment for a term not exceeding 3 years or any combination of them.

As at the LPD, our Group is in compliance with Section 113 of the SCA as our subsidiary, AGX Myanmar has obtained the licence for using master airway bill and house airway bill from the Customs Department to clear freight cargo. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any penalties pursuant to the SCA. Please refer to Section 7.10.5 of this Prospectus for further details of the licence.

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**7. BUSINESS OVERVIEW (Cont'd)**

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**(ii) Yangon City Development Rules, Chapter 2, Rules 3 (Zamyinzwe) (“YCDC Rules”)**

Pursuant to Section 3(i) of the YCDC Rules by virtue of Yangon City Development Law, business licence for operation of warehouse issued by the Yangon City Development Committee is required for an operator of the warehouse business in Yangon, Myanmar. Failure to comply with Section 3(i) of the YCDC Rules shall result in management punishment such as fines, revocation of the business licence for a limited period, cancellation or closure of business.

As at the LPD, our Group is in compliance with Section 3(i) of the YCDC Rules. For the Financial Years and Period Under Review and up to the LPD, our Group has not been issued with any fines or penalties pursuant to the YCDC Rules. Please refer to Section 7.10.5 of this Prospectus for further details of the business licence issued to AGX Myanmar.

**(iii) The Decision of Supervisory Committee for Mercantile Marine Transport Service Companies No.2/2010**

According to the Decision of Supervisory Committee for Mercantile Marine Transport Service Companies No.2/2010, which is considered as administrative rules, the certificate of service industry is required for company operating mercantile marine transport-related services, but there is no specific penalty imposed thereunder.

As at the LPD, our Group is in compliance with the Decision of Supervisory Committee for Mercantile Marine Transport Service Companies No. 2/2010. Please refer to Section 7.10.5 of this Prospectus for further details of the certificate of service industry issued to AGX Myanmar.

**(iv) Yangon City Development Committee Law 2018 (“YCDC Law”)**

Pursuant to Sanitary Rules 173, 176 and 181 of the YCDC Law, the recommendation certificate for free from offensive and dangerous health is required for businesses that carry out security-sensitive and dangerous trade, but there is no specific penalty imposed thereunder.

As at the LPD, our Group is in compliance with Sanitary Rules 173, 176 and 181 of the YCDC Law. Please refer to Section 7.10.5 of this Prospectus for further details of the recommendation certificate for free from offensive and dangerous health issued to AGX Myanmar.

Save as disclosed in Note (1) in Section 7.9.2 of this Prospectus, as at the LPD, there are no breach of laws, regulations, rules or requirements governing the conduct of our business in Malaysia, Singapore, Korea, the Philippines and Myanmar which may have a material adverse impact on our Group’s business operations.

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## 7. BUSINESS OVERVIEW (Cont'd)

### 7.21 BUSINESS STRATEGIES AND PLANS

Our business strategies and plans include continuing with our existing services as well as enhancing and expanding our business as follows:



We plan to implement the business strategies and plans listed above in 2024, as described in the following sections.

#### 7.21.1 Set Up New Warehouse and Office in Johor Bahru, Malaysia

We intend to set up a new warehouse and office at PTP in Johor Bahru, known as the PTP Warehouse and Office, to improve our coverage in the southern region of Peninsular Malaysia, and to support providing warehousing and 3PL services to customers in Singapore. We intend to set up the PTP Warehouse and Office at leased premises of around 50,000 sq. ft. in size.

We intend to utilise part of the new warehousing space to provide e-fulfilment services for e-commerce retailers focused on serving customers in Singapore. The e-commerce retailers will be able to store their goods at the PTP Warehouse and Office, and we will fulfil the orders for them as and when they are received. Third-party couriers will then deliver these packages from our PTP Warehouse and Office on the same day to destinations in Singapore.

In addition, establishing a physical presence in PTP, which is close to other seaports and the airport in Johor, will facilitate our dealings with the port and customs authorities at PTP, Johor Port, Tanjung Langsat Port, as well as with airport and customs authorities at the Senai International Airport.

#### 7.21.2 Set Up New Warehouse and Office in Penang, Malaysia

We intend to set up a new operational facility comprising an office and warehouse in Penang, known as the Penang Warehouse and Office, to improve our coverage in the northern region of Peninsular Malaysia. We intend to set up the Penang Warehouse and Office at leased premises of around 22,000 sq. ft. in size. The Penang Warehouse and Office will enable us to establish a physical presence close to the seaports and airports in Penang to facilitate dealings with the Port of Penang and the Penang International Airport. We intend to utilise the Penang Warehouse and Office to offer warehousing and other 3PL services to external customers, as well as to support our air and sea freight forwarding, and logistics services in the northern region.

#### 7.21.3 Set Up New Office in Busan, South Korea

We intend to set up a new office in Busan, South Korea, known as the Busan Office, to improve our coverage in the southern region of South Korea. Establishing a physical presence in Busan will support our sea freight forwarding services for the import and export of cargo through the Port of Busan by facilitating our dealings with port and customs authorities. We intend to set up the Busan Office at leased premises of around 1,000 sq. ft. in size.

**7. BUSINESS OVERVIEW (Cont'd)**

As at the LPD, we have commenced and currently identifying suitable locations/ units for the New Warehouses and Offices. In respect of the above, the estimated timing and milestones for establishing the New Warehouses and Offices are as follows:

Estimated timing	Milestones
1 <sup>st</sup> half of 2024	<ul style="list-style-type: none"> <li>• Evaluation of options available</li> <li>• Commencement of negotiation of tenancy terms with landlords</li> <li>• Finalisation and execution of tenancy agreements</li> <li>• Procurement of the required approvals from the relevant authorities for the New Warehouses and Offices</li> <li>• Commencement of renovation works, including the installation of office / warehouse equipment as well as furniture and fittings</li> <li>• Identification of suitable candidates and finalise the hiring of new staffs</li> </ul>
2 <sup>nd</sup> half of 2024	<ul style="list-style-type: none"> <li>• Commencement of business operations</li> </ul>

**7.21.4 Estimated Costs of Establishing the New Warehouses and Offices**

We intend to use RM8.70 million from our proposed IPO to set up the New Warehouses and Offices, and the estimated cost required to establish them is summarised in the following table:

	Johor Bahru Warehouse and Office (RM'000)	Penang Warehouse and Office (RM'000)	Busan Office (RM'000)
Rental and deposits <sup>(1)</sup>	2,025	594	79
Vehicles <sup>(2)</sup>	900	300	520
Other equipment <sup>(3)</sup>	200	100	50
Furniture and fittings	100	100	50
Staff costs <sup>(4)</sup>	876	564	600
Racking system <sup>(5)</sup>	700	200	-
Operating expenses <sup>(6)</sup>	299	242	201
<b>Total</b>	<b>5,100</b>	<b>2,100</b>	<b>1,500</b>

**Notes:**

- (1) Estimated rental costs for 12 months and rental deposits of 3 months for each of the New Warehouses and Offices.
- (2) Vehicles comprises 2 units of 3-ton trucks and 2 units of 10-ton truck for the PTP Warehouse and Office, 2 units of 3-ton trucks for the Penang Warehouse and Office, and 1 unit of truck for the Busan Office.
- (3) Comprises other equipment necessary for the business operations at each of the New Warehouses and Offices, such as CCTV, computers, telephones and internet cabling.
- (4) Estimated staff-related costs for 12 months for each of the New Warehouses and Offices, comprising:
  - a. PTP Warehouse and Office: 1 branch manager, 1 warehouse cum administrative assistant manager, 4 customer service executives and 14 operation assistants;
  - b. Penang Warehouse and Office: 1 branch manager, 1 warehouse cum administrative assistant manager, 2 customer service executives and 8 operation assistants; and
  - c. Busan Office: 1 branch manager, 1 branch assistant manager, 4 customer service executives and 1 operation assistant.
- (5) Estimated costs for the installation of palletised racking system for both the PTP Warehouse and Office and Penang Warehouse and Office.
- (6) Comprise the operating expenses to carry out the business operations at each of the New Warehouses and Offices such as utilities, upkeep and maintenance costs.

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**7. BUSINESS OVERVIEW (Cont'd)**

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Please refer to Section 4.7.1 (a) of this Prospectus for further details on the estimated cost required to establish the New Warehouses and Offices.

The estimated costs for establishing the New Warehouses and Offices may be subject to change. Any shortfall will be funded from internally generated funds and/or bank borrowings whilst any surplus will be allocated for working capital.

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**8. THE IMR REPORT**

26 December 2023

The Board of Directors  
AGX Group Berhad  
Unit 1A-C and Unit 2A-C, 2nd Floor,  
Jalan USJ 10/1A  
Pusat Perniagaan USJ 10  
47610 UEP Subang Jaya  
Selangor Darul Ehsan, Malaysia

**Vital Factor Consulting Sdn Bhd**  
Company No.: 199301012059 (266797-T)  
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Block 6 Level 6, Jalan Utara  
46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: (603) 7931-3188  
Fax: (603) 7931-2188  
Website: www.vitalfactor.com

Dear Sirs and Madams

**Independent Assessment of the Third-Party Logistics Industry**

We are an independent business consulting and market research company based in Malaysia. We commenced our business in 1993 and, among others, our services include the provision of business plans, business opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market studies. We have also assisted in corporate exercises since 1996, having been involved in initial public offerings, takeovers, mergers and acquisitions, and business regularisations for public listed companies on the Bursa Malaysia Securities Berhad (Bursa Securities) where we acted as the independent business and market research consultants. Our services for corporate exercises include business overviews, independent industry assessments, management discussion and analysis, and business and industry risk assessments.

We have been engaged to provide an independent assessment of the above industry for inclusion in the prospectus of AGX Group Berhad for the listing of its shares on the ACE Market of Bursa Securities. We have prepared this report independently and objectively and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, the availability of timely information and analyses based on secondary and primary market research as at the date of this report. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibility for the decisions, actions or inactions of readers of this document. This report should not be taken as a recommendation to buy or not to buy the securities of any company.

Our report may include information, assessments, opinions and forward-looking statements, which are subject to uncertainties and contingencies. Note that such statements are made based on, among others, secondary information and primary market research, and after careful analysis of data and information, the industry is subject to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual events and future results.

Yours sincerely

Wooi Tan  
Managing Director

Wooi Tan has a degree in Bachelor of Science from the University of New South Wales, Australia and a degree in Master of Business Administration from the New South Wales Institute of Technology (now known as the University of Technology, Sydney), Australia. He is a Fellow of the Australian Marketing Institute and the Institute of Managers and Leaders. He has more than 20 years of experience in business consulting and market research, as well as assisting companies in their initial public offerings and listing of their shares on Bursa Malaysia Securities Berhad.

8. THE IMR REPORT (Cont'd)



Date of report: 26 December 2023

INDEPENDENT ASSESSMENT OF THE THIRD-PARTY LOGISTICS INDUSTRY

1. INTRODUCTION

- AGX Group Berhad and its subsidiaries (AGX Group) are third-party logistics (3PL) service providers involved in providing sea and air freight forwarding, aerospace logistics, warehousing and other 3PL services, and road freight transportation, with markets and operation centres in Malaysia, the Philippines, Korea, Myanmar and Singapore, which form the focus of this report.
- In the context of this report, logistics refers to international and domestic movement and storage of goods, cargo or freight (used interchangeably) and related services, but excludes pipelines, postal, courier, hired vehicles and localised pick-up and delivery services. It also refers to 3PL. GDP refers to nominal GDP unless stated otherwise.

2. INDUSTRY STRUCTURE

2.1 Overall logistics industry

- The logistics industry is involved in managing and organising the storage and movement of goods, also referred to as freight, from one point to another. Logistics is one component of a supply chain. A supply chain comprises a series of activities starting from goods that are extracted, manufactured, produced, processed or procured, up to delivery to their final destinations. The logistics industry can be segmented as depicted in the diagram provided.

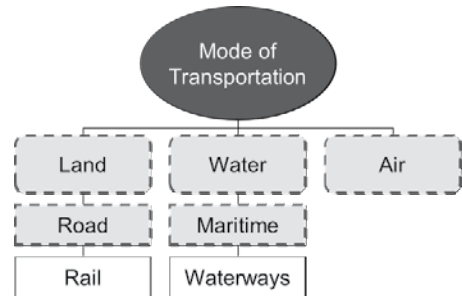


AGX Group operates in all of the above segments of the logistics industry

- Warehousing** is mainly concerned with the temporary storage of goods in an enclosed and covered building. The types of warehousing include, among others, general, hazardous and high-security goods, as well as goods stored in ambient or temperature and humidity-controlled environments. In some situations, warehousing also includes storage of goods in open yards but does not include storage of liquids or gases in storage tanks. AGX Group is involved in the warehousing of general goods at ambient temperature within enclosed and covered buildings.

Warehouses can be bonded or non-bonded. Bonded warehouses are designated secured areas or buildings where the stored goods are exempted from customs duties and taxes. Non-bonded warehouses are ordinary warehouses. AGX Group provides both bonded and non-bonded warehouse services.

- Transportation** refers to the physical movement of goods using vehicles to traverse over land, water or air. Road transportation is commonly categorised into haulage, which involved the movement of goods within standardised containers, and trucking which refers to goods transported using trucks or vans. AGX Group is involved in providing haulage and trucking services. Transportation over bodies of water includes oceans and seas (maritime), and waterways such as rivers. Goods are categorised as containerised or non-containerised. Containerised goods are goods packed within standardised 20-foot or 40-foot containers, while non-containerised goods include bulk goods such as grains and coal, and other general goods placed onboard vessels. AGX Group is involved in mainly containerised sea freight. Air transportation uses commercial cargo and scheduled passenger flights, as well as chartered flights. AGX Group uses all modes of air transportation.



AGX Group facilitates these modes of transportation

## 8. THE IMR REPORT (Cont'd)



- **Freight forwarding** is a service mainly involved in arranging cross-border transportation of freight, including warehousing where necessary. A freight forwarder's main function is to organise and manage the end-to-end transportation of goods on behalf of its customers. Among others, it involves arranging and booking cargo space on vehicles, preparing all relevant documentation, permits and approvals including those for customs and port authorities, clearing customs and ports, and ensuring that freight arrives at its destination promptly and safely. AGX Group provides freight forwarding services.
- Operators of logistics services are commonly segregated into service providers, asset owners and/or operators. Asset owners include entities that own vehicles such as ships, aircraft and road vehicles, and warehouses. Ships and aircraft that transport goods for multiple customers are referred to as common carriers. Freight forwarders or shippers will book space on common carriers. A large proportion of logistics service providers are not owners or operators of ships and aircraft, while some would own or operate road vehicles and warehouses. AGX Group operates road vehicles and warehouses. AGX Group owns and leases road vehicles, and leases warehouses but does not own ships or aircraft.

### 2.2 Value-added logistics services

- Value-added logistics services refer to additional services (such as picking, packing and urgent delivery) to complement conventional logistics services including the following:
  - **Aerospace logistics** is a specialised air freight service generally involved with the timely delivery of aircraft parts, components and equipment that are essential to restore an inoperable aircraft-on-the-ground (AOG) to its operational state. An AOG disrupts flight schedules, inconveniences passengers, incurs expenses and often leads to a loss of revenue for the operator. Thus, the timely delivery of essential aircraft parts, components and equipment is critical in aerospace logistics. Aerospace logistics is project-based. It can also involve unscheduled air freight of parts, components and equipment between vendors and repair centres. AGX Group is involved in the provision of aerospace logistics for AOG as well as for general aerospace transportation projects.
  - **Distribution logistics** refers to the planning, storage, handling and transport of goods from suppliers to distribution centres and retail outlets. It is a point-to-multipoint service. AGX Group provides distribution logistics in Malaysia and Singapore.
  - **E-fulfilment** involves fulfilling purchasers' online orders. The process includes receiving and storing inventory from one or multiple sources (warehousing), picking and packing goods (management of inventory), and final delivery (last-mile delivery) to purchasers at their homes or commercial premises. Sometimes two parties are involved in e-fulfilment, where one party focuses on the warehousing and management of inventory while the other is involved in the last-mile delivery. AGX Group provides warehousing and management of e-fulfilment services in the Philippines and Singapore.

## 3. SUPPLY AND DEMAND CONDITIONS

- Factors influencing the supply of logistics services include, among others, regulatory environment that may impede the entry of new operators and/or affect the operations and provision of services by existing operators; and macro factors such as border closures, freight rates, geopolitical events and trade barriers. Factors influencing the demand for logistics services include, among others, economic activities, particularly domestic and foreign trade activities, and e-commerce.
- Logistics service providers are dependent on the level of economic activities, as higher economic activities support increased production and consumption requiring movement and storage of goods, which will drive demand for logistics services. Additionally, level of external trade activities will have a direct impact on the logistics industry, as the importers and exporters rely on warehousing, transportation and freight forwarding services to facilitate domestic and cross-border trades. Furthermore, the amount of cargo passing through airports and seaports provides some indication of logistics activities including freight forwarding, and road and sea freight transportation.



## 8. THE IMR REPORT (Cont'd)



### 3.1 Economic activities

	2018	2019	2020	2021	2022	CAGR (2018-22)	CAGR (2020-22)
<b>Real GDP growth/(decline) of the economy</b>							
Malaysia	4.8%	4.4%	(5.5%)	3.3%	8.7%	2.6%	5.9%
The Philippines	6.3%	6.1%	(9.5%)	5.7%	7.6%	2.2%	6.6%
Korea	2.9%	2.2%	(0.7%)	4.3%	2.6%	2.1%	3.5%
Myanmar <sup>(1)</sup>	6.4%	6.8%	3.2%	(5.9%)	2.8%	1.6%	(1.6%)
Singapore	3.6%	1.3%	(3.9%)	8.9%	3.6%	2.4%	6.2%
<b>Real GDP growth/(decline) of the transport and storage sector</b>							
Malaysia	6.3%	6.8%	(21.5%)	1.4%	30.8%	2.7%	15.2%
The Philippines	7.7%	6.4%	(30.6%)	6.3%	23.9%	(0.7%)	14.8%
Korea	3.7%	1.7%	(17.3%)	6.7%	9.1%	(0.6%)	7.9%
Myanmar	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Singapore	1.0%	0.1%	(15.8%)	9.9%	4.0%	(0.9%)	6.9%

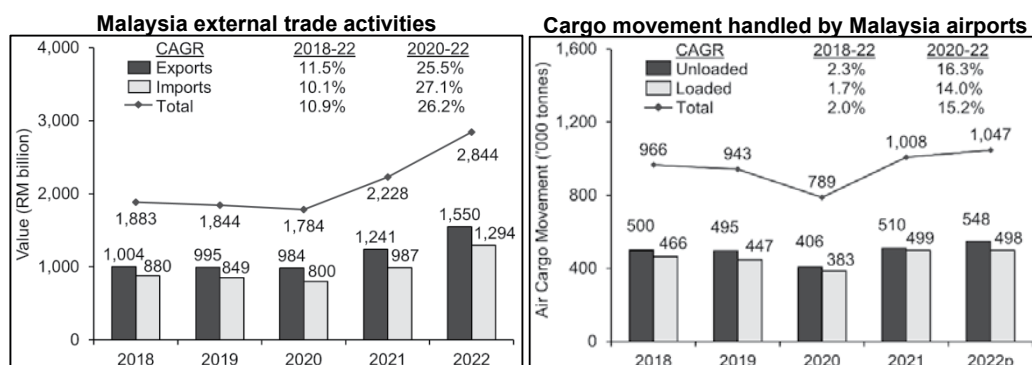
GDP = Gross Domestic Product; CAGR = compound annual growth rate; n.a. = information not available

Note: (1) Myanmar's data is based on fiscal year 1 October to 30 September (Source: Department of Statistics Malaysia, Philippine Statistics Authority, Bank of Korea, Central Bank of Myanmar, Central Statistical Organisation Myanmar, Department of Statistics Singapore)

- In 2020, all countries (except Myanmar in fiscal year ended 2021) experienced negative economic growth due to global and domestic containment measures implemented during the COVID-19 pandemic, which resulted in a downturn in the transport and storage sector. In 2022, all countries experienced recovery growth due to the expansion across most sectors after the progressive easing of containment measures arising from the COVID-19 pandemic. The real GDP of the transport and storage sector in Malaysia, the Philippines, Korea and Singapore accounted for 3.7%, 3.4%, 3.1% and 6.1% of the country's respective real GDP in 2022 (Source: Department of Statistics Malaysia, Philippine Statistics Authority, Bank of Korea, Department of Statistics Singapore). In fiscal year ended 2022 (FY2021-22), Myanmar's GDP for the transportation industry grew by 10.2%, which accounted for 10.0% of Myanmar's GDP (Source: Central Statistical Organisation Myanmar).

### 3.2 Malaysia

- In 2022, the value of exports and imports in Malaysia grew by 24.9% and 31.0% respectively, resulting in a growth of external trade activities by 27.6%. The growth was mainly attributed to strong external demand for exports, higher commodity prices and an increase in intermediate imports. Nevertheless, the growth of exports and imports slowed since the fourth quarter of 2022, in line with the global economic slowdown and commodity price softening. For the first 9 months of 2023, the value of exports and imports declined by 8.4% and 8.9% respectively, resulting in a decline of external trade activities by 8.7% compared to the first 9 months of 2022. The decline was mainly attributed to moderated global growth weighed by elevated inflation and higher interest rates. (Source: Bank Negara Malaysia (BNM))

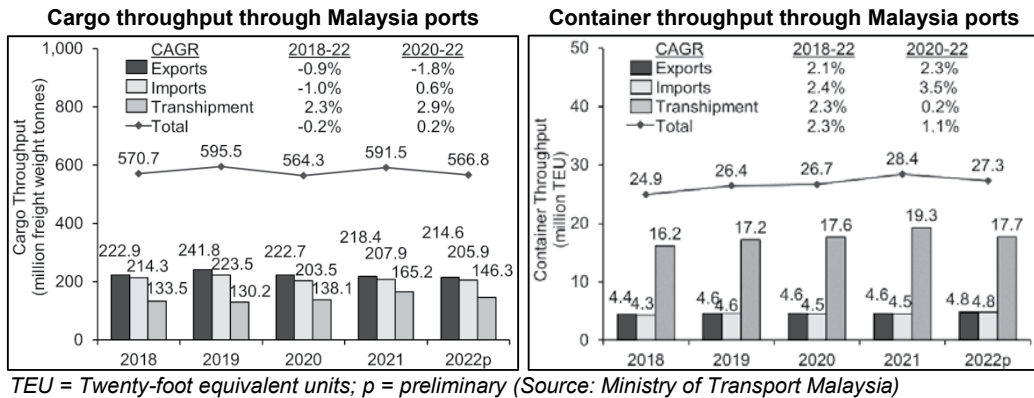


p = preliminary (Source: Department of Statistics Malaysia, Ministry of Transport Malaysia)

**8. THE IMR REPORT (Cont'd)**



- Total air cargo handled by airports in Malaysia grew by 27.7% in 2021, partly contributed by the strong growth of e-commerce and the electrical and electronics sector in Malaysia. In 2022, the total air cargo handled by airports in Malaysia grew by 3.9% to 1.0 million tonnes. The reduced growth was mainly due to weaker global economic sentiment amid persistent inflationary pressure, rising interest rates and a fear of recession, despite the continued growth of e-commerce in Malaysia. For the first 9 months of 2023, the total air cargo handled by airports in Malaysia declined by 13.3% compared to the first 9 months of 2022.

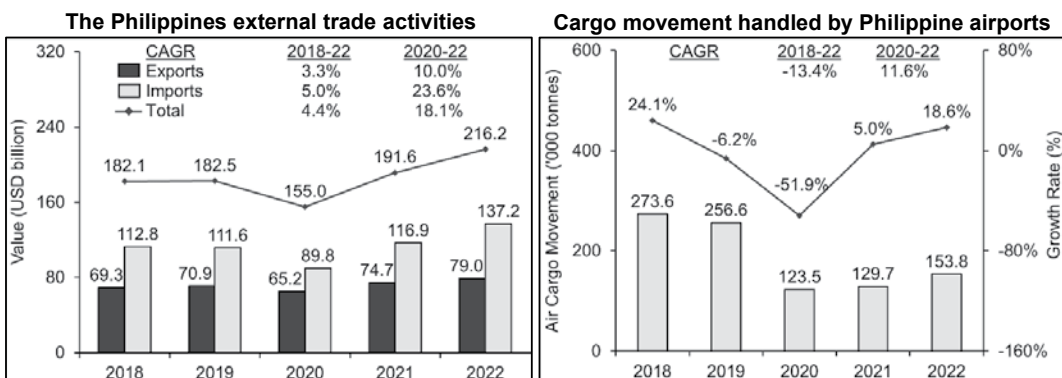


TEU = Twenty-foot equivalent units; p = preliminary (Source: Ministry of Transport Malaysia)

- In 2022, sea freight transportation based on cargo throughput declined by 1.7% and 1.0% for exports and imports respectively, whereas sea freight transportation based on container throughput grew by 3.9% and 5.9% for exports and imports respectively. Overall, cargo and container throughput declined by 4.2% and 4.0% respectively, where both declines were mainly due to reduced transhipment. For the first 9 months of 2023, the overall cargo and container throughput grew by 0.7% and 0.6% respectively compared to the first 9 months of 2022.

**3.3 The Philippines**

- In 2022, the Philippines' external trade grew by 12.9%, contributed by 5.7% and 17.4% growth from export and import values respectively. Electronics product exports, which accounted for 57.7% of the country's exports by value, registered a growth of 7.2% in 2022. The top three imported product groups namely electronic products; mineral fuels, lubricants and related materials; and transport equipment, grew by 3.2%, 74.6% and 32.7% respectively in 2022. For the first 9 months of 2023, the Philippines' external trade declined by 8.9%, contributed by a decline of 6.6% and 10.2% from export and import values respectively compared to the first 9 months of 2022.



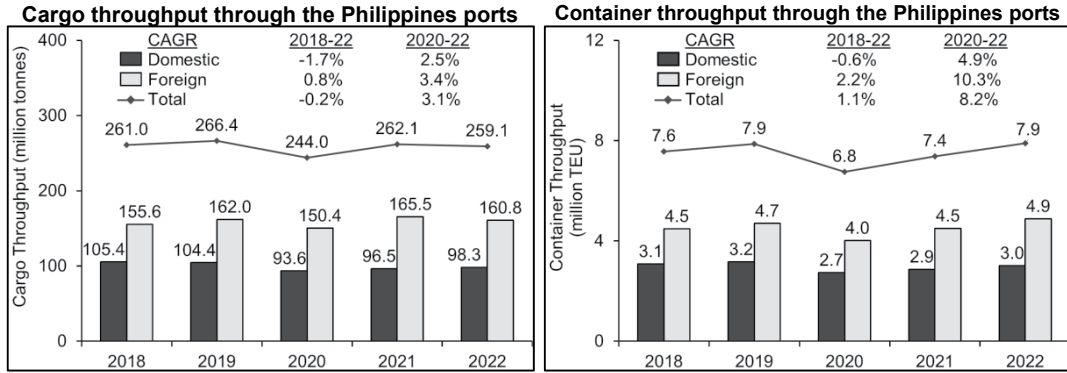
(Source: Philippine Statistics Authority; Civil Aviation Authority of the Philippines)

- In 2022, air cargo handled at the Philippines airports grew by 18.6%, mainly due to the low base effect in 2020 due to the COVID-19 pandemic, which was followed by a modest recovery of 5.0% in 2021. In 2022, cargo throughput through the Philippines ports declined by 0.2%, mainly due to the 3.1% decline in foreign container throughput. In the same year, container throughput through the Philippines ports grew by 7.2%, contributed by both domestic and foreign container throughput that

8. THE IMR REPORT (Cont'd)



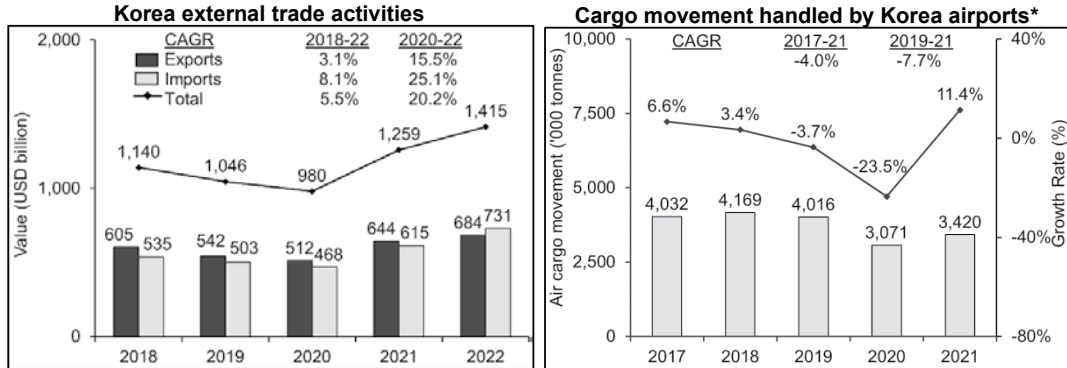
grew by 5.3% and 8.5% respectively. For the first 9 months of 2023, cargo throughput through the Philippines ports grew by 3.8% while container throughput declined by 6.6% compared to the first 9 months of 2022.



(Source: Philippine Ports Authority)

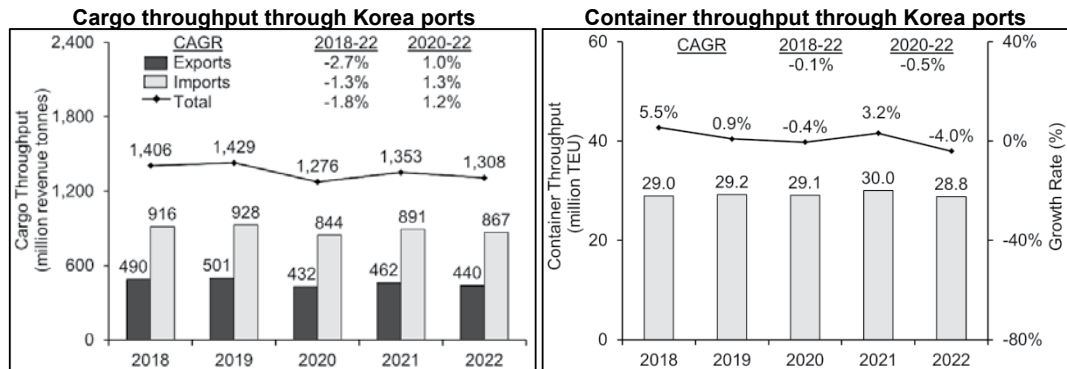
3.4 Korea

- In 2022, Korea's external trade grew by 12.3%, contributed by 6.1% and 18.9% growth from export and import values respectively. The moderated export growth was due to the overall slump in the export of semiconductors, as well as weak economic sentiment amid high inflation (Source: Ministry of Economy and Finance, Korea). For the first 9 months of 2023, Korea's external trade declined by 12.1%, contributed by a decline of 11.5% and 12.6% from export and import values respectively.



\* Latest available data (Source: Korea Customs Service; Korean Statistical Information Service)

- In 2020, the air freight volume handled by airports in Korea further declined by 23.5%, followed by a growth of 11.4% in 2021, mainly due to the implementation of containment measures due to the COVID-19 pandemic.



(Source: Korean Statistical Information Service)

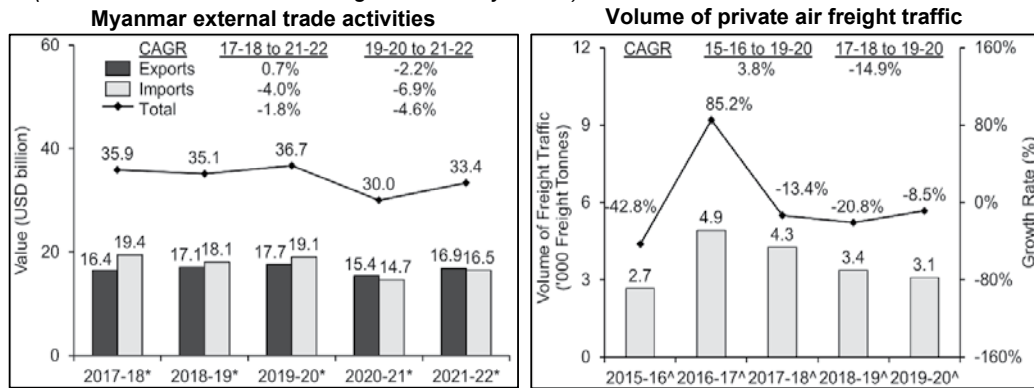
**8. THE IMR REPORT (Cont'd)**



- In 2022, cargo and container throughput through Korea ports declined by 3.3% and 4.0% respectively, mainly due to weaker economic sentiments and decreasing sea freight rates. For the first 9 months of 2023, cargo throughput through Korea ports declined by 1.1% while container throughput grew by 2.7% compared to the first 9 months of 2022.

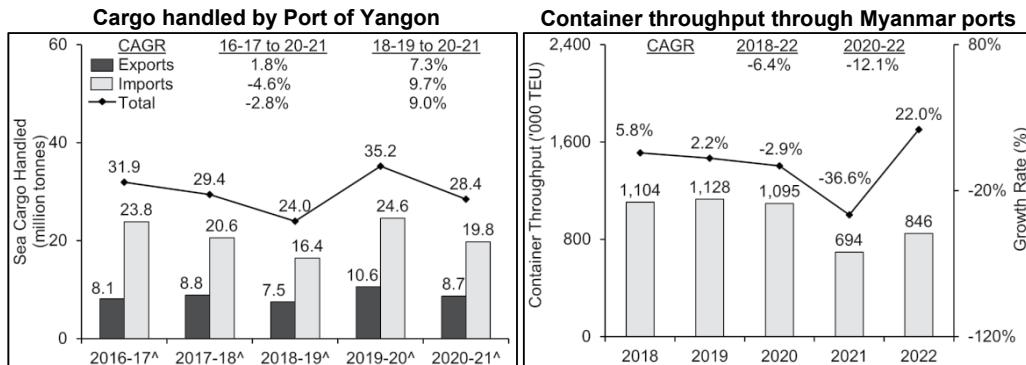
**3.5 Myanmar**

- In FY2021-22, Myanmar's external trade activities grew by 11.2%, attributed to 10.1% and 12.3% growth in export and import values respectively. In the first half of FY2022-23 (October 2022 to March 2023), Myanmar's external trade activities grew by 3.5% compared to the first half of FY 2021-22. (Source: Central Statistical Organisation Myanmar)



\* Data based on FY 1 Oct to 30 Sep; ^ Data based on FY 1 Apr to 31 Mar. Note: Above are the latest available data (Source: Central Statistical Organisation Myanmar; Myanmar Statistical Information Service)

- The Port of Yangon is the premier port of Myanmar and handles about 90% of the country's exports and imports (Source: Myanmar Port Authority). In FY2020-21, total sea cargo handled by the Port of Yangon declined by 19.1%, contributed by the decline of 18.1% and 19.5% from exports and imports respectively, mainly due to containment measures implemented during the COVID-19 pandemic. In 2021, container throughput declined by 36.6% to 0.7 million TEU, followed by a growth of 22.0% to 0.8 million TEU in 2022.



^ Data based on FY 1 Apr to 31 Mar. Note: Above are the latest available data (Source: Central Statistical Organisation Myanmar; Vital Factor analysis)

**3.6 Singapore**

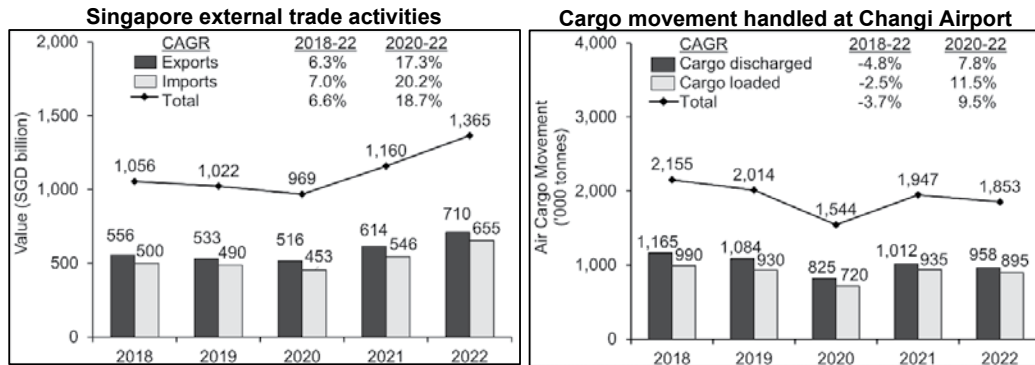
- In 2022, Singapore's exports and imports grew by 15.6% and 20.1% respectively, resulting in 17.7% growth in total external trade activities. The growth of external trade activities growth was attributed primarily to the 47.5% growth of oil trades amid higher oil prices, and the 11.9% growth of non-oil trades comprising, among others, electronic products, structures of ships and boats, measuring instruments and specialised machinery. For the first 9 months of 2023, Singapore's exports and imports declined by 13.2% and 16.0% respectively, resulting in a 14.5% decline in total external trade activities, mainly due to declining commodity prices and a weakened external outlook. (Source: Ministry of Trade and Industry Singapore)

## 8. THE IMR REPORT (Cont'd)

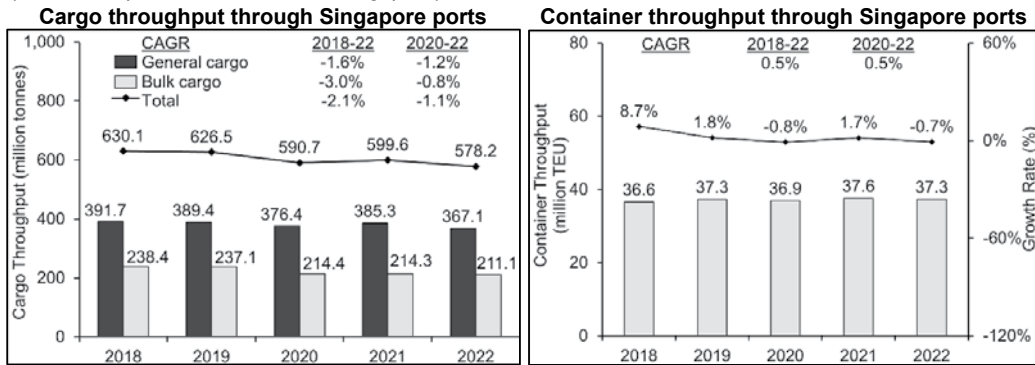


**VITAL FACTOR CONSULTING**  
Creating Winning Business Solutions

- In 2022, air cargo handled at Singapore's Changi Airport declined by 4.8%, attributed to global economic uncertainty and inflationary pressure. For the first 9 months of 2023, air cargo handled at Singapore's Changi Airport declined by 7.9% compared to the first 9 months of 2022.



(Source: Department of Statistics Singapore)



(Source: Maritime and Port Authority of Singapore)

- In 2022, cargo and container throughput through Singapore ports declined by 3.6% and 0.7% respectively mainly due to declining sea freight attributed to rising commodity prices and global inflation causing a drop in demand for goods. For the first 9 months of 2023, cargo and container throughput through Singapore ports grew by 1.2% and 3.5% respectively compared to the first 9 months of 2022.

## 4. COMPETITIVE LANDSCAPE

- As of 26 December 2023:
  - 1,421 operators registered as members of the Federation of Malaysian Freight Forwarders;
  - 586 operators registered as air freight forwarders with the Civil Aeronautics Board of Philippines; 907 operators accredited by the Department of Trade and Industry of Philippines as sea freight forwarders, of which 823 are accredited as international freight forwarders. Out of the 823 international freight forwarders, 567 of them are also accredited as non-vessel operating common carriers;
  - 767 operators registered as members of Korea International Freight Forwarders Association;
  - 260 operators registered as ordinary members of Myanmar International Freight Forwarders Association, which comprises domestic freight forwarding and logistics companies; and
  - 689 operators registered with the Singapore Logistics Association, comprising 31 air freight forwarders, 85 sea freight forwarders, and 311 both air and sea freight forwarders.
- The selection criteria for the companies below are publicly listed companies, and providing sea and/or air freight services, among others. This is not an exhaustive list and is used to indicate the performance of companies in the industry.

## 8. THE IMR REPORT (Cont'd)



Operators in the Industry	FYE <sup>(1)</sup>	Revenue <sup>(2)</sup> (RM'000)	Seg rev (RM'000)	GP <sup>(2)</sup> (RM'000)	GP Margin	NP/(NL) <sup>(2)</sup> (RM'000)	NP/(NL) Margin
<b>AGX Group</b>	<b>Dec-22</b>	<b>234,429</b>	<b>234,429</b>	<b>50,421</b>	<b>21.5%</b>	<b>13,541</b>	<b>5.8%</b>
<b>Listed companies in Malaysia</b>							
Tasco Bhd <sup>(3)</sup>	Mar-23	1,606,834	1,606,834	199,935	12.4%	92,259	5.7%
Harbour-Link Group Bhd <sup>(4)</sup>	Jun-23	1,006,956	342,774	260,311	25.9%	175,071	17.4%
FM Global Logistics Holdings Bhd <sup>(5)</sup>	Jun-23	948,361	948,337	229,207	24.2%	47,152	5.0%
CJ Century Logistics Holdings Bhd <sup>(6)</sup>	Dec-22	930,396	930,396	133,824	14.4%	28,163	3.0%
Tiong Nam Logistics Holdings Bhd <sup>(7)</sup>	Mar-23	725,692	645,502	123,303	17.0%	28,068	3.9%
Swift Haulage Berhad <sup>(8)</sup>	Dec-22	643,768	642,692	197,438	30.7%	49,218	7.6%
KGW Group Berhad <sup>(9)</sup>	Dec-22	229,695	229,695	35,218	15.3%	16,335	7.1%
See Hup Consolidated Bhd <sup>(10)</sup>	Mar-23	126,190	113,813	n.a.	n.a.	(6,097)	(4.8%)
Tri-Mode System (M) Bhd <sup>(11)</sup>	Dec-22	124,624	124,387	19,735	15.8%	10,474	8.4%
Xin Hwa Holdings Bhd <sup>(12)</sup>	Mar-23	118,282	96,758	27,580	23.3%	(15,709)	(13.3%)
Transocean Holdings Bhd <sup>(13)</sup>	Dec-22	28,881	21,176	n.a.	n.a.	1,759	6.1%
<b>Listed companies in the Philippines<sup>(14)</sup></b>							
LBC Express Holdings, Inc. <sup>(15)</sup>	Dec-22	1,227,315	1,176,665	231,609	18.9%	(43,893)	(3.6%)
Chelsea Logistics <sup>(16)</sup>	Dec-22	519,760	273,359	61,666	11.9%	(204,148)	(39.3%)
<b>Listed companies in Korea<sup>(17)</sup></b>							
CJ Logistics Corporation <sup>(18)</sup>	Dec-22	41,377,862	n.a.	4,045,468	9.8%	671,359	1.6%
Hanjin Transportation C/L <sup>(19)</sup>	Dec-22	9,719,375	n.a.	736,264	7.6%	176,553	1.8%
Taewoong Logistics C/L <sup>(20)</sup>	Dec-22	4,530,515	n.a.	558,531	12.3%	319,666	7.1%
Hansol Logistics C/L <sup>(21)</sup>	Dec-22	3,463,434	n.a.	268,379	7.7%	82,685	2.4%
Han Express C/L <sup>(22)</sup>	Dec-22	2,927,087	n.a.	107,724	3.7%	29,191	1.0%
Dongbang Transport Logistics C/L <sup>(23)</sup>	Dec-22	2,587,357	n.a.	302,135	11.7%	4,430	0.2%
Intergis C/L <sup>(24)</sup>	Dec-22	2,455,864	n.a.	201,458	8.2%	106,835	4.4%
Sun Kwang C/L <sup>(25)</sup>	Dec-22	587,174	n.a.	163,765	27.9%	50,112	8.5%
<b>Listed companies in Myanmar<sup>(26)</sup></b>							
Ever Flow River Group Public C/L <sup>(27)</sup>	Mar-23	117,082	71,105	13,265	11.3%	4,006	3.4%
<b>Listed companies in Singapore</b>							
A-Sonic Aerospace Limited <sup>(28,29)</sup>	Dec-22	1,667,053	1,661,327	n.a.	n.a.	24,215	1.5%
Cosco Shipping (Singapore) <sup>(30,31)</sup>	Dec-22	592,480	426,218	131,624	22.2%	(280,086)	(47.3%)
Vibrant Group Limited <sup>(30,32)</sup>	Apr-23	543,682	519,899	183,138	33.7%	1,857	0.3%
GKE Corporation Limited <sup>(30,33)</sup>	May-23	347,650	275,324	97,354	28.0%	12,476	3.6%
Eneco Energy Limited <sup>(30,34)</sup>	Dec-22	102,189	102,189	n.a.	n.a.	6,536 <sup>(35)</sup>	6.4%

FYE = financial year ended; Seg rev = segment revenue incorporating logistics services only; GP = gross profit; NP = net profit after tax; NL = net loss after tax; Bhd = Berhad; C/L = Co., Ltd; n.a. = information not available

(1) Latest audited financial information from annual reports of respective companies and AGX Group.

(2) May include other business activities, products or services in addition to logistics services.

(3) Provides air and sea freight forwarding, contract logistics, trucking and cold supply chain services.

(4) Provides mainly shipping and marine services, integrated logistics, and engineering works.

(5) Provides sea and air freight forwarding, and domestic logistics services.

(6) Provides total logistics and procurement logistics services.

(7) Provides logistics and warehousing services, property development, and hotel and dormitory operations.

(8) Provides container haulage, land transportation, warehousing and container depot, and freight forwarding services.

(9) Provides ocean freight services, air freight services and freight forwarding services, as well as warehousing and distribution of healthcare-related products and devices.

(10) Provides transportation and logistics services, trading of general merchandise and construction activities.

(11) Provides sea and air freight, haulage, freight forwarding, warehousing and marine insurance.

(12) Provides land transport, warehousing and distribution services, and other activities.

(13) Provides logistics solutions, and manufacturing and trading of tyre products.

(14) Financial figures in PHP and converted to RM based on BNM's exchange rate of PHP100 = RM8.0799 for 2022.

(15) Provides logistics and money transfer services.

(16) Chelsea Logistics and Infrastructure Holdings Corp. is involved in the shipping, transport and logistics business.

(17) Financial figures in KRW and converted to RM based on BNM's exchange rate of KRW100 = RM0.3411 for 2022.

(18) Provides sea and air transportation, customs clearance, storage and international express services in the global e-commerce market.

(19) Provides inland and sea transportation, stevedoring, warehousing, air and sea freight forwarding, global express, and small package delivery services.

(20) Provides sea and air freight and forwarding, inland and rail transportation and insurance services globally.

## 8. THE IMR REPORT (Cont'd)



- (21) Provides global logistics, container and truck transportation, and warehousing and distribution services.  
 (22) Provides special cargo and distribution logistics, as well as freight forwarding services.  
 (23) Provides stevedoring, freight forwarding, container storage, and inland and marine transportation services.  
 (24) Provides stevedoring, inland transportation, shipping and global logistics services.  
 (25) Provides grain terminal, container terminal, stevedoring, cargo transportation and freight forwarding services.  
 (26) Financial figures in MMK and converted to RM based on BNM's exchange rate of MMK100 = RM0.2294 for 2022.  
 (27) Provides logistics services, trading of rubber and other goods, and garment inspection.  
 (28) Financial figures in USD and converted to RM based on BNM's exchange rate of USD = RM4.4011 for 2022.  
 (29) Provides aviation and logistics solutions, including transportation, warehousing, and freight forwarding services.  
 (30) Financial figures in SGD and converted to RM based on BNM's exchange rate of SGD = RM3.1915 for 2022.  
 (31) Cosco Shipping International (Singapore) Co., Ltd provides logistics, shipping, ship repair and marine engineering services, and property management.  
 (32) Provides freight and logistics, financial, and real estate services.  
 (33) Provides warehousing and logistics services, and strategic investments.  
 (34) Provides inbound and outbound transportation, distribution management and freight forwarding services.  
 (35) Included profit for the year from discontinued operations of RM5.6 million.

## 5. BARRIERS TO ENTRY

- In Malaysia, the key barriers to entry to the logistics industry are focused on licencing, approvals, minimum bumiputra and maximum foreign equity participation except for International Integrated Logistics Services status companies which allow 100% foreign equity participation. While there is a need to use assets such as land vehicles and warehouses, these can be leased or rented, while sea and air cargo spaces are commonly booked with common carriers. The numerous numbers of logistics service providers in various countries indicate the ease of entry into the logistics industry.

## 6. MARKET SIZE AND MARKET SHARE

2022	Sea Freight <sup>(1)</sup>			Air Cargo <sup>(2)</sup>		
	Market size ('000 TEU) <sup>(a)</sup>	AGX Group ('000 TEU) <sup>(b)</sup>	AGX Group's share <sup>(3)</sup>	Market size (tonnes) <sup>(a)</sup>	AGX Group (tonnes) <sup>(b)</sup>	AGX Group's share <sup>(3)</sup>
Malaysia	27,300	4	Less than 1%	1,047,000	2,145	Less than 1%
The Philippines	7,900	14	Less than 1%	153,800	5,292	3.4%
Korea	28,800	2	Less than 1%	*	312	N/A
Myanmar	846,000	2	Less than 1%	*	300	N/A
Singapore	37,300	2	Less than 1%	1,853,000	278	Less than 1%

Source: (a) Ministry of Transport Malaysia, Philippine Ports Authority, Civil Aviation Authority of the Philippines, Korean Statistical Information Service, Vital Factor analysis, Maritime and Port Authority of Singapore, Department of Statistics Singapore; (b) AGX Group's sea freight (TEU) and air cargo (tonnes) volume of their respective country of operation; \* No latest publicly available data; TEU = 20-foot equivalent unit containers; N/A = not available. (1) Includes exports, imports and transshipments of laden container; (2) Includes air freight and aerospace logistics; (3) AGX Group's sea freight (TEU) and air cargo (tonnes) volume divided by their respective market sizes, multiplied by 100%.

There were no publicly available statistics or data on the market size for third-party warehousing, therefore it is not possible to derive market share.

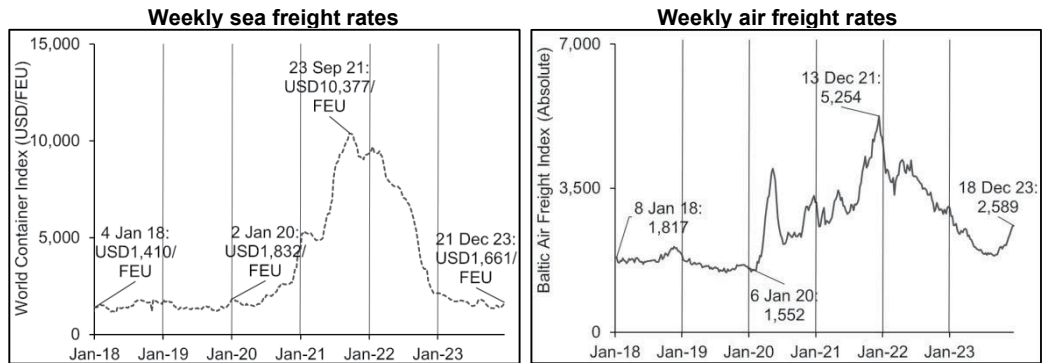
## 7. INDUSTRY CONSIDERATION FACTORS

- Logistics service providers are dependent on economic activities at the global and domestic levels which drive demand for goods and services. In 2022, the global economy's real GDP grew by 3.5%, mainly affected by the continuing Russia-Ukraine conflict, economic slowdown in China due to frequent lockdowns, and higher inflation worldwide which triggered a sharp tightening in global financial conditions, as well as the sharp appreciation of the US dollar (Source: Vital Factor analysis). However, China has eased the COVID-19 restrictions since November 2022.
- The global supply chain disruption prompted by the COVID-19 pandemic, combined with the US-China trade war has led to higher sea and air freight rates since 2020. The increase in sea and air freight rates largely affects consignors (sending parties) and consignees (receiving parties) as they have to pay for the freight rates. Following the gradual relaxing of containments in various countries in 2022, the sea and air freight rates declined, mainly due to greater availability of freight capacity globally and lower demand for freight as the global economy remains uncertain, attributing to the

## 8. THE IMR REPORT (Cont'd)



continuing Russia-Ukraine conflict, inflationary pressures and tightening in global financial conditions. The sea and air freight rates were generally lower in 2023 compared to 2022. Moving forward, the sea and air freight rates may be affected by the cargo ship attacks in the Red Sea resulting from the geopolitical conflicts.



(Source: Vital Factor analysis)

- MALAYSIA:** The real GDP of Malaysia's economy, and transport and storage sector grew by 8.7% and 30.8% respectively in 2022. For the first 9 months of 2023, the real GDP of Malaysia's economy, and transport and storage sector grew by 3.9% and 14.4% respectively compared to the first 9 months of 2022. The real GDP of Malaysia's economy is expected to grow by 4.0% in 2023, and is forecasted to grow between 4.0% and 5.0% in 2024. The growth is anticipated to be mainly driven by sustained domestic consumption and improved export activities. (Source: Ministry of Finance)
- THE PHILIPPINES:** The real GDP of the Philippines' economy, and transport and storage sector grew by 7.6% and 23.9% respectively in 2022. For the first 9 months of 2023, the real GDP of the Philippines' economy, and transport and storage sector grew by 5.5% and 14.4% respectively compared to the first 9 months of 2022. In 2023, the real GDP of the Philippines economy is projected to grow between 6.0% and 7.0% in consideration of external headwinds such as the slowdown in major advanced economies (Source: National Economic and Development Authority, the Philippines).
- KOREA:** The real GDP of Korea's economy, and transport and storage sector grew by 2.6% and 9.1% respectively in 2022. For the first 9 months of 2023, the real GDP of Korea's economy, and transport and storage sector grew by 1.1% and 10.9% respectively compared to the first 9 months of 2022. In 2023, the real GDP growth of Korea's economy is projected to be 1.4% due to deteriorating external conditions (Source: Ministry of Economy and Finance).
- MYANMAR:** The real GDP of Myanmar's economy grew by 2.8% in FY2021-22, while the GDP of the transportation industry also grew by 10.2%. The growth was mainly due to recovery from the economic disruption resulting from the COVID-19 pandemic and the military coup on 1 February 2021. In the first quarter of FY2022-23 (October 2022 to December 2022), Myanmar's real GDP grew by 3.5% compared to the first quarter of FY2021-22, while the GDP of the transportation industry grew by 11.2%. (Source: Central Statistical Organisation Myanmar)
- SINGAPORE:** The real GDP of Singapore's economy, and transport and storage sector grew by 3.6% and 4.0% respectively in 2022. For the first 9 months of 2023, the real GDP of Singapore's economy, and transport and storage sector grew by 0.7% and 2.6% respectively compared to the first 9 months of 2022. The real GDP of Singapore's economy is expected to grow around 1.0% in 2023, and between 1.0% and 3.0% in 2024. (Source: Ministry of Trade and Industry Singapore).
- The prospects and outlook of the third-party logistics industry in the five respective countries are dependent on several factors, including trade performance with trading partners, internal domestic economic growth, and the overall global well-being moderated by geopolitical events and trade sanctions, such as the US-China trade war. In 2023, the real GDP of the global economy is projected to be 3.0%, a slower growth compared to 2022, mainly due to persistent inflation and the slow recovery of China's economy, despite the recovery from the global supply chain disruptions and shipping costs, as well as the resilience shown in the service sectors (Source: Vital Factor analysis).



## 9. RISK FACTORS

**NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP. YOU SHOULD CAREFULLY CONSIDER THE RISKS AND INVESTMENT CONSIDERATIONS SET OUT BELOW ALONG WITH OTHER INFORMATION CONTAINED IN THIS PROSPECTUS BEFORE YOU MAKE YOUR INVESTMENT DECISION.**

**IF YOU ARE IN ANY DOUBT AS TO THE INFORMATION CONTAINED IN THIS SECTION, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

### 9.1 RISKS RELATING TO OUR BUSINESS OPERATIONS

#### 9.1.1 We are subject to regulatory requirements for our business operations

We require approvals, licences and permits from various governmental authorities in the countries where we carry out our business operations (i.e. Malaysia, the Philippines, Korea, Myanmar and Singapore). Further details of major approvals, licences and permits which has been obtained by our Group are set out in Section 7.10 of this Prospectus.

These approvals, licences and permits are subject to, amongst others, various conditions imposed by authorities and periodic renewals. The inability of our Group to comply with any of the conditions stipulated therein may result in the revocation or non-renewal of these approvals, and failure to renew the licences/permits may adversely affect the continuity of our Group's business operations which in turn may adversely affect our financial performance.

Any breach of these conditions, laws and regulations can result in penalties, fines, potential prosecution against us and/or our directors, restrictions on operation and/or remedial liabilities which would have a material impact on our Group.

Further, new regulations may, from time to time, be implemented by the relevant authorities in the countries where we carry out our business operations. These new regulations may lead to additional approvals, licences and permits required for our business operations or additional or more onerous conditions being imposed on our existing approvals, licences and permits. If we are unable to comply with the changes arising therefrom, the relevant business operations of our Group may be subject to disruptions or penalties.

As disclosed in Note (1) in Section 7.9.2 of this Prospectus, there were past material non-compliances by AGX Malaysia in relation to the Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse, and the consequences of non-compliance are as follows:

- (i) Pursuant to Section 27A of the Fire Services Act, any owner, occupier or person having the overall management of the designated premises who fails to establish a fire safety organisation shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or imprisonment for a term not exceeding 5 years or both. The potential maximum fine of RM150,000 for not establishing a fire safety organisation in the Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse respectively, represents 0.89% of our Group's profit before tax for the FYE 2022.
- (ii) Pursuant to the Street, Drainage and Building Act 1974, any person who occupies or permits to be occupied any building or any part of a building without a CF/CCC shall be liable on conviction to a fine not exceeding RM250,000 or imprisonment for a term not exceeding ten (10) years or to both. The potential maximum fine of RM250,000 for occupying the Previous Port Klang Warehouse 2 which contained unapproved awning extension without a CF/CCC obtained by the landlord in respect of the unapproved extension represents 1.49% of our Group's profit before tax for the FYE 2022.

## 9. RISK FACTORS (Cont'd)

As part of the remedial steps taken by our Group to rectify the non-compliances above, we have amalgamated and terminated our tenancies at the Previous Port Klang Warehouse 1, Previous Port Klang Warehouse 2 and Previous Telok Gong Warehouse, and relocated to the Lot 41 Warehouse. Please refer to Note (1) in Section 7.9.2 of this Prospectus for further details.

As at the LPD, we have not been fined or issued with any notice of non-compliance from the relevant authorities in relation to the past non-compliances above. Please refer to Section 7.20.1 of this Prospectus for the relevant provisions of the Fire Services Act 1988 and Street, Drainage and Building Act 1974.

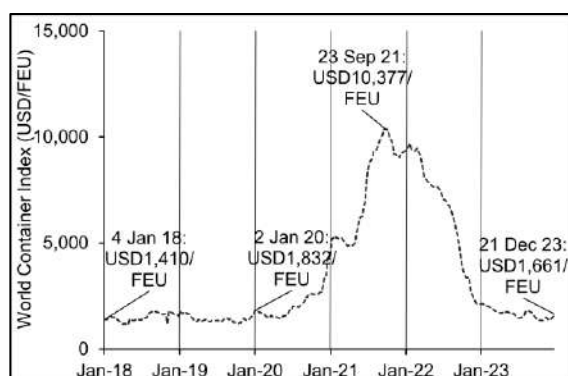
### 9.1.2 We are subject to risks related to fluctuations in sea and air freight rates

The pricing of our sea freight forwarding services, and for our air freight forwarding and aerospace logistics services are largely dependent on the prevailing sea freight rates and air freight rates, respectively. Sea and air freight rates are subject to fluctuations based on, among other factors, the level of economic and external trade activities, trade relations between major economies, availability of empty containers and demand for sea or air freight on a particular route coupled with the availability of vessels or aircraft travelling on that route.

As an example, the global supply chain disruption prompted by the COVID-19 pandemic, combined with the US-China trade war has led to higher sea and air freight rates since 2020.

#### Sea freight rates

The weekly sea freight rate generally grew by 466.4% from USD1,832/FEU on 2 January 2020 to USD10,377/FEU on 23 September 2021 (the highest rate recorded between 4 January 2018 and 21 December 2023), before declining by 84.0% to USD1,661/FEU on 21 December 2023. The graphical illustration of the weekly sea freight rates, represented by the World Container Index, from 4 January 2018 to 21 December 2023 is presented in the chart as follows (Source: IMR Report):



To further illustrate, during the Financial Years and Period Under Review, our Group's total revenue, volume handled and average pricing (i.e. average revenue per TEU) for the sea freight forwarding segment (being our largest revenue contributor for FYE 2020, FYE 2021 and FYE 2022 and second largest revenue contributor for FPE 2023) were as follows:

		FYE 2020	FYE 2021	FYE 2022	FPE 2023
<b>Sea freight forwarding</b>					
Revenue (RM'000)	<b>(A)</b>	61,224	119,973	126,582	44,925
Volume handled (TEU)	<b>(B)</b>	19,363	21,205	25,037	9,643
Average revenue per TEU (rounded to the nearest hundred RM)	<b>(A / B)</b>	3,200	5,700	5,100	4,700

## 9. RISK FACTORS (Cont'd)

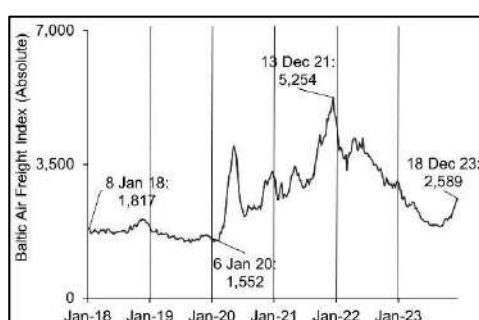
In line with the increase in weekly sea freight rates during the FYE 2021 as set out in the chart above, our average revenue per TEU increased by approximately RM2,500 per TEU from RM3,200 per TEU in FYE 2020 to RM5,700 per TEU in FYE 2021. Coupled with an increase in our volume handled by 1,842 TEU from 19,363 TEU handled in FYE 2020 to 21,205 TEU handled in FYE 2021, our Group's revenue for the sea freight forwarding segment has increased by 95.96% or RM58.75 million from RM61.22 million for the FYE 2020 to RM119.97 million for the FYE 2021.

As for FYE 2022, the weekly sea freight rates had been on a declining trend and resulting therefrom, our average revenue per TEU decreased by approximately RM600 per TEU from RM5,700 per TEU in FYE 2021 to RM5,100 per TEU in FYE 2022. Notwithstanding the foregoing, our volume handled increased by 3,832 TEU from 21,205 TEU handled in FYE 2021 to 25,037 TEU handled in FYE 2022. Following this, our Group has managed to record an increase in revenue for the sea freight forwarding segment by approximately 5.51% or RM6.61 million from RM119.97 million for the FYE 2021 to RM126.58 million for the FYE 2022.

For FPE 2023, the weekly sea freight rates were generally lower as compared to FPE 2022 and in line with this, our average revenue per TEU decreased by approximately RM4,300 per TEU from RM9,000 per TEU in FPE 2022 to RM4,700 per TEU in FPE 2023. Coupled with a decrease in our volume handled by 974 TEU from 10,617 TEU handled in FPE 2022 to 9,643 TEU handled in FPE 2023, our Group's revenue for the sea freight forwarding segment has decreased by approximately 52.99% or RM50.65 million from RM95.57 million for the FPE 2022 to RM44.93 million for the FPE 2023.

### Air freight rates

The weekly air freight rate, represented by Baltic Air Freight Index, generally grew by 238.5% from 1,552 on 6 January 2020 to 5,254 on 13 December 2021 (the highest index value recorded between 8 January 2018 and 18 December 2023), before declining by 50.7% to 2,589 on 18 December 2023. The graphical illustration of the weekly freight rates, represented by the Baltic Air Freight Index, from 8 January 2018 to 18 December 2023 is presented in the chart as follows (Source: IMR Report):



For further illustration, during the Financial Years and Period Under Review, our Group's total revenue, volume handled and average pricing (i.e. average revenue per tonne) for the air freight forwarding segment (being our second largest revenue contributor for FYE 2020, FYE 2021, FYE 2022 and third largest revenue contributor for FPE 2023) were as follows:

		FYE 2020	FYE 2021	FYE 2022	FPE 2023
<b>Air freight forwarding Revenue (RM'000)</b>	<b>(A)</b>	35,012	51,785	63,650	20,916
Volume handled (tonnes)	<b>(B)</b>	3,947	6,733	6,656	3,229
Average revenue per tonne (rounded to the nearest hundred RM)	<b>(A / B)</b>	8,900	7,700	9,600	6,500

## 9. RISK FACTORS (Cont'd)

Notwithstanding the increase in weekly air freight rates during the FYE 2021, our Group recorded a decrease in average revenue per tonne by RM1,200 per tonne from RM8,900 per tonne in FYE 2020 to RM7,700 per tonne in FYE 2021. This was mainly contributed by our Philippines operations, being the largest contributor to the air freight forwarding segment in FYE 2021 (i.e. approximately 56%) whereby there was higher handling of inbound air freight cargo which is associated with lower charges for documentation and excludes air freight charges.

However, our Group managed to record an increase in revenue for the air freight forwarding segment by approximately 47.91% or RM16.78 million from RM35.01 million for the FYE 2020 to RM51.79 million for the FYE 2021, contributed by an increase in volume handled by 2,786 tonnes from 3,947 tonnes in FYE 2020 to 6,733 tonnes in FYE 2021.

As for FYE 2022, our average revenue per tonne increased by RM1,900 per tonne from RM7,700 per tonne in FYE 2021 to RM9,600 per tonne in FYE 2022, notwithstanding the weekly air freight rate was on a declining trend as depicted in the chart above. This was mainly contributed by our Philippines operations, being the largest contributor to the air freight forwarding segment in FYE 2022 (i.e. approximately 56%), whereby longer routes (associated with higher average revenue per tonne) were introduced to meet some customer requirements.

In line with the foregoing, our Group managed to record an increase in revenue for the air freight forwarding segment by approximately 22.91% or RM11.86 million from RM51.79 million for the FYE 2021 to RM63.65 million for the FYE 2022.

For FPE 2023, the weekly air freight rates were generally lower as compared to FPE 2022, and in line with this, our average revenue per tonne decreased by approximately RM6,000 per tonne from RM12,500 per tonne in FPE 2022 to RM6,500 per tonne. Coupled with a decrease in our volume handled by 757 tonnes from 3,986 tonnes in FPE 2022 to 3,229 tonnes in FPE 2023, our Group's revenue for the air freight forwarding segment has decreased by approximately 57.93% or RM28.80 million from RM49.72 million for the FPE 2022 to RM20.92 million for the FPE 2023.

Apart from the above, aerospace logistics segment became our Group's largest revenue contributor in FPE 2023, representing approximately 37.06% of our Group's total revenue in FPE 2023. In line with the lower weekly air freight rates in FPE 2023 as compared to FPE 2022, our average revenue per tonne for the aerospace logistics segment decreased by approximately RM6,500 per tonne from RM20,300 per tonne in FPE 2022 to RM13,800 per tonne in FPE 2023. Notwithstanding the foregoing, our volume handled for aerospace logistics increased by 2,498 tonnes from 787 tonnes handled in FPE 2022 to 3,285 tonnes handled in FPE 2023. Following this, our Group has managed to record an increase in revenue for the aerospace logistics segment by approximately 183.52% or RM29.32 million from RM15.98 million for the FPE 2022 to RM45.30 million for the FPE 2023.

Please refer to Section 12.3.3 of this Prospectus for further details on the result of operations – revenue of our Group.

From the illustration above, our pricings for these services are to a certain extent dependent on the prevailing sea and air freight rates, notwithstanding that they may be affected by several other factors such as the country of operations where they have different trade routes and points of origin and destination as well as the types of goods being shipped.

As such, our historical financial performances during FYE 2020 and FYE 2021 may be partially contributed by the increase in sea and air freight rates as illustrated above and in view that the aforementioned rates were on a decreasing trend subsequent to recording the highest rates (i.e. USD10,377/FEU for sea freight rate recorded on 23 September 2021 and index value of 5,254 for air freight rate recorded on 13 December 2021), there is no assurance that we will be able to impose such pricing on our customers in the future. If we are unable to increase our volume and/or charge higher pricing in the future, our revenue may be negatively affected and thereby adversely affecting our financial performance.

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**9. RISK FACTORS (Cont'd)**

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The increase in sea and air freight rates largely affects the senders or the receivers as they are the ones who have to pay for the sea and air freight rates. Following the gradual relaxing of containments in various countries in 2022, the sea and air freight rates declined, mainly due to greater availability of freight capacity globally and lower demand for freight as the global economy remains uncertain, attributing to the continuing Russia-Ukraine conflict, inflationary pressures and tightening in global financial conditions. The sea and air freight rates were generally lower in 2023 compared to 2022. Moving forward, the sea and air freight rates may be affected by the cargo ship attacks in the Red Sea resulting from geopolitical conflicts (Source: IMR Report).

In general, an increase in sea or air freight rates would result in an increase of our pricing for the corresponding service, which may result in an increase in our revenue. However, there is a risk that some of our customers may postpone sending their goods or switch to another mode of transportation, which may adversely affect our revenue. In addition, we may not be able to pass on the entire increase in rates to specific customers which may result in a reduction in margin from that customer.

Conversely, a decrease in sea or air freight rates would generally result in a decrease in our pricing for the corresponding service to remain competitive. There is a risk that this would reduce our revenue and profitability if we are unable to increase business volume to compensate for the decrease in pricing.

Premised on the above, there can be no assurance that our business operations and financial performance will not be adversely affected by the fluctuations in sea and air freight rates.

**9.1.3 The demand for our logistics services and our business volume may be adversely affected by an adverse development in global economy**

Our Group's logistic services involve international shipments where freights are shipped from one country to another. Given the nature of such, the business volume and performance of our Group is dependent on the level of international trades of the countries where we carry out our business operations.

The level of international trades of these countries are dependent on various factors including but not limited to the foreign demand for goods produced from these respective countries as well as the conditions of the global economy. As such, the demand of our logistic services and business volume generally follow suit with the level of international trade activities and the performance of global economy.

The COVID-19 pandemic had led to contraction of the global economy in 2020 which subsequently recovered in 2021. Although the global economy is expected to continue its recovery, factors such as the ongoing war between Russia and Ukraine has led to higher commodity and energy prices, further adding to inflationary pressures arising from supply chain disruptions caused by the COVID-19 pandemic. Notwithstanding the aforesaid global economy contraction, our business volume for sea and air freight forwarding had been on an increasing trend during the FYE 2020, FYE 2021 and FYE 2022. Meanwhile, our business volume for aerospace logistics had declined in FYE 2020 and FYE 2021, following the COVID-19 pandemic related restrictions on domestic and international passenger flights, and had increased in FYE 2022 in line with the increase in activities in the aviation industry.

Any global economic slowdown, increase in inflation and possible global recession may affect the level of international trade activities. This may in turn lead to a decline in the demand for our logistics services and business volume whereby our business operations and financial performance may be adversely affected following such decline.

## 9. RISK FACTORS (Cont'd)

### 9.1.4 Our business operations and financial performance may be adversely affected by the outbreak of infectious diseases

The outbreak of pandemics of infectious diseases or other health epidemics may create substantial economic uncertainty and global instability, which may adversely affect business operations and overall economic activity globally.

As seen during the start of the COVID-19 pandemic, governments around the world imposed various lockdown measures to curb the spread of the virus, leading to disruptions and temporary cessation of business activities.

Should there be a future outbreak of infectious disease similar to the COVID-19 pandemic, governments may, again, impose lockdown measures including closure of international borders as well as temporary cessation of a range of business activities. These measures may have an adverse impact on economic activities globally, which may in turn affect the demand for our services, such as our aerospace logistics services.

As stated in Sections 3.1, 7.2.2 and 12.3.3 of this Prospectus, our Group provides aerospace logistics services, which are driven by the activities of the aviation industry. Our Group's revenue from aerospace logistics were RM16.75 million in FYE 2020, RM11.72 million in FYE 2021, RM29.68 million in FYE 2022 and RM45.30 million for FPE 2023 (RM15.98 million for FPE 2022).

The decline in revenue for our aerospace logistics services in FYE 2021 was mainly attributed to the restrictions placed on domestic and international air travel as a result of the COVID-19 pandemic. However, our revenue and volume from aerospace logistics services in FYE 2022 and FPE 2023 were higher, compared to FYE 2021 and FPE 2022, respectively, reflecting higher demand to transport aircraft parts, components and equipment for maintenance as domestic and international air travel increased with the relaxation of COVID-19 pandemic related restrictions.

Based on the above, should there be any restriction placed on domestic and international air travel due to future outbreak of infectious disease or any other reasons, there is no assurance that there will not be any material adverse impact to the demand for our Group's aerospace logistics services. In view that aerospace logistics services were the largest revenue contributor of the Group for FPE 2023 (accounting for 37.06% of the Group's total revenue), this may in turn have a material adverse impact on our Group's financial performance.

We may also incur additional expenditures for complying with the necessary standard operating procedures in order to continue our business activities. As such, our Group's business operations and financial performance may be adversely affected if there is another global outbreak of infectious disease in the future.

### 9.1.5 We are dependent on our major customers (i.e. Kukdo Chemical and AirAsia Group) and any disruption or loss of Kukdo Chemical and AirAsia Group, respectively as a customer may affect our financial performance

We are dependent on Kukdo Chemical and AirAsia Group as a customer. Kukdo Chemical has been a customer of AGX Korea for approximately 11 years as at the LPD, and engages AGX Korea primarily for sea and air freight forwarding services. AirAsia Group has been a customer of our Group for approximately 18 years as at the LPD, and engages our Group primarily for aerospace logistics and warehousing services.

Kukdo Chemical was the largest customer of our Group during the FYE 2020, FYE 2021 and FYE 2022, accounting for more than 10% of our Group's total revenue (i.e. 13.25%, 27.56% and 20.05% for the FYE 2020, FYE 2021 and FYE 2022 respectively). For FPE 2023, the revenue contribution from Kukdo Chemical accounted for 7.16% of the Group's total revenue.

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**9. RISK FACTORS (Cont'd)**

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In addition, the revenue contribution from Kukdo Chemical represents a significant portion of our revenue from Korea's operations for the Financial Years and Period Under Review, contributing 82.10%, 91.04%, 86.20% and 73.87% of the revenue from Korea's operations for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Our Group's total revenue from AirAsia Group were 7.98% for FYE 2020, 3.31% for FYE 2021, 10.50% for FYE 2022 and 27.37% for FPE 2023 of our Group's total revenue, which accounted for more than 10% in FYE 2022 and FPE 2023. In addition, the revenue contribution from AirAsia Group represents a significant portion of our revenue from aerospace logistics services for the Financial Years and Period Under Review, contributing 58.36%, 54.65%, 82.93% and 73.86% of the aerospace logistics services revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Notwithstanding that we have on-going service contracts with Kukdo Chemical and AirAsia Group (further details of the International Freight Transportation Agreement dated 1 August 2012 between AGX Korea and Kukdo Chemical and Service Agreement dated 1 September 2023 between AGX Malaysia and PT Indonesia AirAsia are set out in Sections 7.3.6 and 7.18 of this Prospectus, respectively), there can be no assurance that Kukdo Chemical and AirAsia Group will continue to engage us for our sea and air freight forwarding services. The service contracts will not provide an assurance that we will continue to generate revenue from Kukdo Chemical and AirAsia Group as we only carry out services based on the purchase orders as and when they are issued by Kukdo Chemical and AirAsia Group or the acceptance of quotations as and when they are requested by Kukdo Chemical and AirAsia Group. Furthermore, there is no assurance that the aforementioned service contracts may not be terminated by Kukdo Chemical and AirAsia Group.

As such, we are exposed to the risk of losing Kukdo Chemical and AirAsia Group as a customer or reduced orders from Kukdo Chemical and AirAsia Group, respectively. In such event and in view that sea and air freight forwarding as well as aerospace logistics segments have been our Group's main revenue contributor for the Financial Years and Period Under Review, our financial performance may be adversely affected.

Although we have business relationships of approximately 11 years with Kukdo Chemical and 18 years with AirAsia Group, and have not encountered any major disputes with Kukdo Chemical and AirAsia Group, respectively, there is no assurance that our current relationship with Kukdo Chemical and AirAsia Group will maintain and/ or not deteriorate.

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## 9. RISK FACTORS (Cont'd)

### 9.1.6 We are dependent on our Executive Directors and key management personnel

We believe that human capital is one of our key success factors. Over the years, we have built an experienced management and operations team in the logistics business, as well as an understanding of our customers' needs and requirements. As such, any loss of our Executive Directors and key management personnel, without a suitable and timely replacement, may have a material adverse impact on our business and our continuing ability to compete effectively. Details of our Executive Directors and key management personnel's length of experience in the logistics industry and number of years with our Group are set out as follows:

Name / designation	No. of years in the logistic industry	No. of years with the Group
Dato' Ponnudorai A/L Periasamy (Executive Director / Group CEO)	35	19
Jayasielan A/L Gopal (Executive Director)	44	19
Penu Mark (Executive Director)	14	14
Neo Lip Pheng, Peter (Executive Director)	31	13
Chang Poh Sheng (CFO)	6	6
Yun JaeHoon (Managing Director of AGX Korea)	22	12
Maximino Baylen Gulmayo, Jr. (Managing Director of AGX Philippines)	31	12

The profiles of our Board and key management personnel are set out in Sections 5.1.2, 5.2.2 and 5.4.3 of this Prospectus.

During the FYE 2022, our operations in the Philippines and Korea were the first and second largest revenue contributors to our Group, accounting for approximately 38.05% and 23.27% of our Group's total revenue respectively. As our operations in the Philippines and Korea are spearheaded by Maximino Baylen Gulmayo, Jr, being the Managing Director of AGX Philippines and Yun JaeHoon, being the Managing Director of AGX Korea respectively, the loss of any of them as key management personnel may have a material adverse impact on our Group's financial performance.

As part of our strategy to retain our employees, we offer competitive remuneration packages to our key management personnel. In addition, we provide a healthy working environment, we practise good workplace culture and uphold work ethics to create a sense of belonging and foster good working relationships amongst our employees. We also provide training and career development opportunities for our employees.

Further, in conjunction with our Listing, we have allocated a portion of our IPO Shares to the Eligible Persons, including our key management personnel. Should these employees subscribe to our IPO Shares, they will become shareholders of our Company and may therefore be further motivated to continuously contribute to our success.



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**9. RISK FACTORS (Cont'd)**

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In the Financial Years and Period Under Review up to the LPD, we have not experienced any loss of our key management personnel that has materially impacted our business. Nonetheless, there can be no assurance that the above measures will be successful in attracting and retaining key management personnel or ensuring a smooth transition should any such changes occur.

**9.1.7 We may face credit risk and default in payment by our customers**

Generally, the trade credit terms granted to our customers range from 30 to 90 days. Our customers have varying degrees of creditworthiness which expose us to the risk of non-payment of them. Should our customers fail to meet their payment obligations in accordance with the agreed terms, our operating cash flows, financial condition and financial performance could be adversely affected.

We are aware of the consequences arising from our exposure to credit risk and have implemented credit risk management policies through the application of credit terms approval and monitoring procedures on an ongoing basis.

We incurred net allowance for impairment losses on trade receivables (including bad debts written off) of approximately RM1.52 million, RM2.57 million, RM0.37 million and RM0.58 million for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. Although there have been no material collection problems for trade receivables during the Financial Years and Period Under Review up to the LPD, there is no assurance that our customers will be able to fulfil their payment obligations and that our Group will not encounter collection problems in the future. If our customers default or delay their payments, this could lead to impairment of our trade receivables which may adversely affect our financial condition and financial performance.

**9.1.8 We may face difficulty in implementing our future plans**

As set out in Sections 4.7.1 and 7.21 of this Prospectus, we intend to utilise part of the IPO proceeds for, amongst others, expanding our existing business operations in Malaysia and South Korea as well as the repayment of bank borrowings. The successful implementation of our future plans above is based on current circumstances and is dependent on several factors including the availability of funds, industry prospects, general economy conditions and relevant laws and regulations, some of which are beyond our control.

As part of our business expansion plan, we intend to set up the New Warehouses and Offices in Malaysia and South Korea (please refer to Section 4.7 of this Prospectus for further details). In this regard, we will be required to identify appropriate premises as well as hire personnel with the requisite skills and experiences to support our business operations. We may not be able to identify an appropriate premise in a timely manner considering the need to ensure the availability of premises with appropriate conditions and with all the necessary approvals. Further, there is no certainty that we are able to hire the relevant personnel as people may not respond to our job postings or we are unable to meet the expectations of candidates in terms of remuneration and working arrangements. Lastly, there is also no certainty that we may be able to secure customers for our businesses at these new locations.

Should these circumstances change materially from our expectations, we may need to reconsider and revise or defer our current future plans to cater for these changes. In such event, we may not be able to derive the expected benefits from the current future plans and this may adversely affect our business and financial performance. Pursuant to Rule 8.24 of the Listing Requirements, we must issue a circular to our shareholders and seek our shareholders' approval if we propose to make a change of 25% or more to the utilisation of proceeds raised from our Public Issue.

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**9. RISK FACTORS (Cont'd)**

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**9.1.9 We are dependent on other freight forwarders and service providers in our logistic services**

We appoint other freight forwarders to manage our logistics business in certain instances when we are engaged by our customers to provide logistics services in countries where we do not have a physical presence. In these instances, we incur local charges which are fees that we pay to other freight forwarders and third-party logistics service providers to manage our customer's goods. These include packing and unpacking as well as breakbulk, further details of which are set out in Section 12.3.4 of this Prospectus. Our local charges represented 22.37%, 13.96%, 17.65% and 16.51% of our cost of sales for the Financial Years and Period Under Review respectively.

We also engage third party service providers to provide certain facilities and services required for our operations, including vehicle maintenance and IT support services.

Any failure by the independent third parties service providers engaged by us to perform their services or our failure to renew our contracts with the independent third party service providers or negotiate replacement contracts with other independent third party service providers at comparable or acceptable rates, upon the termination or expiration of such contracts, may affect our business operations.

Any failure by our business partners, overseas freight forwarders or independent third party service providers may have an adverse impact on our reputation, business, operations and financial performance.

As disclosed in Note (2) in Section 7.10.1 of this Prospectus, in the event AGX Malaysia is unable to comply with the Bumiputera Participation Condition (or any subsequent revised Bumiputera Participation Condition by MOF) imposed on the approval to act as forwarding agent granted to AGX Malaysia by RMCD by 31 December 2024 or any further extensions of time granted by MOF and if such approval is revoked, cancelled or not renewed as a result of the non-compliance with the Bumiputera Participation Condition, AGX Malaysia would not be able to continue to provide custom clearance services on its own, and would be required to depend on third party forwarding agents engaged by AGX Malaysia, i.e. New Sign Logistics (M) Sdn Bhd, to provide customs clearance services on its behalf. By engaging third party forwarding agents, we face the risk of not being able to secure new customers in particular, customers that require our Group's involvement in the entire freight forwarding process, including customs clearance at Malaysia customs and ports.

In view of the arrangement above and the possibility of AGX Malaysia not being able to provide custom clearance services on its own, the revenue and/or gross profit contributions generated from the customs clearance services will be reduced.

During the Financial Years and Period Under Review, the processing of documentations for custom clearance contributed less than 2% of AGX Malaysia's revenue and less than 3% of AGX Malaysia's gross profits.

In addition, we cannot guarantee that the third-party service providers or forwarding agents have the requisite and similar expertise as our Group, and the quality of services provided by them to our customers is the same as our Group. Nevertheless, with AGX Malaysia's experience in the road freight transportation business and customs clearance, AGX Malaysia would be able to provide guidance to the third-party service providers and forwarding agents to carry out the services on our Group's behalf.

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**9. RISK FACTORS (Cont'd)**

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**9.1.10 Our existing tenancies may be terminated and we may not successfully renew our existing tenancies**

Presently, our operational facilities are rented from third-parties with tenancy terms ranging between 1 to 5 years. Further details of our operational facilities are set out in Section 7.3.7 of this Prospectus and the tenancy terms/tenure are set out in Section 7.9.2 of this Prospectus.

Save as disclosed in Section 7.9.2 of this Prospectus, upon expiry of the respective tenancies, the respective landlords will have the absolute right to review and revise the terms and conditions of the tenancy agreements. In this regard, there is no assurance that we will be able to renew the tenancy agreements on commercially favourable terms and conditions in the future.

Our Group is unable to estimate the renewal cost for the rental of operational facilities as this is subject to among others, the market rental rate as well as rental rates demanded by the landlord at the relevant time.

As for the costs to be incurred for relocation to a new premises, it will depend on among others, the logistics costs for moving the goods depending on location and distance as well as renovation costs to be incurred. The renovation costs also depend on the conditions of identified facility and is typically higher for bare unit which requires more renovation and lower for move-in ready unit.

If these tenancies are not renewed or we are unable to secure new alternative tenancies at reasonable rates and strategic locations, our business operations may be materially affected.

**9.1.11 We may not be able to procure sufficient amount of cargo space to meet our customers' requirements**

We procure cargo spaces from air and ocean cargo carriers for our sea and air freight forwarding businesses. In this regard, cargo spaces are provided by our suppliers on a first come first serve basis at the point when we make the booking request. As such, there is no assurance that we are able to secure sufficient cargo spaces to meet our customers' requirements.

Notwithstanding that during the Financial Years and Period Under Review, we have not experienced any such incidents, we cannot guarantee that we will not encounter any shortage of cargo spaces nor we are able to continue leverage on our relationships with our suppliers to procure sufficient cargo spaces to meet our customers' requirements. If such event happens, it may lead to reputational damage and thus affecting our business and financial performance adversely.

**9.1.12 Our major customers or the industries they are involved in may experience a trade ban**

Given the nature of our Group's business in the logistics industry, we are reliant on our major customers' business activities as well as the industries that they are involved in.

In the event our major customers receive a trade ban by any foreign country that they export their products to, we may experience a decrease in demand for our services as they will not be able to trade their products in the countries where the ban is in place.

The industries which our major customers are involved in may also be subject to tariffs or trade bans enacted by different overseas countries. This would also affect the demand for our major customers' products, which would in turn adversely affect the demand for our services.

Therefore, should our major customers or the industries they are involved in experience a trade ban, our business operations and financial performance may be adversely affected.

## 9. RISK FACTORS (Cont'd)

### 9.1.13 We are subject to the risk of fluctuation in foreign exchange rates

Our Group's revenue is mainly derived from international shipments and given that we have businesses in several countries (i.e. Malaysia, the Philippines, Korea, Myanmar and Singapore), most of our businesses are conducted in foreign currencies.

Our Group's revenue denominated in foreign currency represented to 88.31%, 89.63%, 88.29% and 81.33% of our Group's total revenue for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively. On the other hand, cost of sales denominated in foreign currency represented to 89.18%, 89.08%, 92.02% and 89.96% of our Group's total cost of sales for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

As we are unable to estimate the movement of foreign exchange rates and its impact on our revenue and cost of sales in foreign currencies, any significant fluctuation in the exchange rate of the respective foreign currencies into RM or vice versa may have a significant impact, either positive or negative, on our financial performance.

Presently, we have not entered into hedging transactions to manage our exposures to currency risk for receivables and payables which are denominated in foreign currencies. As such, there is no assurance that any significant fluctuation in foreign currency exchange rate will not have an adverse impact on our overall financial performance.

### 9.1.14 We are affected by breach of laws and regulations attributable to our customers

Save for our warehousing and 3PL services, our customers engage our logistic services by a written request. The written request will specify amongst others, the type and quantity of cargos to be transported, special handlings requirements, pick-up timing and location as well as delivery destination. Based on the written request above, we will then provide them with a formal proposal/quotation (for customers without a service contracts), including our standard terms of service, which encompass the provision of true, complete and accurate information of the cargo by the customers as well as compliance with the laws and regulations of the respective destination countries.

Typically, entrance of cargos to any countries is subject to customs clearance and given that we have no actual knowledge of the goods contained in the cargos/containers, there can no assurance that these cargos may be different from what have been declared to us by our customers. In this regard, if such cargos involve illegal activities or is in breach of the relevant jurisdiction, we may be subjected to investigations or penalties imposed by the relevant authorities. In such event, our reputation and business operations may be adversely affected.

Although we undertake steps to ensure the accuracy and reliability of cargo information provided to us which include know-your-client procedures prior to accepting customers' order as well as verifying the necessary document for shipments, the cargos may be different from what have been declared to us by our customers. During the Financial Years and Period Under Review, we have not encountered any breach of laws and regulations attributable to our customers arising from such an event.

### 9.1.15 We face threat of cargo hijacking and theft incident

The risks of cargo hijacking and theft incidents are inherent to the nature of our road freight transportation and warehousing and 3PL businesses. The potential impact of such includes reputational damage leading to a reduction in demand for our logistic services, increased costs to tighten security as well as additional insurance costs.

In the past, we have not encountered any incident of cargo hijacking and theft. However, there can no assurance that such incidents will not occur in the future. If such incidents occur, we may be liable for the losses and be subjected to claims by our customers, which may lead to adverse impact on our financial performance.

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**9. RISK FACTORS (Cont'd)**

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**9.1.16 Our insurance coverage may not be sufficient to cover for all the risks associated with our business operations**

We have insurance coverage to protect ourselves against various potential losses and liabilities. As at the LPD, we have forwarder protect liability insurance covering up to USD500,000 for any one incident or occurrence for all our logistics services.

Despite the above, we are still exposed to the risk that the insurance coverage may not be sufficient to cover all the risks associated with our business operations in the future. In addition, our offices and warehouse may be exposed to the risk of, among others, burglary, breakout of fire and flood which may cause disruption to our business operations and adversely affect our financial performance.

In the event of uninsured losses or losses exceeding our insured limit, including those by other circumstances beyond our control, we may be required to bear such losses, damages or liabilities. During the Financial Years and Period Under Review, we have not encountered any material incident of claims against our insurance.

We cannot assure that our insurance coverage would be sufficient to cover all potential losses and indemnify us against all possible liabilities arising from our operations as well as to offset the potential financial losses arising from public liability, fire, theft and personal accidents. Our business and financial performance may be adversely affected if such claims exceed the coverage of our insurance policies.

**9.1.17 We are subject to interest rate fluctuations**

As at the LPD, we have a total of, short-term and long-term borrowings (including lease liabilities), approximately RM12.32 million in aggregate, out of which 96.31% or approximately RM11.87 million are borrowings with variable interest rates.

As such, we are susceptible to fluctuations in interest rates for our bank borrowings. We may also face difficulties in obtaining additional financing from the financial institutions to fund our working capital requirements and future business expansion if we are unable to meet our repayment obligations.

As we are unable to estimate the movement of interest rate, any significant increase in the interest rate may have a material adverse effect on our financial performance. Presently, we have not entered into hedging transactions to manage our exposure to interest rate risk. During the Financial Years and Period Under Review, we have not experienced any material adverse effect resulting from an increase in interest rate.

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## 9. RISK FACTORS (*Cont'd*)

### 9.2 RISKS RELATING TO OUR INDUSTRY

#### 9.2.1 We operate in a competitive industry

We operate in a competitive industry and face competition in the countries where we operate. As of 26 December 2023, there were:

- 1,421 operators registered as members of the Federation of Malaysian Freight Forwarders;
- 586 operators registered as air freight forwarders with the Civil Aeronautics Board of Philippines; 907 operators accredited by the Department of Trade and Industry of Philippines as sea freight forwarders, of which 823 are accredited as international freight forwarders. Out of the 823 international freight forwarders, 567 of them are also accredited as non-vessel operating common carriers;
- 767 operators registered as members of Korea International Freight Forwarders Association;
- 260 operators registered as ordinary members of Myanmar International Freight Forwarders' Association, which comprises domestic freight forwarding and logistics companies; and
- 689 operators registered with the Singapore Logistics Association, comprising 31 air freight forwarders, 85 sea freight forwarders, and 311 both air and sea freight forwarders.

*(Source: IMR Report)*

It should be noted that there are operators that are not registered with the respective government bodies and associations. Operators in the industry compete based on, among others, range of services provided, customer service, rates, geographical coverage, physical presence in different countries and availability of warehouse space. Due to the large number of operators in the countries where we operate in, our existing and prospective customers can choose our competitors to provide them with logistics services. Competition may result in, among others, reduction in our rates and profit margins, loss of existing customers and/or failure to secure new customers, which could adversely affect our business operations, financial performance and prospects.

#### 9.2.2 We are subject to economic, social, political and regulatory risks in the countries where we have a physical presence, as well as pandemic and geopolitical risks

Our business operations, financial performance and growth prospects in the countries where we have a physical presence may be adversely affected by economic, social, political and regulatory events in the respective countries. These events include, but are not limited to, global, regional or domestic recession or economic slowdown, inflation and supply chain disruptions; the occurrence of war, civil war, rebellion or civil disobedience; changes in political leadership or system of government; changes in the economy, interest rate, taxation, trade, corporate ownership, equity participation, investment, foreign exchange or profit repatriation policies; and changes in logistics industry regulations. In addition, we also face risks related to the COVID-19 pandemic or other diseases, and geopolitical events such as the Russia-Ukraine armed conflict.

These events are beyond our control, and the occurrence of one or more of these events may have an adverse effect on our business operations, financial performance and growth prospects.

## **9. RISK FACTORS (Cont'd)**

### **9.3 RISKS RELATING TO OUR SHARES**

#### **9.3.1 There has been no prior market for our Shares**

Prior to our Listing, 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 market can be sustained. The IPO Price was determined after taking into consideration a number of factors including, but not limited to, our historical earnings, prospects and future plans and our financial and operating history.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market upon our Listing or that an active market for our Shares will develop.

#### **9.3.2 The trading price and volume of our Shares upon Listing may be volatile**

The market price of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- (i) variations 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, general economic conditions or stock market sentiments or other events or factors;
- (v) changes in market valuations and share prices of companies with similar businesses to our Company that may be listed in Malaysia or anywhere else in the world;
- (vi) additions or departures of key senior management;
- (vii) fluctuations in stock market prices and volumes; or
- (viii) involvement in claims, litigation, arbitration or other form of dispute resolution.

#### **9.3.3 There may be a potential delay to or cancellation of our Listing**

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:

- (i) our Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations;
- (ii) the revocation of approvals from relevant authorities for our Listing and/or admission for whatever reason; or
- (iii) we are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the point of our Listing.

## 9. RISK FACTORS (Cont'd)

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. Our Company and Selling Shareholders, shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which our Company and Selling Shareholders shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate 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 and all monies paid in respect of applications for our IPO Shares will be refunded free of interest.

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, our Company and Selling Shareholders shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate 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. Such cancellation can be implemented by either:
  - (a) the sanction of our shareholders by special resolution in a general meeting, 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
  - (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from the directors.

Nonetheless, our Board will endeavour to ensure compliance with the various requirements for our Listing.

### 9.3.4 Future sale or issuance of our Shares could adversely affect our Share price

Any future sale, issuance or availability of our Shares can have an adverse effect on our Share price. The sale of a significant amount of our Shares in the public market after our IPO, or the perception that such sales may occur, could adversely affect the market price of our Shares. These factors also affect our ability to raise funds from the issue of additional equity securities.

If our Promoters sell, or are perceived to sell, substantial amounts of Shares in the public market following the expiry of the moratorium period, this may result in a dampening effect on our Share price.

### 9.3.5 We are a holding company and, as a result, are dependent on the flow of dividends from our subsidiaries to provide funds for payment of dividends on our Shares

Our ability to pay dividends or make other distributions to our shareholders is not guaranteed. Our Company is a holding company and we conduct, substantially, all of our operations through our subsidiaries. Accordingly, an important source of our income is the amount of dividends and other distributions that our Company receives from our subsidiaries. Consequently, our ability to declare and pay dividends are dependent on the financial performance of our subsidiaries.



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**9. RISK FACTORS (Cont'd)**

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Please refer to Section 12.4 of this Prospectus for further discussion on our dividend policy and Section 14.5 of this Prospectus for detailed information on the repatriation of capital, remittance of profit and taxation by or to our Group.

**9.3.6 Our future fund-raising exercise may result in dilution of your shareholdings**

Our capital requirements are dependent on, amongst others, our business, the availability of our resources for attracting, maintaining and enlarging our client base and the need to maintain and expand our service offering. Thus, we may need additional capital expenditure for future expansions and/or investments. An issue of new shares or other securities to raise funds will dilute shareholders' equity interest and may, in case of a rights issue, require additional investments by shareholders.

**9.4 OTHER RISKS****9.4.1 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO**

As disclosed in Section 5 of this Prospectus, our Promoters will directly and collectively hold, in aggregate, 58.27% of our enlarged issued share capital upon Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group. They may also be able to 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.

For instance, due to the Promoters' collective shareholding, unless the Promoters are required to abstain from voting either by law and/or by the relevant guidelines or regulations, where the Promoters vote in favour of ordinary resolutions which require a simple majority approval, their voting in favour will result in the ordinary resolutions being passed. Conversely, if the Promoters vote against such resolutions, such resolutions will not be able to be passed.

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## 10. RELATED PARTY TRANSACTIONS

Pursuant to the Listing Requirements, subject to the exemptions, generally a “related party transaction” is a transaction entered into by a listed corporation or its subsidiary which involves the interest, direct or indirect, of a related party. A “related party” is defined as a director, major shareholder or person connected with such director or major shareholder (including, a director or major shareholder within the preceding 6 months before the transaction was entered into) as per Rule 10.02 of the Listing Requirements. “Major shareholder” means a shareholder with a shareholding of 10% or more (or 5% or more where such person is the largest shareholder in the company) of all the voting shares in the company as per Rule 1.01 of the Listing Requirements.

Upon our Listing, we may be required to seek our shareholders’ approval each time we enter into a material related party transaction in accordance with Rule 10.08 of the Listing Requirements. However, if the related party transactions are deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders’ approval each time and the interested person shall abstain from voting on resolution(s) pertaining to the respective transaction.

Under the Listing Requirements, related party transactions may be aggregated to determine the materiality if the transaction occurred within a 12 months period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities or interests in one corporation/ asset or of various parcels of land contiguous to each other.

### 10.1 RELATED PARTY TRANSACTIONS

Save for the Pre-IPO Internal Re-organisation Acquisitions as set out in Section 6.6.1 of this Prospectus and as disclosed below, there are no material related party transactions, existing or proposed, entered or to be entered into by our Group which involved the interests, direct or indirect, of our Directors, major shareholders and/ or persons connected with them for the Financial Years and Period Under Review and up to the LPD:

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 September 2023 up to the LPD
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	AGX Malaysia and Golden Empire Logistics (M) Sdn Bhd (“Golden Empire”) <sup>(1)</sup>	Dato’ Ponnudorai A/L Periasamy is the Executive Director/ Group CEO, Promoter and substantial shareholder of AGB.  Saravanan A/L Suppiah is the director and shareholder of Golden Empire.  Saravanan A/L Suppiah is Dato’ Ponnudorai A/L Periasamy’s spouse’s brother.	Provision of air and sea freight forwarding services by AGX Malaysia to Golden Empire.  This is a recurrent transaction and will subsist after the Listing.	185  (0.15% of our Group’s revenue)	180  (0.09% of our Group’s revenue)	371  (0.16% of our Group’s revenue)	61  (0.05% of our Group’s revenue)	8

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				1 September 2023 up to the LPD RM'000
				FYE 2020	FYE 2021	FYE 2022	FPE 2023	
				RM'000	RM'000	RM'000	RM'000	
2.	AGX Singapore and Premier Football <sup>(2)</sup>	<p>Penu Mark is the Executive Director, Promoter and substantial shareholder of AGB. He is also a director and indirect shareholder of AGX Singapore.</p> <p>Penu Mark was a director (ceased to be a director on 15 February 2023) and indirect shareholder of Premier Football<sup>(3)</sup> (via his direct shareholding in Penu Investments<sup>(4)</sup>).</p>	<p>Provision of road freight transportation service by AGX Singapore to Premier Football.</p> <p>This was a recurrent transaction and will not subsist after the Listing.</p>	16  (0.01% of our Group's revenue)	24  (0.01% of our Group's revenue)	2  (less than 1% of our Group's revenue)	-	-
3.	AGX Singapore and Premier Sports <sup>(5)</sup>	<p>Penu Mark is the Executive Director, Promoter and substantial shareholder of AGB. He is also a director and indirect shareholder of AGX Singapore.</p> <p>Penu Mark is a director and indirect shareholder of Premier Sports (via his direct shareholding in Penu Investments).</p>	<p>Provision of road freight transportation service by AGX Singapore to Premier Sports.</p> <p>This is a recurrent transaction and will subsist after the Listing.</p>	#	#	2  (less than 1% of our Group's revenue)	-	1

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**10. RELATED PARTY TRANSACTIONS (Cont'd)**

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				1 September 2023 up to the LPD RM'000
				FYE 2020	FYE 2021	FYE 2022	FPE 2023	
				RM'000	RM'000	RM'000	RM'000	
4.	AGX Philippines and AAD Philippines <sup>(6)</sup>	<p>Neo Lip Pheng, Peter and Penu Mark are the Executive Directors, Promoters and substantial shareholders of AGB.</p> <p>Neo Lip Pheng, Peter is a director and direct and indirect shareholder of AGX Philippines. Penu Mark is an indirect shareholder of AGX Philippines.</p> <p>Penu Mark was a director (ceased to be a director on 30 October 2022) and direct shareholder of AAD Philippines<sup>(7)</sup>. He was an indirect shareholder of AAD Philippines<sup>(8)</sup> (via his indirect shareholding in AAD Holdings<sup>(9)</sup> held via his indirect shareholding in TheScaleGroup<sup>(10)</sup> through Penu Investments).</p> <p>Neo Lip Pheng, Peter was an indirect shareholder of AAD Philippines<sup>(8)</sup> (via his indirect shareholding in AAD Holdings held via his direct shareholding in TheScaleGroup).</p> <p>Maximino Baylen Gulmayo, Jr. is a substantial shareholder of AGB. He is also a director and direct and indirect shareholder of AGX Philippines.</p> <p>Maximino Baylen Gulmayo, Jr. was a director (ceased to be a director on 30 October 2022) and direct shareholder of AAD Philippines<sup>(7)</sup>. He was an indirect shareholder of AAD</p>	<p>Provision of 3PL service by AGX Philippines to AAD Philippines.</p> <p>This was a recurrent transaction and will not subsist after the Listing.</p>	648  (0.53% of our Group's revenue)	-	-	-	-

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value				
				FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 September 2023 up to the LPD
				RM'000	RM'000	RM'000	RM'000	RM'000
		Philippines <sup>(8)</sup> (via his indirect shareholding in AAD Holdings held via his direct shareholding in TheScaleGroup).						
5.	AGX Singapore and AAD Singapore <sup>(11)</sup>	<p>Neo Lip Pheng, Peter and Penu Mark are the Executive Directors, Promoters and substantial shareholders of AGB.</p> <p>Neo Lip Pheng, Peter and Penu Mark are directors and indirect shareholders of AGX Singapore.</p> <p>Penu Mark was a director (ceased to be a director on 31 May 2021) and indirect shareholder of AAD Singapore<sup>(8)</sup> (via his indirect shareholding in AAD Holdings held via his indirect shareholding in TheScaleGroup through Penu Investments).</p> <p>Neo Lip Pheng, Peter was a director (ceased to be a director on 2 March 2020) and indirect shareholder of AAD Singapore<sup>(8)</sup> (via his indirect shareholding in AAD Holdings held via his direct shareholding in TheScaleGroup).</p>	<p>Provision of warehousing and other 3PL services by AGX Singapore to AAD Singapore.</p> <p>This was a recurrent transaction and will not subsist after the Listing.</p>	1  (less than 1% of our Group's revenue)	-	-	-	-

**Notes:**

# The amount is negligible as it is less than RM1,000.

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

- (1) *Golden Empire is principally involved in forwarding of freight.*
- (2) *Premier Football is principally involved in the retail sale and wholesale of football merchandise.*
- (3) *Penu Investments had, on 31 January 2023, disposed of its entire shareholding in Premier Football, representing 100% of the total issued capital of Premier Football, to Warrix Holding Pte Ltd, a non-related party, for a consideration of SGD800,000 (equivalent to approximately RM2.59 million, based on the exchange rate of SGD1:RM3.2321, being the Bank Negara Malaysia's middle rate as at 12.00 p.m. on 31 January 2023).*
- (4) *The principal activity of Penu Investments is investment holding in shares. Please refer to the list of investments of Penu Investments in Section 5.2.4(c) of this Prospectus.*
- (5) *Premier Sports is principally involved in the distribution of football merchandise to official sports retailers.*
- (6) *AAD Philippines principally engages in, conducts and carries on an e-commerce distribution business, rendering solutions for clients such as online store management, online distribution channel development, online data analysis and online campaign including the development, marketing and provision of internet goods and services; software systems; logistic, digital and payment services; and other services related to the said business inside and outside the Philippines through subsidiaries or otherwise, without engaging in mass media and advertising activities and providing value added telecommunication services and payment services requiring special permission under the law.*
- (7) *Penu Mark and Maximino Baylen Gulmayo, Jr. have disposed of their entire shareholding in AAD Philippines, representing 0.001% and 5% of the total issued capital of AAD Philippines respectively, to AAD Holdings and ceased to be directors of AAD Philippines on 30 October 2022.*
- (8) *TheScaleGroup had, on 1 June 2021, disposed of its entire shareholding in AAD Holdings, representing 100% of the total issued capital of AAD Holdings, to ADA Digital Singapore Pte Ltd for a consideration of USD20,000,000 (equivalent to approximately RM82.41 million, based on the exchange rate of USD1:RM4.1205, being the Bank Negara Malaysia's middle rate as at 12.00 p.m. on 1 June 2021). AAD Holdings in turn owns 95,756 shares in AAD Philippines, representing 95% of the total issued share capital of AAD Philippines and 100,000 shares in AAD Singapore, representing 100% of the total issued share capital of AAD Singapore, respectively.*
- (9) *The principal activity of AAD Holdings is investment holding company for e-commerce distribution.*
- (10) *The principal activity of TheScaleGroup is investment holding company for e-commerce distribution.*
- (11) *The principal activities of AAD Singapore are development of software and applications (except games and cybersecurity) and e-commerce distribution.*

## 10. RELATED PARTY TRANSACTIONS (Cont'd)

Save for the following, our Directors, having considered all aspects of the related party transactions, are of the opinion that all the related party transactions set out above were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to our Group as the transactions were based on comparable rates of similar services provided to external customers by our Group:

- (i) our Group had, in FYE 2019 and FYE 2020, undertaken and completed the Pre-IPO Internal Re-organisation Acquisitions, details of which are set out in Section 6.6.1 of this Prospectus. All Pre-IPO Internal Re-organisation Acquisitions were completed by December 2020 and thereafter, our Group was formed. Please refer to Section 6.3 of this Prospectus for our Group structure.

The Pre-IPO Internal Re-organisation Acquisitions for the purposes of our Listing were considered as a one-off related party transaction.

- (ii) the road freight transportation services provided by AGX Singapore to Premier Football for FYE 2020 had not been carried out on an arm's length basis. The rates charged by AGX Singapore to Premier Football in FYE 2020 were catered for small size shipment of goods and for domestic distributions to multiple locations, and there was no similar nature of service provided to other customers. The amounts transacted with Premier Football for the FYE 2020 were not material as they were less than 1% of our Group's revenue;
- (iii) in relation to the provision of 3PL service by AGX Philippines to AAD Philippines for FYE 2020, the transactions were not carried out on an arm's length basis as there was no comparable rates and, therefore, the rates were on negotiated terms based on the warehouse space and the e-fulfilment services required by AAD Philippines. The amounts transacted with AAD Philippines for FYE 2020 were not material as they were less than 1% of our Group's revenue. Our Board is of the opinion that these transactions were transacted in the best interests of our Group. Nevertheless, AGX Philippines has ceased to provide its service to AAD Philippines since year 2021; and
- (iv) the warehousing and other 3PL service provided by AGX Singapore to AAD Singapore had not been carried out on an arm's length basis, as the services provided to AAD Singapore were on ad-hoc basis. The amounts transacted with AAD Singapore for FYE 2020 were not material as they were approximately RM1,000, representing less than 1% of our Group's revenue.

Save for the transactions with Golden Empire and Premier Sports (collectively, "**Continuing RPTs**"), there are no subsisting transactions with the related parties after our Listing.

After our Listing, the terms of the Continuing RPTs will be reviewed by our Audit and Risk Management Committee and our Board shall seek the relevant approvals from our shareholders to enter into such recurrent related party transactions at a general meeting, unless otherwise exempted under the Listing Requirements. As at the LPD, our Board has confirmed that there are no other related party transactions entered into but not yet effected.

After our Listing, we will be required to seek our shareholders' approval each time we enter into a material related party transaction in accordance with the Listing Requirements. However, if the related party transactions are deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. We will make disclosures in our annual report of the aggregate value of recurrent related party transactions entered into by us based on the nature of transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

Upon our Listing, our Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not detrimental to our Group and our minority shareholders, as well as in the best interest of our Group and our minority shareholders.

**10.2 TRANSACTIONS THAT ARE UNUSUAL IN NATURE OR CONDITION**

There is no transaction that is unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which our Group was a party during the Financial Years and Period Under Review and up to the LPD.

**10.3 OUTSTANDING LOANS AND/ OR FINANCIAL ASSISTANCE MADE TO OR FOR THE BENEFIT OF THE RELATED PARTIES**

There are no outstanding loans and/ or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of the related parties for the Financial Years and Period Under Review and up to the LPD.

**10.4 LOANS AND/ OR FINANCIAL ASSISTANCE FROM RELATED PARTIES TO OUR GROUP**

There are no outstanding loans and/ or financial assistance (including guarantees of any kind) received by our Group from any related parties during the Financial Years and Period Under Review and up to the LPD.

Notwithstanding the above, the following Directors, Promoters and substantial shareholders of our Group have extended guarantees for our Group's banking and leasing/ hire purchase facilities:

Financiers	Type of facilities	Outstanding balance as at LPD '000	Facility limit '000	Guarantors
Malayan Banking Berhad ("MBB") <sup>(1)</sup>	Overdraft <sup>(2)</sup>	-	RM2,500	<ul style="list-style-type: none"> <li>Dato' Ponnudorai A/L Periasamy</li> <li>Jayasielan A/L Gopal</li> </ul>
OCBC Al-Amin Bank Berhad ("OCBC") <sup>(1)</sup>	Cash Line Facility-i ljarah	-	RM1,000	<ul style="list-style-type: none"> <li>Dato' Ponnudorai A/L Periasamy</li> <li>Jayasielan A/L Gopal</li> </ul>
	Invoice Financing-I (Sales) (90 days)	RM355	RM5,000	
	Term Financing-i Commodity Murabahah	RM82	RM350	

**Notes:**

- (1) The banking facilities from MBB and OCBC were provided to AGX Malaysia.
- (2) We intend to reallocate part of the IPO proceeds allocated for working capital purposes to fully settle overdraft drawn after the LPD (if any) from MBB, within 3 months from the date of Listing.



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**10. RELATED PARTY TRANSACTIONS (Cont'd)**

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In conjunction with our Listing, we have applied to MBB and OCBC for their approval to discharge the existing personal guarantees by replacing/substituting the same with a corporate guarantee from AGB after our Listing.

As at the LPD, we have received approvals dated 10 February 2020 and 9 July 2020 from MBB and OCBC, respectively, to discharge the existing personal guarantees and for such guarantees to be replaced with a corporate guarantee by AGB or by AGB upon Listing, as the case may be.

AGB had, on 12 June 2020, provided corporate guarantees for the banking facilities extended by MBB. AGB will provide corporate guarantee for the banking facilities extended by OCBC and will undertake to discharge the existing personal guarantees within 6 months from the date of Listing.

Further, we have put in place internal control and compliance procedures in relation to loans and/or financial assistance to be provided to related parties and/or third parties, and no further loans or financial assistance will be provided to any related parties by our Group unless such loans are permitted under the applicable laws and the Listing Requirements and brought to our Audit and Risk Management Committee and our Board for deliberation and approval.

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**10. RELATED PARTY TRANSACTIONS (Cont'd)**

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**10.5 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS****10.5.1 Audit and Risk Management Committee review**

Our Audit and Risk Management Committee reviews related party transactions and conflict of interest situations that may arise within our Group including any transaction, procedures or course of conduct that raises questions of management integrity.

Our Audit and Risk Management Committee will submit an annual report to our Board summarising its activities during the financial year and the related significant results and findings.

**10.5.2 Our Group's policy on related party transactions**

Related party transactions by their nature, involve conflict of interest between our Group and the related parties with whom our Group has entered into such transactions. Some of the Directors of our Group are also directors and/or shareholders of the related parties of our Group, as disclosed in this Prospectus. Any such related party transactions may, individually and in aggregate, give rise to potential conflicts of interest.

It is the policy of our Group that all related party transactions in the course of business are made at arm's length and on normal commercial terms which are not more favourable to the related party than those available to the public and these terms are not detrimental to the other shareholders of our Company who are not part of the transaction. The related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations and voting on resolutions pertaining to the matters and/or transactions where a conflict of interest may arise.

In addition, we have adopted a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situation, to comply with the Listing Requirements and adhere to the best extent possible with the guidance principles as set out in the MCCG. The procedures which may form part of the framework include, amongst other things, the following:

- (i) Identification process
  - (a) The Finance Department shall ensure proper documentation for all the RPT and RRPT. There should be proper segregation of processes for the preparation of documents, verification and approval.
  - (b) The Finance Department, overseen by the CFO, to compile a listing of related parties, nature of RPT and RRPT, the estimated value of annual transactions and control(s) put in place, subject to update from time to time.
  - (c) All Directors and major shareholders are required to declare and disclose any transaction in which they are deemed to have an interest and give their undertakings that all business transactions entered between themselves and/or persons connected with them and the group of companies are negotiated and agreed at arm's length basis based on normal commercial terms and are not to the detriment of the minority shareholders and favourable to the related party/parties.
  - (d) Our Company shall disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements. Such disclosure includes a settlement of liabilities on behalf of the entity or by the entity on behalf of another party.

**10. RELATED PARTY TRANSACTIONS (Cont'd)**

## (ii) Reporting process

Our Board shall ensure that there are adequate procedures established by our Group to ensure that a RPT or a RRPT is undertaken on arm's length basis and on our Group's normal commercial terms, consistent with our Group's usual business practices and policies, which are generally available to the public and are not detrimental to the minority shareholders. The procedures are as follows:

- (a) A list of related parties will be circulated to our Board and management. All related parties of our Company and its subsidiaries are responsible for providing written notice to our Audit and Risk Management Committee of any potential RPT and RRPT involving him/her or Person Connected to him/her, including any additional information about the transaction that the Audit and Risk Management Committee may reasonably request.
- (b) Our Audit and Risk Management Committee will determine whether the transaction does, in fact, constitute a RPT or RRPT.
- (c) Our Company may be required to engage a professional or third-party opinion on the matter.
- (d) The RPT and RRPT will be reviewed by our Audit and Risk Management Committee from time to time to ensure compliance with the Listing Requirements and applicable laws.
- (e) The announcement in respect of the RPT and RRPT will be submitted to our Audit and Risk Management Committee and our Board for consideration.
- (f) When it is approved by our Audit and Risk Management Committee and our Board, the announcement in respect of the RPT and RRPT will be submitted to Bursa Securities.
- (g) The RPT and RRPT listing/document will be updated by our Company.
- (h) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the proposed shareholders' mandate to ensure that the relevant approvals have been obtained and the review procedures in respect of such transactions are adhered to.
- (i) Our Board and Audit and Risk Management Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RPT and RRPT have been complied with and the review shall be done at every quarter together with a review of the quarterly results.
- (j) All RRPT shall be disclosed in the annual report of our Company and a breakdown of the transactions pursuant to the proposed shareholders' mandate during the financial year and for the subsequent financial year in the following manner:
  - Aggregate value;
  - Nature/type;
  - Names of the related party/parties involved in each type of the RRPT; and
  - Relationship of the related party/parties with our Company.

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**10. RELATED PARTY TRANSACTIONS (Cont'd)**

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(iii) Authority of Audit and Risk Management Committee

As our Audit and Risk Management Committee is entrusted by our Board with the task of executing and managing this policy, our Audit and Risk Management Committee is vested with the following authority:

- (a) have the adequate resources which it needs to perform its duties;
- (b) have full access to any information which it requires in the course of performing its duties;
- (c) have direct communication channels with the Directors, executive officer(s) and major shareholder(s), the employees and any persons, as the case may be, to obtain information and feedback in performing its duties; and
- (d) to obtain the services of the external professional at the expense of our Company in carrying out its duties.

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**11. CONFLICT OF INTEREST****11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND SUPPLIERS**

Save as disclosed below, as at the LPD, our Directors and substantial shareholders do not have any interest, direct or indirect, in businesses or corporations carrying on a similar trade as our Group, or which are the customers or suppliers of our Group:

<b>No.</b>	<b>Name of company</b>	<b>Nature of transaction/ conflict</b>	<b>Principal activities</b>	<b>Interested Directors and/ or substantial shareholders</b>	<b>Nature of interest</b>
1.	Premier Sports	Premier Sports is a customer of our Group. Our Group provides road freight transportation service to Premier Sports.  Please refer to Section 10.1 of this Prospectus for details of the related party transaction.	Premier Sports is principally involved in the distribution of football merchandise to official sports retailers.	<ul style="list-style-type: none"> <li>• Penu Mark</li> </ul>	<ul style="list-style-type: none"> <li>• Penu Mark is a director and indirect shareholder of Premier Sports (via his direct shareholding in Penu Investments).</li> </ul>

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**11. CONFLICT OF INTEREST (Cont'd)**

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Our Board (save for Penu Mark, who is an interested Director) is of the view that the interest of Penu Mark in Premier Sports does not give rise to a conflict of interest situation, on the following bases:

**(i) Premier Sports**

Premier Sports is principally involved in the distribution of football merchandise to official sports retailers. The principal activities of Premier Sports do not compete with the business of our Group.

Our Group provides road freight transportation service to Premier Sports. Premier Sports is not a major customer of our Group and our Group is not dependent on Premier Sports. All the sales to Premier Sports are carried out on an arm's length basis and based on normal commercial terms which are not more favourable to Premier Sports than those generally available to third parties.

Although Penu Mark is the director of Premier Sports, his role is solely to provide overall guidance to the management team and he is not involved in the management and day-to-day operations of the company.

Our Audit and Risk Management Committee will assess the financial risk and matters relating to any potential conflict of interest situation that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity, to ensure that transactions are carried out in the best interest of our Group.

**11.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST****11.2.1 Declaration by Principal Adviser**

TA Securities confirms that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Placement Agent and Underwriter for our IPO.

**11.2.2 Declaration by Crowe Malaysia PLT**

Crowe Malaysia PLT confirms that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

**11.2.3 Declaration by Cheang & Ariff**

Cheang & Ariff confirms that there is no existing or potential conflict of interest in its capacity as the Solicitors for our IPO.

**11.2.4 Declaration by Vital Factor**

Vital Factor confirms that there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants for our IPO.

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## 12. FINANCIAL INFORMATION

### 12.1 HISTORICAL FINANCIAL INFORMATION

Our Group's historical audited financial information comprise:

- (i) the consolidated statements of financial position as at 31 December 2020, 31 December 2021, 31 December 2022 and 31 August 2023; and
- (ii) the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the FYEs 2020, 2021, 2022 and FPE 2023.

These information have been prepared in accordance with the approved accounting standards of Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

#### 12.1.1 Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following table sets out a summary of our Group's audited consolidated statement of profit or loss and other comprehensive income for the Financial Years and Period Under Review which was extracted from the Accountants' Report set out in Section 13 of this Prospectus.

The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations set out in Section 12.3 of this Prospectus and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus.

	Audited			Unaudited	Audited
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2022 RM'000	FPE 2023 RM'000
Revenue	122,507	193,372	234,429	170,058	122,228
Cost of sales	(87,245)	(152,249)	(184,008)	(134,692)	(82,414)
<b>GP</b>	<b>35,262</b>	<b>41,123</b>	<b>50,421</b>	<b>35,366</b>	<b>39,814</b>
Other income	1,916	1,463	1,114	880	2,544
	<b>37,178</b>	<b>42,586</b>	<b>51,535</b>	<b>36,246</b>	<b>42,358</b>
Administrative expenses	(27,952)	(27,232)	(33,538)	(21,402)	(25,961)
Other expenses	(6,290)	(6,533)	(5,481)	(5,771)	(7,218)
Finance cost	(1,547)	(1,465)	(1,264)	(902)	(879)
Share of profits of equity accounted associates	5	61	5,536	2,875	2,062
<b>PBT</b>	<b>1,394</b>	<b>7,417</b>	<b>16,788</b>	<b>11,046</b>	<b>10,362</b>
Income tax expense	(834)	(1,477)	(3,247)	(2,405)	(2,916)
<b>PAT</b>	<b>560</b>	<b>5,940</b>	<b>13,541</b>	<b>8,641</b>	<b>7,446</b>
Other comprehensive income/ (expenses)	421	(372)	(387)	(802)	482
<b>Total comprehensive income for the financial year</b>	<b>981</b>	<b>5,568</b>	<b>13,154</b>	<b>7,839</b>	<b>7,928</b>
<b>PAT attributable to:</b>					
Owners of the Company	560	5,940	13,541	8,641	7,446
Non-controlling interests	#	#	#	#	#
	<b>560</b>	<b>5,940</b>	<b>13,541</b>	<b>8,641</b>	<b>7,446</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company	981	5,568	13,154	7,839	7,950
Non-controlling interest	#	#	#	#	(22)
	<b>981</b>	<b>5,568</b>	<b>13,154</b>	<b>7,839</b>	<b>7,928</b>

**12. FINANCIAL INFORMATION (Cont'd)**

	Audited			Unaudited	Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
(1) EBITDA	7,903	13,465	23,407	15,598	15,394
(2) GP margin (%)	28.78	21.27	21.51	20.80	32.57
(3) PBT margin (%)	1.14	3.84	7.16	6.50	8.48
(4) PAT margin (%)	0.46	3.07	5.78	5.08	6.09
(5) Number of Shares assumed in issue ('000)	432,866	432,866	432,866	432,866	432,866
(6) Basic/ Diluted EPS (sen)	0.13	1.37	3.13	2.00	1.72

**Notes:**

(1) The table below sets forth a reconciliation of our PBT to EBITDA:

	Audited			Unaudited	Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>PBT</b>	1,394	7,417	16,788	11,046	10,362
Finance costs	1,547	1,465	1,264	902	879
Finance income	(54)	(67)	(90)	(19)	(18)
Depreciation	5,016	4,650	5,445	3,669	4,171
<b>EBITDA</b>	<b>7,903</b>	<b>13,465</b>	<b>23,407</b>	<b>15,598</b>	<b>15,394</b>

(2) GP margin is computed based on our GP over revenue.

(3) PBT margin is computed based on our PBT over revenue

(4) PAT margin is computed based on our PAT over revenue.

(5) Assumed number of ordinary shares in issue in AGB after the IPO.

(6) Computed based on PAT attributable to owners of the Company over the enlarged number of Shares in issue upon the Listing. The diluted EPS is equal to the basic EPS as the Company does not have any outstanding convertible securities.

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**12. FINANCIAL INFORMATION (Cont'd)****12.1.2 Statements of Financial Position**

The following table sets out a summary of our Group's audited consolidated statement of financial position for the Financial Years and Period Under Review which was extracted from the Accountants' Report set out in Section 13 of this Prospectus.

The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations set out in Section 12.3 of this Prospectus and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus.

	Audited			Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in associates	312	373	2,349	4,411
Equipment	2,632	2,063	3,318	3,844
Right-of-use assets	5,615	8,631	6,924	10,034
Intangible assets	785	1,439	1,274	1,199
Deferred tax assets	616	175	-	-
Trade receivables	-	(2)5	-	-
Other receivables	(1)81	-	-	-
	<b>10,041</b>	<b>12,686</b>	<b>13,865</b>	<b>19,488</b>
<b>Current assets</b>				
Trade receivables	41,128	52,169	38,873	43,439
Other receivables, deposits and prepayments	11,839	11,264	10,551	12,672
Contract assets	1,745	4,611	4,974	3,781
Amount owing by associates	12	4	3,941	45
Amount owing by related parties	-	21	4	2
Fixed deposits with licensed banks	1,157	1,182	1,205	1,060
Cash and bank balances	5,521	8,657	13,134	10,405
Tax recoverable	-	-	283	119
	<b>61,402</b>	<b>77,908</b>	<b>72,965</b>	<b>71,523</b>
<b>TOTAL ASSETS</b>	<b>71,443</b>	<b>90,594</b>	<b>86,830</b>	<b>91,011</b>

**Notes:**

- (1) Non-current other receivables for FYE 2020 were due to an amount owing from a customer of a former related party, which was subsequently struck off in 2018. As there was an amount owing by the former related party to AGX Singapore, the outstanding balances were paid by the customer to AGX Singapore based on instalment plans ranging from 1 to 3 years.
- (2) Non-current trade receivables for FYE 2021 were due from 2 customers in the Philippines for services rendered by our Group. The outstanding balances were settled by the customers based on instalment plans ranging from 1 to 2 years.

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**12. FINANCIAL INFORMATION (Cont'd)**

	Audited			Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	*	27,120	27,120	27,120
Retained profits	4,645	9,385	17,025	24,472
Reserves	646	273	(113)	390
<b>NA/ Equity attributable to owners of the Company</b>	<b>5,291</b>	<b>36,778</b>	<b>44,032</b>	<b>51,982</b>
Non-controlling interests	1	1	1	129
<b>TOTAL EQUITY</b>	<b>5,292</b>	<b>36,779</b>	<b>44,033</b>	<b>52,111</b>
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	-	-	261	59
Lease liabilities	2,990	5,938	3,000	5,293
Term loans	1,150	1,297	513	-
Provisions	775	1,009	963	1,330
	<b>4,915</b>	<b>8,244</b>	<b>4,737</b>	<b>6,682</b>
<b>CURRENT LIABILITIES</b>				
Trade payables	12,525	23,170	15,143	13,776
Contract liabilities	-	13	-	-
Other payables and accruals	3,233	6,842	10,156	5,395
Amount owing to an associate	8	-	3	20
Amount owing to related parties	26,479	-	-	-
Lease liabilities	3,374	3,228	3,854	4,748
Term loans	12,589	9,742	7,821	7,034
Invoice financing	252	909	615	568
Bank overdraft	2,545	1,013	117	-
Current tax liabilities	146	654	351	677
Provisions	85	-	-	-
	<b>61,236</b>	<b>45,571</b>	<b>38,060</b>	<b>32,218</b>
<b>TOTAL LIABILITIES</b>	<b>66,151</b>	<b>53,815</b>	<b>42,797</b>	<b>38,900</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>71,443</b>	<b>90,594</b>	<b>86,830</b>	<b>91,011</b>

**Note:**

\* The share capital was RM10.

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**12. FINANCIAL INFORMATION (Cont'd)****12.1.3 Statements of Cash Flows**

The following table sets out a summary of our Group's audited consolidated statement of cash flows for the Financial Years and Period Under Review which was extracted from the Accountants' Report set out in Section 13 of this Prospectus.

The following financial information should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations set out in Section 12.3 of this Prospectus and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus.

	Audited			Unaudited	Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
PBT	1,394	7,417	16,788	11,046	10,362
Adjustments for:					
Amortisation of intangible asset	3	13	141	95	95
Bad debts written off	-	360	51	-	305
COVID-19-related rent concessions	(7)	-	-	-	-
Depreciation of equipment	1,030	907	1,016	684	837
Depreciation of right-of-use assets	3,986	3,743	4,429	2,985	3,334
Equipment written off	29	-	14	-	-
Impairment losses:					
- trade receivables	1,519	2,299	4,669	1,336	1,969
- other receivables	208	128	17	219	245
Loss/ (Gain) on modification of leases	9	(4)	(84)	(3)	(51)
Retirement expenses	154	203	227	177	367
Unrealised loss/ (gain) on foreign exchange	-	-	325	(159)	146
Reversal of impairment losses:					
- trade receivables	-	(90)	(4,354)	-	(1,690)
- other receivables	(19)	-	(148)	-	(91)
Share of net profits of equity accounted associate	(5)	(61)	(5,536)	(2,875)	(2,062)
(Gain)/ Loss on disposal of equipment	(45)	(129)	5	-	(4)
Interest expenses	1,036	892	808	565	502
Interest expenses on lease liabilities	512	573	456	337	377
Interest income	(54)	(67)	(90)	(19)	(18)
<b>Operating profit before working capital changes</b>	<b>9,750</b>	<b>16,184</b>	<b>18,734</b>	<b>14,388</b>	<b>14,623</b>

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**12. FINANCIAL INFORMATION (Cont'd)**

	Audited			Unaudited	Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
(Increase)/ Decrease in trade and other receivables	(6,443)	(13,106)	13,777	3,785	(7,425)
(Increase)/ Decrease in contract assets	(594)	(2,866)	(363)	1,382	1,192
Increase/ (Decrease) in trade and other payables	1,868	14,403	(9,473)	(8,007)	(2,529)
Increase/ (Decrease) in contract liabilities	-	13	(13)	(13)	-
Increase in amount owing by an associate	-	(3)	^	(105)	(39)
Increase/ (Decrease) in amount owing to associates	4	(8)	3	2	17
(Increase)/ Decrease in amount owing by related parties	-	(6)	17	21	2
<b>Cash from operations</b>	<b>4,585</b>	<b>14,611</b>	<b>22,682</b>	<b>11,453</b>	<b>5,841</b>
Interest paid	(189)	(202)	(85)	(67)	(5)
Interest received	54	67	90	19	18
Income tax paid	(2,421)	(332)	(3,391)	(494)	(2,740)
Income tax refunded	-	-	-	-	96
<b>Net cash from operating activities</b>	<b>2,029</b>	<b>14,144</b>	<b>19,296</b>	<b>10,911</b>	<b>3,210</b>
<b>CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES</b>					
Acquisition of a associates	-	-	(372)	(93)	-
(Addition)/ Withdrawal of fixed deposits with tenure more than 3 months	(30)	(24)	(18)	(18)	149
Additions of right-of-use assets	(52)	(105)	(136)	(190)	(151)
Changes in amount due from associates	^	10	(107)	-	3,935
Proceeds from disposal of equipment	178	342	25	-	8
Purchase of intangible asset	(130)	(687)	-	-	-
Purchase of equipment	(960)	(548)	(2,318)	(2,101)	(1,011)
Repayment from related parties	10	-	-	-	-
<b>Net cash (for)/ from investing activities</b>	<b>(984)</b>	<b>(1,012)</b>	<b>(2,926)</b>	<b>(2,402)</b>	<b>2,930</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>					
Advances from/ (Repayment to) related parties	15	(532)	-	-	-
Dividend paid	-	(177)	(1,184)	(1,184)	(3,600)
Drawdown of invoice financing	1,590	4,728	6,642	5,030	3,726
Drawdown of term loans	16,177	38,023	31,526	30,403	-
Interest paid	(1,358)	(1,263)	(1,180)	(835)	(874)
Proceeds from issuance of ordinary shares	-	-	^	^	-
Proceeds from issuance of shares to non-controlling interest in a subsidiary	-	-	^	-	150
Repayment of invoice financing	(1,338)	(4,072)	(6,936)	(5,251)	(3,773)
Repayment of lease liabilities	(3,728)	(3,951)	(4,911)	(3,274)	(3,295)
Repayment of term loans	(16,056)	(40,403)	(33,907)	(32,517)	(1,541)
<b>Net cash for financing activities</b>	<b>(4,698)</b>	<b>(7,647)</b>	<b>(9,950)</b>	<b>(7,628)</b>	<b>(9,207)</b>

**12. FINANCIAL INFORMATION (Cont'd)**

	Audited			Unaudited	Audited
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Net (decrease)/ increase in cash and cash equivalents	(3,653)	5,485	6,420	881	(3,067)
Effects of foreign exchange translation	776	(816)	(1,041)	(786)	458
Cash and cash equivalents at beginning of the financial year	5,928	3,051	7,720	7,720	13,099
<b>Cash and cash equivalents at end of the financial year/ period</b>	<b>3,051</b>	<b>7,720</b>	<b>13,099</b>	<b>7,815</b>	<b>10,490</b>

**Note:**

^ The amount is below RM1,000.

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**12. FINANCIAL INFORMATION (Cont'd)****12.2 CAPITALISATION AND INDEBTEDNESS**

The following table sets out our Group's capitalisation and indebtedness based on our latest unaudited financial statements as at 30 November 2023 and pro forma after taking into account, our Public Issue and utilisation of proceeds from our Public Issue.

The pro forma financial information below does not represent our capitalisation and indebtedness as at 30 November 2023 and is provided for illustrative purpose only.

	<b>Unaudited as at 30 November 2023 RM'000</b>	<b>Pro Forma after Public Issue and utilisation of proceeds RM'000</b>
<b>Indebtedness</b>		
<b>Short-term indebtedness</b>		
<b>Secured and guaranteed:</b>		
- Lease liabilities (under hire purchase arrangement)	264	264
- Term loans	11,625	7,471
- Invoice financing	347	347
- Bank overdrafts	558	-
<b>Unsecured and unguaranteed:</b>		
- Lease liabilities	3,992	3,992
	16,786	12,074
<b>Long-term indebtedness</b>		
<b>Secured and guaranteed:</b>		
- Lease liabilities (under hire purchase arrangement)	212	212
<b>Unsecured and unguaranteed:</b>		
- Lease liabilities	5,023	5,023
	5,235	5,235
<b>Total indebtedness</b>	<b>22,021</b>	<b>17,309</b>
<b>Capitalisation</b>		
- Equity attributable to owners of the Company	52,240	81,515
- Non-controlling interests	151	151
<b>Total capitalisation</b>	<b>52,391</b>	<b>81,666</b>
<b>Total capitalisation and indebtedness</b>	<b>74,412</b>	<b>98,975</b>
Gearing ratio (times) <sup>(1)</sup>	0.42	0.21

**Note:**

(1) Computed based on total indebtedness divided by total shareholders' equity.

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**12. FINANCIAL INFORMATION (Cont'd)**

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**12.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following management's discussion and analysis of our financial conditions and results of operations for the Financial Years and Period Under Review should be read in conjunction with the consolidated financial statements of our Group and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus.

There are no accounting policies which are peculiar to our Group because of the nature of the business or industry which we are involved in. For further details on the accounting policies of our Group, please see Note 4 of the Accountants' Report which is set out in Section 13 of this Prospectus.

**12.3.1 Overview of our business operations**

We are primarily a 3PL service provider where our services comprise sea and air freight forwarding, aerospace logistics, warehousing and other 3PL, and road freight transportation services. These services accounted for all of our revenues for the Financial Years and Period Under Review.

We do not own the ships or aircrafts used to transport the cargo for the sea and air freight forwarding services, and aerospace logistics that we provide. We provide sea and air freight forwarding in all the countries where we have a physical presence, namely Malaysia, the Philippines, Korea, Myanmar and Singapore. In addition, our operations in Malaysia, the Philippines and Singapore are involved in providing aerospace logistics services. Sea and air freight forwarding and aerospace logistics services accounted for at least 90.00% of our total revenue in each of the respective years of the Financial Years and Period Under Review.

We own and lease vehicles used to provide road freight transportation services in Malaysia, Myanmar and Singapore. We do not own any of the warehouse facilities that we utilise to provide warehousing and other 3PL services in Malaysia, the Philippines, Myanmar and Singapore.

Please refer to Section 7 of this Prospectus for further information on our business operations.

**12.3.2 Revenue****(a) Overview**

Our main revenue streams were from providing sea and air freight forwarding, and aerospace logistics services. Our other revenue streams were providing warehousing and other 3PL and road freight transportation services.

Our total revenue increased by RM70.86 million or 57.85%, from RM122.51 million in FYE 2020 to RM193.37 million in FYE 2021, and subsequently increased by RM41.06 million or 21.23% to RM234.43 million in FYE 2022. However, our revenue decreased by RM47.83 million, or 28.13% to RM122.23 million in FPE 2023.

Our largest revenue contributor for FYE 2022 was sea freight forwarding, which accounted for 54.00% of our total revenue for FYE 2022. Our other main business activities were air freight forwarding and aerospace logistics services, which accounted for 27.15% and 12.66% of our total revenue in FYE 2022 respectively. In addition, our warehousing and other 3PL services and road freight transportation services segments accounted for 3.89% and 2.30% of our revenue in FYE 2022 respectively.

**12. FINANCIAL INFORMATION (Cont'd)**

For FPE 2023, our largest revenue contributor was aerospace logistics services which accounted for 37.06% of our total revenue, while our other main business activities of sea and air freight forwarding services respectively accounted for 36.76% and 17.11% of our total revenue respectively. Our warehousing and other 3PL services and road freight transportation services segments accounted for 5.68% and 3.39% of our total revenue for the FPE 2023 respectively.

Our Group Head office is located in Subang Jaya, Selangor and we have various operational facilities in Malaysia. We also operate in foreign countries, including the Philippines, Korea, Myanmar and Singapore. For the Financial Years and Period Under Review, the majority of our revenues were derived from foreign countries, which accounted for 86.77% (RM106.30 million), 91.09% (RM176.15 million), 89.27% (RM209.28 million) and 83.57% (RM102.14 million) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

Revenue from our Malaysia operations accounted for 13.23% (RM16.21 million), 8.91% (RM17.22 million), 10.73% (RM25.15 million) and 16.43% (RM20.09 million) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

**(b) Method of recognising revenue**

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which our Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

Our Group recognises revenue when (or as) we transfer control over a service to the customer. An asset is transferred when (or as) the customer obtains control of that asset.

We transfer control of a good or service at a **point in time** unless one of the following **over-time** criteria is met:

- The customer simultaneously receives and consumes the benefits provided as we perform;
- Our performance creates or enhances an asset that the customer controls as the asset is created or enhanced;
- Our performance does not create an asset with alternative use and we have an enforceable right to payment for performance completed to date.

**(i) Sea and air freight forwarding, and aerospace logistics services**

Revenue from sea and air freight forwarding, and aerospace logistics services is recognised over time, using an output method based on forwarding schedule to measure progress towards complete satisfaction of the service.

**(ii) Road freight transportation services**

Revenue from road freight transportation services is recognised at a point in time once the service has been completed and we have an enforceable right to payment for the performance completed to date.

**(iii) Warehousing and other 3PL services**

Revenue from warehousing and other 3PL services is mainly recognised over storage period to measure progress towards complete satisfaction of the service.



**12. FINANCIAL INFORMATION (Cont'd)****(c) Functional currencies and foreign exchange rates**

We have subsidiaries operating in Malaysia, the Philippines, Korea, Myanmar and Singapore. The individual financial statements of our subsidiaries in Malaysia are prepared in RM, and of the subsidiaries operating in foreign countries are prepared in foreign currencies, as follows:

Company	Status within our Group	Currency
AGB	Holding company	RM
AGX Malaysia	Subsidiary company	RM
AGX Philippines	Subsidiary company	PHP
AGX Worldwide	Subsidiary company	PHP
AGX Korea	Subsidiary company	KRW
AGX Myanmar	Subsidiary company	USD
AGX Singapore	Subsidiary company	SGD
AGX Transport	Subsidiary company	RM

Our consolidated financial statements are presented in RM, which is our Group's functional and presentation currency.

**(d) Revenue segmentation by business activities**

The following table summarises our revenue segmentation by business activities for the Financial Years and Period Under Review:

Revenue	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Sea freight forwarding	61,224	49.98	119,973	62.04	126,582	54.00
Air freight forwarding	35,012	28.58	51,785	26.78	63,650	27.15
Aerospace logistics <sup>(1)</sup>	16,750	13.67	11,717	6.06	29,683	12.66
Warehousing and other 3PL services	3,674	3.00	4,882	2.53	9,113	3.89
Road freight transportation	5,847	4.77	5,015	2.59	5,401	2.30
<b>Total Revenue</b>	<b>122,507</b>	<b>100.00</b>	<b>193,372</b>	<b>100.00</b>	<b>234,429</b>	<b>100.00</b>

Revenue	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
Sea freight forwarding	95,570	56.20	44,925	36.76
Air freight forwarding	49,718	29.23	20,916	17.11
Aerospace logistics	15,977	9.40	45,298	37.06
Warehousing and other 3PL services	5,485	3.22	6,947	5.68
Road freight transportation	3,308	1.95	4,142	3.39
<b>Total Revenue</b>	<b>170,058</b>	<b>100.00</b>	<b>122,228</b>	<b>100.00</b>

**Note:**

(1) Our revenue for the aerospace logistics had declined in FYE 2020 and FYE 2021, following the COVID-19 pandemic related restrictions on domestic and international passenger flights, and had increased in FYE 2022 in line with the increase in activities in the aviation industry.

**12. FINANCIAL INFORMATION (Cont'd)**

Our Group's revenue segmentation by business activities and operational countries for the Financial Years and Period Under Review are set out below:

Revenue	FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Foreign operations</b>	<b>99,148</b>	<b>80.94</b>	<b>167,037</b>	<b>86.38</b>	<b>193,378</b>	<b>82.49</b>	<b>143,347</b>	<b>84.29</b>	<b>94,049</b>	<b>76.94</b>
Sea freight forwarding	54,304	44.33	113,836	58.87	117,071	49.95	89,112	52.40	41,934	34.30
- <i>Philippines operations</i>	22,513	18.38	27,845	14.40	39,989	17.06	23,947	14.08	24,466	20.02
- <i>Korea operations</i>	16,338	13.34	51,808	26.79	45,846	19.56	39,940	23.49	8,537	6.98
- <i>Myanmar operations</i>	10,451	8.53	21,386	11.06	21,043	8.98	17,418	10.24	3,878	3.17
- <i>Singapore operations</i>	5,002	4.08	12,797	6.62	10,193	4.35	7,807	4.59	5,053	4.13
Air freight forwarding	26,839	21.92	40,709	21.05	51,911	22.14	40,704	23.93	17,669	14.46
- <i>Philippines operations</i>	17,478	14.27	28,948	14.97	35,523	15.15	28,457	16.73	12,016	9.83
- <i>Korea operations</i>	3,441	2.81	6,725	3.48	8,693	3.71	6,954	4.09	3,318	2.71
- <i>Myanmar operations</i>	3,867	3.16	3,044	1.57	4,625	1.97	3,047	1.79	984	0.81
- <i>Singapore operations</i>	2,053	1.68	1,992	1.03	3,070	1.31	2,246	1.32	1,351	1.11
Aerospace logistics	11,263	9.19	5,193	2.69	13,262	5.65	6,916	4.06	25,386	20.77
- <i>Philippines operations</i>	10,085	8.23	3,608	1.87	11,989	5.11	5,948	3.49	24,008	19.64
- <i>Singapore operations</i>	1,178	0.96	1,585	0.82	1,273	0.54	968	0.57	1,378	1.13
Warehousing and other 3PL services	3,534	2.88	4,456	2.30	8,568	3.66	5,127	3.02	6,406	5.24
- <i>Philippines operations</i>	1,177	0.96	835	0.43	1,716	0.73	676	0.40	939	0.77
- <i>Myanmar operations</i>	78	0.06	44	0.02	61	0.03	46	0.03	7	0.01
- <i>Singapore operations</i>	2,279	1.86	3,577	1.85	6,791	2.90	4,405	2.59	5,460	4.46
Road freight transportation	3,208	2.62	2,843	1.47	2,566	1.09	1,488	0.88	2,654	2.17
- <i>Myanmar operations</i>	963	0.79	589	0.30	1,318	0.56	675	0.40	1,925	1.57
- <i>Singapore operations</i>	2,245	1.83	2,254	1.17	1,248	0.53	813	0.48	729	0.60
<b>Malaysia operations</b>	<b>23,359</b>	<b>19.06</b>	<b>26,335</b>	<b>13.62</b>	<b>41,051</b>	<b>17.51</b>	<b>26,711</b>	<b>15.71</b>	<b>28,179</b>	<b>23.06</b>
Sea freight forwarding	6,920	5.65	6,137	3.17	9,511	4.05	6,458	3.80	2,991	2.45
Air freight forwarding	8,173	6.66	11,076	5.73	11,739	5.01	9,014	5.30	3,247	2.66
Aerospace logistics	5,487	4.48	6,524	3.37	16,421	7.01	9,061	5.33	19,913	16.29
Warehousing and other 3PL services	140	0.12	426	0.23	545	0.23	358	0.21	541	0.44
Road freight transportation	2,639	2.15	2,172	1.12	2,835	1.21	1,820	1.07	1,487	1.22
<b>Total Revenue</b>	<b>122,507</b>	<b>100.00</b>	<b>193,372</b>	<b>100.00</b>	<b>234,429</b>	<b>100.00</b>	<b>170,058</b>	<b>100.00</b>	<b>122,228</b>	<b>100.00</b>

**12. FINANCIAL INFORMATION (Cont'd)****(e) Relevant operating metrics**

The relevant operating metrics summary of our business activities during the Financial Years and Period Under Review are summarised in the following table:

	Units	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
Sea freight forwarding	TEU	19,363	21,205	25,037	10,617	9,643
Air freight forwarding	Tonnes	3,947	6,733	6,656	3,986	3,229
Aerospace logistics	Tonnes	1,732	1,036	1,671	787	3,285
Warehousing <sup>(1)</sup>						
• Floor space capacity <sup>(2)</sup>	Sq. ft. days	10,743,125	11,873,419	14,052,500	9,355,500	13,372,348
– actual usage	Sq. ft. days	6,791,475	6,171,364	10,981,237	7,073,099	9,212,291
– utilisation rate	%	63	<sup>(5)</sup> 52	78	76	69
• Racking capacity <sup>(3)</sup>	Cubic ft. days	40,774,889	59,668,543	89,026,106	58,169,317	61,460,653
– actual usage	Cubic ft. days	29,466,684	27,483,165	62,311,964	42,164,395	53,954,923
– utilisation rate	%	72	<sup>(6)</sup> 46	70	72	88
• Storage bin capacity <sup>(4)</sup>	Bin days	270,224	286,160	519,299	318,069	342,144
– actual usage	Bin days	117,997	216,983	327,442	186,423	224,862
– utilisation rate	%	<sup>(7)</sup> 44	76	63	59	66
Road freight transportation						
• Vehicle capacity	Vehicle days	4,895	5,927	6,102	4,241	3,524
– actual usage	Vehicle days	3,333	4,077	4,215	3,106	2,221
– utilisation rate	%	68	69	69	73	63

**Notes:**

TEU = Twenty-foot equivalent container, the unit of measure for sea freight.

- (1) Our warehouses provide different storage methods for our customers' goods.
- (2) Customers' goods are stored in allocated floor space within an enclosed warehouse, with no usage of racking or storage bins. The customer is charged based on the floor space allocated to or used by them. This method is used at our Lot 41 Warehouse, Previous Port Klang Warehouses 1 and 2, and Previous Clark Warehouses A and B.
- (3) Customers' goods are stored on racks in the warehouse without the use of storage bins. The customer is charged based on the volume allocated to or used by them. This method is used at our Yangon Warehouse, Gul Warehouse and Office, and Previous Changi South Warehouse.
- (4) Customers' goods are stored in storage bins placed on racks installed in the warehouse. The customer is charged based on the number of storage bins allocated to or used by them. This method is used at our Subic Warehouses 1 and 2, and Previous Manila Warehouse.
- (5) Relatively low utilisation rate for FYE 2021 mainly due to allocation of proportionally more space at the Previous Port Klang Warehouse 1 for non-revenue generating temporary storage for our sea freight forwarding services cargo, which was not revenue generating and consequently not included as actual usage.
- (6) Relatively low utilisation rate for FYE 2021 mainly because we had to secure additional customers to make use of the space at Gul Warehouse and Office, which is larger compared to the Previous Changi South Warehouse.
- (7) Relatively low utilisation rate for FYE 2020 mainly due to 1 existing customer of Subic Bay Warehouse 1 reducing demand for storage space during 2020, and 1 existing customer of Previous Manila Warehouse transferred their goods from this warehouse to a different warehouse. We were not able to secure new customers to fill the space.

**12. FINANCIAL INFORMATION (Cont'd)****Volume of Sea and Air Freight Forwarding, and Aerospace Logistics**

	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
<b>Sea freight forwarding</b>	<b>TEU</b>	<b>TEU</b>	<b>TEU</b>	<b>TEU</b>	<b>TEU</b>
Malaysia operations	5,300	3,817	4,332	2,519	2,430
Philippines operations	7,068	10,691	14,201	2,837	3,536
Korea operations	2,965	3,480	2,371	1,994	826
Myanmar operations	2,688	1,812	2,029	1,693	1,952
Singapore operations	1,342	1,405	2,104	1,574	899
<b>Total</b>	<b>19,363</b>	<b>21,205</b>	<b>25,037</b>	<b>10,617</b>	<b>9,643</b>
<b>Air freight forwarding</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>
Malaysia operations	891	745	1,019	790	474
Philippines operations	2,271	5,373	4,803	2,565	2,316
Korea operations	205	253	312	221	200
Myanmar operations	249	181	300	221	121
Singapore operations	331	181	222	189	118
<b>Total</b>	<b>3,947</b>	<b>6,733</b>	<b>6,656</b>	<b>3,986</b>	<b>3,229</b>
<b>Aerospace logistics <sup>(1)</sup></b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>	<b>Tonnes</b>
Malaysia operations	813	602	1,126	520	3,004
Philippines operations	832	384	489	236	246
Singapore operations	87	50	56	31	35
<b>Total</b>	<b>1,732</b>	<b>1,036</b>	<b>1,671</b>	<b>787</b>	<b>3,285</b>

**Sea freight forwarding – Average Revenue and Average Freight Costs**

	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Average revenue per TEU <sup>(2)</sup></b>					
Malaysia operations	1,300	1,600	2,200	2,600	1,200
Philippines operations	3,200	2,600	2,800	8,400	6,900
Korea operations	5,500	14,900	19,300	20,000	10,300
Myanmar operations	3,900	11,800	10,400	10,300	2,000
Singapore operations	3,700	9,100	4,800	5,000	5,600
<b>Average sea freight cost per TEU <sup>(3)</sup></b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Malaysia operations	300	700	900	1,200	200
Philippines operations	100	300	400	1,400	600
Korea operations	1,300	9,900	14,800	14,200	3,600
Myanmar operations	2,300	9,200	7,600	8,200	600
Singapore operations	1,700	5,700	2,600	2,800	2,200

**Air freight forwarding - Average Revenue and Average Freight Costs**

	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Average revenue per tonne <sup>(2)</sup></b>					
Malaysia operations	9,200	14,900	11,500	11,400	6,900
Philippines operations	7,700	5,400	7,400	11,100	5,200
Korea operations	16,800	26,600	27,900	31,400	16,600
Myanmar operations	15,500	16,800	15,400	13,800	8,200
Singapore operations	6,200	11,000	13,800	11,900	11,400
<b>Average air freight cost per tonne <sup>(3)</sup></b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Malaysia operations	5,800	10,300	8,100	7,800	4,600
Philippines operations	3,400	1,900	2,900	4,300	2,400
Korea operations	8,300	21,300	23,000	24,900	12,900
Myanmar operations	11,000	12,800	12,700	11,200	5,300
Singapore operations	2,800	6,400	7,400	4,700	1,600

**12. FINANCIAL INFORMATION (Cont'd)****Aerospace logistics - Average Revenue and Average Freight Costs**

	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM	RM	RM	RM	RM
<b>Average revenue per tonne<sup>(1, 2)</sup></b>					
Malaysia operations	6,700	10,800	14,600	17,400	6,600
Philippines operations	12,100	9,400	24,500	25,200	97,600
Singapore operations	13,500	31,700	22,700	31,200	39,400
<b>Average air freight cost per tonne<sup>(1, 3)</sup></b>	RM	RM	RM	RM	RM
Malaysia operations	2,500	4,100	5,500	7,200	2,900
Philippines operations	2,700	1,600	7,200	5,200	30,200
Singapore operations	14,100	35,400	40,600	63,000	80,100

**Notes:**

- (1) We do not provide aerospace logistics services in Korea and Myanmar.
- (2) The average revenue per TEU / tonne are estimated by dividing the revenue in relation to sea or air freight used to provide sea or air freight forwarding services by the sea or air freight services volume respectively, and rounded to the nearest hundred RM.
- (3) The average sea or air freight costs per TEU / tonne is calculated by dividing the sea or air freight costs by the sea or air freight services volume respectively, and rounded to the nearest hundred RM.

The value and trend of the average sea and air freight rates vary among our country of operations mainly due to the following:

- each of our countries of operations has different trade routes and points of origin and destination. For example, longer distances between originating and destination points would involve higher costs due to increased sea/air freight charges, land transportation and operational expenses, which will be reflected in the higher sea/air freight forwarding charges to our customers; and
- different types of goods being shipped, where general goods usually incur lower freight rates compared to specialised cargos.

Furthermore, the value and trends of our average sea and air freight rates may be different to the global average sea and air freight rates as global freight rates are averages across many countries and are influenced by geopolitical events, supply and demand, and market conditions.

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**12. FINANCIAL INFORMATION (Cont'd)****(f) Revenue segmentation by geographical markets**

Our revenue segmented by geographical markets (based on billings to customers) for the Financial Years and Period Under Review is as follows:

Revenue	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
<b>Malaysia</b>	<b>16,207</b>	<b>13.23</b>	<b>17,223</b>	<b>8.91</b>	<b>25,153</b>	<b>10.73</b>
<b>Foreign countries</b>	<b>106,300</b>	<b>86.77</b>	<b>176,149</b>	<b>91.09</b>	<b>209,276</b>	<b>89.27</b>
Philippines	43,195	35.26	53,573	27.70	76,776	32.75
Korea	18,709	15.27	55,700	28.80	50,000	21.33
Myanmar	12,874	10.51	19,409	10.04	20,077	8.56
Singapore	12,390	10.11	17,688	9.15	19,162	8.17
Other countries <sup>(1)</sup>	19,132	15.62	29,779	15.40	43,261	18.46
<b>Total Revenue</b>	<b>122,507</b>	<b>100.00</b>	<b>193,372</b>	<b>100.00</b>	<b>234,429</b>	<b>100.00</b>

Revenue	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
<b>Malaysia</b>	<b>16,536</b>	<b>9.72</b>	<b>20,088</b>	<b>16.43</b>
<b>Foreign countries</b>	<b>153,522</b>	<b>90.28</b>	<b>102,140</b>	<b>83.57</b>
Philippines	51,812	30.47	50,928	41.67
Korea	43,533	25.60	9,460	7.74
Myanmar	16,160	9.50	6,072	4.97
Singapore	13,592	7.99	12,805	10.48
Other countries <sup>(1)</sup>	28,425	16.72	22,875	18.71
<b>Total Revenue</b>	<b>170,058</b>	<b>100.00</b>	<b>122,228</b>	<b>100.00</b>

**Note:**

- (1) *Other countries during the Financial Years and Period Under Review include, among others, Australia, China, Hong Kong, Indonesia, Japan, Thailand and the United States. During the Financial Years and Period Under Review, no individual "other country" accounted for more than 5.00% of our Group's revenue during any financial year except for China in FYE 2020, when it accounted for 5.01% of total Group revenue.*

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## 12. FINANCIAL INFORMATION (Cont'd)

### 12.3.3 Results of operations – Revenue

#### FYE 2021 compared to FYE 2020

Our Group's total revenue for FYE 2021 increased by RM70.86 million or 57.85% to RM193.37 million in FYE 2021 (FYE 2020: RM122.51 million). This was mainly driven by our Group's sea and air freight forwarding services, as well as our Group's warehousing and other 3PL services.

#### (a) Sea freight forwarding services

Our Group's revenue from sea freight forwarding services increased by RM58.75 million or 95.96% to RM119.97 million in FYE 2021 (FYE 2020: RM61.22 million). This was mainly contributed by the increase in the sea freight rates in FYE 2021 coupled with the increase in the volume of sea freight cargo handled for operations in certain countries as illustrated below.

The increase in the revenue for sea freight forwarding services segment was mainly contributed by the following:

- revenue from our operations in Korea increased by RM35.47 million or 217.10%, to RM51.81 million in FYE 2021 (FYE 2020: RM16.34 million). This was mainly driven by higher demand from 1 major customer who is involved in the manufacturing of organic chemical (i.e. Kukdo Chemical) as reflected in the increase in volume of sea freight cargo handled by 17.37% to 3,480 TEU in FYE 2021 (FYE 2020: 2,965 TEU). In view of this, Kukdo Chemical was not negatively affected by the COVID-19 pandemic. The increase in revenue was also contributed by higher prices as reflected in the increase in average revenue per TEU for our sea freight forwarding operations in Korea by RM9,400 per TEU or 170.91% to RM14,900 per TEU in FYE 2021 (FYE 2020: RM5,500 per TEU), on the back of rising sea freight rates in the industry.
- revenue from our operations in the Philippines increased by RM5.34 million or 23.68% to RM27.85 million in FYE 2021 (FYE 2020: RM 22.51 million). This was mainly driven by higher demand from customers as reflected in the increase in the sea freight cargo volume handled by 3,623 TEU or 51.26% to 10,691 TEU in FYE 2021 (FYE 2020: 7,068 TEU). This was contributed by higher sea freight cargo volume handled for 3 existing customers as well as securing a new customer in FYE 2021.

Despite the increase in the volume of sea freight cargo handled, there was a decrease in our pricing as reflected in the decrease in average revenue per TEU by RM600 per TEU or 18.75% to RM2,600 per TEU in FYE 2021 (FYE 2020: RM3,200 per TEU). The decrease was attributed to the higher volume of inbound sea freight cargo handled in our Philippines operations which involves documentation only. In addition, there was a reduction in documentation handling as the authorities began the transition of on-line submission which resulted in the lower rates charged.

- revenue from our operations in Myanmar increased by RM10.94 million or 104.63% to RM21.39 million in FYE 2021 (FYE 2020: RM10.45 million). The increase in revenue was mainly contributed by higher pricing which was reflected in the increase in our average revenue per TEU by RM7,900 per TEU or 202.56% to RM11,800 per TEU in FYE 2021 (FYE 2020: RM3,900 per TEU), on the back of rising sea freight rates in the industry.

Despite the increase in pricing, there was a decrease in the volume of sea freight cargo handled by 876 TEU or 32.59% to 1,812 TEU in FYE 2021 (FYE 2020: 2,688 TEU) as our customers' business activities were adversely affected by the effects of the COVID-19 pandemic and political events in Myanmar (including the military coup in February 2021), resulting in a decrease in demand for our sea freight forwarding services.

## 12. FINANCIAL INFORMATION (Cont'd)

- revenue from our operations in Singapore for this segment increased by RM7.80 million or 155.84% to RM12.80 million in FYE 2021 (FYE 2020: RM5.00 million), which was contributed by higher pricing to customers. This was reflected in the increase in average revenue by RM5,400 per TEU or 145.95% to RM9,100 per TEU in FYE 2021 (FYE 2020: RM3,700 per TEU), on the back of the rising sea freight rates in the industry.

### (b) Air freight forwarding services

For FYE 2021, our Group's revenue from air freight forwarding services increased by RM16.78 million or 47.91% to RM51.79 million in FYE 2021 (FYE 2020: RM35.01 million). The increase in revenue was contributed by overall higher air freight cargo volume handled as economies gradually recovered from the COVID-19 pandemic and restrictions were relaxed as well as increase in pricing to customers for the operations in various countries including Malaysia, Korea, Myanmar and Singapore.

The increase in air freight forwarding services revenue was mainly contributed by the following:

- revenue from our operations in the Philippines for this segment increased by RM11.47 million or 65.63% to RM28.95 million in FYE 2021 (FYE 2020: RM17.48 million), mainly contributed by the increase in volume of air freight cargo handled by 136.59% or 3,102 tonnes to 5,373 tonnes in FYE 2021 (FYE 2020: 2,271 tonnes) arising from higher demand from our customers for inbound and outbound air freight volume handled. In FYE 2021, there were limited spaces available for sea freight cargo as a result of global supply chain disruption during the COVID-19 pandemic in the industry. Arising therefrom, we have received increased orders from our customers in the Philippines for air freight forwarding services.

Despite the increase in volume of air freight cargo handled, there was a decrease in our pricing as reflected in the decrease in average revenue per tonne by 29.87% or RM2,300 to RM5,400 per tonne in FYE 2021 (FYE 2020: RM7,700 per tonne). This was mainly due to higher handling of inbound air freight cargo which is associated with lower charges for documentation and excludes air freight charges.

- revenue from our operations in Korea increased by RM3.29 million or 95.44% to RM6.73 million in FYE 2021 (FYE 2020: RM3.44 million), mainly contributed by higher pricing to customers as reflected in the increase in average revenue per tonne by RM9,800 per tonne or 58.33% to approximately RM26,600 per tonne in FYE 2021 (FYE 2020: RM16,800 per tonne) on the back of rising air freight rates in the industry. Generally, the pricing for air freight forwarding services in Korea's operations is commonly higher as the type of shipments handled mainly consists of small volume items which are subject to a base rate irrespective of volume.

In addition, the increase in revenue was partly contributed by the increase in the volume of air freight cargo handled for a major customer in Korea (i.e., Kukdo Chemical) where the cargo was for urgent deliveries as well as securing a new customer in FYE 2021;

- revenue for operations in Malaysia revenue increased by RM2.91 million or 35.52% to RM11.08 million in FYE 2021 (FYE 2020: RM8.17 million), mainly contributed by higher pricing to customers as reflected in the increase in average revenue per tonne by RM5,700 or 61.96% to approximately RM14,900 per tonne in FYE 2021 (FYE 2020: RM9,200 per tonne) on the back of rising air freight rates in the industry.



**12. FINANCIAL INFORMATION (Cont'd)**

Despite the increase in the average revenue per tonne, there was a decrease in volume of air freight cargo volume handled by 146 tonnes or 16.39% to 745 tonnes in FYE 2021 (FYE 2020: 891 tonnes), mainly contributed by lower volume of medical personal protective equipment cargo in FYE 2021 compared to FYE 2020.

**(c) Aerospace logistics services**

Revenue from aerospace logistics services decreased by RM5.03 million or 30.05% to RM11.72 million in FYE 2021 (FYE 2020: RM16.75 million). This was mainly due to lower demand of the said services from customers as reflected in the decrease in volume of aerospace cargo handled by 696 tonnes or 40.18% to 1,036 tonnes in FYE 2021 (FYE 2020: 1,732 tonnes). There were still some COVID-19 pandemic related restrictions on domestic and international passenger flights in FYE 2021, and as a result, there was still limited demand from airlines for aircraft parts, components and equipment to carry out routine and scheduled maintenance and repairs on AOG in FYE 2021.

**(d) Warehousing and other 3PL services**

Revenue from warehousing and other 3PL services increased by RM1.21 million or 32.88%, to RM4.88 million in FYE 2021 (FYE 2020: RM3.67 million). The increase was mainly contributed by our operations in Singapore with the increase in revenue by RM1.30 million pertaining to other 3PL services following the easing of COVID-19 pandemic restrictions in Singapore.

In addition, the increase in revenue was partly contributed by our operations in Malaysia for warehousing and other 3PL services which increased by RM0.29 million from the commencement of the Previous Port Klang Warehouse 2 in November 2021 as well as the increased utilisation of the Previous Port Klang Warehouse 1 as we secured 1 new customer during the year.

This was partially offset by the decrease in our warehousing and other 3PL services in Philippines revenue, which decreased by RM0.34 million in FYE 2021. This was mainly due to one customer ceased engaging the Group to provide e-fulfilment service as it was no longer required by its business operation.

**(e) Road freight transportation services**

Revenue from road freight transportation services decreased by RM0.83 million or 14.23% to RM5.02 million in FYE 2021 (FYE 2020: RM5.85 million). This was mainly attributed to the decrease in revenue for the operations in Malaysia by 17.70% or RM0.47 million due to lower demand which was affected by COVID-19 pandemic conditions and this was reflected in the decrease in vehicle usage in Malaysia which decreased by 137 vehicle days or 10.55% to 1,161 vehicle days in FYE 2021 (FYE 2020: 1,298 vehicle days).

The decrease in revenue was also partly attributed to lower revenue from our operations in Myanmar, which decreased by RM0.37 million or 38.84% to RM0.59 million in FYE 2021 (FYE 2020: RM0.96 million). This was mainly due to lower demand from customers as reflected in the vehicle usage from 557 vehicle days in FYE 2020 to 534 vehicle days in FYE 2021 affected by lower economic activities resulting from the effects of the COVID-19 pandemic and political events in FYE 2021.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 2022 compared to FYE 2021**

For FYE 2022, our Group's total revenue increased by RM41.06 million or 21.23% to RM234.43 million in FYE 2022 (FYE 2021: RM193.37 million). The increase in revenue was contributed by all business segments as illustrated below:

**(a) Sea freight forwarding services**

Our Group's sea freight forwarding services revenue increased by RM6.61 million or 5.51% to RM126.58 million in FYE 2022 (FYE 2021: RM119.97 million). The increase in sea freight forwarding services revenue was attributed to the following:

- revenue from our operations in Philippines for this segment increased by RM12.14 million or 43.61% to RM39.99 million in FYE 2022 (FYE 2021: RM27.85 million), mainly driven by higher demand as reflected in the increase in the sea freight volume handled by 3,510 TEU, or 32.83% to 14,201 TEU in FYE 2022 (FYE 2021: 10,691 TEU). This was mainly driven by higher demand of these said services from three existing customers which collectively contributed to the increase in revenue of RM10.83 million. In addition, the increase in revenue was partly contributed by two new customers which collectively contributed revenue of RM1.57 million in FYE 2022.
- revenue from our operations in Malaysia for this segment increased by RM3.37 million or 54.98% to RM9.51 million in FYE 2022 (FYE 2021: RM6.14 million). This was mainly driven by higher demand as reflected in the increase in sea freight cargo volume handled, which increased by 515 TEU or 13.49% to 4,332 TEU in FYE 2022 (FYE 2021: 3,817 TEU). The increase in revenue was also attributed to higher pricing as reflected in the increase in the average revenue per TEU by approximately RM600 per TEU, or 37.50% to approximately RM2,200 per TEU in FYE 2022 (FYE 2021: RM1,600 per TEU). The increase in pricing was partly contributed by the increase in the handling of outbound sea freight cargo by 59.29% with full services including the charges for sea freight rates, as well as the increase in demand from existing customers.

The increase in sea freight forwarding services revenue was partially offset by the following:

- revenue from our operations in Korea for this segment decreased by RM5.96 million or 11.51% to RM45.85 million in FYE 2022 (FYE 2021: RM51.81 million). The decrease in revenue was mainly due to lower demand for sea freight cargo services from a major customer (i.e., Kukdo Chemical). This was reflected in the decrease in the sea freight cargo volume handled by 1,109 TEU or 31.87% to 2,371 TEU in FYE 2022 (FYE 2021: 3,480 TEU). Despite the decrease in the sea freight cargo volume handled, there was an increase in pricing as reflected in the increase in the average revenue by RM4,400 per TEU or 29.53% to approximately RM19,300 per TEU in FYE 2022 (FYE 2021: RM14,900 per TEU), attributed to higher charges to customers partly attributed to higher sea freight costs.
- revenue from our operations in Singapore for this segment decreased by RM2.61 million or 20.35% to RM10.19 million in FYE 2022 (FYE 2021: RM12.80 million). This was mainly contributed by lower pricing as reflected in the decrease in the average revenue for sea freight forwarding, which decreased by 47.25% to approximately RM4,800 per TEU in FYE 2022 (FYE 2021: RM9,100 per TEU). Despite the decrease in the average revenue, there was higher volume of sea freight cargo handled, which increased by 699 TEU or 49.75% to 2,104 TEU in FYE 2022 (FYE 2021: 1,405 TEU) arising from higher demand for inbound and outbound sea freight cargo.

**12. FINANCIAL INFORMATION (Cont'd)****(b) Air freight forwarding services**

Our Group's revenue from air freight forwarding services increased by RM11.86 million or 22.91% to RM63.65 million in FYE 2022 (FYE 2021: RM51.79 million). The increase in revenue from air freight forwarding services was contributed by all business segments as illustrated below:

- revenue from our operations in the Philippines for this segment increased by RM6.57 million or 22.71% to RM35.52 million in FYE 2022 (FYE 2021: RM28.95 million). The increase in revenue was mainly driven by higher pricing as reflected in the increase in the average revenue per tonne by 37.04% to RM7,400 per tonne in FYE 2022 (FYE 2021: RM5,400 per tonne), which was partially contributed by the introduction of longer routes (which are associated with higher average revenue per tonne) to meet some customer requirements.

In addition, the increase in revenue was also partly attributed to 3 new customers in FYE 2022. Despite the increase in the average revenue per tonne for our air freight forwarding services, there was a lower volume of air freight cargo volume handled, which decreased by 570 tonnes or 10.61% to 4,803 tonnes in FYE 2022 (FYE 2021: 5,373 tonnes). The decrease was mainly attributed to lower demand from some of our existing customers.

- revenue from our operations in Korea for this segment increased by RM1.96 million or 29.26% to RM8.69 million in FYE 2022 (FYE 2021: RM6.73 million). The increase in revenue was mainly due to increase in air freight cargo volume handled by 59 tonnes or 23.32% to 312 tonnes in FYE 2022 (FYE 2021: 253 tonnes), contributed by inbound air freight shipments of input materials for a major customer in response to temporary supply chain disruptions. The increase was also due to the higher pricing which was reflected in the increase in the average revenue per tonne by RM1,300 per tonne or 4.89% to RM27,900 per tonne in FYE 2022 (FYE 2021: RM26,600 per tonne).
- revenue from our operations in Myanmar for this segment increased by RM1.59 million or 51.94% to RM4.63 million in FYE 2022 (FYE 2021: RM3.04 million), which was mainly due to increase in air freight forwarding cargo volume handled by 119 tonnes or 65.75%, to 300 tonnes in FYE 2022 (FYE 2021: 181 tonnes) arising from the higher demand from customers following the relaxation of COVID-19 controls in Myanmar. Despite the increase in air freight cargo volume handled, there was a lower pricing charged as reflected in the decrease in the average revenue by RM1,400 per tonne or 8.33% to approximately RM15,400 per tonne in FYE 2022 (FYE 2021: RM16,800 per tonne), mainly attributed to lower rates offered to selected customers, especially those with longer length of relationships with our Group to maintain our business relationships.
- Revenue from our operations in Singapore for this segment increased by RM1.08 million or 54.12% to RM3.07 million in FYE 2022 (FYE 2021: RM1.99 million). This was mainly driven by the increase in the air freight forwarding cargo handled by 41 tonnes or 22.65% to 222 tonnes in FYE 2022 (FYE 2021: 181 tonnes), mainly contributed by three new customers in FYE 2022.
- revenue for our operations in Malaysia for this segment increased by RM0.66 million or 5.99% to RM11.74 million in FYE 2022 (FYE 2021: RM11.08 million). The increase in revenue was mainly contributed to increase in air freight forwarding cargo volume by 274 tonnes or 36.78% to 1,019 tonnes in FYE 2022 (FYE 2021: 745 tonnes). This was due to the higher demand of the services for the inbound air freight volume handled from an existing customer.

**12. FINANCIAL INFORMATION (Cont'd)****(c) Aerospace logistics services**

Our Group's revenue from aerospace logistics services increased by RM17.96 million or 153.33% to RM29.68 million in FYE 2022 (FYE 2021: RM11.72 million). The increase in the revenue for this segment was mainly contributed by our operations in Malaysia and the Philippines in FYE 2022.

The revenue for our operations in Malaysia and the Philippines for this segment increased by 151.70% or RM9.90 million, and 232.29% or RM8.38 million respectively in FYE 2022. The increase in the revenue for operations in Malaysia for this segment was mainly attributed to higher cargo volume handled which increased by 524 tonnes or 87.04% to 1,126 tonnes in FYE 2022 (FYE 2021: 602 tonnes) which includes several shipments of specialised large cargo such as aircraft engines and other parts. Meanwhile, the increase in the revenue for the Philippines operations in this segment was driven by higher cargo volume handled which increased by 105 tonnes or 27.34% to 489 tonnes in FYE 2022 (FYE 2021: 384 tonnes) including several shipments of specialised large cargo such as aircraft engines and other parts.

The overall revenue growth in the aerospace logistic services segment was driven by the increase in activities within the aviation industry including maintenance services for passenger aircrafts which consequently increased the demand for aircraft parts, components and equipment for maintenance.

**(d) Warehousing and other 3PL services**

Our Group's revenue from warehousing and other 3PL services increased by RM4.23 million or 86.67% to RM9.11 million in FYE 2022 (FYE 2021: RM4.88 million). The increase in revenue was mainly contributed by higher revenue from our operations in Singapore where revenue from warehousing and other 3PL services increased by RM3.21 million, or 89.85% to RM6.79 million in FYE 2022 (FYE 2021: RM3.58 million). The increase in revenue for our operations in Singapore was due to more space rented out to customers following the move to the larger Gul Warehouse and Office, as well as higher overall utilisation rate in FYE 2022 (72%) compared to FYE 2021 (49%) as we succeeded in securing more customers. In addition, warehousing and other 3PL services revenue from our Philippines operations increased by RM0.88 million or 105.51% to RM1.72 million (FYE 2021: RM0.84 million) mainly from renting our more space to customers particularly at our Subic Warehouse 1 and 2. Subic Bay Warehouse 2 commenced operations in FYE 2022 and the additional space allowed us to expand our business with 1 existing customer, as well as secure new customers.

**(e) Road freight transportation services**

Our Group's revenue from road freight transportation services increased by RM0.38 million or 7.70% to RM5.40 million in FYE 2022 (FYE 2021: RM5.02 million). This was partly contributed by higher revenue from our road freight transportation operations in Myanmar where revenue in this segment increased by RM0.73 million, or 123.77% to RM1.32 million in FYE 2022 (FYE 2021: RM0.59 million). This was mainly due to the increased demand for road freight transportation for cargo between Myanmar and Thailand. Since March 2022, the Myanmar Government has imposed permit requirement for cargo imported into Myanmar via sea and air. Due to such new requirement, we have thus received more orders for road freight transportation service for haulage between Thailand and Myanmar.

In addition, the increase in revenue was contributed by road freight transportation operations in Malaysia where revenue increased by RM0.67 million or 30.52% to RM2.84 million in FYE 2022 (FYE 2021: RM2.17 million), which was partially contributed by revenue from 5 existing customers collectively amounting to RM0.67 million.

**12. FINANCIAL INFORMATION (Cont'd)**

These increases were partially offset by lower revenue from the operations in Singapore where the revenue from road freight transportation services decreased by RM1.00 million or 44.63% to RM1.25 million in FYE 2022 (FYE 2021: RM2.25 million), which was mainly due to the loss of a customer during FYE 2022, as AGX Singapore could not agree on the rates requested by the customer.

**FPE 2023 compared to FPE 2022**

For FPE 2023, our Group's total revenue decreased by RM47.83 million or 28.13% to RM122.23 million in FPE 2023 (FPE 2022: RM170.06 million). The decrease in revenue was contributed by our sea and air freight forwarding services, which was partially offset by increases in revenue by our aerospace logistics, warehousing and other 3PL and road freight transportation services as illustrated below:

**(a) Sea freight forwarding services**

Our Group's revenue from sea freight forwarding services decreased by RM50.64 million or 52.99% to RM44.93 million in FPE 2023 (FPE 2022: RM95.57 million). This was mainly contributed by the following:

- revenue from our operations in Korea decreased by RM31.40 million or 78.63%, to RM8.54 million in FPE 2023 (FPE 2022: RM39.94 million). This was mainly attributed to the decrease in volume of sea freight cargo handled by 58.58% to 826 TEU in FPE 2023 (FPE 2022: 1,994 TEU) mainly contributed by lower demand for 1 existing major customer as their end-customers had excess stock in 2022 and consequently slowed-down purchases in 2023. The decrease in revenue was also contributed by lower prices as reflected in the decrease in average revenue per TEU for our sea freight forwarding operations in Korea by 48.50% to RM10,300 per TEU in FPE 2023 (FPE 2022: RM20,000 per TEU), on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022.
- decrease in revenue from our operations in Myanmar by RM13.54 million or 77.74% to RM3.88 million in FPE 2023 (FPE 2022: RM17.42 million), was mainly attributed to lower pricing. The lower pricing was reflected in the decrease in our average revenue per TEU by 80.58% to RM2,000 per TEU in FPE 2023 (FPE 2022: RM10,300 per TEU) on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022. This was partially offset by an increase in the volume of sea freight cargo handled by 15.30% to 1,952 TEU in FPE 2023 (FPE 2022: 1,693 TEU).
- revenue from our operations in Malaysia for sea freight forwarding services decreased by RM3.47 million or 53.69% to RM2.99 million in FPE 2023 (FPE 2022: RM6.46 million). This was mainly attributed to lower pricing which was reflected in the decrease in our average revenue per TEU by 53.85% to RM1,200 per TEU in FPE 2023 (FPE 2022: RM2,600 per TEU) on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022. In addition, sea freight cargo volume handled decreased slightly by 3.53% to 2,430 TEU in FPE 2023 (FPE 2022: 2,519 TEU).
- revenue from our operations in Singapore for this segment decreased by RM2.76 million or 35.28% to RM5.05 million in FPE 2023 (FPE 2022: RM7.81 million). This was contributed by decrease in sea freight cargo volume handled by 42.88% to 899 TEU in FPE 2023 (FPE 2022: 1,574 TEU). This was partially offset by an increase in pricing as reflected in the increase in average revenue by 12.00% to RM5,600 per TEU (FPE 2022: RM5,000 per TEU) mainly due to discontinuation of 1 existing low-margin customer in Singapore from April 2023 onwards.

**12. FINANCIAL INFORMATION (Cont'd)**

These decreases in the revenue were partially offset by increase in revenue from our operations in the Philippines for this segment by RM0.52 million, or 2.17% to RM24.47 million in FPE 2023 (FPE 2022: RM23.95 million). This was mainly contributed by higher sea freight cargo volume handled, which increased by 24.64% to 3,536 TEU for FPE 2023 (FPE 2022: 2,837 TEU) arising from higher demand for sea freight forwarding services from 1 existing customer. The pricing was lower in FPE 2023 as reflected in the decrease in average revenue by 17.86% to RM6,900 per TEU in FPE 2023 (FPE 2022: RM8,400 per TEU), on the back of lower sea freight rates in the industry in FPE 2023.

**(b) Air freight forwarding services**

For FPE 2023, our Group's revenue from air freight forwarding services decreased by RM28.80 million or 57.93% to RM20.92 million in FPE 2023 (FPE 2022: RM49.72 million). This was mainly contributed by the following:

- revenue from our operations in the Philippines for this segment decreased by RM16.44 million or 57.77% to RM12.02 million in FPE 2023 (FPE 2022: RM28.46 million). This was mainly contributed by lower pricing as reflected in the decrease in average revenue per tonne by 53.15% to RM5,200 per tonne in FPE 2023 (FPE 2022: RM11,100 per tonne) on the back of lower air freight rates in the industry during FPE 2023 compared to FPE 2022. In addition, the volume of air freight cargo handled decreased by 9.71% to 2,316 tonnes in FPE 2023 (FPE 2022: 2,565 tonnes) mainly due to lower demand from 2 existing customers.
- revenue for operations in Malaysia for air freight forwarding services decreased by RM5.76 million or 63.98% to RM3.25 million in FPE 2023 (FPE 2022: RM9.01 million). This was mainly contributed by lower pricing as reflected in the decrease in average revenue per tonne by 39.47% to approximately RM6,900 per tonne in FPE 2023 (FPE 2022: RM11,400 per tonne) on the back of lower air freight rates in the industry during FPE 2023 compared to FPE 2022. In addition, the volume of air freight cargo handled decreased by 40.00% to 474 tonnes in FPE 2023 (FPE 2022: 790 tonnes) mainly due to lower demand for air freight forwarding services from customers.
- revenue from our operations in Korea for this segment decreased by RM3.63 million or 52.29% to RM3.32 million in FPE 2023 (FPE 2022: RM6.95 million), mainly contributed by lower pricing as reflected in the decrease in average revenue per tonne by 47.13% to approximately RM16,600 per tonne in FPE 2023 (FPE 2022: RM31,400 per tonne) on the back of lower air freight rates in the industry during FPE 2023 compared to FPE 2022. In addition, the volume of air freight cargo handled decreased by 9.50% to 200 tonnes in FPE 2023 (FPE 2022: 221 tonnes) mainly due to lower demand from 1 existing major customer.
- revenue from our operations in Myanmar for this segment decreased by RM2.07 million or 67.71% to RM0.98 million in FPE 2023 (FPE 2022: RM3.05 million), which was due to the decrease in air freight forwarding cargo volume handled by 45.25%, to 121 tonnes in FPE 2023 (FPE 2022: 221 tonnes) arising from decrease in demand for air freight forwarding services from customers. In addition, there was a lower pricing charged as reflected in the decrease in the average revenue by 40.58% to approximately RM8,200 per tonne in FPE 2023 (FPE 2022: RM13,800 per tonne) on the back of lower air freight rates in the industry during FPE 2023 compared to FPE 2022.

**12. FINANCIAL INFORMATION (Cont'd)**

- revenue from our air freight forwarding services operations in Singapore decreased by RM0.90 million or 39.85% to RM1.35 million in FPE 2023 (FPE 2022: RM2.25 million), which was due to the decrease in air freight forwarding cargo volume handled by 37.57%, to 118 tonnes in FPE 2023 (FPE 2022: 189 tonnes) arising from decrease in demand for air freight forwarding services from customers. This was coupled by lower prices charged as reflected in the decrease in the average revenue by 4.20% to approximately RM11,400 per tonne in FPE 2023 (FPE 2022: RM11,900 per tonne) on the back of lower air freight rates in the industry during FPE 2023 compared to FPE 2022.

**(c) Aerospace logistics services**

Our Group's revenue from aerospace logistics services increased by RM29.32 million or 183.52% to RM45.30 million in FPE 2023 (FPE 2022: RM15.98 million), which was contributed by higher revenue from our operations in the Philippines, Malaysia and Singapore in FPE 2023.

- revenue for our operations in the Philippines for this segment increased by 303.63% or RM18.06 million to RM24.01 million in FPE 2023 (FPE 2022: RM5.95 million) which was mainly attributed to higher prices charged as reflected in the increase in the average revenue by 287.30% to approximately RM97,600 per tonne in FPE 2023 (FPE 2022: RM25,200 per tonne) which was mainly due to an increase in the number of shipments of aircraft engines from 2 shipments in FPE 2022 to 13 shipments in FPE 2023. Aircraft engines are large specialized cargo that are associated with higher revenue per tonne compared to general aerospace logistics cargo.

In addition, the volume of cargo handled increased by 4.24% to 246 tonnes in FPE 2023 (FPE 2022: 236 tonnes) mainly due to the increase in the number of shipments of aircraft engines in FPE 2023 compared to FPE 2022.

- revenue for our operations in Malaysia for this segment increased by 119.75% or RM10.85 million to RM19.91 million in FPE 2023 (FPE 2022: RM9.06 million) which was driven by higher cargo volume handled which increased by 477.69% to 3,004 tonnes in FPE 2023 (FPE 2022: 520 tonnes), mainly due to higher demand in relation to increase in activities within the aviation industry including more maintenance services for passenger aircraft. In addition, we secured 1 new airline customer in Malaysia during FPE 2023 which contributed to the increase in cargo volume handled.

However, there was lower prices charged as reflected in the decrease in the average revenue by 62.07% to RM6,600 per tonne in FPE 2023 (FPE 2022: RM17,400 per tonne) which was mainly due to lower air freight rates in the industry during FPE 2023 compared to FPE 2022. Our operations in Malaysia mainly deals with general aerospace logistics cargo.

- revenue for our operations in Singapore for this segment increased by 42.36% or RM0.41 million to RM1.38 million in FPE 2023 (FPE 2022: RM0.97 million), which was mainly attributed to higher prices charged as reflected in the increase in the average revenue by 26.28% to RM39,400 per tonne in FPE 2023 (FPE 2022: RM31,200 per tonne) which was mainly due to higher proportion of small volume items shipped in FPE 2023 compared to FPE 2022. In general, the pricing for small volume items is higher per tonne as they are subject to a base rate irrespective of volume. This was reflected by the higher average air freight costs for the aerospace operations in Singapore by 27.14% or approximately RM17,100 per tonne to RM80,100 per tonne in FPE 2023. In addition, the higher revenue was also driven by higher cargo volume handled which increased by 12.90% to 35 tonnes in FPE 2023 (FPE 2022: 31 tonnes), which was mainly contributed by increased demand from 1 existing customer.

**12. FINANCIAL INFORMATION (Cont'd)**

In general, the overall revenue growth in the aerospace logistic services segment was driven by higher activities within the aviation industry including maintenance services for passenger aircrafts which consequently increased the demand for aircraft parts, components and equipment required to carry out maintenance.

**(d) Warehousing and other 3PL services**

Revenue from warehousing and other 3PL services increased by RM1.46 million or 26.65%, to RM6.95 million in FPE 2023 (FPE 2022: RM5.49 million). The increase was mainly contributed by our operations in Singapore with the increase in revenue by RM1.06 million or 23.95% pertaining to higher demand for warehousing services from existing customers as well as securing new customers in FPE 2023.

The increase in revenue was also contributed by our operations for this segment in the Philippines and Malaysia. Revenue from our operations in the Philippines increased by RM0.26 million mainly due to higher utilisation of Subic Warehouse 2 during FPE 2023, as well as from securing 1 new customer in FPE 2023. Meanwhile, revenue from our operations in Malaysia increased by RM0.18 million mainly from a new warehousing services agreement with 1 existing customer.

**(e) Road freight transportation services**

Revenue from road freight transportation services increased by RM0.83 million, or 25.21% to RM4.14 million in FPE 2023 (FPE 2022: RM3.31 million). This was attributed to the increase in revenue for the operations in Myanmar by RM1.25 million or 185.19% to RM1.93 million in FPE 2023 (FPE 2022: RM0.68 million) which was mainly due to increased demand for road freight transportation for cargo between Myanmar and Thailand.

This was partially offset by decrease in revenue from our Singapore operations for this segment by RM0.08 million, or 10.33% to RM0.73 million in FPE 2023 (FPE 2022: RM0.81 million) mainly due to discontinuing of business relationship with 2 existing customer during FPE 2023.

In addition, revenue from our Malaysia operations for this segment decreased by RM0.33 million, or 18.30% to RM1.49 million in FPE 2023 (FPE 2022: RM1.82 million) which was mainly due to discontinuing of business relationship with 2 existing customer during FPE 2023.

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**12. FINANCIAL INFORMATION (Cont'd)****12.3.4 Cost of sales**

Our cost of sales segmented by type of inputs for the Financial Years and Period Under Review is as follows:

Cost of Sales	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Freight charges	38,566	44.20	97,389	63.97	112,000	60.87
<i>Sea freight</i>	14,813	16.98	65,522	43.04	65,153	35.41
<i>Air freight <sup>(1)</sup></i>	23,753	27.22	31,867	20.93	46,847	25.46
Local charges	19,520	22.37	21,258	13.96	32,483	17.65
Handling and documentation charges	16,297	18.68	20,160	13.24	30,094	16.35
Road transportation charges	12,526	14.36	12,709	8.35	8,055	4.38
Others <sup>(2)</sup>	336	0.39	733	0.48	1,376	0.75
<b>Total Cost of Sales</b>	<b>87,245</b>	<b>100.00</b>	<b>152,249</b>	<b>100.00</b>	<b>184,008</b>	<b>100.00</b>

Cost of Sales	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
Freight charges	86,551	64.26	38,811	47.09
<i>Sea freight</i>	53,535	39.75	8,685	10.54
<i>Air freight <sup>(1)</sup></i>	33,016	24.51	30,126	36.55
Local charges	20,612	15.30	13,609	16.51
Handling and documentation charges	18,146	13.47	21,344	25.90
Road transportation charges	8,435	6.26	3,753	4.55
Others <sup>(2)</sup>	948	0.71	4,897	5.95
<b>Total Cost of Sales</b>	<b>134,692</b>	<b>100.00</b>	<b>82,414</b>	<b>100.00</b>

**Notes:**

- (1) *Comprises air freight charges for air freight forwarding and aerospace logistics services.*
- (2) *Others include sea and air freight forwarding sub-contractor fees, warehouse rental, storage fees, labour charges and others.*

Our cost of sales for the Financial Years and Period Under Review segmented by business activities is as follows:

Cost of Sales	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Sea freight forwarding	45,917	52.63	99,482	65.34	108,427	58.93
Air freight forwarding	26,725	30.63	40,064	26.31	50,737	27.57
Aerospace logistics	10,389	11.91	7,677	5.04	19,168	10.42
Warehousing and other 3PL services	1,453	1.67	2,734	1.80	3,007	1.63
Road freight transportation	2,761	3.16	2,292	1.51	2,669	1.45
<b>Total Cost of Sales</b>	<b>87,245</b>	<b>100.00</b>	<b>152,249</b>	<b>100.00</b>	<b>184,008</b>	<b>100.00</b>

Cost of Sales	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
Sea freight forwarding	82,312	61.11	34,137	41.41
Air freight forwarding	39,552	29.36	16,599	20.14
Aerospace logistics	10,143	7.54	27,488	33.36
Warehousing and other 3PL services	1,087	0.80	1,562	1.90
Road freight transportation	1,598	1.19	2,628	3.19
<b>Total Cost of Sales</b>	<b>134,692</b>	<b>100.00</b>	<b>82,414</b>	<b>100.00</b>

**12. FINANCIAL INFORMATION (Cont'd)**

Our Group's cost of sales segmentation by business activities and operational countries for the Financial Years and Period Under Review are set out below:

Cost of sales	FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
<b>Foreign operations</b>	<b>71,190</b>	<b>81.59</b>	<b>132,691</b>	<b>87.15</b>	<b>156,368</b>	<b>84.98</b>	<b>115,848</b>	<b>86.01</b>	<b>64,304</b>	<b>78.02</b>
Sea freight forwarding	40,573	46.50	94,517	62.08	101,118	54.96	77,094	57.24	32,074	38.91
- Philippines operations	14,837	17.01	19,304	12.68	33,432	18.17	19,475	14.46	18,676	22.66
- Korea operations	13,883	15.91	45,190	29.68	41,173	22.38	35,795	26.58	6,932	8.41
- Myanmar operations	8,045	9.22	18,729	12.30	18,037	9.80	15,221	11.30	2,583	3.13
- Singapore operations	3,808	4.36	11,294	7.42	8,476	4.61	6,603	4.90	3,883	4.71
Air freight forwarding	20,600	23.61	31,202	20.49	41,189	22.38	32,119	23.84	13,821	16.77
- Philippines operations	13,313	15.26	20,992	13.79	26,491	14.40	21,296	15.81	9,330	11.32
- Korea operations	3,070	3.52	6,321	4.15	8,436	4.58	6,867	5.10	3,000	3.64
- Myanmar operations	3,020	3.46	2,396	1.57	3,888	2.11	2,536	1.88	677	0.82
- Singapore operations	1,197	1.37	1,493	0.98	2,374	1.29	1,420	1.05	814	0.99
Aerospace logistics	7,208	8.26	3,341	2.19	9,917	5.39	4,943	3.68	15,226	18.48
- Philippines operations	5,584	6.40	1,355	0.89	7,147	3.88	2,754	2.05	11,773	14.29
- Singapore operations	1,624	1.86	1,986	1.30	2,770	1.51	2,189	1.63	3,453	4.19
Warehousing and other 3PL services	1,453	1.67	2,734	1.80	3,003	1.63	1,087	0.80	1,550	1.88
- Philippines operations	1,098	1.26	2,408	1.59	1,879	1.02	437	0.32	497	0.60
- Myanmar operations	96	0.11	92	0.06	48	0.03	32	0.02	25	0.03
- Singapore operations	259	0.30	234	0.15	1,076	0.58	618	0.46	1,028	1.25
Road freight transportation	1,356	1.55	897	0.59	1,141	0.62	605	0.45	1,633	1.98
- Myanmar operations	795	0.91	468	0.31	1,099	0.60	564	0.42	1,633	1.98
- Singapore operations	561	0.64	429	0.28	42	0.02	41	0.03	-	-
<b>Malaysia operations</b>	<b>16,055</b>	<b>18.41</b>	<b>19,558</b>	<b>12.85</b>	<b>27,640</b>	<b>15.02</b>	<b>18,844</b>	<b>13.99</b>	<b>18,110</b>	<b>21.98</b>
Sea freight forwarding	5,344	6.13	4,965	3.26	7,309	3.97	5,218	3.87	2,063	2.50
Air freight forwarding	6,125	7.02	8,862	5.82	9,548	5.19	7,433	5.52	2,778	3.37
Aerospace logistics	3,181	3.65	4,336	2.85	9,251	5.03	5,200	3.86	12,262	14.88
Warehousing and other 3PL services	-	-	-	-	4	#	-	-	12	0.02
Road freight transportation	1,405	1.61	1,395	0.92	1,528	0.83	993	0.74	995	1.21
<b>Total Cost of Sales</b>	<b>87,245</b>	<b>100.00</b>	<b>152,249</b>	<b>100.00</b>	<b>184,008</b>	<b>100.00</b>	<b>134,692</b>	<b>100.00</b>	<b>82,414</b>	<b>100.00</b>

**Note:**

# Less than 0.01%.

**12. FINANCIAL INFORMATION (Cont'd)**

Our cost of sales mainly consists of the following:

**(i) Freight charges**

Sea and air freight charges are paid to the carriers for the transportation of our customers' goods by cargo ships and planes, respectively.

For FYE 2021, our total freight charges increased by RM58.82 million or 152.53% to RM97.39 million mainly attributed to the following:

- total sea freight charges increased by RM50.71 million or 342.33%, to RM65.52 million (FYE 2020: RM14.81 million) mainly attributed to higher sea freight rates as reflected in the increase in our average sea freight cost per TEU by 287.50% to approximately RM3,100 per TEU in FYE 2021. The increase also contributed by the higher sea freight cargo volume handled which increased by 9.51% in FYE 2021.
- total air freight charges increased by RM8.12 million or 34.16% to RM31.87 million in FYE 2021 (FYE 2020: RM23.75 million) mainly attributed to higher air freight rates mainly attributed to increase in average air freight cost per tonne from our operations in Malaysia, Korea, Myanmar and Singapore. In addition, the increase in the total air freight charges was also contributed by higher air freight forwarding services cargo volume handled in FYE 2021, which increased by 70.59% in FYE 2021.

For FYE 2022, our total freight charges increased by RM14.61 million or 15.00% to RM112.00 million (FYE 2021: RM97.39 million). This was attributed to the increase in the total air freight charges by RM14.98 million or 47.01% to RM46.85 million in FYE 2022 (FYE 2021: RM31.87 million). This was mainly contributed by higher average air freight costs per tonne from our operations in certain countries mainly Philippines, Korea and Singapore, which increased mainly on the back of rising air freight rates in the industry. The average air freight costs per tonne for our operations in Malaysia decreased mainly due to higher demand for the services for inbound air freight volume which were mainly on documentation-only basis. Average air freight costs per tonne for our operations in Myanmar was slightly lower in FYE 2022 compared to FYE 2021.

In addition, the increase in total air freight charges was partly driven by higher volume handle from our aerospace logistics services segment in Malaysia and Philippines as reflected in the increase in cargo volume handled by 87.04% and 27.34% in FYE 2022 for our Malaysia and Philippines operations respectively.

For FPE 2023, our total freight charges decreased by RM47.74 million or 55.16% to RM38.81 million (FPE 2022: RM86.55 million) mainly attributed to the following:

- total sea freight charges decreased by RM44.85 million or 83.78%, to RM8.69 million (FPE 2022: RM53.54 million) mainly attributed to lower sea freight rates as reflected in the decrease in our average sea freight cost per TEU by 82.00% to approximately RM900 per TEU in FPE 2023 (FPE 2022: RM5,000 per TEU). This was mainly attributed to the lower sea freight forwarding services rendered from our operations in Korea where volume of sea freight cargo handled decreased by 58.58% in FPE 2023 as well as lower sea freight cost. The average sea freight cost for our operations in Korea decreased by 74.65% to RM3,600 per TEU in FPE 2023 (FPE 2022: RM14,200 per TEU) due to lower sea freight rates in the industry during FPE 2023.
- total air freight charges decreased by RM2.89 million or 8.75% to RM30.13 million in FPE 2023 (FPE 2022: RM33.02 million) mainly attributed to lower air freight cost per tonne for our Group's air freight forwarding services operations as well as aerospace logistics operations in Malaysia. In addition, air freight forwarding services cargo volume decreased by 18.99% in FPE 2023.

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**12. FINANCIAL INFORMATION (Cont'd)**

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However, this was partially offset by increase in average air freight cost per tonne from our aerospace logistics operations in the Philippines which increased by 480.77% which was mainly due to higher number of aircraft engine shipments handled.

**(ii) Local charges**

Local charges are the fees that we pay to other third-party logistics service providers to provide sea and air freight forwarding services to us in countries where we do not have a physical presence. Examples of local charges include, among others, equipment rental, packing and unpacking, breakbulk, temporary storage, agency fees, container cleaning and fumigation charges, demurrage and detention fees, customs clearance and inspection fees, manpower and overtime, additional fees for handling dangerous cargo, and security fees. These local charges are in relation to our air and sea freight forwarding, and aerospace logistics services.

For FYE 2021, our total local charges increased by RM1.74 million or 8.90% to RM21.26 million (FYE 2020: RM19.52 million), which was mainly contributed by our operations in the Philippines and Myanmar. The increase was mainly attributed to the higher volume of sea and air freight cargo handled where the total sea and air freight cargo handled increased by 9.51% and 70.59% respectively in FYE 2021.

For FYE 2022, our total local charges increased by RM11.22 million or 52.80% to RM32.48 million (FYE 2021: RM21.26 million), which was mainly contributed by our Malaysia, Philippines and Myanmar operations. The increase was mainly attributed to the higher volume of sea freight and aerospace logistics cargo handled in FYE 2022 where the volume increased by 18.07% and 61.29% in FYE 2022 respectively.

For FPE 2023, our total local charges decreased by RM7.00 million or 33.98% to RM13.61 million (FPE 2022: RM20.61 million). This was mainly attributed to the lower local charges for our Philippines operations' sea freight forwarding due to fewer services provided to 1 existing customer, and lower local charges for air freight forwarding services as air freight cargo volume decreased by 9.71% in FPE 2023.

**(iii) Handling and documentation charges**

Handling charges are the fees paid, when required, to other third-party logistics service providers to handle our customers' goods. Examples of handling charges include, among others, forwarding, handling and customs charges, warehouse, terminal and airport handling charges, and processing fees. Documentation charges are the fees that are charged for submitting documents to authorities on behalf of our customers, such as bill of lading or airway bill fees.

For FYE 2021, the total handling and documentation charges increased by RM3.86 million or 23.70% to RM20.16 million (FYE 2020: RM16.30 million) mainly arising from higher volume of sea and air freight forwarding cargo handled in FYE 2021 where the total sea and air freight cargo handled increased by 9.51% and 70.59% in FYE 2021 respectively.

## 12. FINANCIAL INFORMATION (Cont'd)

For FYE 2022, the total handling and documentation charges increased by RM9.93 million or 49.28% to RM30.09 million (FYE 2021: RM20.16 million) mainly arising from higher volume of sea and aerospace logistics cargo handled where the total sea and aerospace logistics cargo handled increased by 18.07% and 61.29% in FYE 2021 respectively.

For FPE 2023, the total handling and documentation charges increased by RM3.20 million or 17.62% to RM21.34 million (FPE 2022: RM18.15 million) mainly arising from aerospace logistics services in line with the increase in aerospace logistics cargo volume for our operations in Malaysia by 477.69%. In addition, the increase in total handling and documentation charges was contributed by sea freight forwarding services, in particular for our Philippines operations in line with sea freight cargo volume which increased by 24.64% in FPE 2023.

### (iv) Road transportation charges

Road transportation charges are the fees that we pay to other third-party logistics service providers to transport our customers' cargo by road, as well as fuel that we purchase to operate our vehicle fleet.

For FYE 2021, the total road transportation charges increased by RM0.18 million or 1.46% to RM12.71 million (FYE 2020: RM12.53 million) mainly attributed to the higher trucking costs for our operations in Korea arising from higher demand of this transportation services for the sea freight cargos in Korea. This was also reflected in the higher volume of sea freight cargo handled in our operations in Korea, which increased by 17.37% in FYE 2021.

For FYE 2022, the total road transportation charges decreased by RM4.65 million or 36.62% to RM8.06 million (FYE 2021: RM12.71 million) attributed to the lower trucking costs for our operations in Korea due to lower demand of this transportation services for the sea freight cargos in Korea. This was also reflected in the lower volume of sea freight cargo handled in our operations in Korea, which decreased by 31.87% in FYE 2022.

For FPE 2023, the total road transportation charges decreased by RM4.68 million or 55.51% to RM3.75 million (FPE 2022: RM8.44 million) mainly attributed to decrease in trucking costs for our operations in Korea arising from lower demand of this transportation services for sea freight cargos in Korea as reflected in the lower of sea freight cargo volume handled in our operations in Korea, which decreased by 58.58% in FPE 2023.

### (v) Others

Other costs of sales include sea and air freight forwarding sub-contractor fees, warehouse rental, storage fees, labour charges and others.

For FYE 2021, other costs of sales increased by RM0.39 million or 118.15% to RM0.73 million (FYE 2020: RM0.34 million) mainly due to higher warehouse rental and air freight forwarding sub-contractor fees. The higher air freight forwarding sub-contractor fees for FYE 2021 were mainly due to cost incurred for engaging a subcontractor based in Penang in respect of a transportation of an aircraft engine shipment.

For FYE 2022, other costs of sales increased by RM0.65 million or 87.72% to RM1.38 million (FYE 2021: RM0.73 million) mainly due to higher warehouse rental for our operations.

The higher warehouse rental for the FYE 2021 and FYE 2022 were attributable to cost incurred for engaging third-party providers for the storage of goods in a warehouse located in China on behalf of one of a AGX Singapore's customer.

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**12. FINANCIAL INFORMATION (Cont'd)**

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For FPE 2023, other costs of sales increased by RM3.95 million or 416.56% to RM4.90 million (FPE 2022: RM0.95 million) mainly due to higher other sea freight forwarding costs for our Korea operations in relation to charges by a port operator for the loading and unloading of cargo.

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**12. FINANCIAL INFORMATION (Cont'd)****12.3.5 Gross profit****(a) GP and GP margin by business activities**

Our GP and GP margin by business activities for the Financial Years and Period Under Review are as follows:

GP	FYE 2020			FYE 2021			FYE 2022		
	RM'000	%	GP margin %	RM'000	%	GP margin %	RM'000	%	GP margin %
Sea freight forwarding	15,307	43.41	25.00	20,491	49.82	17.08	18,155	36.01	14.34
Air freight forwarding	8,287	23.50	23.67	11,721	28.50	22.63	12,913	25.61	20.29
Aerospace logistics	6,361	18.04	37.98	4,040	9.82	34.48	10,515	20.85	35.42
Warehousing and other 3PL services	2,221	6.29	60.45	2,148	5.23	44.00	6,106	12.11	67.00
Road freight transportation	3,086	8.76	52.78	2,723	6.63	54.30	2,732	5.42	50.58
<b>Total GP</b>	<b>35,262</b>	<b>100.00</b>	<b>28.78</b>	<b>41,123</b>	<b>100.00</b>	<b>21.27</b>	<b>50,421</b>	<b>100.00</b>	<b>21.51</b>

GP	FPE 2022			FPE 2023		
	RM'000	%	GP margin %	RM'000	%	GP margin %
Sea freight forwarding	13,258	37.49	13.87	10,788	27.10	24.01
Air freight forwarding	10,166	28.75	20.45	4,317	10.84	20.64
Aerospace logistics	5,834	16.49	36.51	17,810	44.73	39.32
Warehousing and other 3PL services	4,398	12.44	80.18	5,385	13.53	77.52
Road freight transportation	1,710	4.83	51.69	1,514	3.80	36.55
<b>Total GP</b>	<b>35,366</b>	<b>100.00</b>	<b>20.80</b>	<b>39,814</b>	<b>100.00</b>	<b>32.57</b>

**12. FINANCIAL INFORMATION (Cont'd)**

Our GP and GP margin by business activities and operational locations for the Financial Years and Period Under Review are set out below:

GP	FYE 2020			FYE 2021			FYE 2022			FPE 2022			FPE 2023		
	RM'000	%	GP margin %	RM'000	%	GP margin %	RM'000	%	GP margin %	RM'000	%	GP margin %	RM'000	%	GP margin %
<b>Foreign operations</b>	<b>27,958</b>	<b>79.28</b>	<b>28.20</b>	<b>34,346</b>	<b>83.51</b>	<b>20.56</b>	<b>37,010</b>	<b>73.39</b>	<b>19.14</b>	<b>27,498</b>	<b>77.75</b>	<b>19.18</b>	<b>29,745</b>	<b>74.71</b>	<b>31.63</b>
Sea freight forwarding	13,731	38.94	25.29	19,319	46.97	16.97	15,953	31.64	13.63	12,018	33.98	13.49	9,860	24.76	23.51
- Philippines operations	7,676	21.77	34.10	8,541	20.77	30.67	6,557	13.00	16.40	4,472	12.65	18.67	5,790	14.54	23.67
- Korea operations	2,455	6.96	15.03	6,618	16.09	12.77	4,673	9.27	10.19	4,145	11.72	10.38	1,605	4.03	18.80
- Myanmar operations	2,406	6.82	23.02	2,657	6.46	12.42	3,006	5.96	14.29	2,197	6.21	12.61	1,295	3.25	33.39
- Singapore operations	1,194	3.39	23.87	1,503	3.65	11.74	1,717	3.41	16.84	1,204	3.40	15.42	1,170	2.94	23.15
Air freight forwarding	6,239	17.69	23.25	9,507	23.12	23.35	10,722	21.26	20.65	8,585	24.28	21.09	3,848	9.68	21.78
- Philippines operations	4,165	11.81	23.83	7,956	19.35	27.48	9,032	17.91	25.43	7,161	20.25	25.16	2,686	6.76	22.35
- Korea operations	371	1.05	10.78	404	0.98	6.01	257	0.51	2.96	87	0.25	1.25	318	0.80	9.58
- Myanmar operations	847	2.40	21.90	648	1.58	21.29	737	1.46	15.94	511	1.44	16.77	307	0.77	31.20
- Singapore operations	856	2.43	41.70	499	1.21	25.05	696	1.38	22.67	826	2.34	36.78	537	1.35	39.75
Aerospace logistics	4,055	11.50	36.00	1,852	4.50	35.66	3,345	6.63	25.22	1,972	5.57	28.51	10,160	25.52	40.02
- Philippines operations	4,501	12.76	44.63	2,253	5.48	62.44	4,842	9.60	40.39	3,194	9.03	53.70	12,235	30.73	50.96
- Singapore operations	(446)	(1.26)	(37.86)	(401)	(0.98)	(25.30)	(1,497)	(2.97)	(117.60)	(1,222)	(3.46)	(126.24)	(2,075)	(5.21)	(150.58)
Warehousing and other 3PL services	2,081	5.89	58.89	1,722	4.19	38.64	5,565	11.04	64.95	4,040	11.43	78.80	4,856	12.19	75.80
- Philippines operations <sup>(1)</sup>	79	0.22	6.71	(1,573)	(3.83)	(188.38)	(163)	(0.32)	(9.50)	239	0.68	35.36	442	1.11	47.07
- Myanmar operations	(18)	(0.06)	(23.08)	(48)	(0.11)	(109.09)	13	0.03	21.31	14	0.04	30.43	(18)	(0.05)	(257.14)
- Singapore operations	2,020	5.73	88.64	3,343	8.13	93.46	5,715	11.33	84.16	3,787	10.71	85.97	4,432	11.13	81.17
Road freight transportation	1,852	5.26	57.73	1,946	4.73	68.45	1,425	2.82	55.53	883	2.49	59.34	1,021	2.56	38.47
- Myanmar operations	168	0.48	17.45	121	0.29	20.54	219	0.43	16.62	111	0.31	16.44	292	0.73	15.17
- Singapore operations	1,684	4.78	75.01	1,825	4.44	80.97	1,206	2.39	96.63	772	2.18	94.96	729	1.83	100.00



**12. FINANCIAL INFORMATION (Cont'd)**

GP	FYE 2020			FYE 2021			FYE 2022			FPE 2022			FPE 2023		
	RM'000	%	GP margin %	RM'000	%	GP margin %	RM'000	%	GP margin %	RM'000	%	GP margin %	RM'000	%	GP margin %
<b>Malaysia operations</b>	<b>7,304</b>	<b>20.72</b>	<b>31.27</b>	<b>6,777</b>	<b>16.49</b>	<b>25.73</b>	<b>13,411</b>	<b>26.61</b>	<b>32.67</b>	<b>7,868</b>	<b>22.25</b>	<b>29.46</b>	<b>10,069</b>	<b>25.29</b>	<b>35.73</b>
Sea freight forwarding	1,576	4.47	22.77	1,172	2.85	19.10	2,202	4.37	23.15	1,240	3.51	19.20	928	2.33	31.03
Air freight forwarding	2,048	5.81	25.06	2,214	5.38	19.99	2,191	4.35	18.66	1,581	4.47	17.54	469	1.18	14.44
Aerospace logistics	2,306	6.54	42.03	2,188	5.32	33.54	7,170	14.22	43.66	3,862	10.92	42.62	7,651	19.21	38.42
Warehousing and other 3PL services	140	0.40	100.00	426	1.04	100.00	541	1.07	99.27	358	1.01	100.00	529	1.33	97.78
Road freight transportation	1,234	3.50	46.76	777	1.90	35.77	1,307	2.60	46.10	827	2.34	45.44	492	1.24	33.09
<b>Total GP</b>	<b>35,262</b>	<b>100.00</b>	<b>28.78</b>	<b>41,123</b>	<b>100.00</b>	<b>21.27</b>	<b>50,421</b>	<b>100.00</b>	<b>21.51</b>	<b>35,366</b>	<b>100.00</b>	<b>20.80</b>	<b>39,814</b>	<b>100.00</b>	<b>32.57</b>

**Note:**

(1) AGX Group's Philippines operations for warehousing and other 3PL services comprise AGX Philippines and AGX Worldwide.

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**12. FINANCIAL INFORMATION (Cont'd)**

Our GP and GP margin for the Financial Years and Period Under Review segmented by geographical markets is as follows:

GP	FYE 2020			FYE 2021			FYE 2022		
	RM'000	GP margin %	%	RM'000	GP margin %	%	RM'000	GP margin %	%
<b>Malaysia</b>	<b>5,222</b>	<b>14.81</b>	<b>32.22</b>	<b>5,144</b>	<b>12.51</b>	<b>29.87</b>	<b>5,487</b>	<b>10.88</b>	<b>21.81</b>
<b>Foreign countries</b>	<b>30,040</b>	<b>85.19</b>	<b>28.26</b>	<b>35,979</b>	<b>87.49</b>	<b>20.43</b>	<b>44,934</b>	<b>89.12</b>	<b>21.47</b>
Philippines	11,665	33.08	27.01	14,298	34.77	26.69	15,482	30.71	20.16
Korea	2,227	6.32	11.90	6,660	16.2	11.96	4,522	8.97	9.04
Myanmar	2,659	7.54	20.65	2,404	5.85	12.39	3,076	6.10	15.32
Singapore	6,291	17.84	50.77	7,101	17.27	40.15	9,534	18.91	49.75
Other countries <sup>(1)</sup>	7,198	20.41	37.62	5,516	13.4	18.52	12,320	24.43	28.48
<b>Total GP</b>	<b>35,262</b>	<b>100.00</b>	<b>28.78</b>	<b>41,123</b>	<b>100.00</b>	<b>21.27</b>	<b>50,421</b>	<b>100.00</b>	<b>21.51</b>

GP	FPE 2022			FPE 2023		
	RM'000	GP margin %	%	RM'000	GP margin %	%
<b>Malaysia</b>	<b>3,782</b>	<b>10.69</b>	<b>22.87</b>	<b>5,396</b>	<b>13.55</b>	<b>26.86</b>
<b>Foreign countries</b>	<b>31,584</b>	<b>89.31</b>	<b>20.57</b>	<b>34,418</b>	<b>86.45</b>	<b>33.70</b>
Philippines	12,482	35.30	24.09	18,756	47.11	36.83
Korea	3,932	11.12	9.03	1,508	3.79	15.94
Myanmar	2,141	6.05	13.25	1,571	3.95	25.87
Singapore	6,270	17.73	46.13	7,256	18.22	56.67
Other countries <sup>(1)</sup>	6,759	19.11	23.78	5,327	13.38	23.29
<b>Total GP</b>	<b>35,366</b>	<b>100.00</b>	<b>20.80</b>	<b>39,814</b>	<b>100.00</b>	<b>32.57</b>

**Note:**

(1) Other countries during the Financial Years and Period Under Review include, include, among others, Australia, China, Hong Kong, Indonesia, Japan, Thailand and the United States.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 2021 compared to FYE 2020**

Our Group's total GP increased by RM5.86 million or 16.62% to RM41.12 million in FYE 2021 (FYE 2020: RM35.26 million), mainly contributed by our sea and air freight forwarding segments. The Group's GP margin decreased from 28.78% in FYE 2020 to 21.27% in FYE 2021, mainly due to lower GP margins from sea and air freight forwarding, aerospace logistics and warehousing and other 3PL services segments.

**(a) Sea freight forwarding services**

Our Group's GP from sea freight forwarding services increased by RM5.18 million or 33.87% to RM20.49 million in FYE 2021 (FYE 2020: RM15.31 million). The increase was mainly attributed to the following:

- GP for our sea freight forwarding operations in Korea increased by RM4.16 million or 169.57% to RM6.62 million in FYE 2021, mainly driven by higher revenue as reflected in the increase in revenue of 217.10% arising from higher volume of sea freight forwarding cargo handled in FYE 2021.
- GP for our sea freight forwarding operations in the Philippines increased by RM0.86 million or 11.27% to RM8.54 million in FYE 2021, mainly driven by higher revenue as reflected in the revenue increase by 23.68% in FYE 2021 due to higher volume of sea freight cargo handled in FYE 2021.

Our Group's GP margin from sea freight forwarding services decreased from 25.00% in FYE 2020 to 17.08% in FYE 2021 which was contributed by the following:

- GP margin for our sea freight forwarding operations in Malaysia decreased from 22.77% in FYE 2020 to 19.10% in FYE 2021. The decrease in GP margin was mainly due to the increase in the sea freight costs by 133.33% to RM700 per TEU in FYE 2021 (FYE 2020: RM300 per TEU) on the back of rising sea freight rates in the industry. Meanwhile the pricing as reflected in the average revenue per TEU for sea freight forwarding services increased by 23.08% in FYE 2021 coupled with lower volume of sea freight cargo handled. The volume of sea freight cargo handled decreased by 27.98% to 3,817 TEU in FYE 2021 (FYE 2020: 5,300 TEU). The reduction in the GP margin was part of our management's commercial decision to maintain our relationships with customers in view of the rising sea freight costs in the industry.
- GP margin for our sea freight forwarding operations in Korea decreased from 15.03% in FYE 2020 to 12.77% in FYE 2021. The decrease in GP margin was due to the increase in the sea freight costs by 661.54% to RM9,900 per TEU in FYE 2021 (FYE 2020: RM1,300 per TEU) on the back of rising sea freight rates in the industry. Meanwhile the pricing as reflected in the average revenue per TEU increased by 170.91% in FYE 2021. The reduction in the GP margin was part of management's commercial decision to maintain our relationships with customers in view of the rising sea freight costs in the industry.
- GP margin for our sea freight forwarding operations in Singapore decreased from 23.87% in FYE 2020 to 11.74% in FYE 2021, mainly attributed to the increase in sea freight costs on the back of rising sea freight rates in the industry. The sea freight costs increased by 235.29% to RM5,700 per TEU in FYE 2021 (FYE 2020: RM1,700 per TEU) while the pricing as reflected in the average revenue per TEU increased by 145.95% in FYE 2021. The reduction in the GP margin was part of management's commercial decision to maintain our relationships with customers in view of the rising sea freight costs in the industry.

**12. FINANCIAL INFORMATION (Cont'd)**

- GP margin for our sea freight forwarding operations in the Philippines decreased from 34.10% in FYE 2020 to 30.67% in FYE 2021, mainly contributed by the higher volume of sea freight cargo which increased by 51.26% in FYE 2021 arising from the low margin of inbound sea freight cargo volume handled and this was associated with lower rates charged to customers. The lower rate mainly attributed to the handling of inbound sea freight cargo excludes the component on sea freight charges.

**(b) Air freight forwarding services**

Our Group's GP from air freight forwarding services in FYE 2021 increased by RM3.43 million or 41.44% to RM11.72 million in FYE 2021 (FYE 2020: RM8.29 million). The increase was attributed to the following:

- GP for our air freight forwarding operations in the Philippines increased by 91.02% or RM3.79 million to RM7.96 million in FYE 2021, mainly driven by higher revenue as reflected in the increase in the revenue for this segment by 65.63% in FYE 2021. The growth was mainly attributed to the higher volume of air freight cargo handled which increased by 136.59% in FYE 2021 arising from higher demand.

This was partially offset by the lower GP from our air freight forwarding operations in Singapore, which decreased by RM0.36 million to RM0.50 million in FYE 2021 (FYE 2020: RM0.86 million). This was mainly contributed by higher air freight costs as reflected in the increase in the proportion of air freight cost against the revenue from 46.00% in FYE 2020 to 58.05% in FYE 2021. The decrease in GP from our Singapore operations was also due to lower volume of air freight cargo handled, which decreased by 45.32% to 181 tonnes in FYE 2021 (FYE 2020: 331 tonnes).

Our Group's GP margin from air freight forwarding services decreased from 23.67% in FYE 2020 to 22.63% in FYE 2021. The decrease in the GP margin was contributed by the following:

- GP margin for our air freight forwarding operations in Malaysia decreased from 25.06% in FYE 2020 to 19.99% in FYE 2021, mainly due to the increase in the air freight costs by 77.59% to RM10,300 per tonne in FYE 2021 (FYE 2020: RM5,800 per tonne) on the back of rising air freight rates in the industry. Meanwhile, the pricing charged to customers as reflected in the average revenue per tonne for air freight forwarding services for Malaysia operations increased by 61.96%. In addition, there was lower volume of air freight cargo handled in Malaysia which decreased by 16.39% in FYE 2021. The reduction in the GP margin was part of management's commercial decision to maintain our relationships with customers in view of the rising air freight costs in the industry.
- GP margin for the air freight forwarding operations in Korea decreased from 10.78% in FYE 2020 to 6.01% in FYE 2021, mainly due to the increase in the air freight costs by 156.63% to RM21,300 per tonne in FYE 2021 (FYE 2020: RM8,300 per tonne) on the back of rising air freight rates in the industry. Meanwhile, the pricing charged to customers as reflected in the average revenue per tonne for air freight forwarding services for Korea operations increased by 58.33%. The reduction in the GP margin was part of management's commercial decision to maintain our relationships with customers in view of the rising air freight costs in the industry.

**12. FINANCIAL INFORMATION (Cont'd)**

- GP margin for our air freight forwarding operations in Singapore decreased from 41.70% for FYE 2020 to 25.05% for FYE 2021, mainly due to the higher proportion of air freight cost on the back of rising air freight cost in the industry. The air freight costs increased by 128.57% to RM6,400 per tonne in FYE 2021 (FYE 2020: RM2,800 per tonne). Meanwhile, the pricing charged to customers as reflected in the average revenue per tonne for air freight forwarding services for Singapore operations increased by 77.42%. The reduction in the GP margin was part of management's commercial decision to maintain our relationships with customers in view of the rising air freight costs in the industry.

The decrease in the Group's GP margin partially moderated by the increase in the GP margin for our operations in the Philippines where the GP margin from air freight forwarding segment in Philippines increased from 23.83% in FYE 2020 to 27.48% in FYE 2021. This was mainly driven by the increase in inbound air freight cargo volume handled by 141.09% in FYE 2021 which commonly excluded the air freight cost component. This was reflected in the proportion of air freight cost against revenue which decreased from 43.91% in FYE 2020 to 35.99% in FYE 2021.

**(c) Aerospace logistics services**

Our Group's GP from aerospace logistics decreased by RM2.32 million or 36.49% to RM4.04 million in FYE 2021 (FYE 2020: RM6.36 million), mainly due to lower demand of the services as reflected in the decrease in the Group's revenue of 30.05% in FYE 2021 mainly arising from the COVID-19 pandemic related restrictions on domestic and international air travel in FYE 2021.

Our GP margin from aerospace logistics decreased from 37.98% in FYE 2020 to 34.48% in FYE 2021, mainly due to increase in the air freight cost component, as the proportion of air freight cost against revenue increased from 32.89% in FYE 2020 to 41.67% in FYE 2021.

Notwithstanding the above, our operation in Singapore recorded a gross loss and gross loss margin of RM0.40 million and 25.30% respectively in FYE 2021 (FYE 2020: RM0.45 million, gross loss margin: 37.86%). The gross loss was mainly attributable to aerospace logistics services provided by our operation in Singapore on behalf of other entities within our Group. In such instances, the costs arising therefrom were incurred by our operation in Singapore whilst the revenue were derived by other entities within our Group.

**(d) Warehousing and other 3PL services**

Our GP from warehousing and other 3PL services decreased by RM0.07 million or 3.29% to RM2.15 million in FYE 2021 (FYE 2020: RM2.22 million). This was mainly due to the gross loss of RM1.57 million from the operations in the Philippines resulting from handling costs relating to warehouse handling, repacking, sorting and manpower costs in FYE 2021 as well as partly due to the loss of a customer for the warehousing and other 3PL services in the Philippines.

Our GP margin from warehousing and other 3PL services decreased from 60.45% in FYE 2020 to 44.00% in FYE 2021, mainly due to the gross loss from the operations in Philippines.

**(e) Road freight transportation services**

Our Group's GP from road freight transportation services decreased by RM0.37 million or 11.76% to RM2.72 million in FYE 2021 (FYE 2020: RM3.09 million). This was mainly attributed to the lower GP from the operations in Malaysia, which decreased by 37.03% or RM0.45 million to RM0.78 million in FYE 2021 (FYE 2020: RM1.23 million). This also reflected in the decrease in our Group's revenue from this segment by 17.70% in FYE 2021 for our Malaysia operations.

## 12. FINANCIAL INFORMATION (Cont'd)

The decrease in GP was partially moderated by the increase in the GP of the operations in Singapore by 8.37% or RM0.15 million in FYE 2021, mainly due to lower handling and customs charges, and processing fees as the Group engaged fewer external service providers for these services.

However, our Group's GP margin from road freight transportation services increased from 52.78% in FYE 2020 to 54.30% in FYE 2021, which was mainly attributed to the improvement in GP margin from the operations in Singapore as a result of lower handling costs as mentioned above.

### **FYE 2022 compared to FYE 2021**

Our Group's GP increased by RM9.30 million or 22.61% to RM50.42 million in FYE 2022 (FYE 2021: RM41.12 million), which was mainly due to increases in GP from our aerospace logistics as well as warehousing and other 3PL services segments.

Our Group's overall GP margin increased from 21.27% in FYE 2021 to 21.51% in FYE 2022 attributed to the improvement in the GP margin from warehousing and other 3PL services segment.

#### **(a) Sea freight forwarding services**

Our Group's GP from sea freight forwarding services decreased by RM2.33 million or 11.40% to RM18.16 million in FYE 2022 (FYE 2021: RM20.49 million) and this was contributed by the following:

- GP for our sea freight forwarding operations in Korea decreased by RM1.95 million or 29.39% to RM4.67 million in FYE 2022 (FYE 2021: RM6.62 million) due to lower sea freight cargo volume handled and this was also reflected in the decrease in revenue for sea freight forwarding by 11.51% in FYE 2022.
- GP for our sea freight forwarding operations in the Philippines decreased by 23.23% or RM1.98 million to RM6.56 million (FYE 2021: RM8.54 million) and this was mainly attributed to the higher costs of local charges such as agency fees, port charges, container cleaning and fumigation charges, customs clearance, manpower and overtime charges and handling charges such terminal handling charges and processing fees. This was reflected in the increase in the proportion of handling charges against revenue from 22.78% in FYE 2021 to 32.36% in FYE 2022. In addition, the proportion of local charges also increased against revenue from 33.05% in FYE 2021 to 37.61% in FYE 2022.

The decrease in GP was partially moderated by the increase in GP from the sea freight forwarding services from the operations in the countries as set out below:

- GP for our sea freight forwarding operations in Malaysia increased by RM1.03 million or 87.88% to RM2.20 million in FYE 2022 (FYE 2021: RM1.17 million), mainly contributed by higher volume of cargo handled as reflected in the increase in revenue for sea freight forwarding by 54.98% in FYE 2022 for our Malaysia operations. This was contributed by the higher volume of outbound sea freight cargo handled, which increased by 59.29% in FYE 2022 and this consists of full services including sea freight charges and was associated with higher charges.

**12. FINANCIAL INFORMATION (Cont'd)**

- GP for our sea freight forwarding operations in Myanmar increased by RM0.35 million or 13.14% to RM3.00 million in FYE 2022 (FYE 2021: RM2.66 million). The increase in GP was mainly due to lower sea freight cost and this was reflected in the proportion of sea freight cost against the revenue which decreased from 77.90% in FYE 2021 to 73.76% in FYE 2022. In addition, the average sea freight cost per TEU decreased by 17.39% to approximately RM7,600 per TEU in FYE 2022 (FYE 2021: RM9,200 per TEU).
- GP for our sea freight forwarding operations in Singapore increased by RM0.22 million or 14.24% to RM1.72 million in FYE 2022 (FYE 2021: RM1.50 million). This was attributed to the decrease in sea freight cost by 54.39% coupled with higher volume of sea freight cargo handled which increased by 49.75% in FYE 2022.

Our Group's GP margin from sea freight forwarding services segment decreased from 17.08% in FYE 2021 to 14.34% in FYE 2022 and this was attributed to the following:

- GP margin for our sea freight forwarding operations in Philippines declined from 30.67% in FYE 2021 to 16.40% in FYE 2022, mainly attributed to higher handling and local charges as mentioned above. This was also reflected in the increase in the proportion of handling charges against revenue from 22.78% in FYE 2021 to 32.36% in FYE 2022. In addition, the proportion of local charges also increased against revenue from 33.05% in FYE 2021 to 37.61% in FYE 2022.
- GP margin for our sea freight forwarding operations in Korea decreased from 12.77% in FYE 2021 to 10.19% in FYE 2022. This was mainly contributed by the higher sea freight costs which increased by 49.49% in FYE 2022 while the pricing as showed in the average revenue per TEU increased by 29.53% which reflects that the Korea operations were unable to fully pass on the increase in sea freight costs to its customers.

The decrease in GP margin for sea freight forwarding services segment was partially moderated by the following:

- GP margin for our sea freight forwarding operations in Malaysia for this segment improved from 19.10% in FYE 2021 to 23.15% in FYE 2022 due to the higher average revenue per TEU which increased by 37.50% in FYE 2022. The improvement also attributed to the higher volume of outbound sea freight cargo handled associated with higher charges.
- GP margin for our sea freight forwarding operations in Myanmar for this segment increased from 12.42% in FYE 2021 to 14.29% in FYE 2022 and this was mainly due to lower freight cost which was reflected in the in the proportion of sea freight cost against the revenue as mentioned above.
- GP margin for our sea freight forwarding operations in Singapore for this segment increased from 11.74% in FYE 2021 to 16.84% in FYE 2022. The improvement in GP margin was mainly contributed by lower average freight costs per TEU which decreased by 54.39% coupled with an increase in the volume of sea freight cargo handled by 49.75% in FYE 2022.

**12. FINANCIAL INFORMATION (Cont'd)****(b) Air freight forwarding services**

Our Group's GP from air freight forwarding services increased by RM1.19 million or 10.17% to RM12.91 million in FYE 2022 (FYE 2021: RM11.72 million). This was mainly contributed by the higher GP contributions from our operations in Philippines, where the GP from this segment increased by 13.52% or RM1.07 million to RM9.03 million in FYE 2022 (FYE 2021: RM7.96 million). This was also reflected in the increase in revenue for this segment by 22.71%, mainly attributed to higher pricing charged to customers as reflected in the increase in the average revenue per tonne for the said services by 37.04% in FYE 2022.

In addition, GP from our operations in Singapore for this segment increased by RM0.20 million, or 39.48% to RM0.70 million (FYE 2021: RM0.50 million). This was reflected in the increase in revenue for this segment by 54.12%, mainly contributed by higher pricing charged to customers as reflected in the increase in average revenue per tonne by 25.45% in FYE 2022.

The GP margin from our Group's air freight segment decreased from 22.63% in FYE 2021 to 20.29% in FYE 2022. This was mainly attributed to GP margin for our Philippines operations which decreased from 27.48% in FYE 2021 to 25.43% in FYE 2022 arising from the higher freight charges as the key cost of sales component where the proportion of freight charges against the revenue by 3.20% in FYE 2022. In addition, GP margin for our Singapore operations decreased from 25.05% in FYE 2021 to 22.67% in FYE 2022 mainly due to higher handling charges as reflected in the proportion of handling charges against the revenue which increased from 15.90% in FYE 2021 to 21.52% in FYE 2022.

**(c) Aerospace logistics services**

The Group's GP from aerospace logistics services increased by RM6.48 million or 160.27% to RM10.52 million in FYE 2022 (FYE 2021: RM4.04 million). The increase in GP was mainly contributed by the increase in the GP for the operations in Malaysia and the Philippines. This is as set out below:

- GP for our aerospace logistics operations in Malaysia in this segment increased by 227.70% or RM4.98 million to RM7.17 million in FYE 2022 (FYE 2021: RM2.19 million) contributed higher volume of cargo handled. This was also reflected in the increase in revenue by 151.70% which was mainly due to higher cargo volume handled which increased by 87.04% in FYE 2022.
- GP for our aerospace logistics operations in the Philippines increased by RM2.59 million or 114.91% to RM4.84 million in FYE 2022 (FYE 2021: RM2.25 million) which was also reflected in the increase in revenue by 232.29%, mainly due to higher cargo volume handled which increased by 27.34% in FYE 2022.

Our Group's GP margin from aerospace logistics services increased from 34.48% in FYE 2021 to 35.42% in FYE 2022. This was mainly due to our Malaysia operations where GP margin increased from 33.54% in FYE 2021 to 43.66% in FYE 2022, mainly contributed by higher pricing charged to customers as reflected in the increase in average revenue per tonne by 35.19% in FYE 2022.



**12. FINANCIAL INFORMATION (Cont'd)**

This was partially offset by decline in GP margin from our Philippines operations. The GP margin for the aerospace logistics operations in the Philippines in this segment decreased from 62.44% in FYE 2021 to 40.39% in FYE 2022, which was mainly attributed to higher freight and local charges. This was reflected in the proportion of freight charges against the revenue which increased from 17.42% in FYE 2021 to 29.31% in FYE 2022, which was contributed by higher air freight charges per tonne for specialised large cargo such as aircraft engines and other parts. In addition, the proportion of local charges against the revenue which increased from 12.52% in FYE 2021 to 21.88% in FYE 2022 as specialised large cargo incurred higher local charges, including from rental of equipment to handle aircraft engines.

Notwithstanding the above, our operation in Singapore recorded a gross loss and gross loss margin of RM1.50 million and 117.60% respectively in FYE 2022 (FYE 2021: RM0.40 million, gross loss margin: 25.30%). The gross loss was mainly attributable to aerospace logistics services provided by our operation in Singapore on behalf of other entities within our Group. In such instances, the costs arising therefrom were incurred by our operation in Singapore whilst the revenue were derived by other entities within our Group.

**(d) Warehousing and other 3PL services**

Our Group's GP from warehousing and other 3PL services increased by 184.26% or RM3.96 million to RM6.11 million in FYE 2022 (FYE 2021: RM2.15 million). The increase in GP was mainly contributed by our operations in Singapore, where GP increased by 70.95% or RM2.38 million to RM5.72 million in FYE 2022 (FYE 2021: RM3.34 million) due to higher demand of warehousing services. This was also reflected in the increase in the revenue for our operations in Singapore for this segment by 89.85% in FYE 2022 arising from more space rented out to customers following the move to the larger Gul Warehouse and Office, as well as higher overall utilisation rate in FYE 2022 (72%) compared to FYE 2021 (49%).

In addition, the improvement in GP was partly contributed by the reduction in the gross loss for our operations in the Philippines for this segment where the gross loss reduced from RM1.57 million in FYE 2021 to RM0.16 million in FYE 2022.

Our Group's GP margin from warehousing and other 3PL services increased from 44.00% in FYE 2021 to 67.00% in FYE 2022 mainly due to the reduction in the gross loss for our operations in the Philippines for this segment.

**(e) Road freight transportation services**

Our Group's GP from road freight transportation services increased by RM0.01 million or 0.33% to RM2.73 million in FYE 2022 (FYE 2021: RM2.72 million). The increase was contributed by the growth of GP for our operations in Malaysia for this segment, which increased by 68.21% or RM0.53 million mainly due to more efficient scheduling and driver allocation in FYE 2022. In addition, the GP for our road freight transportation services in the operations in Myanmar increased by RM0.10 million which was mainly due to higher demand of this services as reflected in the increase in revenue by 123.77% in FYE 2022.

These increases were partially offset by decrease in the GP for our Singapore operations for road freight transportation services by 33.92% or RM0.62 million in FYE 2022. This was also reflected in the decrease in the revenue for the operations in Singapore for this segment by 44.63% contributed by the loss of a customer during FYE 2022.

Our Group's GP margin from road freight transportation services decreased from 54.30% in FYE 2021 to 50.58% in FYE 2022, mainly attributed to decrease in the GP margin for our operations in Myanmar in FYE 2022 contributed mainly by an increase in fuel costs in FYE 2022.

**12. FINANCIAL INFORMATION (Cont'd)****FPE 2023 compared to FPE 2022**

Our Group's total GP increased by RM4.44 million or 12.58% to RM39.81 million in FPE 2023 (FPE 2022: RM35.37 million), mainly contributed by our aerospace logistics services and warehousing and other 3PL services segments. Our GP margin increased from 20.80% in FPE 2022 to 32.57% in FPE 2023, mainly contributed by the higher GP margins from the sea freight forwarding and aerospace logistics services segments.

**(a) Sea freight forwarding services**

Our Group's GP from sea freight forwarding services decreased by RM2.47 million or 18.63% to RM10.79 million in FPE 2023 (FPE 2022: RM13.26 million). The decrease was mainly attributed to the following:

- GP for our sea freight forwarding operations in Korea decreased by RM2.54 million or 61.28% to RM1.61 million in FPE 2023, mainly due to lower revenue as reflected in the decrease in revenue of 78.63% in FPE 2023 arising from lower sea freight forwarding services rendered and coupled with lower pricing. This was reflected in the decrease in sea freight cargo handled by 58.58% as well as the decrease in average revenue per TEU by 48.50% in FPE 2023.
- GP for our sea freight forwarding operations in Myanmar decreased by RM0.90 million or 41.06% to RM1.30 million in FPE 2023, mainly due to the decrease in revenue of 77.74% in FPE 2023 arising from lower pricing as reflected in the decrease in average revenue per TEU by 80.58% in FPE 2023. However, this was partially offset by an increase in sea freight cargo handled by 15.30% in FPE 2023.

The decrease in GP was partially offset by an increase in GP for our sea freight forwarding operations in the Philippines by RM1.32 million or 29.47% to RM5.79 million in FPE 2023. This was mainly driven by an increase of 2.17% in revenue for FPE 2023 arising from the higher volume of sea freight cargo handled which increased by 24.64% in FPE 2023.

Our Group's GP margin from sea freight forwarding services improved from 13.87% in FPE 2022 to 24.01% in FPE 2023 which was contributed by the following:

- GP margin for our sea freight forwarding operations in Korea improved from 10.38% in FPE 2022 to 18.80% in FPE 2023. The increase in GP margin was attributed to the lower sea freight cost where the average sea freight costs decreased by 74.65% to RM3,600 per TEU in FPE 2023 (FPE 2022: RM14,200 per TEU) on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022, as well as lower road transportation charges due to lower sea freight cargo volume handled for our operations in Korea. Furthermore, in the previous FPE 2022, we were unable to fully pass on the increase in sea freight costs to customers then.
- GP margin for our sea freight forwarding operations in Singapore improved from 15.42% in FPE 2022 to 23.15% in FPE 2023, mainly attributed to the decrease in sea freight costs on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022. This was reflected in the decrease in average sea freight costs by 21.43% to RM2,200 per TEU in FPE 2023 (FPE 2022: RM2,800 per TEU). This was also reflected in the proportion of sea freight cost as a percentage of the revenue which was lower at 38.32% in FPE 2023 compared to 57.15% in FPE 2022.

**12. FINANCIAL INFORMATION (Cont'd)**

- GP margin for our sea freight forwarding operations in the Philippines improved from 18.67% in FPE 2022 to 23.67% in FPE 2023. This was mainly contributed by the lower sea freight costs on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022 as reflected in the average sea freight costs decreased by 57.14% to RM600 per TEU in FPE 2023 (FPE 2022: RM1,400 per TEU).

In addition, local charges of sea freight forwarding services of our Philippines operations decreased by RM3.14 million mainly due to fewer services provided to 1 existing customer.

- GP margin for our sea freight forwarding operations in Myanmar increased from 12.61% in FPE 2022 to 33.39% in FPE 2023 which was mainly attributed to the decrease in sea freight costs on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022. The sea freight costs decreased by 92.68% to RM600 per TEU in FPE 2023 (FPE 2022: RM8,200 per TEU).
- GP margin for our sea freight forwarding operations in Malaysia increased from 19.20% in FPE 2022 to 31.03% in FPE 2023. The increase in GP margin was mainly due to the decrease in the sea freight costs by 83.33% to RM200 per TEU in FPE 2023 (FPE 2022: RM1,200 per TEU) on the back of lower sea freight rates in the industry during FPE 2023 compared to FPE 2022. This was also reflected in the proportion of sea freight cost as a percentage of the revenue which was lower at 13.18% in FPE 2023 compared to 45.91% in FPE 2022.

**(b) Air freight forwarding services**

Our Group's GP from air freight forwarding services in FPE 2023 decreased by RM5.85 million or 57.53% to RM4.32 million in FPE 2023 (FPE 2022: RM10.17 million). The decrease was mainly attributed to the following:

- GP for our air freight forwarding operations in the Philippines decreased by 62.49% or RM4.47 million to RM2.69 million in FPE 2023, mainly attributed to lower revenue as reflected in the decrease in the revenue for this segment by 57.77% in FPE 2023. The decrease was mainly attributed to the lower pricing as reflected in the decrease in average revenue per tonne by 53.15% as well as decrease in the volume of air freight cargo handled by 9.71% in FPE 2023.
- GP for our air freight forwarding operations in Malaysia decreased by 70.34% or RM1.11 million to RM0.47 million in FPE 2023, mainly attributed to lower revenue as reflected in the decrease in the revenue for this segment by 63.98% in FPE 2023. The decrease was mainly contributed by lower pricing as reflected in the decrease in average revenue per tonne by 39.47% as well as decrease in the volume of air freight cargo handled by 40.00% in FPE 2023.
- GP from our air freight forwarding operations in Singapore decreased by 34.99% or RM0.29 million to RM0.54 million in FPE 2023. This was mainly driven by lower volume of air freight cargo handled by 37.57% as well as lower pricing as reflected in the decrease in average revenue per tonne by 4.20% in FPE 2023.

Our Group's GP margin from air freight forwarding services increased slightly from 20.45% in FPE 2022 to 20.64% in FPE 2023. The increase in the GP margin was mainly contributed by the following:

**12. FINANCIAL INFORMATION (Cont'd)**

- increase in GP margin from our air freight forwarding operations in Myanmar which increased from 16.77% in FPE 2022 to 31.20% in FPE 2023, mainly due to the decrease in air freight costs by 52.68% or approximately RM5,900 per tonne to RM5,300 per tonne in FPE 2023. This was also reflected in the proportion of freight cost against the revenue which was lower at 64.84% in FPE 2023 compared to 81.01% in FPE 2022.
- GP margin from our air freight forwarding operations in Singapore increased from 36.78% in FPE 2022 to 39.75% in FPE 2023, mainly due to the decrease in air freight costs by 65.96% or approximately RM3,100 per tonne to RM1,600 per tonne in FPE 2023. This was also reflected in the proportion of freight cost against the revenue which was lower at 13.93% in FPE 2023 compared to 40.66% in FPE 2022.

The increase in GP was partially offset by the decrease in GP margin from our air freight forwarding operations in the Philippines, which decreased from 25.16% in FPE 2022 to 22.35% in FPE 2023, mainly due to an increase in freight charges as a percentage of revenue, which was higher at 46.54% in FPE 2023 compared to 38.66% in FPE 2022.

In addition, GP margin for our air freight forwarding operations in Malaysia decreased from 17.54% in FPE 2022 to 14.44% in FPE 2023, mainly due to an increase in handling charges, as reflected in the proportion of handling charges as a percentage of revenue which was higher at 6.31% in FPE 2023 compared to 2.66% in FPE 2022.

**(c) Aerospace logistics services**

Our Group's GP from aerospace logistics increased by RM11.98 million or 205.28% to RM17.81 million in FPE 2023 (FPE 2022: RM5.83 million). The increase was mainly attributed to the following:

- GP for our aerospace logistics operations in the Philippines increased by 283.06% or RM9.05 million to RM12.24 million in FPE 2023, mainly driven by higher revenue as reflected in the increase in revenue by 303.63% in FPE 2023. The increase was mainly attributed to the increase in average revenue per tonne by 287.30% as well as increase in the volume of aerospace logistics cargo handled by 4.24% in FPE 2023.
- GP for our aerospace logistics operations in Malaysia increased by 98.11% or RM3.79 million to RM7.65 million in FPE 2023, mainly driven by higher revenue as reflected in the increase in revenue by 119.77% in FPE 2023. The increase was mainly attributed to the increase in the volume of aerospace logistics cargo handled by 477.69% in FPE 2023.

Our GP margin from aerospace logistics increased from 36.51% in FPE 2022 to 39.32% in FPE 2023. The increase in the GP margin was contributed by decrease in the air freight cost component, as reflected in the decrease of the proportion of our Group's overall air freight cost against revenue from 43.42% in FPE 2022 to 41.78% in FPE 2023. In addition, the proportion of our Group's overall local charges cost against revenue also decreased from 13.68% in FPE 2022 to 9.21% in FPE 2023.

**(d) Warehousing and other 3PL services**

Our GP from warehousing and other 3PL services increased by RM0.99 million or 22.44% to RM5.39 million in FPE 2023 (FPE 2022: RM4.40 million). The increase in GP was mainly contributed by our operations in Singapore, where GP increased by 17.03% or RM0.64 million to RM4.43 million in FPE 2023 (FPE 2022: RM3.79 million) due to higher demand of warehousing services. This was reflected in the increase in the revenue for our operations in Singapore for this segment by 23.95% in FPE 2023.

**12. FINANCIAL INFORMATION (Cont'd)**

In addition, the increase in GP was partly contributed by our operations in the Philippines for this segment where GP increased by RM0.20 million, or 84.94% to RM0.44 million in FPE 2023 (FPE 2022: RM0.24 million).

However, our Group's GP margin from warehousing and other 3PL services decreased from 80.18% in FPE 2022 to 77.52% in FPE 2023. This was mainly due to our operations in Myanmar from this segment where it recorded a gross loss margin of 257.14% in FPE 2023 as compared to a GP margin of 30.43% in FPE 2022. In FPE 2023, revenue from stand-alone warehousing and other 3PL services customers in Myanmar were not sufficient to cover operating expenses, resulting in gross loss position for FPE 2023. Notwithstanding this, our Yangon Warehouse may be used to provide temporary storage of customers' goods as part and parcel of our sea freight forwarding services in Myanmar, which the revenue for this temporary storage space is recorded under our sea freight forwarding services revenue in Myanmar.

**(e) Road freight transportation services**

Our Group's GP from road freight transportation services decreased by RM0.20 million or 11.46% to RM1.51 million in FPE 2023 (FPE 2022: RM1.71 million). This was mainly due to the following:

- GP for our road freight transportation operations in Malaysia decreased by 40.51% or RM0.34 million to RM0.49 million in FPE 2023 as reflected in the lower revenue which decreased by 18.30% in FPE 2023. The decrease in GP was also partly attributed to higher handling charges where proportion of handling charges against the revenue was higher at 11.79% in FPE 2023 compared to 2.46% in FPE 2022.

This was partially offset by increase in GP for our road freight transportation operations in Myanmar by 163.06% or RM0.18 million to RM0.29 million in FPE 2023, which was reflected in the higher revenue which increased by 185.19% in FPE 2023.

Our Group's GP margin from road freight transportation services decreased from 51.69% in FPE 2022 to 36.55% in FPE 2023, which was mainly attributed to decrease in GP margin for our road freight transportation operations in Malaysia from 45.44% in FPE 2022 to 33.09% in FPE 2023, which was mainly due to engaging more external service providers for handling, which was reflected in higher proportion of handling charges against the revenue as mentioned above.

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**12. FINANCIAL INFORMATION (Cont'd)****12.3.6 Analysis of other items in the consolidated statement of profits and loss and other comprehensive income****(a) Other income**

Other Income	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Foreign exchange gains	199	10.39	31	2.12	208	18.67
- Realised	120	6.27	10	0.68	171	15.35
- Unrealised	79	4.12	21	1.44	37	3.32
Rental income <sup>(1)</sup>	-	-	100	6.83	180	16.16
Government grants	1,298	67.75	832	56.87	157	14.09
Management fee income <sup>(2)</sup>	-	-	-	-	112	10.05
Gains on sale of fixed assets	45	2.35	180	12.30	-	-
Employee share of vehicles <sup>(3)</sup>	125	6.52	121	8.27	81	7.27
Reversal of impairment losses on receivables	-	-	8	0.55	96	8.62
Interest received	54	2.82	67	4.58	90	8.08
Others <sup>(4)</sup>	195	10.17	124	8.48	190	17.06
<b>Total</b>	<b>1,916</b>	<b>100.00</b>	<b>1,463</b>	<b>100.00</b>	<b>1,114</b>	<b>100.00</b>

Other Income	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
Foreign exchange gains	508	57.73	299	11.75
- Realised	256	29.09	166	6.52
- Unrealised	252	28.64	133	5.23
Rental income <sup>(1)</sup>	38	4.32	54	2.12
Government grants	77	8.75	43	1.69
Management fee income <sup>(2)</sup>	66	7.50	94	3.69
Gains on sale of fixed assets	-	-	4	0.16
Employee share of vehicles <sup>(3)</sup>	48	5.45	33	1.30
Reversal of impairment losses on receivables	-	-	1,781	70.01
Interest received	19	2.16	33	1.30
Others <sup>(4)</sup>	124	14.09	203	7.98
<b>Total</b>	<b>880</b>	<b>100.00</b>	<b>2,544</b>	<b>100.00</b>

**Notes:**

- (1) Refers mainly to the rental income received from All-Link Singapore for the rental of office space.
- (2) Refers to management fee income received from All-Link Singapore for the provision of accounting services.
- (3) Represents payments received from qualifying AGX Philippines managerial employees under its company car scheme, whereby AGX Philippines would pay 60.00% of the payments and employees would pay the remaining 40.00%.
- (4) Including gain on modification of leases, rental and storage rebates, retainer fee for stationing our employees at a customer's premises and others.

**FYE 2021 compared to FYE 2020**

In FYE 2021, other income decreased by RM0.46 million or 23.64%, to RM1.46 million (FYE 2020: RM1.92 million). This was mainly attributed to the reduction in government grants (mainly related to COVID-19 pandemic relief measures) received by RM0.47 million mainly in relation to AGX Singapore and AGX Malaysia.

**FYE 2022 compared to FYE 2021**

In FYE 2022, other income decreased by RM0.35 million or 23.86%, to RM1.11 million (FYE 2021: RM1.46 million). This was mainly attributed to the reduction in government grants received by RM0.68 million mainly in relation to AGX Singapore and AGX

**12. FINANCIAL INFORMATION (Cont'd)**

Malaysia. The reduction was partially offset by management fee income of RM0.11 million pertaining to accounting services provided to All-Link Singapore (including on-going bookkeeping and customer billing), and an increase in realised and unrealised foreign exchange gains amounting to RM0.18 million.

**FPE 2023 compared to FPE 2022**

In FPE 2023, other income increased by RM1.66 million or 189.09% to RM2.54 million (FPE 2022: RM0.88 million). This was mainly attributed to reversal of impairment losses on receivables amounting to RM1.78 million in FPE 2023 (FPE 2022: none). The impairment losses on receivables are computed from expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses. As we review the assessment of impairment losses, initial impairment losses made in prior years or periods were reversed, and accordingly the current year or period's impairment losses are provided for. For FPE 2023, our reversal of impairment losses on receivables comprised RM1.69 million related to trade receivables (from our Philippines and Malaysia operations amounting to RM1.10 million and RM0.59 million respectively) and RM0.09 million related to other receivables.

**(b) Administrative expenses**

Administrative expenses	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Staff costs <sup>(1)</sup>	16,554	59.22	15,638	57.43	18,206	54.28
Directors' remuneration <sup>(1)</sup>	2,819	10.09	3,457	12.69	5,074	15.13
Travel and entertainment expenses	553	1.98	1,161	4.26	2,254	6.72
Office and warehouse expenses <sup>(2)</sup>	2,341	8.38	1,910	7.01	2,267	6.76
Professional fees and statutory expenses <sup>(3)</sup>	1,991	7.12	807	2.96	2,055	6.13
Rental expenses <sup>(4)</sup>	1,182	4.23	1,448	5.32	1,436	4.28
Others <sup>(5)</sup>	2,512	8.98	2,811	10.33	2,246	6.70
<b>Total</b>	<b>27,952</b>	<b>100.00</b>	<b>27,232</b>	<b>100.00</b>	<b>33,538</b>	<b>100.00</b>

Administrative expenses	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
Staff costs <sup>(1)</sup>	11,343	53.00	13,688	52.73
Directors' remuneration <sup>(1)</sup>	3,507	16.39	3,818	14.71
Travel and entertainment expenses	1,308	6.11	1,943	7.48
Office and warehouse expenses <sup>(2)</sup>	1,492	6.97	1,634	6.29
Professional fees and statutory expenses <sup>(3)</sup>	1,303	6.09	1,771	6.82
Rental expenses <sup>(4)</sup>	1,187	5.55	1,487	5.73
Others <sup>(5)</sup>	1,262	5.89	1,620	6.24
<b>Total</b>	<b>21,402</b>	<b>100.00</b>	<b>25,961</b>	<b>100.00</b>

**Notes:**

- (1) Include salaries, bonuses, allowances, defined contribution benefits and other benefits.
- (2) Include office and warehouse upkeep, repair and maintenance, utilities, security fees, telephone and fax charges, and office related expenses.
- (3) Include audit, legal, secretarial, tax, consultant and licence fees, listing expenses, stamp duty and penalty.
- (4) Include expenses on short term leases including rental of premises, equipment and motor vehicles.
- (5) Other administrative expenses include loss on factoring, subscription fees, realised and unrealised foreign exchange loss, bank charges, insurance expense and others.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 2021 compared to FYE 2020**

In FYE 2021, administrative expenses decreased by RM0.72 million, or 2.58%, to RM27.23 million (FYE 2020: RM27.95 million). This was mainly contributed by a decrease of RM1.18 million in professional fees and statutory expenses as the proposed IPO exercise that was on-going during the first half of FYE 2020 was suspended due to the emergence of the COVID-19 pandemic, and did not continue during the second half of FYE 2020 and FYE 2021. In addition, there was a reduction in staff costs by RM0.92 million as the total number of Group employees was reduced from 346 employees as at 31 December 2020 to 307 employees as at 31 December 2021 due to retrenchment of staff by AGX Malaysia and AGX Philippines as part of the Group's efforts to streamline its operational needs in FYE 2021 due to the COVID-19 pandemic. This decrease in administrative expenses was partially offset by the increase in directors' remuneration as well as travel and entertainment expenses, which amounted to RM0.64 million and RM0.61 million respectively.

**FYE 2022 compared to FYE 2021**

In FYE 2022, administrative expenses increased by RM6.31 million or 23.16%, to RM33.54 million (FYE 2021: RM27.23 million). This was mainly contributed by the increase in staff costs (as the total number of Group employees increased from 307 employees as at 31 December 2021 to 349 employees as at 31 December 2022) and directors' remuneration which collectively amounted to RM4.19 million. In addition, there was an increase in professional fees by RM1.25 million mainly due to the resumption of the proposed IPO during FYE 2022, as well as an increase in travel and entertainment expenses by RM1.09 million mainly due to the resumption of travelling for sales and marketing activities upon the reopening of borders across countries.

**FPE 2023 compared to FPE 2022**

In FPE 2023, administrative expenses increased by RM4.56 million or 21.30%, to RM25.96 million (FPE 2022: RM21.40 million). This was contributed by the increase in staff costs (as the total number of Group employees increased from 329 employees as at 31 August 2022 to 370 employees as at 31 August 2023) which increased by RM2.35 million. Professional fees and statutory expenses increased by RM0.47 million mainly due to listing expenses for the Proposed IPO, as well as an increase in travel and entertainment expenses by RM0.64 million mainly due to the travelling for sales and marketing activities.

**(c) Other expenses**

Other expenses	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Depreciation and amortisation <sup>(1)</sup>	4,241	67.42	3,731	57.11	4,496	82.03
Foreign exchange losses	313	4.98	58	0.89	625	11.40
- <i>Realised</i>	61	0.97	15	0.23	263	4.80
- <i>Unrealised</i>	252	4.01	43	0.66	362	6.60
Allowance for impairment losses	1,708	27.15	2,345	35.89	280	5.11
Others <sup>(2)</sup>	28	0.45	399	6.11	80	1.46
<b>Total</b>	<b>6,290</b>	<b>100.00</b>	<b>6,533</b>	<b>100.00</b>	<b>5,481</b>	<b>100.00</b>

Other expenses	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
Depreciation and amortisation <sup>(1)</sup>	3,764	65.22	4,266	59.10
Foreign exchange losses	451	7.81	305	4.23
- <i>Realised</i>	272	4.71	280	3.88
- <i>Unrealised</i>	179	3.10	25	0.35
Allowance for impairment losses	1,555	26.95	2,214	30.67
Others <sup>(2)</sup>	1	0.02	433	6.00
<b>Total</b>	<b>5,771</b>	<b>100.00</b>	<b>7,218</b>	<b>100.00</b>



**12. FINANCIAL INFORMATION (Cont'd)****Notes:**

- (1) Include the depreciation of equipment, right-of-use assets and amortisation of intangible asset.
- (2) Include bad debts written off, equipment written off, loss on modification of leases, loss on disposal of equipment, parking and toll charges, and repairs.

**FYE 2021 compared to FYE 2020**

In FYE 2021, other expenses increased by RM0.24 million or 3.86%, to RM6.53 million (FYE 2020: RM6.29 million). This was mainly attributed to an increase in allowance for impairment losses by RM0.64 million based on the expected credit loss provision. Please refer to Note 35 of the Accountant's Report in Section 13 of this Prospectus for further information on our expected credit loss provision. The increase was partially offset by the decrease in depreciation of equipment, right-of-use assets and amortisation of intangible asset amounting to RM0.51 million, as well as a decrease in realised and unrealised foreign exchange losses by RM0.26 million.

**FYE 2022 compared to FYE 2021**

In FYE 2022, other expenses decreased by RM1.05 million, or 16.10%, to RM5.48 million (FYE 2021: RM6.53 million). This was mainly attributed to a decrease in allowance for impairment losses by RM2.07 million mainly improved collections from customers which resulted in lower outstanding trade receivables balance as at 31 December 2022. The reduction was partially offset by the increase in depreciation of equipment, right-of-use assets and intangible asset amounting to RM0.77 million, as well as an increase in realised and unrealised foreign exchange losses by RM0.57 million.

**FPE 2023 compared to FPE 2022**

In FPE 2023, other expenses increased by RM1.45 million or 25.07%, to RM7.22 million (FPE 2022: RM5.77 million). This was mostly due to an increase in allowance for impairment losses by RM0.66 million and increase in depreciation of equipment, right-of-use assets and intangible asset by RM0.51 million in FPE 2023. The increase in allowance for impairment losses was mainly contributed by specific allowance of RM0.57 million, representing all of the outstanding trade receivables of an airline customer in Malaysia, in relation to the sudden announcement of business suspension by the said airline customer in Malaysia.

In addition, others increased by RM0.43 million in FPE 2023 mainly due to higher bad debts written off amounting to RM0.31 million due to slower payments on certain overdue outstanding balances owed to our Group from one of our major customers. In FPE 2023, we have written off some of the overdue long outstanding balances, which included outstanding balances since 2018, after attempts were made to collect these balances over the years without any firm commitment from the said major customer to settle these balances.

**(d) Finance costs**

Finance Costs	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
Interest expense on:						
- term loans	861	55.66	669	45.67	688	54.43
- lease liabilities	512	33.10	573	39.11	456	36.08
- bank overdraft	165	10.66	200	13.65	82	6.49
- invoice financing	9	0.58	21	1.43	36	2.85
- others	-	-	2	0.14	2	0.15
<b>Total</b>	<b>1,547</b>	<b>100.00</b>	<b>1,465</b>	<b>100.00</b>	<b>1,264</b>	<b>100.00</b>

**12. FINANCIAL INFORMATION (Cont'd)**

Finance Costs	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
Interest expense on:				
- term loans	475	52.66	467	53.13
- lease liabilities	336	37.25	377	42.89
- bank overdraft	67	7.43	5	0.57
- invoice financing	24	2.66	30	3.41
- others	-	-	-	-
<b>Total</b>	<b>902</b>	<b>100.00</b>	<b>879</b>	<b>100.00</b>

Our finance cost consists primarily of interest charged on bank facilities granted by banking and financial institutions such as term loans, lease liabilities, bank overdrafts and invoice financing. Our finance costs for the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 amounted to 1.26%, 0.76%, 0.54% and 0.72% of our total revenue, respectively.

**FYE 2021 compared to FYE 2020**

Our finance costs for FYE 2021 decreased by RM0.08 million or 5.30%, to RM1.47 million (FYE 2020: RM1.55 million). This was mainly due to the repayment of term loans which resulted in lower outstanding balance as at FYE 2021, thus contributing to a decrease in interest expense by RM0.19 million. The reduction was partially offset by the increase in interest expense on lease liabilities and bank overdrafts amounting to RM0.06 million and RM0.04 million, respectively.

**FYE 2022 compared to FYE 2021**

Our finance costs for FYE 2022 decreased by RM0.21 million or 13.72%, to RM1.26 million (FYE 2021: RM1.47 million). This was mainly due to a decrease of RM0.12 million in interest expense on lease liabilities mainly pursuant to derecognition due to lease modification, as well as a decrease of RM0.12 million in bank overdrafts due to lower utilisation of bank overdrafts during the year due to improved operating cash flow resulting from better collection of trade receivables.

**FPE 2023 compared to FPE 2022**

Our finance costs for FPE 2023 decreased by RM0.02 million or 2.55%, to RM0.88 million (FPE 2022: RM0.90 million) mainly from decrease in interest expense on bank overdraft by RM0.06 million. This was partially moderated by increase in interest expense on lease liabilities by RM0.04 million.

**(e) Share of profit of equity accounted associates**

Share of Profits of Equity Accounted Associates	FYE 2020		FYE 2021		FYE 2022	
	RM'000	%	RM'000	%	RM'000	%
All-Link Singapore <sup>(1)</sup>	N/A	N/A	N/A	N/A	5,418	97.87
Other associates <sup>(2)</sup>	5	100.0	61	100.0	118	2.13
<b>Total</b>	<b>5</b>	<b>100.00</b>	<b>61</b>	<b>100.00</b>	<b>5,536</b>	<b>100.00</b>

Share of Profits of Equity Accounted Associates	FPE 2022		FPE 2023	
	RM'000	%	RM'000	%
All-Link Singapore <sup>(1)</sup>	2,806	97.60	2,154	104.46
Other associates <sup>(2)</sup>	69	2.40	(92)	(4.46)
<b>Total</b>	<b>2,875</b>	<b>100.00</b>	<b>2,062</b>	<b>100.00</b>

**Notes:**

(1) All-Link Singapore became an associate company of the Group in February 2022 following the acquisition of 30% equity interest in All-Link Singapore by AGX Singapore. All-Link Singapore commenced business operations in FYE 2022.

**12. FINANCIAL INFORMATION (Cont'd)**

- (2) *Our other associates comprise:*
- a. *AGX Cambodia, which is an associate company in which we hold 50.00% equity interests; and*
  - b. *All-Link Philippines became an associate company when it was incorporated on 5 September 2022 with our Group holding 47.99% effective equity interest (held directly AGX Philippines, and indirectly by AGX Singapore and All-Link Singapore). The company commenced business operations in August 2023.*

**12.3.7 PBT, PAT and effective tax rate**

	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
PBT (RM'000)	1,394	7,417	16,788	11,046	10,362
PBT margin (%)	1.14	3.84	7.16	6.50	8.48
Taxation (RM'000)	834	1,477	3,247	2,405	2,916
Effective tax rate (%)	59.83	19.91	19.34	21.77	28.14
PAT (RM'000)	560	5,940	13,541	8,641	7,446
PAT margin (%)	0.46	3.07	5.78	5.08	6.09

**FYE 2021 compared to FYE 2020**

Our PBT increased by RM6.03 million or 432.07%, to RM7.42 million in FYE 2021 (FYE 2020: RM1.39 million), which was mainly contributed by the increase in our total GP by RM5.86 million or 16.62%, to RM41.12 million in FYE 2021 (FYE 2020: RM35.26 million). The increase in GP was contributed by our air and sea freight forwarding services, while GP from aerospace logistics, warehousing and other 3PL, and road freight transportation services decreased. In addition, administrative expenses and finance costs decreased by RM0.72 million and RM0.08 million respectively. These were partially offset by the decrease in other income by RM0.45 million and an increase in other expenses by RM0.24 million.

Our PBT margin increased from 1.14% in FYE 2020 to 3.84% in FYE 2021 despite the decrease in our GP margin from 28.78% in FYE 2020 to 21.27% in FYE 2021. This was due to the decreases in our administrative expenses and finance costs.

For FYE 2020, our effective tax rate was 59.83%, which was higher compared to the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the tax effect of the following which increased taxation:

- Non-deductible expenses by RM0.41 million comprising mainly expenses incurred which were not deductible for tax purposes such as professional fees and depreciation for non-qualifying assets; and
- Under provision of current tax in the previous year related to deferred tax by RM0.09 million, and current tax expense by RM0.07 million.

These were partially offset by the tax effects of tax exempt income and differential tax rates in foreign jurisdictions, which reduced taxation by RM0.05 million and RM0.02 million, respectively.

For FYE 2021, our effective tax rate was 19.91%, which was lower compared to the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the tax effect of the following which reduced taxation:

- Over provision of current tax in the previous year related to current tax expense by RM0.26 million;

**12. FINANCIAL INFORMATION (Cont'd)**

- Effects of differential tax rates in foreign jurisdictions by RM0.18 million;
- Tax exempt income and non-taxable income by RM0.05 million and RM0.05 million, respectively.

These were partially offset by the tax effect of non-deductible expenses which increased taxation by RM0.24 million, due to higher expenses incurred which were not deductible for tax purposes such as depreciation for non-qualifying assets and entertainment expenses.

**FYE 2022 compared to FYE 2021**

Our PBT for FYE 2022 was RM16.79 million, which was RM9.37 million or 126.34% higher compared to RM7.42 million in FYE 2021. This was mainly contributed by the increase in our total GP by RM9.30 million or 22.61%, to RM50.42 million in FYE 2022 (FYE 2021: RM41.12 million). The increase in GP was mainly contributed by our aerospace logistics, and warehousing and other 3PL services. In addition, our share of profits of equity accounted associates was RM5.54 million in FYE 2022, which was RM5.48 million higher compared to FYE 2021, due to share of profits of RM5.42 million from All-Link Singapore, which commenced business operations during FYE 2022. These were partially offset by the decrease in other income by RM0.35 million and an increase in administrative expenses by RM6.31 million in FYE 2022 compared to FYE 2021.

Our PBT margin in FYE 2022 was 7.16%, which was higher compared to 3.84% in FYE 2021 mainly due to the higher share of profits of equity accounted associates as well as decreases in other expenses and finance costs. This was partially offset by the higher administrative expenses in FYE 2022.

For FYE 2022, our effective tax rate was 19.34%, which was lower compared to the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the tax effect of the following which reduced taxation:

- Share of results of associates by RM1.33 million which is not taxable;
- Effects of differential tax rates in foreign jurisdictions by RM0.17 million; and
- Tax exempt income by RM0.06 million.

These were partially offset by the tax effects of the following which increased taxation:

- Under provision of current tax in the previous year related to deferred tax expense by RM0.77 million;
- Non-deductible expenses by RM0.43 million, due to higher expenses incurred which were not deductible for tax purposes such as depreciation for non-qualifying assets and professional fees; and
- Withholding tax from foreign income by RM0.31 million.

**FPE 2023 compared to FPE 2022**

Our PBT decreased by RM0.69 million or 6.19% to RM10.36 million in FPE 2023 (FPE 2022: RM11.05 million), which was mainly contributed by the increase in our administrative expenses by RM4.56 million, which was partially offset by increases in our GP by RM4.44 million. The increase in GP was mainly contributed by our aerospace logistics services and warehousing and other 3PL services segments.

Our PBT margin increased from 6.50% in FPE 2022 to 8.48% in FPE 2023 mainly contributed by the increase in our GP margin from 20.80% in FPE 2022 to 32.57% in FPE 2023. This was partially offset by the increase in our administrative expenses.

For FPE 2023, our effective tax rate was 28.14%, which was higher compared to the statutory tax rate of Malaysia of 24.00%. This was mainly attributed to the following which increased taxation:

**12. FINANCIAL INFORMATION (Cont'd)**

- Non-deductible expenses by RM0.39 million, due to higher expenses incurred which were not deductible for tax purposes such as depreciation for non-qualifying assets and professional fees;
- Under provision of current tax in the previous financial year or period comprising current tax expense and deferred tax by RM0.32 million and RM0.03 million respectively; and
- Deferred tax assets not recognised in respect of FPE 2023 tax losses by RM0.13 million.

These were partially offset by the tax effects of the following which decreased taxation:

- Share of results of associates by RM0.49 million which is not taxable;
- Effect of differential tax rates in foreign jurisdictions by RM0.05 million; and
- Tax exempt income by RM0.06 million.

**12.4 DIVIDEND POLICY**

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 that are not required to be retained to fund our business.

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
- (iv) our projected levels of capital expenditure and other investment plans.

We have a policy to target a payout ratio of up to 30% of our AGB's profit attributable to owners of the Company at each financial year on a consolidated basis after taking into account working capital and maintenance of capital requirements, subject to any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Subject to the Act, our Company, in general meeting, may from time to time approve a 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 the Company's assets would thereby be less than its liabilities.

**12. FINANCIAL INFORMATION (Cont'd)**

During the Financial Years and Period Under Review and up to the LPD, we have declared and paid for the following dividends:

	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000
Dividends	-	*1,200	^5,900	@3,000
PAT attributable to the owner of the Company	560	5,940	13,541	#7,446
Dividend pay-out ratio <sup>(1)</sup> (%)	-	20.20	43.57	40.29

**Notes:**

- (1) Computed based on dividends divided by PAT attributable to the owner of the Company.  
 \* Out of which RM1.02 million was satisfied by way of offsetting the amount owing by shareholders and the remaining balance of RM0.18 million being funded internally.  
 ^ Out of which RM1.12 million was satisfied by way of offsetting the amount owing by shareholders and the remaining balance of RM4.78 million being funded internally.  
 @ The dividend of RM3.00 million was declared and paid in October 2023.  
 # Based on the PAT attributable to the owners of the Company for FPE 2023.

Please refer to Note 30 of the Accountants' Report in Section 13 of this Prospectus for further details.

Further to the above, there is no dividend paid or declared subsequent to the LPD. We do not intend to declare further dividend prior to our Listing.

The dividends distributed for the Financial Years and Period Under Review and up to the LPD were distributed based on the funds available to our Group in excess of the funding requirements for our business operations. These dividends would not affect the execution and implementation of the Group's future plans or strategies moving forward.

Kindly refer to Section 9.3.5 of this Prospectus for risks relating to dividends.

No inference 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.

**12.5 SIGNIFICANT FACTORS AFFECTING OUR GROUP'S OPERATIONS AND FINANCIAL PERFORMANCE****(i) Renewal or obtaining licenses and permits required to carry on our business**

We require approvals, licences and permits from various governmental authorities in the countries where we carry out our business operations (i.e., Malaysia, Korea, the Philippines, Myanmar and Singapore). The inability of our Group to comply with any of the conditions stipulated therein and/or failure to renew the licenses / permits may result in the revocation or non-renewal of these approvals, licenses and permits. Accordingly, this may adversely affect the continuity of our Group's business operations which in turn adversely affect our financial performance. Further, new regulations may, from time to time, be implemented by the relevant authorities in the countries where we carry out our business operations. If we are unable to comply with the changes arising therefrom, the relevant business operations of our Group may be subject to disruptions or penalties.

**(ii) Fluctuations in sea and air freight charges**

Our pricing on our sea and air freight forwarding, and aerospace logistics services are dependent on, amongst other, the sea and air freight rates charged by other logistic service providers. As these business activities contributed to more than 90% of our Group's revenue for the Financial Years and Period Under Review, our financial performance is subject to fluctuations in the freight rates charged by these logistic service providers. The freight rates are dependent various factors including but not

## 12. FINANCIAL INFORMATION (Cont'd)

limited to the macro-economic as well as demand and supply conditions in the industry. If there is an increase in freight rates and that we are unable to price in such increase in our service pricing, our profit margins may be affected. Conversely, should there be a decrease in freight rates, we may need to reduce our pricing to be in line with the prevailing market rates to remain competitive. This may lead to a decrease in our Group's revenue and profit if we are unable to increase our business volume to an extent which can compensate for such decreases.

### (iii) Demand for logistics services may be affected by global economic developments

Our Group's logistic services involve international shipments, where cargo is shipped from one country to another, and consequently our performance is dependent on the level of international trade of the countries where we operate. The level of international trades of these countries are dependent on various factors including but not limited to the foreign demand for goods produced from these respective countries as well as the conditions of the global economy. As such, the demand of our logistic services generally follow suit with the level of international trade activities and the performance of global economy.

### (iv) Exposure to unfavourable foreign currency exchange rate fluctuations

We are exposed to foreign currency exchange gains or losses arising from timing differences between our billings, actual receipt of payments and conversion/translation into RM, as well as when our assets, liabilities, revenue and earnings that are recorded by our subsidiary companies are translated from KRW, PHP, USD and SGD into RM for financial reporting and repatriation purposes.

We also face risks associated with billings from suppliers in other countries that are denominated in other currencies, as well as foreign exchange risks for sales that are denominated in other currencies.

### (v) Impact of inflation

Our financial performance for the Financial Years and Period Under Review was not materially affected by the impact of inflation. Nevertheless, there is no assurance that inflation may not affect our future operations and financial performances.

### (vi) Increase in interest rates

Increasing interest rates would affect our financial performance as our cost of borrowings may increase. For the FYE 2020, FYE 2021, FYE 2022 and FPE 2023 our interest bearing borrowings include term loans, invoice financing, bank overdraft and hire purchase which collectively amounted to RM17.87 million, RM13.78 million, RM9.59 million and RM8.15 million, respectively. Increase in interest rates may also affect our customers in various countries which may impact on the demand for our services.

### (vii) COVID-19 pandemic

Our business operations were affected by the economic and other disruptions related to the COVID-19 pandemic in Malaysia, Korea, the Philippines, Myanmar and Singapore. While the COVID-19 pandemic did not have an adverse effect on our financial performance in FYE 2022, there can be no assurance that the COVID-19 pandemic or any other pandemic or epidemic will not have an effect in the future.

**12. FINANCIAL INFORMATION (Cont'd)****12.6 LIQUIDITY AND CAPITAL RESOURCES****(i) Working capital**

Our business is financed by a combination of internal and external sources of funds. Internal sources of funds comprised cash generated from our business operations while our external sources of funds mainly consist of financing facilities from financial institutions. These funds are mainly used to finance our business operations and growth.

Based on the statements of our financial position as at 31 August 2023, we had cash and cash equivalents of RM10.49 million and total debt of RM8.15 million. As at 31 December 2020, 2021 and 2022, and 31 August 2023, our current ratios were 1.00 times, 1.71 times, 1.92 times, and 2.22 times, respectively. As at the LPD, our Group had available banking facilities amounting to RM23.53 million, of which RM11.66 million that are yet to be utilised.

Our Directors are of the opinion that, after taking into consideration our cash and cash equivalents, cash generated from our business operations, the amount of banking facilities and proceeds to be raised from the Public Issue, we will have adequate working capital to meet our present and foreseeable requirements for at least 12 months from the date of this Prospectus.

**(ii) Cash flows**

The following is a summary of our consolidated statements of cash flow for FYE 2020, FYE 2021, FYE 2022 and FPE 2023. This should be read in conjunction with the Accountants' Report as set out in Section 13 of this Prospectus.

	<b>FYE 2020 RM'000</b>	<b>FYE 2021 RM'000</b>	<b>FYE 2022 RM'000</b>	<b>FPE 2023 RM'000</b>
Net cash from operating activities	2,029	14,144	19,296	3,210
Net cash (for)/ from investing activities	(984)	(1,012)	(2,926)	2,930
Net cash for financing activities	(4,698)	(7,647)	(9,950)	(9,207)
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b><sup>(1)</sup>(3,653)</b>	<b>5,485</b>	<b>6,420</b>	<b><sup>(1)</sup>(3,067)</b>
Effects of foreign exchange translation	776	(816)	(1,041)	458
Cash and cash equivalents at beginning of the financial year	5,928	3,051	7,720	13,099
<b>Cash and cash equivalents at the end of the financial year/ period <sup>(2)</sup></b>	<b>3,051</b>	<b>7,720</b>	<b>13,099</b>	<b>10,490</b>

**Notes:**

(1) *The decrease in cash and cash equivalents in FYE 2020 was mainly due to net cash used for investing activities in relation to purchases of equipment and intangible assets, and net cash used for financing activities in relation to repayment of bank borrowings and interest paid.*

*The decrease in cash and cash equivalents in FPE 2023 was mainly due to net cash used for financing activities in relation to dividend payment in respect of dividend declared for FYE 2022, and repayment of bank borrowings and interest paid.*

(2) *The components of our cash and cash equivalents are set out below:*



**12. FINANCIAL INFORMATION (Cont'd)**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FPE 2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	5,521	8,657	13,134	10,405
Fixed deposits with a licensed bank	1,157	1,182	1,205	1,060
Bank overdraft	(2,545)	(1,013)	(117)	-
	<b>4,133</b>	<b>8,826</b>	<b>14,222</b>	<b>11,465</b>
<i>Less:</i>				
Fixed deposits pledged to licensed banks and with tenure of more than 3 months	(1,082)	(1,106)	(1,123)	(975)
<b>Cash and cash equivalents at the end of the financial year/ period</b>	<b>3,051</b>	<b>7,720</b>	<b>13,099</b>	<b>10,490</b>

**FYE 2020****Net cash from operating activities**

For FYE 2020, we had net cash from operating activities of RM2.03 million resulting from RM9.75 million of operating profit before working capital changes and after taking into account the following changes in working capital:

- Increase in trade and other receivables by RM6.44 million which was mainly due to the following:
  - Increase in trade receivables balances from an airline operator customer in the Philippines by RM3.18 million during FYE 2020 to RM6.21 million as their business was negatively affected by the COVID-19 pandemic related travel restrictions during FYE 2020. As at the LPD, we have collected all of the trade receivables outstanding from this customer as at 31 December 2020;
  - Increase in trade receivables balances of a clothing manufacturer customer in the Philippines by RM1.73 million during FYE 2020 to RM4.19 million due to higher sales to that customer. As at the LPD, we have collected all of the trade receivables outstanding from this customer as at 31 December 2020;
  - Increase in a chemical manufacturer customer in Korea's trade receivables balances by RM0.96 million during FYE 2020 in line with increasing revenue from this customer during the year. This arose from the inclusion of AGX Korea as our subsidiary in January 2020; and
  - Increase in other receivables, deposits and prepayments by RM3.75 million. This was attributed by increase in other receivables by RM2.72 million mainly contributed by increases in prepayments made on behalf of customers, directors' salaries which have been paid in excess to the respective directors despite the Group wide salary reduction during FYE 2020\*, invoice factoring and government grants receivables, as well as increase in prepayments by RM0.99 million mainly contributed by increase in prepaid taxes and insurance premiums.

**Note:**

\* In October 2020 the Board decided to implement salary reduction for the directors of AGX Malaysia, AGX Singapore, AGX Philippines and AGX Myanmar from March 2020, with the salary reduction applied retroactively. We did not collect the difference between the respective directors' pre- and post-reduction salaries for March 2020 to October 2020 that had already been paid, with the excess paid recognised as part of other receivables totaling RM1.48 million for the affected directors. Subsequently in FYE 2021, our Board declared

**12. FINANCIAL INFORMATION (Cont'd)**

*dividends of RM1.20 million, of which RM1.02 million was used to reduce the other receivables amount relating to the excess paid and not paid in cash to the respective directors.*

- Increase in contract assets by RM0.59 million which was mainly attributed to higher accrued billings for services rendered but not yet invoiced to customers for FYE 2020;
- Increase in trade and other payables by RM1.87 million mainly attributed to higher trade payable balance as at 31 December 2020 as we took a prudent approach in managing our cash flow, particularly in light of the COVID-19 pandemic conditions during FYE 2020;
- Income tax paid of RM2.42 million; and
- Net interest paid of RM0.14 million.

**Net cash for investing activities**

Our net cash used in investing activities in FYE 2020 was RM0.98 million, which was mainly used for the following:

- RM0.96 million for the purchase of equipment, which mainly comprised renovation related to the relocation of our Group Head Office and setting up Previous Port Klang Warehouse 1, purchase of motor vehicles in the Philippines, and warehouse equipment for Subic Bay Warehouse 1; and
- RM0.13 million for the purchase of intangible asset comprising freight forwarding management software.

These were partially offset by RM0.18 million proceeds from the disposal of equipment, which mainly comprised motor vehicles in Malaysia and the Philippines.

**Net cash for financing activities**

For FYE 2020, our net cash used in financing activities of RM4.70 million was mainly attributed to the following:

- Repayment of bank borrowings including RM16.06 million for the repayments for term loans and RM1.34 million for the repayment of invoice financing as well as RM3.73 million payments for the lease liabilities pertaining to rental payments for our operational facilities and hire purchases for motor vehicles.
- Interest paid of RM1.36 million in relation to term loans and invoice financing as well as lease liabilities pertaining to rental for our operational facilities and hire purchases for motor vehicles.

These was partially offset by drawdown of term loans of RM16.18 million and invoice financing of RM1.59 million in FYE 2020, both of which were mainly for working capital.

**FYE 2021****Net cash from operating activities**

For FYE 2021, our net cash from operating activities was RM14.14 million resulting from RM16.18 million of operating profit before working capital changes and after taking into account the following changes in working capital:

- Increase in trade and other receivables by RM13.11 million which was mainly due to higher outstanding balances of trade receivable as at 31 December 2021 attributed to the following:

**12. FINANCIAL INFORMATION (Cont'd)**

- increase in trade receivables balance of a chemical manufacturer customer in Korea by RM6.84 million as at FYE 2021 due to higher billings to customers arising from higher provision of our services as the customer increased its exports during the year;
  - a trade receivables balance of RM1.67 million as at 31 December 2021 from a new customer in the Philippines during FYE 2021;
  - trade receivables balances collectively amounting to RM1.58 million as at 31 December 2021, from the new customers secured in Singapore during FYE 2021; and
  - increase in receivables balances by RM1.39 million as at 31 December 2021 from an electronics components manufacturer customer in the Philippines on the back of increasing revenue from this customer during the year.
- Increase in contract assets by RM2.87 million which was mainly attributed to higher accrued billings for services rendered but not yet invoiced to customers for FYE 2021;
- Increase in trade and other payables by RM14.40 million as the Group continued to take a prudent approach in managing our cash flow. This included the following:
- our trade payables balance to 2 suppliers in Singapore increased by a total of RM1.59 million in FYE 2021;
  - our trade payables balance to 2 suppliers in the Philippines increased by a total of RM2.35 million in FYE 2021; and
  - our trade payables balance with 3 existing suppliers in Korea increased by a total of RM2.62 million in FYE 2021. In addition, we engaged a new supplier in Korea during FYE 2021 which further contributed RM1.61 million to our trade payable balance as at 31 December 2021.
- In addition, there was higher accruals of RM5.09 million as at 31 December 2021 compared to RM0.90 million as at December 2020, which was mainly pertaining to accruals of costs of sales by our Philippines operations which amounted to RM4.38 million.
- Income tax paid of RM0.33 million; and
  - Net interest paid of RM0.13 million.

**Net cash for investing activities**

For FYE 2021, our net cash used in investing activities was RM1.01 million. This was mainly attributed to the following:

- RM0.69 million for the purchase of intangible asset comprising freight forwarding management software;
- RM0.55 million for the purchase of equipment, which mainly comprised renovation for Subic Bay Warehouse 1, and purchase of warehouse equipment for Subic Bay Warehouse 1 and Gul Warehouse and Office; and
- RM0.11 million for additions of right-of-use assets which comprised down payments for motor vehicles and lease of a warehouse in the Philippines.

## 12. FINANCIAL INFORMATION (Cont'd)

These were partially offset by RM0.34 million proceeds from the disposal of equipment, which mainly comprised warehouse equipment following the relocation of our Singapore warehouse operations from the Previous Nan Wah Building Warehouse to the present Gul Warehouse and Office, and disposal of motor vehicles in Malaysia and the Philippines.

### Net cash for financing activities

For FYE 2021, our net cash used in financing activities of RM7.65 million was mainly attributed to the following:

- Repayment of bank borrowings comprising RM40.40 million for the repayments of term loans and RM4.07 million for repayment of the invoice financing as well as RM3.95 million for payments for the lease liabilities pertaining to rental payments for our operational facilities and hire purchases for motor vehicles.
- Interest paid of RM1.26 million in relation to term loans and invoice financing as well as lease liabilities pertaining to rental payments for our operational facilities and hire purchases for motor vehicles.
- Repayment to related parties of RM0.53 million for the settlement of the amount owing to AGX BVI for the acquisition of subsidiaries by the issuance of new AGB Shares in FYE 2021 pursuant to our Pre-IPO Internal Re-organisation Acquisitions as set out in Section 6.6.1 of this Prospectus.

These was partially offset by drawdown of term loans of RM38.02 million and invoice financing of RM4.73 million in FYE 2021, which were mainly for working capital.

### FYE 2022

### Net cash from operating activities

For FYE 2022, our net cash from operating activities was RM19.30 million resulting from RM18.73 million of operating profit before working capital changes and after taking into account the following changes in working capital:

- Decrease in trade and other receivables by RM13.78 million which was mainly due to the following:
  - Decrease in trade receivables by RM13.30 million, which was mainly contributed by lower outstanding balances by RM9.60 million from a major customer in Korea (i.e., Kukdo Chemical), and by RM2.74 million from a major customer in the Philippines (i.e., Customer Group A) due to timely collections from these customers. In addition, trade receivables outstanding balance from a major customer in the Philippines decreased by RM1.43 million attributed to lower revenue from the said customer as most of the cargo for their project was shipped during FYE 2020 and FYE 2021.
  - Decrease in other receivables by RM0.71 million mainly attributed to reduction of RM0.40 million in prepayments made in behalf of customers by our Philippines operations and collection of an advances to directors amounting to RM1.14 million, which was partially offset by increase of RM0.89 million in input Value Added Tax paid by our Philippines operations.
- Decrease in trade and other payables by RM9.47 million, mainly due to the following:

**12. FINANCIAL INFORMATION (Cont'd)**

- Decrease in trade payables by RM8.03 million which was mainly due to timely payments to suppliers for the services provided following better collections from customers.
- Increase in other payables and accruals by RM3.31 million, which was mainly due to increase in amount due to shareholders of RM3.60 million arising from dividend declared in respect of FYE 2022 but not paid as at 31 December 2022. As at the LPD, this amount has been paid in full.
- Increase in contract assets by RM0.36 million which was mainly attributed to higher accrued billings for services rendered but not yet invoiced to customers for FYE 2022;
- Decrease in amount owing by related parties by RM0.17 million was mainly due to reclassification of the amount owing by AGX BVI RM0.23 million, pursuant to our Pre-IPO Internal Re-organisation Acquisitions;
- Income tax paid of RM3.39 million; and
- Net interest received of RM0.01 million.

**Net cash for investing activities**

For FYE 2022, our net cash used in investing activities was RM2.93 million. This was mainly attributed to the following:

- RM2.32 million for the purchase of equipment, which mainly comprised renovation of the current Manila Warehouse in the Philippines, Group Head Office in Malaysia, and Changi Airport Warehouse in Singapore, office equipment for our Philippines operations, and racking systems for the Gul Warehouse and Office in Singapore and Subic Bay Warehouse 2 in the Philippines;
- RM0.37 million used for the investment in the associates during FYE 2022, including equity interests in All-Link Singapore and All-Link Philippines.
- RM0.14 million for additions of right-of-use assets which included down payment for motor vehicles by our Philippines and Korea operations.

**Net cash for financing activities**

For FYE 2022, our net cash used in financing activities of RM9.95 million was mainly attributed to the following:

- Repayment of bank borrowings including RM33.91 million for the repayment of term loans and RM6.94 million for the repayment of invoice financing, as well as RM4.91 million for lease liabilities pertaining to rental and lease payments for our operational facilities, and hire purchases for motor vehicles and forklifts.
- Interest paid of RM1.18 million in relation to term loans and invoice financing as well as lease liabilities pertaining to rental and lease payments, and hire purchases.
- Dividend paid of RM1.18 million during FYE 2022 to the shareholders of AGB.

These was partially offset by drawdown of term loans of RM31.53 million and invoice financing of RM6.64 million in FYE 2022, which were mainly for working capital.

**12. FINANCIAL INFORMATION (Cont'd)****FPE 2023****Net cash from operating activities**

For FPE 2023, we had net cash from operating activities of RM3.21 million resulting from RM14.62 million of operating profit before working capital changes and after taking into account the following changes in working capital:

- Increase in trade and other receivables by RM7.42 million which was mainly due to the increase in trade receivables by RM4.57 million mainly due to higher trade receivables balance from 1 major customer following an increase revenue and slower collections, as well as contribution to our trade receivable balance from 1 new customer that commenced in FPE 2023. In addition, other receivables, deposits and prepayments increased by RM2.12 million, which included advance payment for storage space in a country where we do not have a physical presence and prepayment of listing expenses.
- Decrease in trade and other payables by RM2.53 million which was mainly due to the decrease in other payables and accruals of RM4.76 million. There was lower accruals of RM3.02 million as at 31 August 2023 compared to RM4.82 million as at 31 December 2022, which was mainly pertaining to lower accruals of costs of sales by our operations in Malaysia and the Philippines.
- Decrease in contract assets by RM1.19 million as we have subsequently invoiced our customers for the accrued billings for services rendered.
- Income tax paid of RM2.74 million.

**Net cash from investing activities**

For FPE 2023, our net cash from investing activities was RM2.93 million. This was mainly attributed to the dividend received of RM3.94 million from our associate company, namely All-Link Singapore. This was partially offset by RM1.01 million used for the purchase of equipment which mainly comprised renovations of Lot 41 Warehouse and Port Klang Office in Malaysia, motor vehicles, renovation, office equipment and furniture and fittings for our Philippines operations, and warehouse equipment for the Gul Warehouse.

**Net cash for financing activities**

For FPE 2023, our net cash for financing activities of RM9.21 million was mainly attributed to the following:

- Dividend payment of RM3.60 million in respect of the dividend declared for FYE 2022.
- Repayment of bank borrowings comprising RM3.77 million for repayment of the invoice financing, RM3.30 million for payments for the lease liabilities pertaining to rental payments for our operational facilities and hire purchases for motor vehicles, as well as RM1.54 million for the repayments of term loans.
- Interest paid of RM0.87 million in relation to term loans and invoice financing as well as lease liabilities pertaining to rental payments for our operational facilities and hire purchases for motor vehicles.

These was partially offset by the drawdown of invoice financing of RM3.73 million in FPE 2023 for working capital.

**12. FINANCIAL INFORMATION (Cont'd)****(iii) Borrowings**

As at 31 August 2023, our borrowings are all secured, interest bearing based on fixed and/ or floating interest rates and denominated in RM or PHP, as set out below:

Type of facilities	Interest rates	Payable within 1 year RM'000	Payable 1 to 5 years RM'000	Total RM'000
Term loans <sup>(1)</sup>	3.50% to 10.25%	7,034	-	7,034
Invoice financing <sup>(2)</sup>	6.25%	568	-	568
Hire purchase <sup>(3)</sup>	8.80% to 10.50%	287	258	545
<b>Total</b>		<b>7,889</b>	<b>258</b>	<b>8,147</b>
Gearing ratio (times)*				0.16

**Notes:**

\* Calculated based on total borrowings divided by total equity as at 31 August 2023.

(1) Term loans were denominated in RM and PHP, and are mainly utilised for working capital financing.

(2) Invoice financing were denominated in RM, and are mainly utilised for working capital financing.

*Under this facility, the amount of financing and tenure granted by the bank/ financier to our Group for each drawdown, is based on the amount and credit term of the invoices issued by our Group to selected customers. Our Group provides the lists of selected customers to the bank/ financier for pre-approval in order to utilise this facility.*

(3) Hire purchase were denominated in RM and PHP, and are used to finance motor vehicle purchases.

As at 31 August 2023, our Group's fixed and floating-rate borrowings are set out below:

	RM'000
Fixed rate borrowings <sup>(1)</sup>	545
Floating rate borrowings <sup>(2)</sup>	7,602
<b>Total borrowings</b>	<b>8,147</b>

**Notes:**

(1) Include term loans and hire purchase.

(2) Include term loans, invoice financing and bank overdraft.

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**12. FINANCIAL INFORMATION (Cont'd)**

As at 31 August 2023, the currency profile of our borrowings are as follows:

	Payable within 1 year RM'000	Payable 1 to 5 years RM'000	Total RM'000
<b>RM</b>	<b>674</b>	-	<b>674</b>
<i>Term loans</i> <sup>(1)</sup>	106	-	106
<i>Invoice financing</i> <sup>(2)</sup>	568	-	568
<b>PHP</b>	<b>7,215</b>	<b>258</b>	<b>7,473</b>
<i>Term loans</i> <sup>(1)</sup>	6,928	-	6,928
<i>Hire purchase</i> <sup>(3)</sup>	287	258	545
<b>Total</b>	<b>7,889</b>	<b>258</b>	<b>8,147</b>

**Notes:**

- (1) *Term loans mainly utilised for working capital financing.*  
(2) *Invoice financing mainly utilised for working capital financing.*  
(3) *Hire purchase used to finance motor vehicle purchases.*

As at the LPD, we have banking facilities of RM23.53 million including term loans, invoice financing and bank overdraft, of which RM11.66 million has yet to be utilised, as follows:

Types of banking facilities	Credit limit <sup>(1)</sup> RM'000	Unutilised balance as at the LPD <sup>(2)</sup> RM'000
Term loans	768	686
Invoice financing	19,216	7,447
Bank overdraft	3,542	3,525
<b>Total</b>	<b>23,526</b>	<b>11,658</b>

**Notes:**

- (1) *Cumulative credit limit of credit facilities denominated in RM and PHP.*  
(2) *Cumulative unutilised balance of credit facilities denominated in RM and PHP.*

Our Group has not defaulted on payments of either interest and/or principal sum in respect of any borrowings throughout the Financial Years and Period Under Review and up to the LPD.

We do not encounter seasonality in the trend of our borrowings and there is no restriction on the use of our committed banking facilities, save for prior consents from the licensed banks before using the banking facilities, where necessary.

As at the LPD, we are not in breach of any terms and conditions and covenants associated with credit arrangements or bank loans, which can materially affect our financial results, financial position or business operations, or the investments by holders of our Shares.

As at the LPD, saved as disclosed above, our Group did not use any other credit facilities.

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**12. FINANCIAL INFORMATION (Cont'd)****(iv) Treasury policies and objectives**

Our Group has been funding our operations through cash generated from our operations and external sources of funds. The external sources of funds consist primarily of borrowings from financial institutions. We have lease liabilities mainly used to finance purchases of motor vehicles. The normal terms granted by our suppliers are cash term and from 60 to 90 days credit.

As at the LPD, our Group's borrowings from financial institutions consist of the following:

- term loans mainly used for working capital;
- invoice financing mainly used for working capital;
- bank overdrafts mainly used for working capital;
- lease liabilities mainly used to finance motor vehicle purchases.

As at the LPD, our Group has banking facilities amounting to approximately RM23.53 million, where approximately RM11.66 million has yet to be fully utilised. The interest rates of our borrowings as at the LPD are based on fixed and floating rates.

The main objective of our capital management is to maintain a strong credit rating and healthy capital ratio in order to support our business and maximise shareholders' value. We review and maintain our capital structure to maintain the debt-to-equity ratio at an optimal level based on the business requirements and prevailing economic conditions.

**(v) Financial instruments for hedging purposes**

For the FYE 2020, FYE 2021, FYE 2022, FPE 2023 and as at the LPD, our Group does not have any financial instrument for hedging purposes.

**(vi) Financial guarantee contracts**

As at the LPD, we do not have any financial guarantee contracts.

**(vii) Contingent asset**

As at the LPD, we are not aware of any material and/or indirect contingent assets that may be due to our Group that may have a material impact on our financial position.

**(viii) Contingent liabilities**

As at the LPD, we are not aware of any material and/or indirect contingent liabilities that may be incurred by our Group that may have a material impact on our financial position.

**(ix) Material litigation, claims or arbitration**

As at the LPD, we are not involved in any other legal action, proceeding, prosecution or arbitration, either as plaintiff or defendant, which may have a material adverse effect on the business or our financial position, and our Directors are not aware of any legal proceeding, pending or threatened, or of any fact to give rise to any legal proceeding which may have a material adverse effect on our business or financial position.

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**12. FINANCIAL INFORMATION (Cont'd)****(x) Capital expenditure and divestitures****Capital expenditure**

Our Group's capital expenditure for FYE 2020, FYE 2021, FYE 2022, FPE 2023 and up to the LPD are as follows:

	Method of financing	Audited				Unaudited
		FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 September 2023 up to LPD RM'000
Equipment	Hire purchase and cash	960	548	2,318	1,011	234
Right-of-use assets <sup>(1)</sup>	Hire purchase, lease arrangement and cash	623	443	844	462	386
Intangible asset	Cash	130	687	-	-	-
<b>Total</b>		<b>1,713</b>	<b>1,678</b>	<b>3,162</b>	<b>1,473</b>	<b>620</b>

**Note:**

(1) Refers to forklifts, motor vehicles and office equipment.

**FYE 2020**

For FYE 2020, our Group's capital expenditure amounted to RM1.71 million comprising the following:

- Purchase of equipment amounting to RM0.96 million. This mainly comprised renovation related to the relocation of our Group Head Office and setting up Previous Port Klang Warehouse 1, purchase of motor vehicles in the Philippines, and warehouse equipment for Subic Bay Warehouse 1;
- Additions of right-of-use assets amounting to RM0.62 million mainly comprising motor vehicles and office equipment; and
- Intangible asset amounting to RM0.13 million for the purchase of freight forwarding management software financed by cash.

**FYE 2021**

For FYE 2021, our Group's capital expenditure amounted to RM1.68 million comprising the following:

- Purchase of equipment amounting to RM0.55 million. This mainly comprised renovation for Subic Bay Warehouse 1, and purchase of warehouse equipment for Subic Bay Warehouse 1 and Gul Warehouse and Office;
- Additions of right-of-use assets amounting to RM0.44 million mainly comprising motor vehicles and forklifts; and
- Intangible asset amounting to RM0.69 million for the purchase of freight forwarding management software financed by cash.

**12. FINANCIAL INFORMATION (Cont'd)****FYE 2022**

For FYE 2022, our Group's capital expenditure amounted to RM3.16 million comprising the following:

- Purchase of equipment amounting to RM2.32 million. This mainly comprised renovation of the current Manila Warehouse in the Philippines and Gul Warehouse and Office in Singapore, office equipment for our Philippines operations, and racking systems for the Gul Warehouse and Office and Subic Bay Warehouse 2; and
- Additions of right-of-use assets amounting to RM0.84 million mainly comprising motor vehicles and forklifts.

**FPE 2023**

For FPE 2023, our Group's capital expenditure amounted to RM1.47 comprising the following:

- Purchase of equipment amounting to RM1.01 million. This was mainly comprised renovations of Lot 41 Warehouse and Port Klang Office in Malaysia, motor vehicles, renovation, office equipment and furniture and fittings for our Philippines operations, and warehouse equipment for the Gul Warehouse; and
- Additions of right-of-use assets amounting to RM0.46 million mainly comprising motor vehicles, forklifts and office equipment.

**1 September 2023 up to the LPD**

From 1 September 2023 up to the LPD, our Group's capital expenditure amounted to RM0.62 million comprising the following:

- Purchase of equipment amounting to RM0.23 million. This mainly comprised computer and software for our Malaysia operations, renovation, office equipment and furniture and fittings for our Philippines operations, and computer and software for our Singapore operations; and
- Additions of right-of-use assets amounting to RM0.39 million mainly comprising motor vehicles and forklift for our Singapore operations and a motor vehicle for our Korea operations.

***Capital divestitures***

Our Group's capital divestitures for FYE 2020, FYE 2021, FYE 2022, FPE 2023 and up to the LPD are as follows:

	Audited				Unaudited
	FYE 2020 RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FPE 2023 RM'000	1 September 2023 up to LPD RM'000
Warehouse equipment	-	117	-	-	-
Motor vehicles	128	54	30	#	39
Other equipment <sup>(1)</sup>	5	42	-	4	-
<b>Total</b>	<b>133</b>	<b>213</b>	<b>30</b>	<b>4</b>	<b>39</b>

**Notes:**

# An amount less than RM1,000

**12. FINANCIAL INFORMATION (Cont'd)**

- (1) Refers to furniture and fittings, office equipment, renovation and used containers.

For the FYE 2020, our capital divestitures of RM0.13 million was mainly from the disposal of motor vehicles in Malaysia and the Philippines, and the disposal of other equipment such as renovated interior items in office/ warehouse (e.g., office partition and tiling), furniture and fittings and office equipment.

For FYE 2021, our capital divestitures of RM0.21 million mainly comprised warehouse equipment and others (including renovated interior items, office equipment and furniture and fittings) mainly due to the relocation of our Singapore warehouse operations from the Previous Nan Wah Building Warehouse to the present Gul Warehouse and Office, and disposal of motor vehicles in Malaysia and the Philippines.

For the FYE 2022, our capital divestitures of RM0.03 million was from the disposal of motor vehicles.

For the FPE 2023, our capital divestitures of approximately RM4,000 mainly comprised used containers and trailer.

From 1 September 2023 up to the LPD, our Group's capital divestitures amounted to RM0.04 million comprising the 3 units of used trailers by our Myanmar operations.

**(xi) Investment properties**

As at the LPD, we do not have any assets that are classified as investment properties.

**(xii) Capital commitment**

As at the LPD, we do not have any capital commitments.

**(xiii) Key financial ratios**

Our key financial ratios are as follows:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023
Trade receivables turnover period (days) <sup>(1)</sup>	121	88	71	82
Trade payables turnover period (days) <sup>(2)</sup>	48	43	38	43
Current ratio <sup>(3)</sup>	1.00	1.71	1.92	2.22
Gearing ratio <sup>(4)</sup>	3.38	0.37	0.22	0.16

**Notes:**

- (1) Computed based on dividing the average net trade receivables (trade receivables excluding lifetime loss allowance) by the total revenue of the respective financial year or financial period, and multiplying the result by the number of days in the financial year (365 days) or financial period (243 days). Average trade receivables is calculated by adding the opening and closing balances of net trade receivables of the financial year or financial period, and dividing the total by 2.
- (2) Computed based on dividing the average trade payables by the total cost of sales of the respective financial year or financial period, and multiplying the result by the number of days in the financial year (365 days) or financial period (243 days). Average trade payables is calculated by adding the opening and closing balances of net trade payables of the financial year or financial period, and dividing the total by 2.

**12. FINANCIAL INFORMATION (Cont'd)**

- (3) Computed based on the current assets over the current liabilities as at the respective end of financial year or financial period.
- (4) Computed based on the total bank borrowings over the total equity as at the respective end of financial year or financial period.

We do not hold inventories and consequently measures of inventory turnover period are not relevant to our Group.

**(a) Trade receivables**

Trade Receivables	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
Trade receivables	43,405	55,094	41,905	46,822
Less:				
Lifetime loss allowance <sup>(1)</sup>	(2,277)	(2,920)	(3,032)	(3,383)
Net trade receivables	41,128	52,174	38,873	43,439
Average net trade receivables	40,628	46,651	45,524	41,156
Revenue	122,507	193,372	234,429	122,228
Trade receivables turnover period (days)	121	88	71	82

**Notes:**

- \* Net trade receivables as at 1 January 2020 was RM40.128 million.
- (1) The Group use simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develop the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses.

We mainly deal with our customers on credit terms. The normal payment terms that we grant our customers include cash terms, or credit terms ranging from 30 days to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

Our average trade receivables turnover period decreased from 121 days for FYE 2020 to 88 days for FYE 2021. This was mainly contributed by improved collections from customers during the year, including from customers whose businesses were affected by the COVID-19 pandemic during FYE 2020. Although the closing balance of trade receivables for some of these customers was higher as at 31 December 2021 compared to 31 December 2020, revenue from these customers increased by proportionally more.

Our trade receivables turnover period decreased from 88 days for FYE 2021 to 71 days for FYE 2022. This was mainly contributed by better collections from a customer in Korea and the Philippines, and decreased balance from a customer in the Philippines.

Our trade receivables turnover period increased from 71 days for FYE 2022 to 82 days for FPE 2023. This was mainly due to a decrease in revenue by 28.13% in FPE 2023 while our net trade receivables balance as at 31 August 2023 had increased by RM4.57 million compared to 31 December 2022 mainly due to higher trade receivables balance from 1 major customer following an increase in revenue and slower collections, as well as contribution to our trade receivable balance from 1 new customer that commenced in FPE 2023, which resulted in the increase in trade receivables turnover period.

**12. FINANCIAL INFORMATION (Cont'd)**

The ageing analysis of our trade receivables as at 31 August 2023 and the subsequent collections up to the LPD are set out below:

	Within credit period	Exceed credit period (past due days)			Total
		1 – 90	91 - 180	Over 181	
Net trade receivables as at 31 August 2023 (RM'000)	22,625	18,216	1,979	619	43,439
<i>Proportion of total trade receivables (%)</i>	<i>52.08</i>	<i>41.94</i>	<i>4.56</i>	<i>1.42</i>	<i>100.00</i>
Subsequent collections as at LPD (RM'000)	18,175	13,629	997	849	33,650
Net trade receivables after subsequent collections (RM'000)	4,450	4,587	982	(230)	9,789
<i>Proportion of trade receivables after subsequent collections (%)</i>	<i>45.46</i>	<i>46.86</i>	<i>10.03</i>	<i>(2.35)</i>	<i>100.00</i>

As at the LPD, RM33.65 million or 77.46% of the total net trade receivables as at 31 August 2023 has been subsequently collected. Of the remaining outstanding amount, RM4.45 million (45.46%) fell within the credit period and RM5.34 million (54.54%) had exceeded the credit period. The outstanding receivables that exceeded credit period was mainly the past due amount from two of our major customers.

For one of our major customers, our Group had entered into a settlement plan with one of its entities, whereby the payment for the past due amounts will be made in accordance to the payment schedule. This resulted in our Group's delay in collection for such past due amounts. As at the LPD, the said major customer has made payments in accordance with the schedule. In respect of the receivable balance as at 31 August 2023, the remaining outstanding balance that is owed by the said entity as at the LPD was RM6.28 million, out of which RM2.75 million has exceeded the credit period.

The other major customer underwent a one-off change in its payment process in FYE 2022, which requires a longer processing time to review invoices issued by our Group and other suppliers. As such, there had been delays in payment for the past due amounts to our Group. As at the LPD, we have subsequently collected RM0.46 million from the said customer.

Aside from the above, in FPE 2023, we provided allowances for impairment loss / bad debts written off including the following:

- (i) specific allowance for impairment of RM0.57 million, representing all of the outstanding trade receivables of an airline customer in Malaysia, in relation to the sudden announcement of business suspension by the said airline customer in Malaysia; and
- (ii) bad debts written off amounting to RM0.31 million due to slower payments on certain overdue outstanding balances owed to our Group from one of our major customers. In FPE 2023, we have written off some of the overdue long outstanding balances, which included outstanding balances since 2018, after attempts were made to collect these balances over the years without any firm commitment from the said major customer to settle these balances.

As at the LPD, the total trade receivable balances which exceeded credit period from this major customer amounted to RM18.95 million, whereby approximately RM14.43 million relates to receivable balances arising from revenue from 1 September 2023 and up to the LPD. The remaining of approximately RM4.52 million relates to the receivable balance as at 31 August 2023, whereby an amount of approximately

**12. FINANCIAL INFORMATION (Cont'd)**

RM2.75 million will be paid in accordance to the payment schedule of the settlement plan as set out in this section above with one of the entities of this major customer. The remaining balance of RM1.77 million relates to other entities of this major customer.

**(b) Trade payables**

<b>Trade Payables</b>	<b>FYE 2020 RM'000</b>	<b>FYE 2021 RM'000</b>	<b>FYE 2022 RM'000</b>	<b>FPE 2023 RM'000</b>
Trade payables	12,525	23,170	15,143	13,776
Average trade payables	11,424*	17,848	19,157	14,460
Cost of sales	87,245	152,249	184,008	82,414
Trade payables turnover period (days)	48	43	38	43

**Note:**

\* Trade payables as at 1 January 2020 was RM10.322 million.

The normal terms granted to us by our creditors are cash term and from 60 to 90 days credit. Our trade payables turnover period for the Financial Years and Period Under Review were generally within the credit period granted to us by our suppliers.

Our trade payables turnover period decreased from 48 days for FYE 2020 to 43 days for FYE 2021, and to 38 days for FYE 2022. As we had more prompt collections from customers during FYE 2021 and FYE 2022 as reflected in the decreases in trade receivables turnover period, there was also a decrease in trade payables turnover period for the corresponding financial years.

Our trade payables turnover period increased from 38 days for FYE 2022 to 43 days for FPE 2023, mainly attributed to lower cost of sales arising from the decrease in revenue in FPE 2023 due to lower sea and air freight forwarding services rendered. As we had slower payments from our customers as reflected in the increase in trade receivables turnover period, there was also an increase in our trade payables turnover period for FPE 2023.

The ageing analysis of our trade payables as at 31 August 2023 and the subsequent payments up to the LPD are set out as below:

	<b>Within credit period</b>	<b>Exceed credit period (past due days)</b>			<b>Total</b>
		<b>1 – 90</b>	<b>91 - 180</b>	<b>Over 181</b>	
Trade payables as at 31 August 2023 (RM'000)	3,593	6,907	2,471	805	13,776
<i>Proportion of total trade payables (%)</i>	<i>26.08</i>	<i>50.14</i>	<i>17.94</i>	<i>5.84</i>	<i>100.00</i>
Subsequent payment as at the LPD (RM'000)	2,892	6,661	2,301	167	12,021
Trade payables after subsequent payment as at LPD (RM'000)	701	246	170	638	1,755
<i>Proportion of trade payables after subsequent payment as at LPD (%)</i>	<i>39.94</i>	<i>14.02</i>	<i>9.69</i>	<i>36.35</i>	<i>100.00</i>

As at the LPD, RM12.02 million or 87.26% of the total trade payables as at 31 August 2023 has been subsequently paid. Of the remaining outstanding amount RM0.70 million (39.94%) fell within the credit period, while the remaining RM1.05 million (60.06%) had exceeded the credit period. The outstanding payments that exceeded credit period was mainly the past due amount to one of our suppliers in the Philippines.

**12. FINANCIAL INFORMATION (Cont'd)**

One of the suppliers above was the general sales agent for our services provided to one of our major customer which we have entered into a settlement plan with as set out above. In view of the settlement plan entered by our Group with this major customer, we have also entered into a settlement plan with this supplier in accordance to the same payment schedule as part of our Group's effort to manage our working capital.

As at LPD, there were no disputes in respect of our total outstanding trade payables and no legal action has been initiated by our suppliers to demand for payment from us.

**(c) Current ratio**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FPE 2023</b>
<b>Current Ratio</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'0000</b>
Current assets	61,402	77,908	72,965	71,523
Current liabilities	61,236	45,571	38,060	32,218
Current ratio (times)	1.00	1.71	1.92	2.22

Our current ratio increased from 1.00 times as at 31 December 2020 to 1.71 times as at 31 December 2021. This was mainly attributed to the settlement of the amount owing to AGX BVI for the acquisition of subsidiaries by the issuance of new AGB Shares in FYE 2021 pursuant to our Pre-IPO Internal Re-organisation Acquisitions as set out in Section 6.6.1 of this Prospectus, following which the amount owing to related parties decreased by RM26.48 million to nil as at 31 December 2021.

Our current ratio increased from 1.71 times as at 31 December 2021 to 1.92 times as at 31 December 2022. This was contributed by decrease in trade payables by RM8.03 million as the Group paid suppliers after receiving more prompt collections from the respective customers. In addition, the outstanding term loans under current liabilities decreased by RM1.92 million following the repayments on term loans.

Our current ratio increased from 1.92 times as at 31 December 2022 to 2.22 times as at 31 August 2023. This was contributed by a decrease in other payables and accruals by RM4.76 million mainly attributed to settlement of dividend payable to shareholders amounting to RM3.60 million, and decrease in accruals of costs of sales by our Malaysia and Philippines operations. Our trade receivables increased by RM4.57 million due to slower collection from customers.

**(d) Gearing ratio**

	<b>FYE 2020</b>	<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FPE 2023</b>
<b>Gearing Ratio</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Total bank borrowings	17,865	13,784	9,591	8,147
Total equity	5,292	36,779	44,033	52,111
Gearing ratio (times)	3.38	0.37	0.22	0.16

Our gearing ratio decreased from 3.38 times as at 31 December 2020 to 0.37 times as at 31 December 2021. This was mainly attributed to increase in share capital by RM27.12 million following the issuance of new AGB Shares in FYE 2021 pursuant to our Pre-IPO Internal Re-organisation Acquisitions as set out in Section 6.6.1 of this Prospectus. In addition, our total bank borrowings decreased by RM4.08 million as we funded more of our working capital requirements in FYE 2021 from internally generated funds as collections from customers improved.



**12. FINANCIAL INFORMATION (Cont'd)**

Our gearing ratio decreased from 0.37 times as at 31 December 2021 to 0.22 times as at 31 December 2022. This was mainly due to increase in total equity by RM7.25 million from higher retained profits. In addition, our total bank borrowings decreased by RM4.19 million as we funded more of our working capital requirements in FYE 2022 from internally generated funds as collections from customers improved further.

Our gearing ratio decreased from 0.22 times as at 31 December 2022 to 0.16 times as at 31 August 2023. This was mainly due to increase in total equity by RM8.08 million from higher retained profits. In addition, our total bank borrowings decreased by RM1.44 million mainly due to the repayment of term loans during FPE 2023.

**12.7 TREND INFORMATION**

As at the LPD, our Board confirms that our operations have not been and are not expected to be 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 financial performance, position, operations, liquidity and capital resources, saved as disclosed in this section and Sections 7 and 8 of this Prospectus;
- (ii) material commitments for capital expenditure;
- (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 disclosed in this section and Sections 7 and 8 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that had resulted in a material impact on our revenue and/or profits, save as disclosed in this section and Sections 7, 8 and 9 of this Prospectus; and
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical consolidated financial statements not indicative of the future financial performance and position, save as disclosed in this Section and Sections 7 and 8 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 after taking into account the overview of the logistics industry in Malaysia as well as the foreign countries where we have operations as set out in Section 8 of this Prospectus, our competitive advantages and key strengths as set out in Section 7.4 of this Prospectus and our business strategies as set out in Section 7.21 of this Prospectus.

**12.8 ORDER BOOK**

Order book is not relevant to our Group. All of the sea and air freight forwarding, aerospace logistics and road freight transportation services that we provide are based on confirmed bookings or requests for transportation, which are for discrete jobs involving the transportation of goods from one location to another. All of our warehousing and other 3PL services are based on service contracts or fixed term contracts, to which order book is not relevant.

**12. FINANCIAL INFORMATION (Cont'd)****12.9 REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023**

**Crowe Malaysia PLT**  
 201906000005 (LLP0018817-LCA) & AF 1018  
 Chartered Accountants  
 Level 16, Tower C, Megan Avenue II  
 12, Jalan Yap Kwan Seng  
 50450 Kuala Lumpur  
 Malaysia  
 Main +6 03 2788 9999  
 Fax +6 03 2788 9998  
[www.crowe.my](http://www.crowe.my)

Date: **02 JAN 2024**

The Board of Directors  
**AGX Group Berhad**  
 Unit 1A-C and Unit 2A-C, 2nd Floor  
 Jalan USJ 10/1A  
 Pusat Perniagaan USJ 10  
 47610 UEP Subang Jaya  
 Selangor Darul Ehsan  
 Malaysia

Dear Sirs

**AGX GROUP BERHAD ("AGB" or the "Company")  
 REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF  
 FINANCIAL POSITION AS AT 31 AUGUST 2023**

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of AGB and its subsidiaries (collectively known as the "Group") as at 31 August 2023 and the related notes (as set out in Appendix A which we have stamped for the purpose of identification) prepared by the Board of Directors of AGB for the inclusion in the Prospectus in connection with the listing of the Group on the ACE Market of Bursa Malaysia Securities Berhad ("the Listing").

The applicable criteria on the basis of which the Board of Directors of the Group have compiled the Pro Forma Statements of Financial Position are set out in the notes thereon to the Pro Forma Consolidated Financial Position. The Pro Forma Statements of Financial Position is prepared in accordance with the requirement of Prospectus Guidelines issued by the Securities Commission Malaysia ("the Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysia Institute of Accountants ("Guidance Note").

The Pro Forma Consolidated Financial Position has been compiled by the Board of Directors of the Group to illustrate the impact of the transactions as set out in notes thereon to the Pro Forma Consolidated Financial Position as if the transactions have been undertaken on 31 August 2023. As part of this process, information about the Group's financial position has been extracted by the Board of Directors of AGB from the audited consolidated financial statements as at 31 August 2023.

**THE BOARD OF DIRECTORS' RESPONSIBILITIES**

The Board of Directors of the Group is solely responsible for compiling the Pro Forma Statements Financial Position as set out in the notes thereon to the Pro Forma Consolidated Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**12. FINANCIAL INFORMATION (Cont'd)****REPORTING ACCOUNTANTS' INDEPENDENCE AND QUALITY CONTROL**

We have complied with the independence and other ethical requirement of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standard Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our Firm applies International Standard on Quality Management 1 (ISQM 1), *Quality Management 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 regulatory requirements.

**REPORTING ACCOUNTANTS' RESPONSIBILITIES**

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Statements of Financial Position has been compiled, in all material respects, by the Board of Directors of the Group on the basis as described in notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

We conducted our engagement in accordance with the International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagement to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards as adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of the Group has compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis as described in notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the Pro Forma Consolidated Statements of 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 Consolidated Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in a Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction 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 event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis set out in notes thereon to the Pro Forma Statements of Financial Position and in accordance with the requirement of Prospectus Guidelines, involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Consolidated Statements of 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 Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

**12. FINANCIAL INFORMATION (Cont'd)****REPORTING ACCOUNTANTS' RESPONSIBILITIES (CONT'D)**

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 Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**OPINION**

In our opinion, the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis set out in the notes thereon to the Pro Forma Consolidated Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

**OTHER MATTER**

This letter has been prepared solely for the purpose of inclusion in the Prospectus of AGX Group Berhad in connection with the Listing. As such, this letter should not be used for any other purpose without our prior written consent. 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 letter contrary to the aforesaid purpose.

Yours faithfully

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

**Chan Kuan Chee**  
02271/10/2025 J  
Chartered Accountant

12. FINANCIAL INFORMATION (Cont'd)

Appendix A



AGX GROUP BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023

	Note	Pro Forma I		Pro Forma II		Pro Forma III	
		Audited As at 31 August 2023 RM	Adjustment for Subsequent Event RM	After the Adjustment for Subsequent Event RM	Public Issue and Share Split RM	After Pro Forma I and Public Issue and Share Split RM	Utilisation of IPO proceeds and Utilisation of IPO proceeds of Pro Forma I and II RM
<b>ASSETS</b>							
<b>NON-CURRENT ASSETS</b>							
Investment in associates		4,411,427		4,411,427	4,411,427		4,411,427
Equipment		3,843,785		3,843,785	3,843,785		3,843,785
Right-of-use assets		10,033,670		10,033,670	10,033,670		10,033,670
Intangible assets		1,198,943		1,198,943	1,198,943		1,198,943
		<u>19,487,825</u>		<u>19,487,825</u>	<u>19,487,825</u>		<u>19,487,825</u>
<b>CURRENT ASSETS</b>							
Trade receivables		43,438,704		43,438,704	43,438,704		43,438,704
Other receivables, deposits and prepayments		12,672,228		12,672,228	12,672,228		12,672,228
Contract assets		3,781,362		3,781,362	3,781,362		3,781,362
Amount owing by associates		44,903		44,903	44,903		44,903
Amount owing by related parties		1,675		1,675	1,675		1,675
Fixed deposits with licensed banks		1,059,939		1,059,939	1,059,939		1,059,939
Cash and bank balances		10,404,751	(3,000,000)	7,404,751	41,179,751	(8,547,000)	32,632,751
Tax recoverable		118,982		118,982	118,982		118,982
		<u>71,522,544</u>		<u>68,522,544</u>	<u>102,297,544</u>		<u>93,750,544</u>
		<u>91,010,369</u>		<u>88,010,369</u>	<u>121,785,369</u>		<u>113,238,369</u>

\* - Extracted from the Group's audited consolidated financial statements as of 31 August 2023.

12. FINANCIAL INFORMATION (Cont'd)



Appendix A

AGX GROUP BERHAD

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023 (CONT'D)

	Note	Pro Forma I		Pro Forma II		Pro Forma III	
		Audited As at 31 August 2023 RM	Adjustment for Subsequent Event RM	After the Adjustment for Subsequent Event RM	Public Issue and Share Split RM	Pro Forma I and After Public Issue and Share Split RM	Utilisation of IPO proceeds RM
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
Share capital	6(b)	27,120,124		27,120,124	60,895,124	(990,000)	59,905,124
Retained profits	6(c)	24,471,764	(3,000,000)	21,471,764	21,471,764	(3,510,000)	17,961,764
Reserves		389,829		389,829	389,829		389,829
Equity attributable to owners of the Company		51,981,717		48,981,717	82,756,717		78,256,717
Non-controlling interests		129,049		129,049	129,049		129,049
<b>TOTAL EQUITY</b>		<b>52,110,766</b>		<b>49,110,766</b>	<b>82,885,766</b>		<b>78,385,766</b>
<b>LIABILITIES</b>							
<b>NON-CURRENT LIABILITIES</b>							
Deferred tax liabilities		58,568		58,568	58,568		58,568
Lease liabilities		5,293,336		5,293,336	5,293,336		5,293,336
Provisions		1,330,178		1,330,178	1,330,178		1,330,178
		<b>6,682,082</b>		<b>6,682,082</b>	<b>6,682,082</b>		<b>6,682,082</b>

\* - Extracted from the Group's audited consolidated financial statements as of 31 August 2023.

**12. FINANCIAL INFORMATION (Cont'd)**

**Appendix A**

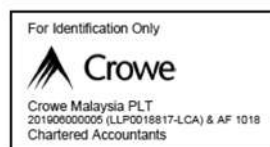


**AGX GROUP BERHAD**

**PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023 (CONT'D)**

		Pro Forma I		Pro Forma II		Pro Forma III	
		Audited	After the	After	After	Utilisation of	After
	Note	As at	Adjustment for	Adjustment for	Public Issue	Public Issue	Public Issue
		31 August	Subsequent	Subsequent	and	and	and
		2023	Event	Event	Share Split	Share Split	Share Split
		RM	RM	RM	RM	RM	RM
<b>CURRENT LIABILITIES</b>							
Trade payables		13,776,088	13,776,088	13,776,088	13,776,088	13,776,088	13,776,088
Other payables and accruals		5,394,574	5,394,574	5,394,574	5,394,574	5,394,574	5,394,574
Amount owing to an associate		19,964	19,964	19,964	19,964	19,964	19,964
Lease liabilities		4,748,150	4,748,150	4,748,150	4,748,150	4,748,150	4,748,150
Term loans	6(d)	7,033,593	7,033,593	7,033,593	7,033,593	(4,047,000)	2,986,593
Invoice financing		568,239	568,239	568,239	568,239	568,239	568,239
Current tax liabilities		676,913	676,913	676,913	676,913	676,913	676,913
		<u>32,217,521</u>	<u>32,217,521</u>	<u>32,217,521</u>	<u>32,217,521</u>	<u>28,170,521</u>	<u>28,170,521</u>
<b>TOTAL LIABILITIES</b>		<u>38,899,603</u>	<u>38,899,603</u>	<u>38,899,603</u>	<u>38,899,603</u>	<u>34,852,603</u>	<u>34,852,603</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>91,010,369</u>	<u>88,010,369</u>	<u>88,010,369</u>	<u>121,785,369</u>	<u>113,238,369</u>	<u>113,238,369</u>
Equity attributable to owners of the Company (RM)		51,981,717	48,981,717	48,981,717	82,756,717	78,256,717	78,256,717
Number of ordinary shares assumed in issue		269,092,900	269,092,900	269,092,900	432,866,125	432,866,125	432,866,125
NA per Share (RM) / Total equity attributable to owners of the Company per share		0.19	0.18	0.18	0.19	0.18	0.18

\* - Extracted from the Group's audited consolidated financial statements as of 31 August 2023.

**12. FINANCIAL INFORMATION (Cont'd)****Appendix A****AGX GROUP BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023****1. INTRODUCTION**

The Pro Forma Consolidated Statements of Financial Position of the Group as at 31 August 2023 together with the notes thereon, for which the Board of Directors of the Group are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the Listing and should not be relied upon for any other purposes.

**2. BASIS OF PREPARATION**

The Pro Forma Consolidated Statements of Financial Position of the Group is prepared based on the audited consolidated financial statements of the Group as at 31 August 2023 which was prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRS"), and in a manner consistent with the format of financial statements and accounting policies of the Group.

The Pro Forma Consolidated Statements of Financial Position together with the related notes thereon, has been prepared solely for illustrative purpose only to show the effects of the transactions as disclosed in Note 5 to the Pro Forma Statements of Financial Position of the Group as at 31 August 2023 had the transactions been affected on 31 August 2023. As part of this process, information about the Group's financial position have been extracted by the Directors from the audited consolidated financial statements of the Group for the financial period ended 31 August 2023, on which an audit report has been issued.

The financial statements used in the preparation of this Consolidated Statements of Financial Position for the period ended 31 August 2023 was not subject to any qualification, modification or disclaimer of opinion.

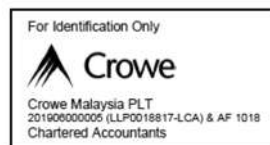
The Pro Forma Statement of Financial Position is not necessarily indicative of the financial position that would have been attained had the listing actually occurred at the respective dates. The Pro Forma Statement of Financial Position has been prepared for illustrative purpose only, and because of this nature, may not give a true picture of the actual financial position of the Group.

**3. MATERIAL SUBSEQUENT EVENT OCCURRING AFTER 31 AUGUST 2023****Dividends Declared**

On 31 October 2023, the Board of Directors declared a single-tier interim of RM0.011 per ordinary share amounting to RM3,000,000 for the financial year ending 31 December 2023 to shareholders whose names appeared in the record of depositors on 30 September 2023.

The dividend is illustrated in the Pro Forma in accordance with Paragraph 9.20 of Chapter 9, Part II Division I: Equity of the Prospectus Guidelines.



**12. FINANCIAL INFORMATION (Cont'd)****Appendix A****AGX GROUP BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023 (CONT'D)****4. LISTING SCHEME**

In conjunction with, and as an integral part of the Initial Public Offering (“IPO”), the Company undertook the following:-

**(i) Share Split**

The Company has carried out a subdivision of all the existing 269,092,900 AGB Shares into 336,366,125 AGB Shares (i.e., subdivision of every 4 existing Share into 5 subdivided Shares) (“Share Split”).

No impact will be illustrated in the below Pro Forma Consolidated Financial Statements as the Share Split does not have any impact to the Pro Forma Consolidated Financial Statements.

**(ii) Public Issue and Offer for Sale**

Concurrent with the Listing, the Company will undertake an IPO comprising a public issue of 96,500,000 new Shares (“Public Issue”), representing approximately 22.29% of the Company’s enlarged issued share capital upon Listing and offer for sale of 30,000,000 existing Shares (“Offer for Sale”), representing approximately 6.93% of the Company’s enlarged issued share capital will be offered for sale.

**(iii) Listing**

Upon completion of the IPO, the Company’s entire enlarged issued share capital of 432,866,125 Shares shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

**5. PRO FORMA ADJUSTMENT TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION****(i) Pro Forma I**

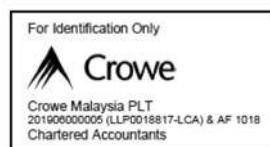
Pro Forma I incorporates the effects of the Material Subsequent Event as set out in Note 3 above.

**(ii) Pro Forma II**

Pro Forma II incorporates the effects of Pro Forma I and the effects of the Share Split, the Public Issue and the Offer for Sale as set out in Notes 4(i) and 4(ii).

**(iii) Pro Forma III**

Pro Forma III incorporates the effects of Pro Forma I, Pro Forma II and the effects of the utilisation of proceeds from IPO.

**12. FINANCIAL INFORMATION (Cont'd)****Appendix A****AGX GROUP BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023 (CONT'D)****5. PRO FORMA ADJUSTMENT TO THE PRO FORMA STATEMENTS OF FINANCIAL POSITION (CONT'D)****(iii) Pro Forma III (Cont'd)**

Based on the prospectus, the proceeds from the Public Issue will be utilised as follows:-

<b>Purpose</b>	<b>RM</b>	<b>% of proposed utilisation</b>	<b>Estimated time frame for utilisation (from listing date)</b>
Business expansion#	8,700,000	25.8	Within 12 months
Repayment of bank borrowings*	4,953,000	14.7	Within 3 months
Working capital	15,622,000	46.2	Within 24 months
Estimated listing expenses^	4,500,000	13.3	Within 3 months
	<b>33,775,000</b>	<b>100.0</b>	

The proceeds from the Public Issue as stated in the prospectus in relation to the IPO, will be utilised as follows:-

# As at the latest practicable date of the prospectus of 22 December 2023, the Group has yet to enter into any contractual binding agreement or purchase agreements for its intended business expansion. Accordingly, the use of IPO proceeds of RM8,700,000 earmarked for business expansion is not reflected in the Pro Forma Consolidated Statements of Financial Position and has remained as cash and bank balances.

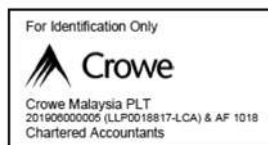
\* Based on the prospectus, the IPO proceeds earmarked for the repayment of bank borrowings will be used for the partial repayment of the outstanding balance of revolving promissory note line of the Group. In the event such amounts have been reduced after the Listing, any excess proceeds after the repayment of bank borrowings shall be used for the Group's working capital purposes. Conversely, any deficit proceeds shall be funded from the proceeds allocated for working capital purposes.

As at 31 August 2023, the aggregate outstanding balance of the aforesaid facilities amounted to RM4,047,000 and as such, this has been adopted for illustration in this Pro Forma.

^ The estimated listing expenses comprise the following:

	<b>RM</b>
Professional fees	3,330,000
Fees to authorities	80,000
Brokerage, underwriting and placement fees	640,000
Other fees and expenses such as printing, advertising, travel and road show expenses incurred in connection with the Public Issue	450,000
	<b>4,500,000</b>

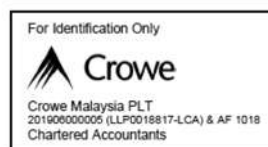
The estimated listing expenses of RM990,000 directly attributable to the Public Issue will be set-off against share capital and the remaining estimated listing expenses of RM3,510,000 will be charged out to profit or loss and this represents a one-off expenditure in conjunction with the IPO.

**12. FINANCIAL INFORMATION (Cont'd)****Appendix A****AGX GROUP BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023 (CONT'D)****6. EFFECTS ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION****a) Movement in cash and bank balances**

	<b>RM</b>
<b>Balance as at 31 August 2023</b>	10,404,751
Dividends declared and paid	(3,000,000)
<b>As per Pro Forma I</b>	<u>7,404,751</u>
Effects of Pro Forma II:-	
Proceeds from the IPO	33,775,000
<b>As per Pro Forma II</b>	<u>41,179,751</u>
Effects of Pro Forma III:-	
- Utilisation of proceeds from the IPO	
(i) Estimated listing expenses	(4,500,000)
(ii) Repayment of bank borrowings	(4,047,000)
<b>As per Pro Forma III</b>	<u><u>32,632,751</u></u>

**b) Movement in share capital**

	<b>Number of Ordinary Shares</b>	<b>Amount RM</b>
<b>Balance as at 31 August 2023/Pro Forma I</b>	269,092,900	27,120,124
Effects of Pro Forma II:-		
- Pursuant to Share Split	67,273,225	-
- Pursuant to Public Issue	96,500,000	33,775,000
<b>As per Pro Forma II</b>	<u>432,866,125</u>	<u>60,895,124</u>
Effects of Pro Forma III:-		
- Utilisation of proceeds from IPO		
(i) Estimated listing expenses	-	(990,000)
<b>As per Pro Forma III</b>	<u><u>432,866,125</u></u>	<u><u>59,905,124</u></u>

**12. FINANCIAL INFORMATION (Cont'd)****Appendix A****AGX GROUP BERHAD****NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 AUGUST 2023 (CONT'D)****6. EFFECTS ON THE PRO FORMA STATEMENT OF FINANCIAL POSITION (CONT'D)****c) Movement in retained profits**

	<b>RM</b>
<b>Balance as at 31 August 2023</b>	24,471,764
Effects of Pro Forma I:-	
Dividends declared and paid	(3,000,000)
<b>As per Pro Forma I/Pro Forma II</b>	<u>21,471,764</u>
Effects of Pro Forma III:-	
- Pursuant to Utilisation of proceeds from IPO	
(i) Estimated listing expenses	(3,510,000)
<b>As per Pro Forma III</b>	<u><u>17,961,764</u></u>

**d) Movement in term loans**

	<b>RM</b>
<b>Balance as at 31 August 2023/Pro Forma I/Pro Forma II</b>	7,033,593
Effects of Pro Forma III:-	
- Utilisation of proceeds from IPO	
(i) Repayment of bank borrowings	
- Current liabilities	(4,047,000)
<b>As per Pro Forma III</b>	<u><u>2,986,593</u></u>

**12. FINANCIAL INFORMATION (Cont'd)**



**AGX GROUP BERHAD**

**APPROVAL BY THE BOARD OF DIRECTORS**

Approved and adopted by the Board of Directors of AGX Group Berhad in accordance with a resolution dated **02 JAN 2024**

On behalf of the Board of Directors,

A handwritten signature in black ink, appearing to read "Perdu" with a flourish underneath.

**Dato' Ponnudurai A/L Periasamy**

A handwritten signature in black ink, appearing to read "Jayasielan" with a flourish underneath.

**Jayasielan A/L Gopal**

**13. ACCOUNTANTS' REPORT**

02 JAN 2024

The Board of Directors  
**AGX Group Berhad**  
 Unit 1A-C and Unit 2A-C, 2nd Floor,  
 Jalan USJ 10/1A,  
 Pusat Perniagaan USJ 10,  
 47610 UEP Subang Jaya,  
 Selangor Darul Ehsan,  
 Malaysia.

Dear Sirs/Madam

**REPORTING ACCOUNTANTS' OPINION ON THE FINANCIAL INFORMATION CONTAINED IN THE ACCOUNTANTS' REPORT OF AGX GROUP BERHAD ("AGB")**

**OPINION**

We have audited the financial information contained in the Accountants' Report of AGX Group Berhad ("AGB") and its subsidiaries (collectively known as the "Group"), which comprise the consolidated statements of financial position as at 31 December 2020, 31 December 2021, 31 December 2022, and 31 August 2023 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 years ended ("FYE") 31 December 2020, 31 December 2021, and 31 December 2022 and for the financial period ended ("FPE") 31 August 2023 and notes to the consolidated financial statements, including a summary of significant accounting policies, as set out on pages 4 to 138.

The historical financial information has been prepared for inclusion in the prospectus of AGB in connection with the initial public offering and listing of and quotation for the entire enlarged share capital of AGB on the ACE Market of Bursa Malaysia Securities Berhad ("the Listing"). This report is required by the Prospectus Guidelines issued by the Securities Commission Malaysia (the "Prospectus Guidelines") and is given for the purpose of complying with Chapter 10.02, 10.03 and 10.04 of the Prospectus Guidelines and for no other purpose.

In our opinion, the accompanying financial information gives a true and fair view of the financial position of the Group as at 31 December 2020, 31 December 2021, 31 December 2022, and 31 August 2023 and of its financial performance and cash flows for the FYE 31 December 2020, 31 December 2021, 31 December 2022, and for the FPE 31 August 2023 in accordance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards.

**BASIS OF 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 *Reporting Accountant's Responsibilities for the Audit of the Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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)****DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL INFORMATION**

The directors of the Group ("Directors") are responsible for the preparation of the 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 to cease operations, or have no realistic alternative but to do so.

**REPORTING ACCOUNTANTS' RESPONSIBILITIES FOR THE AUDIT OF FINANCIAL INFORMATION**

Our objectives are to obtain reasonable assurance about whether the financial information of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 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 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 this 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 FINANCIAL INFORMATION (CONT'D)**

As part of an audit 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 MATTERS**

The comparative information in respect of the consolidated statements of profit or loss and other comprehensive income and consolidated statements of cash flows and notes to the financial statements of the Group for the 8-months financial period ended 31 August 2022 has not been audited.

**RESTRICTION ON DISTRIBUTION AND USE**

This report has been prepared for inclusion in the Prospectus of AGB in connection with the Listing of and quotation for the entire issued share capital of AGB on the ACE Market of Bursa Malaysia Securities Berhad. As such, this report should not be used for any other purpose without our prior written consent. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

Chan Kuan Chee  
02271/10/2025 J  
Chartered Accountant



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in associates	5	312,131	372,911	2,349,175	4,411,427
Equipment	6	2,631,654	2,063,215	3,318,320	3,843,785
Right-of-use assets	7	5,615,275	8,631,291	6,923,653	10,033,670
Intangible assets	8	784,322	1,438,364	1,274,430	1,198,943
Deferred tax assets	9	615,583	175,480	-	-
Trade receivables	10	-	5,163	-	-
Other receivables	11	81,777	-	-	-
		10,040,742	12,686,424	13,865,578	19,487,825
<b>CURRENT ASSETS</b>					
Trade receivables	10	41,128,157	52,168,708	38,872,786	43,438,704
Other receivables, deposits and prepayments	11	11,839,065	11,262,827	10,550,935	12,672,228
Contract assets	12	1,744,724	4,610,721	4,973,791	3,781,362
Amount owing by associates	13	12,041	4,401	3,940,539	44,903
Amount owing by related parties	14	-	21,000	3,596	1,675
Fixed deposits with licensed banks	15	1,157,042	1,182,458	1,205,365	1,059,939
Cash and bank balances		5,521,392	8,657,492	13,134,468	10,404,751
Tax recoverable		-	-	283,278	118,982
		61,402,421	77,907,607	72,964,758	71,522,544
<b>TOTAL ASSETS</b>		<b>71,443,163</b>	<b>90,594,031</b>	<b>86,830,336</b>	<b>91,010,369</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
Note				
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	10	27,120,054	27,120,124	27,120,124
Invested capital	-	-	-	-
Retained profits	4,645,077	9,384,762	17,025,198	24,471,764
Reserves	645,639	273,593	(113,198)	389,829
Equity attributable to owners of the Company	5,290,726	36,778,409	44,032,124	51,981,717
Non-controlling interests	875	950	1,022	129,049
<b>TOTAL EQUITY</b>	5,291,601	36,779,359	44,033,146	52,110,766
<b>NON-CURRENT LIABILITIES</b>				
Deferred tax liabilities	-	-	261,134	58,568
Lease liabilities	2,989,834	5,938,340	2,999,652	5,293,336
Term loans	1,150,182	1,297,077	512,639	-
Provisions	774,779	1,008,825	963,347	1,330,178
	4,914,795	8,244,242	4,736,772	6,682,082

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Note	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>CURRENT LIABILITIES</b>					
Trade payables	22	12,525,309	23,169,614	15,142,993	13,776,088
Contract liabilities	12	-	13,124	-	-
Other payables and accruals	23	3,232,709	6,842,190	10,157,032	5,394,574
Amount owing to associate	13	7,950	-	2,656	19,964
Amount owing to related parties	14	26,478,842	-	-	-
Lease liabilities	19	3,374,357	3,227,760	3,853,832	4,748,150
Terms loans	20	12,589,145	9,742,167	7,821,427	7,033,593
Invoice financing	24	252,354	908,818	615,294	568,239
Bank overdrafts	25	2,544,906	1,013,119	116,538	-
Current tax liabilities		146,086	653,638	350,646	676,913
Provisions	21	85,109	-	-	-
		<b>61,236,767</b>	<b>45,570,430</b>	<b>38,060,418</b>	<b>32,217,521</b>
<b>TOTAL LIABILITIES</b>		<b>66,151,562</b>	<b>53,814,672</b>	<b>42,797,190</b>	<b>38,899,603</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71,443,163</b>	<b>90,594,031</b>	<b>86,830,336</b>	<b>91,010,369</b>

## 13. ACCOUNTANTS' REPORT (Cont'd)

## AGX GROUP BERHAD

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
REVENUE	26	122,507,355	193,371,857	234,428,619	170,057,711	122,227,772
COST OF SALES		(87,245,458)	(152,248,895)	(184,008,197)	(134,692,325)	(82,413,835)
GROSS PROFIT		35,261,897	41,122,962	50,420,422	35,365,386	39,813,937
OTHER INCOME		1,916,164	1,463,154	1,114,477	880,431	2,544,282
ADMINISTRATIVE EXPENSES		37,178,061	42,586,116	51,534,899	36,245,817	42,358,219
OTHER EXPENSES		(27,951,952)	(27,231,995)	(33,538,369)	(21,401,824)	(25,960,748)
FINANCE COSTS		(6,290,483)	(6,533,472)	(5,480,683)	(5,770,665)	(7,218,465)
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATES		(1,547,238)	(1,464,917)	(1,264,348)	(902,227)	(879,034)
PROFIT BEFORE TAXATION	27	4,848	60,780	5,535,932	2,875,093	2,062,252
INCOME TAX EXPENSE	28	1,393,236	7,416,512	16,787,431	11,046,194	10,362,224
PROFIT AFTER TAXATION		(833,722)	(1,476,752)	(3,246,865)	(2,405,401)	(2,916,063)
		559,514	5,939,760	13,540,566	8,640,793	7,446,161

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTD)**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
OTHER COMPREHENSIVE INCOME/(EXPENSES)					
<u>Items that will be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences	596,617	(326,289)	(471,242)	(801,976)	481,459
Remeasurement of retirement liability	(174,779)	(45,757)	84,363	-	-
	421,838	(372,046)	(386,879)	(801,976)	481,459
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD</b>	<b>981,352</b>	<b>5,567,714</b>	<b>13,153,687</b>	<b>7,838,817</b>	<b>7,927,620</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
		Note			
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>					
Owners of the Company	559,465	5,939,685	13,540,436	8,640,700	7,446,566
Non-controlling interests	49	75	130	93	(405)
	<u>559,514</u>	<u>5,939,760</u>	<u>13,540,566</u>	<u>8,640,793</u>	<u>7,446,161</u>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>					
Owners of the Company	981,303	5,567,639	13,153,645	7,838,724	7,949,593
Non-controlling interests	49	75	42	93	(21,973)
	<u>981,352</u>	<u>5,567,714</u>	<u>13,153,687</u>	<u>7,838,817</u>	<u>7,927,620</u>
<b>EARNINGS PER SHARE (SEN)</b>					
Basic:					
- continuing operations	0.13	1.37	3.13	2.00	1.72
- discontinued operations	-	-	-	-	-
	<u>0.13</u>	<u>1.37</u>	<u>3.13</u>	<u>2.00</u>	<u>1.72</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	Note	Share Capital RM	Invested Capital RM	Foreign Exchange Translation Reserve RM	Remeasurement of Retirement Liability RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Total Equity RM
Balance at 1 January 2020		10	3,496,658	318,252	(94,451)	26,205,125	29,925,594	810	29,926,404
Profit after taxation for the financial year		-	-	-	-	559,465	559,465	49	559,514
Other comprehensive income/(expenses) for the financial year		-	-	596,617	-	-	596,617	-	596,617
- Foreign exchange translation differences		-	-	596,617	-	-	596,617	-	596,617
- Remeasurement of retirement liability		-	-	-	(174,779)	-	(174,779)	-	(174,779)
Total comprehensive income/(expenses) for the financial year		-	-	596,617	(174,779)	559,465	981,303	49	981,352
Contributions by and distributions to owners of the Company:									
- Adjustment and merger deficit arising on the acquisition of subsidiaries	16(b)	-	(3,496,658)	-	-	(22,119,513)	(25,616,171)	16	(25,616,155)
Balance at 31 December 2020		10	-	914,869	(269,230)	4,645,077	5,290,726	875	5,291,601

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	Note	Share Capital RM	Foreign Exchange Translation Reserve RM	Remeasurement of Retirement Liability RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Total Equity RM
Balance at 1 January 2021	10	914,869	(269,230)	4,645,077	5,290,726	875	5,291,601	
Profit after taxation for the financial year		-	-	5,939,685	5,939,685	75	5,939,760	
Other comprehensive income/(expenses) for the financial year		-	(326,289)	-	(326,289)	-	(326,289)	
- Foreign exchange translation differences		-	-	(45,757)	(45,757)	-	(45,757)	
- Remeasurement of retirement liability		-	-	-	-	-	-	
Total comprehensive income/(expenses) for the financial year		(326,289)	(45,757)	5,939,685	5,567,639	75	5,567,714	
Contributions by and distributions to owners of the Company:								
- Issuance of new shares	16(a)	27,120,044	-	-	27,120,044	-	27,120,044	
- Dividends	30	-	-	(1,200,000)	(1,200,000)	-	(1,200,000)	
		27,120,044	-	(1,200,000)	25,920,044	-	25,920,044	
Balance at 31 December 2021		27,120,054	588,580	(314,987)	9,384,762	36,778,409	950	36,779,359



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	Note	Share Capital RM	Foreign Exchange Translation Reserve RM	Remeasurement of Retirement Liability RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Total Equity RM
Balance at 1 January 2022		27,120,054	588,580	(314,987)	9,384,762	36,778,409	950	36,779,359
Profit after taxation for the financial year		-	-	-	13,540,436	13,540,436	130	13,540,566
Other comprehensive income/(expenses) for the financial year		-	(471,154)	-	-	(471,154)	(88)	(471,242)
- Foreign exchange translation differences		-	-	84,363	-	84,363	-	84,363
- Remeasurement of retirement liability		-	-	-	-	-	-	-
Total comprehensive income/(expenses) for the financial year		-	(471,154)	84,363	13,540,436	13,153,645	42	13,153,687
Contributions by and distributions to owners of the Company:								
- Issuance of new shares	16(a)	70	-	-	-	70	-	70
- Incorporation of subsidiary with non-controlling interests		-	-	-	-	-	30	30
- Dividends	30	-	-	-	(5,900,000)	(5,900,000)	-	(5,900,000)
Balance at 31 December 2022		27,120,124	117,426	(230,624)	17,025,198	44,032,124	1,022	44,033,146

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	Share Capital RM	Foreign Exchange Translation Reserve RM	Remeasurement of Retirement Liability RM	Retained Profits RM	Attributable to Owners of the Company RM	Non- Controlling Interests RM	Total Equity RM
Balance at 1 January 2023	27,120,124	117,426	(230,624)	17,025,198	44,032,124	1,022	44,033,146
Profit after taxation for the financial period	-	-	-	7,446,566	7,446,566	(405)	7,446,161
Other comprehensive income/(expenses) for the financial period	-	510,405	(7,378)	-	503,027	(21,568)	481,459
- Foreign exchange translation differences							
Total comprehensive income/(expenses) for the financial period	-	510,405	(7,378)	7,446,566	7,949,593	(21,973)	7,927,620
Issuance of shares to non-controlling interests in a subsidiary	-	-	-	-	-	150,000	150,000
Balance at 31 August 2023	27,120,124	627,831	(238,002)	24,471,764	51,981,717	129,049	52,110,766

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation	1,393,236	7,416,512	16,787,431	11,046,194	10,362,224
Adjustments for:					
Amortisation of intangible asset	2,593	12,882	141,047	94,717	94,659
Bad debts written off	-	359,951	51,448	-	304,802
Covid-19-related rent concessions	(7,060)	-	-	-	-
Depreciation of equipment	1,029,638	907,498	1,015,864	683,834	837,337
Depreciation of right-of-use assets	3,985,922	3,742,766	4,429,331	2,985,206	3,333,639
Equipment written off	29,360	-	14,225	-	-
Impairment losses:					
- trade receivables	1,519,157	2,299,284	4,668,874	1,335,581	1,969,226
- other receivables	207,664	128,124	17,337	219,239	244,717
Loss/(Gain) on modification of leases	8,607	(4,268)	(84,250)	(2,625)	(50,765)
Retirement expenses	155,097	203,857	224,379	177,137	366,831
Unrealised loss/(gain) on foreign exchange	-	-	325,464	(159,418)	146,033
Reversal of impairment losses:					
- trade receivables	-	(90,441)	(4,353,614)	-	(1,690,487)
- other receivables	(18,541)	-	(147,977)	-	(90,810)
Share of net profits of equity accounted associate	(4,848)	(60,780)	(5,535,932)	(2,875,093)	(2,062,252)
(Gain)/Loss on disposal of equipment	(44,514)	(129,302)	5,179	-	(3,566)
Interest expenses	1,035,608	891,871	808,233	565,283	502,158
Interest expenses on lease liabilities	511,630	573,046	456,115	336,944	376,876
Interest income	(54,018)	(67,109)	(89,613)	(18,573)	(18,106)
Operating profit before working capital changes	9,749,531	16,183,891	18,733,541	14,388,426	14,622,516

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	Note	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
(Increase)/Decrease in trade and other receivables		(6,441,925)	(13,105,617)	13,776,909	3,785,409	(7,424,659)
(Increase)/Decrease in contract assets		(594,116)	(2,865,997)	(363,070)	1,382,026	1,192,429
Increase/(Decrease) in trade and other payables		1,868,207	14,402,723	(9,473,257)	(8,007,293)	(2,529,363)
Increase/(Decrease) in contract liabilities		-	13,124	(13,124)	(13,124)	-
(Increase)/Decrease in amount owing by associates		-	(2,673)	414	(105,108)	(39,388)
(Increase)/(Decrease) in amount owing to associates		3,546	(7,950)	2,656	1,390	17,308
(Increase)/Decrease in amount owing by related parties		-	(6,472)	17,404	21,000	1,921
Cash from operations		4,585,243	14,611,029	22,681,473	11,452,726	5,840,764
Interest paid		(189,300)	(201,714)	(84,549)	(66,974)	(4,945)
Interest received		54,018	67,109	89,613	18,573	18,106
Income tax paid		(2,421,236)	(332,397)	(3,390,516)	(493,759)	(2,739,109)
Income tax refunded		-	-	-	-	95,753
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>2,028,725</b>	<b>14,144,027</b>	<b>19,296,021</b>	<b>10,910,566</b>	<b>3,210,569</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>						
Acquisition of associates		-	-	(372,145)	(93,318)	-
Addition to right-of-use assets		(51,998)	(105,993)	(136,046)	(190,339)	(151,318)
Changes in amount due from associates	31(a)	250	10,313	(107,125)	-	3,935,024
Proceeds from disposal of equipment		177,807	342,155	24,702	-	7,999
Purchase of intangible asset		(129,826)	(687,000)	-	-	-
Purchase of equipment		(960,091)	(547,685)	(2,317,973)	(2,100,501)	(1,011,145)
Repayment from related parties	31(a)	10,177	-	-	-	-
(Additions)/Withdrawal of fixed deposits with tenure more than 3 months		(30,283)	(24,186)	(17,695)	(17,695)	149,175
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>		<b>(983,964)</b>	<b>(1,012,396)</b>	<b>(2,926,282)</b>	<b>(2,401,853)</b>	<b>2,929,735</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**

	Note	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>						
Advances from/(Repayment to) related parties		15,430	(531,099)	-	-	-
Dividend paid	30	-	(177,302)	(1,184,000)	(1,184,000)	(3,600,000)
Drawdown of invoice financing	31(b)	1,589,950	4,728,234	6,642,268	5,030,174	3,725,929
Drawdown of term loans	31(b)	16,176,874	38,022,789	31,525,553	30,403,372	-
Interest paid	31(b)	(1,357,938)	(1,263,203)	(1,179,799)	(835,253)	(874,089)
Proceeds from issuance of ordinary shares		-	-	70	70	-
Proceeds from issuance of shares to non-controlling interest in a subsidiary		-	-	30	-	150,000
Repayment of invoice financing	31(b)	(1,337,596)	(4,071,770)	(6,935,792)	(5,251,373)	(3,772,984)
Repayment of lease liabilities	31(b)	(3,728,174)	(3,951,224)	(4,911,034)	(3,273,613)	(3,295,005)
Repayment of term loans	31(b)	(16,056,111)	(40,402,997)	(33,907,337)	(32,517,044)	(1,541,286)
<b>NET CASH FOR FINANCING ACTIVITIES</b>		<b>(4,697,565)</b>	<b>(7,646,572)</b>	<b>(9,950,041)</b>	<b>(7,627,667)</b>	<b>(9,207,435)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,652,804)</b>	<b>5,485,059</b>	<b>6,419,698</b>	<b>881,046</b>	<b>(3,067,131)</b>
<b>EFFECTS OF FOREIGN EXCHANGE TRANSLATION</b>						
		775,775	(815,942)	(1,040,929)	(786,442)	457,701
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD</b>	31(c)	<b>5,928,274</b>	<b>3,051,245</b>	<b>7,720,362</b>	<b>7,720,362</b>	<b>13,099,131</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD</b>	31(c)	<b>3,051,245</b>	<b>7,720,362</b>	<b>13,099,131</b>	<b>7,814,966</b>	<b>10,489,701</b>

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****1. GENERAL INFORMATION**

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

- Registered office : 12th Floor, Menara Symphony,  
No. 5, Jalan Prof. Khoo Kay Kim,  
Seksyen 13, 46200 Petaling Jaya,  
Selangor Darul Ehsan.
- Principal place of business : Unit 1A-C and Unit 2A-C, 2nd Floor,  
Jalan USJ 10/1A,  
Pusat Perniagaan USJ 10,  
47610 UEP Subang Jaya,  
Selangor Darul Ehsan,  
Malaysia.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION (CONT'D)**

The principal activity of AGB is investment holding and the principal activities of the subsidiaries are disclosed as follows:-

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent				Principal Activities
		31.12.2020 %	31.12.2021 %	31.12.2022 %	31.8.2023 %	
<u>Direct Subsidiaries</u> AGX Logistics (M) Sdn. Bhd. ("AGX Malaysia")	Malaysia	100	100	100	100	Sea and air freight forwarding, aerospace logistics, road freight transportation, and warehousing and other 3PL services.
AGX Logistics (S) Pte. Ltd. ("AGX Singapore")	Singapore	100	100	100	100	Sea and air freight forwarding, aerospace logistics, road freight transportation, and warehousing and other 3PL services.
AGX Express Phils. Inc. ("AGX Philippines")	Philippines	99.995	99.995	99.995	99.995	Sea and air freight forwarding, aerospace logistics, and warehousing and other 3PL services.
AGX Logistics (Myanmar) Company Limited ("AGX Myanmar")	Myanmar	99.998	99.998	99.998	99.998	Sea and air freight forwarding, road freight transportation and warehousing.
AGX Logistics Korea Co., Ltd. ("AGX Korea")	Korea	100	100	100	100	Sea and air freight forwarding services.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. GENERAL INFORMATION (CONT'D)**

The principal activity of AGB is investment holding and the principal activities of the subsidiaries are disclosed as follows:- (Cont'd)

Name of Subsidiaries	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		31.12.2020 %	31.12.2021 %	
Subsidiary of AGX Philippines AGX Worldwide Solutions Inc. (*AGX Worldwide')	Philippines	100	100	Warehousing and other 3PL services.
Subsidiary of AGX Malaysia AGX Transport Sdn. Bhd. *	Malaysia	-	70	Road freight transportation services.

\* The subsidiary was newly incorporated on 8 November 2022 and the statutory financial statements prepared in accordance with Malaysian Financial Reporting Standards. The company has been consolidated based on management accounts for the financial period from 8 November 2022 to 31 December 2022.



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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****2. LISTING SCHEME**

AGB was incorporated in Malaysia on 26 November 2019, as a public limited liability company and is principally engaged in investment holding. AGB is embarking on the listing of and quotation of its enlarged share capital on the ACE Market of Bursa Malaysia Securities Berhad.

The issued share capital of AGB was RM27,120,134 comprising of 269,092,900 ordinary shares. In conjunction with, and as an integral part of the Listing, AGB carry out the following:-

(a) Initial Public Offering ("IPO")

In conjunction with, and as an integral part of the Listing, the details of the listing scheme are as follows:

**(i) Share Split**

The Company has carried out a subdivision of all the existing 269,092,900 AGB Shares into 336,366,125 AGB Shares (i.e., subdivision of every 4 existing Share into 5 subdivided Shares) ("Share Split").

The purpose of the Share Split is to enhance the liquidity of AGB Shares at the time of the Listing.

**(ii) Public Issue and Offer for Sale**

The IPO involves a Public Issue of 96,500,000 new Shares, representing approximately 22.29% of the Company's enlarged issued share capital upon Listing and an Offer for Sale of 30,000,000 existing Shares, representing approximately 6.93% of the Company's enlarged issued share capital will be offered for sale.

**(iii) Listing**

Upon completion of the IPO, the Company's entire enlarged issued and paid-up share capital of 432,866,125 shares shall be listed on the ACE Market of Bursa Malaysia Securities Berhad.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****3. BASIS OF PREPARATION**

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and Prospectus Guidelines issued by the Securities Commission Malaysia.

- 3.1 During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 - 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****3. BASIS OF PREPARATION (CONT'D)**

- 3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

<b>MFRSs and/or IC Interpretations (Including The Consequential Amendments)</b>	<b>Effective Date</b>
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS***Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

**(a) Depreciation of Equipment**

The estimates for the residual values, useful lives and related depreciation charges for the equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of equipment as at the reporting date is disclosed in Note 6 to the financial statements.

**(b) Impairment of Goodwill**

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 8 to the financial statements.

**(c) Impairment of Investments in Associates, Equipment and Right-of-use Assets**

The Group determines whether its investments in associates, equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of investments in associates, equipment and right-of-use assets as at the reporting date are disclosed in Notes 5, 6 and 7 to the financial statements respectively.

**(d) Impairment of Trade Receivables and Contract Assets**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 10 and 12 to the financial statements respectively.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)***Key Sources of Estimation Uncertainty (Cont'd)***(e) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables, amount owing by associates and related parties as at the reporting date are disclosed in Notes 11, 13 and 14 to the financial statements respectively.

**(f) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:

**(a) Lease Term**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.2 BASIS OF COMBINATION**

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, 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. The Group also 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.

Under the merger method of accounting, the result of the subsidiary is presented as if the merger had been affected throughout the current and previous financial years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit or credit difference is classified as a non-distributable reserve.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

**(a) Merger Accounting for Common Control Business Combinations**

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been affected throughout the current financial period.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The merger deficit is adjusted against suitable reserves of the subsidiaries acquired to the extent that laws or statutes do not prohibit the use of such reserves. The results of the subsidiaries being merged are included for the full financial year.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.2 BASIS OF COMBINATION (CONT'D)****(b) Acquisition method of accounting for non-common Control Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

**(c) Non-controlling Interests**

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**(d) Changes in Ownership Interests in Subsidiaries Without Change of Control**

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

**(e) Loss of Control**

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.3 GOODWILL**

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised in profit or loss immediately.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

**4.4 FUNCTIONAL AND PRESENTATION CURRENCY****(a) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional and presentation currency.

**(b) Foreign Currency Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.



**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.5 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

**(a) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments***(i) Amortised Cost**

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

## 4.5 FINANCIAL INSTRUMENTS (CONT'D)

**(a) Financial Assets (Cont'd)***Debt Instruments (Cont'd)*

## (ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

## (iii) Fair Value through Profit or Loss

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

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

*Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.5 FINANCIAL INSTRUMENTS (CONT'D)****(b) Financial Liabilities****(i) Financial Liabilities at Fair Value through Profit or Loss**

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

**(ii) Other Financial Liabilities**

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

**(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

**(d) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.6 INVESTMENTS IN ASSOCIATES**

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.

The Group's share of the post-acquisition profits and other comprehensive income of the associate is 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 is carried in the consolidated statement of 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, 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. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

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

When the Group ceases to have significant influence over an associate and the retained interest in the former associate 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 to profit or loss when the equity method is discontinued.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.7 EQUIPMENT**

All items of equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all equipment, are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

Depreciation on other equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer and software	20% - 33.33%
Furniture and fittings	15% - 33.33%
Motor vehicles	10% - 33.33%
Office equipment	10% - 33.33%
Renovation	20% - 33.33%
Signboard	20% - 33.33%
Portable cabin	33.33%
Warehouse equipment	10% - 33.33%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. Any changes are accounted for as a change in estimate.

When significant parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

**4.8 INTANGIBLE ASSET**

Intangible asset acquired by the Group which has finite useful lives are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The intangible asset is amortised on a straight-line method over 5 years. The amortisation method, useful life and residual value are reviewed and adjusted if appropriate, at the end of each reporting period.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.9 LEASES**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

**4.10 CONTRACT ASSET AND CONTRACT LIABILITY**

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.11 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

**4.12 IMPAIRMENT****(a) Impairment of Financial Assets**

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

**(b) Impairment of Non-Financial Assets**

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset's fair value less costs to sell and its value in use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.12 IMPAIRMENT (CONT'D)****(b) Impairment of Non-Financial Assets (Cont'd)**

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset. Any impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**4.13 PROVISIONS**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as interest expense in profit or loss.

**(a) Dismantling, Removal and Restoration Costs**

A provision is recognised when the Group has an obligation to dismantle and remove structures on identified sites and restore these sites to an acceptable condition. The provision is measured at the present value of the compounded future expenditure at current prices and is recognised as part of the cost of the relevant asset. The capitalised cost is depreciated over the expected life of the asset.

**(b) Onerous Contracts**

A provision for onerous contract is recognised when the expected benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.



**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.14 EMPLOYEE BENEFITS****(a) Short-term Benefits**

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

**(b) Defined Contribution Plans**

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

**(c) Defined Benefit Plans**

The Group makes contributions to the retirement benefit plan, a funded defined benefit plan.

The liability or asset recognised in the statements of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

The present value of the defined benefit obligation is calculated using the projected unit credit method by independent actuaries annually, determined by discounting the estimated future benefits that employees have earned in the current and prior periods, using market yields of private corporate debt securities which have currency and terms to maturity approximating the terms of the related obligation.

The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual reporting period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. The net interest expense or income is recognised in profit or loss under the staff costs.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and will not be reclassified to profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

## 4.15 INCOME TAXES

**(a) Current Tax**

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

**(b) Deferred Tax**

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.16 CONTINGENT LIABILITIES**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

**4.17 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 revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

**4.18 EARNINGS PER ORDINARY SHARE**

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Group and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**4.19 BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. The capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. The capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is the weighted average of the borrowing costs applicable to borrowings that are outstanding during the financial year, other than borrowings made specifically for the purpose of financing a specific project-in-progress, in which case the actual borrowing costs incurred on that borrowings less any investment income on temporary investment of that borrowings will be capitalised.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.20 FAIR VALUE MEASUREMENTS**

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's 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.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The fair value for measurement and disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions (MFRS 2), leasing transactions (MFRS 16) and measurement that have some similarities to fair value but not are fair value, such as net realisable value (MFRS 102) or value in use (MFRS 136).

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****4.21 REVENUE FROM CONTRACTS WITH CUSTOMERS**

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

**(a) Sea freight, air freight forwarding and aerospace logistics services**

Revenue from sea freight, air freight forwarding, and aerospace logistics services are recognised over time when customer simultaneously receives and consumes the benefits provided by the Group's performance based on the actual service provided to the end of the reporting period.

**(b) Road freight transportation service**

Revenue from road freight transportation service is recognised at a point in time once the service has been completed and the Group has an enforceable right to payment for performance completed to date.

**(c) Warehousing and other 3PL services**

Revenue from sales of warehousing and other 3PL services is recognised over storage period to measure progress towards complete satisfaction of the service.

**4.22 REVENUE FROM OTHER SOURCES AND OTHER OPERATING INCOME****(a) Interest Income**

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

**(b) Rental Income**

Rental income is accounted for on a straight-line method over the lease term.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**5. INVESTMENTS IN ASSOCIATES**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
Unquoted shares, at cost	141,433	141,433	513,578	513,578
Share of post-acquisition profits, net of dividend received	170,698	231,478	1,835,597	3,897,849
	<u>312,131</u>	<u>372,911</u>	<u>2,349,175</u>	<u>4,411,427</u>

The details of the associates are as follows:-

Name of Associates	Principal Place of Business/ Country of Incorporation	Percentage of Ownership		Principal Activities
		31.12.2020 %	31.8.2023 %	
AGX Logistics (Cambodia) Co., Ltd. ^	Cambodia	50	50	Freight forwarding services.
All-Link Air & Sea Pte. Ltd.	Singapore	-	30	Freight transport arrangement and general warehousing.
All-Link Air & Sea Phils Inc.	Philippines	-	47.99	Engage in, conduct and carry on the business of cargo and international freight forwarding, master consolidator or breakbulk agent of goods and cargoes of all kinds by sea bodies of water related to freight forwarding and collect fees for such services; to undertake and carry the business as a non-vessel operating common carrier (NVOCC).

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**5. INVESTMENTS IN ASSOCIATES (CONT'D)**

- (a) On 2 April 2020, the Company acquired 50% equity interests in AGX Logistics (Cambodia) Co., Ltd. for a cash consideration of RM141,433.
- (b) On 24 February 2022, its subsidiary AGX Logistics (S) Pte Ltd. had acquired 30% of shares in All-Link Air & Sea Pte. Ltd. with consideration of SGD30,000 (approximately RM93,000).
- (c) On 5 September 2022, its subsidiary AGX Express Phils. Inc, and All-Link Air & Sea Pte Ltd. incorporated an associate company namely All-Link Air & Sea Phils Inc., with an effective interest rate of 47.99% with consideration of PHP3,600,000 (approximately RM284,000).
- (d) The summarised financial information for associates is as follows:-

	<b>All-Link Air &amp; Sea Pte. Ltd. RM</b>	<b>Other immaterial associates RM</b>	<b>Total RM</b>
At 31 August 2023			
Non-current assets	583,011		
Current assets	18,890,758		
Current liabilities	(6,090,489)		
Net assets	13,383,280		
8-month Period Ended 31 August 2023			
Revenue	21,731,473		
Profit for the financial period/Total comprehensive income	7,179,221		
Group's share of profit/(loss) for the financial period	2,153,766	(91,514)	2,062,252
<u>Reconciliation of Net assets to Carrying Amount</u>			
Group's share of net assets/Carrying amount in the statement of financial position	4,014,984	396,443	4,411,427

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**5. INVESTMENTS IN ASSOCIATES (CONT'D)**

(d) The summarised financial information for associates is as follows:- (Cont'd)

	<b>All-Link Air &amp; Sea Pte. Ltd. RM</b>	<b>Other immaterial associates RM</b>	<b>Total RM</b>
<u>At 31 December 2022</u>			
Non-current assets	6,042		
Current assets	24,873,668		
Current liabilities	(18,714,040)		
Net assets	6,165,670		
<u>Financial Year Ended 31 December 2022</u>			
Revenue	50,414,419		
Profit for the financial year/Total comprehensive income	18,060,175		
Group's share of profit for the financial year	5,418,053	117,879	5,535,932
<u>Reconciliation of Net assets to Carrying Amount</u>			
Group's share of net assets/Carrying amount in the statement of financial position	1,849,701	499,474	2,349,175

No disclosure of other information was made in prior years as the associates were not significant to the Group.



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**6. EQUIPMENT**

**31.8.2023**

Audited

*Carrying Amount*

	At 1.1.2023 RM	Additions RM	Disposals RM	Depreciation Charges RM	Exchange Differences RM	At 31.8.2023 RM
Computer and software	218,632	95,408	-	(77,653)	7,113	243,500
Furniture and fittings	130,604	93,722	-	(36,925)	3,974	191,375
Motor vehicles	210,923	51,776	(1)	(104,195)	251,693	410,196
Office equipment	451,464	243,242	(4,432)	(125,850)	13,600	578,024
Renovation	1,242,863	437,192	-	(368,989)	34,614	1,345,680
Signboard	56,148	25,260	-	(20,949)	931	61,390
Portable cabin	1	-	-	-	-	1
Warehouse equipment	1,007,685	64,545	-	(102,776)	44,165	1,013,619
	<b>3,318,320</b>	<b>1,011,145</b>	<b>(4,433)</b>	<b>(837,337)</b>	<b>356,090</b>	<b>3,843,785</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**6. EQUIPMENT (CONT'D)**

	At 1.1.2022 RM	Additions RM	Disposal RM	Write-off RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2022 RM
<b>31.12.2022</b>							
Audited							
<i>Carrying Amount</i>							
Computer and software	138,309	172,507	-	(69)	(100,046)	7,931	218,632
Furniture and fittings	122,662	59,674	-	(3,267)	(50,207)	1,742	130,604
Motor vehicles	297,584	7,571	(29,881)	-	(64,491)	140	210,923
Office equipment	477,486	185,261	-	(10,837)	(192,544)	(7,902)	451,464
Renovation	829,088	891,716	-	(42)	(448,942)	(28,957)	1,242,863
Signboard	44,700	42,948	-	(10)	(30,672)	(818)	56,148
Portable cabin	1	-	-	-	-	-	1
Warehouse equipment	153,385	958,296	-	-	(128,962)	24,966	1,007,685
	<b>2,063,215</b>	<b>2,317,973</b>	<b>(29,881)</b>	<b>(14,225)</b>	<b>(1,015,864)</b>	<b>(2,898)</b>	<b>3,318,320</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**6. EQUIPMENT (CONT'D)**

	At 1.1.2021 RM	Additions RM	Disposals RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2021 RM
<b>31.12.2021</b>						
Audited						
<i>Carrying Amount</i>						
Computer and software	175,451	36,528	-	(79,036)	5,366	138,309
Furniture and fittings	174,448	3,994	(1,015)	(56,992)	2,227	122,662
Motor vehicles	396,563	-	(53,823)	(58,880)	13,724	297,584
Office equipment	575,196	164,211	(2,887)	(255,822)	(3,212)	477,486
Renovation	946,267	290,465	(38,503)	(355,606)	(13,535)	829,088
Signboard	75,984	51	-	(31,041)	(294)	44,700
Portable cabin	2,367	-	-	(2,366)	-	1
Warehouse equipment	285,378	52,436	(116,625)	(67,755)	(49)	153,385
	<b>2,631,654</b>	<b>547,685</b>	<b>(212,853)</b>	<b>(907,498)</b>	<b>4,227</b>	<b>2,063,215</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**6. EQUIPMENT (CONT'D)**

	At 1.1.2020 RM	Additions RM	Disposals RM	Write Off RM	Depreciation Charges RM	Exchange Differences RM	At 31.12.2020 RM
<b>31.12.2020</b>							
Audited							
<i>Carrying Amount</i>							
Computer and software	158,778	117,072	-	-	(97,052)	(3,347)	175,451
Furniture and fittings	144,260	99,808	(465)	-	(67,452)	(1,703)	174,448
Motor vehicles	474,860	151,611	(127,570)	-	(112,048)	9,710	396,563
Office equipment	745,962	143,409	(115)	-	(330,627)	16,567	575,196
Renovation	936,528	277,105	(5,143)	-	(294,198)	31,975	946,267
Signboard	60,746	42,920	-	-	(30,001)	2,319	75,984
Portable cabin	4,734	-	-	-	(2,367)	-	2,367
Warehouse equipment	280,659	128,166	-	(29,360)	(95,893)	1,806	285,378
	<b>2,806,527</b>	<b>960,091</b>	<b>(133,293)</b>	<b>(29,360)</b>	<b>(1,029,638)</b>	<b>57,327</b>	<b>2,631,654</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****6. EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>Audited</b>			
<b>31.8.2023</b>			
Computer and software	1,467,095	(1,223,595)	243,500
Furniture and fittings	649,995	(458,620)	191,375
Motor vehicles	4,785,530	(4,375,334)	410,196
Office equipment	2,552,644	(1,974,620)	578,024
Renovation	3,138,121	(1,792,441)	1,345,680
Signboard	237,834	(176,444)	61,390
Portable cabin	7,100	(7,099)	1
Warehouse equipment	1,533,772	(520,153)	1,013,619
	<b>14,372,091</b>	<b>(10,528,306)</b>	<b>3,843,785</b>
<b>31.12.2022</b>			
Computer and software	1,414,673	(1,196,041)	218,632
Furniture and fittings	555,826	(425,222)	130,604
Motor vehicles	2,472,612	(2,261,689)	210,923
Office equipment	2,286,065	(1,834,601)	451,464
Renovation	2,628,390	(1,385,527)	1,242,863
Signboard	208,152	(152,004)	56,148
Portable cabin	7,100	(7,099)	1
Warehouse equipment	1,407,189	(399,504)	1,007,685
	<b>10,980,007</b>	<b>(7,661,687)</b>	<b>3,318,320</b>
<b>31.12.2021</b>			
Computer and software	1,421,017	(1,282,708)	138,309
Furniture and fittings	632,764	(510,102)	122,662
Motor vehicles	2,552,401	(2,254,817)	297,584
Office equipment	2,239,623	(1,762,137)	477,486
Renovation	2,003,115	(1,174,027)	829,088
Signboard	181,355	(136,655)	44,700
Portable cabin	7,100	(7,099)	1
Warehouse equipment	416,615	(263,230)	153,385
	<b>9,453,990</b>	<b>(7,390,775)</b>	<b>2,063,215</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****6. EQUIPMENT (CONT'D)**

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>Audited</b>			
<b>31.12.2020</b>			
Computer and software	1,364,978	(1,189,527)	175,451
Furniture and fittings	637,261	(462,813)	174,448
Motor vehicles	2,736,487	(2,339,924)	396,563
Office equipment	2,131,813	(1,556,617)	575,196
Renovation	2,009,892	(1,063,625)	946,267
Signboard	183,757	(107,773)	75,984
Portable cabin	7,100	(4,733)	2,367
Warehouse equipment	758,731	(473,353)	285,378
	9,830,019	(7,198,365)	2,631,654

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**7. RIGHT-OF-USE ASSETS**

	At 1.1.2023 RM	Additions RM	Depreciation Charges RM	Exchange Differences RM	Modification of Lease Liabilities RM	Derecognition Due to Lease Modification RM	At 31.8.2023 RM
<b>31.8.2023</b>							
Audited							
<i>Carrying Amount</i>							
Forklifts	150,059	-	(53,083)	-	-	-	96,976
Motor vehicles	1,206,754	433,903	(285,517)	(213,015)	-	(20,593)	1,121,532
Office equipments	48,803	28,299	(19,771)	1,850	-	-	59,181
Office buildings and warehouses	5,518,037	6,286,773	(2,975,268)	177,786	(129,667)	(121,680)	8,755,981
	6,923,653	6,748,975	(3,333,639)	(33,379)	(129,667)	(142,273)	10,033,670

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**7. RIGHT-OF-USE ASSETS (CONT'D)**

	At 1.1.2022 RM	Additions RM	Depreciation Charges RM	Modification of Lease Liabilities RM	Exchange Differences RM	At 31.12.2022 RM
<b>31.12.2022</b>						
Audited						
<i>Carrying Amount</i>						
Forklifts	70,007	160,170	(73,357)	(6,761)	-	150,059
Motor vehicles	1,033,008	683,773	(489,332)	-	(20,695)	1,206,754
Office equipments	76,148	-	(30,878)	-	3,533	48,803
Office buildings and warehouses	7,452,128	2,923,877	(3,835,764)	(1,095,900)	73,696	5,518,037
	<b>8,631,291</b>	<b>3,767,820</b>	<b>(4,429,331)</b>	<b>(1,102,661)</b>	<b>56,534</b>	<b>6,923,653</b>



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**7. RIGHT-OF-USE ASSETS (CONT'D)**

	At 1.1.2021 RM	Additions RM	Depreciation Charges RM	Modification of Lease Liabilities RM	Exchange Differences RM	At 31.12.2021 RM
<b>31.12.2021</b>						
Audited						
<i>Carrying Amount</i>						
Forklifts	45,485	82,824	(58,302)	-	-	70,007
Motor vehicles	1,380,237	359,848	(668,002)	-	(39,075)	1,033,008
Office equipments	104,876	-	(30,124)	-	1,396	76,148
Office buildings and warehouses	4,084,677	6,421,219	(2,986,338)	(31,581)	(35,849)	7,452,128
	5,615,275	6,863,891	(3,742,766)	(31,581)	(73,528)	8,631,291



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**8. INTANGIBLE ASSETS**

	At 1.1.2023 RM	Amortisation Charges RM	Exchange Differences RM	At 31.8.2023 RM
<b>31.8.2023</b>				
Audited				
<i>Carrying Amount</i>				
Goodwill	658,740	-	-	658,740
Warehouse management software cost	615,690	(94,659)	19,172	540,203
	<u>1,274,430</u>	<u>(94,659)</u>	<u>19,172</u>	<u>1,198,943</u>
	At 1.1.2022 RM	Amortisation Charges RM	Exchange Differences RM	At 31.12.2022 RM
<b>31.12.2022</b>				
Audited				
<i>Carrying Amount</i>				
Goodwill	658,740	-	-	658,740
Warehouse management software cost	779,624	(141,047)	(22,887)	615,690
	<u>1,438,364</u>	<u>(141,047)</u>	<u>(22,887)</u>	<u>1,274,430</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**8. INTANGIBLE ASSETS (CONT'D)**

	At 1.1.2021 RM	Additions RM	Amortisation Charges RM	Exchange Differences RM	At 31.12.2021 RM
<b>31.12.2021</b>					
Audited					
<i>Carrying Amount</i>					
Goodwill	658,740	-	-	-	658,740
Warehouse management software cost	125,582	687,000	(12,882)	(20,076)	779,624
	784,322	687,000	(12,882)	(20,076)	1,438,364
<b>31.12.2020</b>					
Audited					
<i>Carrying Amount</i>					
Goodwill	658,740	-	-	-	658,740
Warehouse management software cost	-	129,826	(2,593)	(1,651)	125,582
	658,740	129,826	(2,593)	(1,651)	784,322

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****8. INTANGIBLE ASSETS (CONT'D)**

	At Cost RM	Accumulated Amortisation RM	Carrying Amount RM
<b>Audited</b>			
<b>31.8.2023</b>			
Goodwill	658,740	-	658,740
Warehouse management software cost	793,184	(252,981)	540,203
	<u>1,451,924</u>	<u>(252,981)</u>	<u>1,198,943</u>
<b>31.12.2022</b>			
Goodwill	658,740	-	658,740
Warehouse management software cost	766,735	(151,045)	615,690
	<u>1,425,475</u>	<u>(151,045)</u>	<u>1,274,430</u>
<b>31.12.2021</b>			
Goodwill	658,740	-	658,740
Warehouse management software cost	794,677	(15,053)	779,624
	<u>1,453,417</u>	<u>(15,053)</u>	<u>1,438,364</u>
<b>31.12.2020</b>			
Goodwill	658,740	-	658,740
Warehouse management software cost	128,141	(2,559)	125,582
	<u>786,881</u>	<u>(2,559)</u>	<u>784,322</u>

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****9. DEFERRED TAX (LIABILITIES)/ASSETS**

	At 1.1.2023 RM	Recognised in Profit or Loss (Note 28) RM	Exchange Differences RM	At 31.8.2023 RM
<b>31.8.2023</b>				
Audited				
<i>Deferred Tax Assets</i>				
Lease liabilities	253,660	1,206,338	18,019	1,478,017
Provision	832,504	(104,003)	8,991	737,492
Others	290,574	62,814	4,361	357,749
	1,376,738	1,165,149	31,371	2,573,258
<i>Deferred Tax Liabilities</i>				
Equipment	(187,275)	(103,921)	(4,376)	(295,572)
Right-of-use assets	(411,945)	(1,194,463)	(24,138)	(1,630,546)
Provision	(1,036,339)	349,720	(10,318)	(696,937)
Others	(2,313)	(6,328)	(130)	(8,771)
	(1,637,872)	(954,992)	(38,962)	(2,631,826)
	(261,134)	210,157	(7,591)	(58,568)
<b>31.12.2022</b>				
Audited				
<i>Deferred Tax Assets</i>				
Lease liabilities	726,243	(466,802)	(5,781)	253,660
Provision	770,999	80,478	(18,973)	832,504
Others	311,010	(13,814)	(6,622)	290,574
	1,808,252	(400,138)	(31,376)	1,376,738
<i>Deferred Tax Liabilities</i>				
Equipment	(12,371)	(178,377)	3,473	(187,275)
Right-of-use assets	(512,545)	92,960	7,640	(411,945)
Provision	(1,072,638)	17,080	19,219	(1,036,339)
Others	(35,218)	32,862	43	(2,313)
	(1,632,772)	(35,475)	30,375	(1,637,872)
	175,480	(435,613)	(1,001)	(261,134)

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****9. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)**

	At 1.1.2021 RM	Recognised in Profit or Loss (Note 28) RM	Exchange Differences RM	At 31.12.2021 RM
<b>31.12.2021</b>				
Audited				
<i>Deferred Tax Assets</i>				
Lease liabilities	418,542	307,701	-	726,243
Provision	654,978	134,637	(18,616)	770,999
Others	206,111	106,558	(1,659)	311,010
	1,279,631	548,896	(20,275)	1,808,252
<i>Deferred Tax Liabilities</i>				
Equipment	(28,466)	16,533	(438)	(12,371)
Right-of-use assets	(162,579)	(349,966)	-	(512,545)
Provision	(459,542)	(638,906)	25,810	(1,072,638)
Others	(13,461)	(22,758)	1,001	(35,218)
	(664,048)	(995,097)	26,373	(1,632,772)
	615,583	(446,201)	6,098	175,480
	At 1.1.2020 RM	Recognised in Profit or Loss (Note 28) RM	Exchange Differences RM	At 31.12.2020 RM
<b>31.12.2020</b>				
Audited				
<i>Deferred Tax Assets</i>				
Lease liabilities	526,099	(109,676)	2,119	418,542
Provision	221,156	429,944	3,878	654,978
Others	144,895	57,034	4,182	206,111
	892,150	377,302	10,179	1,279,631
<i>Deferred Tax Liabilities</i>				
Equipment	(47,957)	19,509	(18)	(28,466)
Right-of-use assets	(145,958)	(16,623)	2	(162,579)
Provision	(233,019)	(221,346)	(5,177)	(459,542)
Others	(1,501)	(12,064)	104	(13,461)
	(428,435)	(230,524)	(5,089)	(664,048)
	463,715	146,778	5,090	615,583

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****9. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)**

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

	<b>Audited 31.12.2020 RM</b>	<b>Audited 31.12.2021 RM</b>	<b>Audited 31.12.2022 RM</b>	<b>Audited 31.8.2023 RM</b>
Unutilised tax losses	-	-	-	520,950

At the end of the reporting period, the Group has unused tax losses (stated at gross) of approximately RM520,950 (31.12.2022 - Nil, 31.12.2021 - Nil, 31.12.2020 - Nil) that are available for offset against future taxable profits of the companies in which the losses arose. No deferred tax assets are recognised in respect of these items as it is not probable that taxable profits of the companies will be available against which the deductible temporary differences can be utilised.



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**10. TRADE RECEIVABLES**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>Non-current</b>				
Trade receivables	-	482,451	-	-
Allowance for impairment losses	-	(477,288)	-	-
	-	5,163	-	-
<b>Current</b>				
Trade receivables	43,405,140	54,611,420	41,904,566	46,822,258
Allowance for impairment losses	(2,276,983)	(2,442,712)	(3,031,780)	(3,383,554)
	41,128,157	52,168,708	38,872,786	43,438,704
	41,128,157	52,173,871	38,872,786	43,438,704
Allowance for impairment losses:-				
At 1 January	(744,735)	(2,276,983)	(2,920,000)	(3,031,780)
Additions during the financial year/period	(1,519,157)	(2,299,284)	(4,668,874)	(1,969,226)
Reversal during the financial year/period	-	90,441	4,353,614	1,690,487
Write-off during the financial year/period	-	1,510,222	127,992	-
Exchange differences	(13,091)	55,604	75,488	(73,035)
At 31 December/31 August	(2,276,983)	(2,920,000)	(3,031,780)	(3,383,554)

(a) The Group's normal trade credit terms are 30 to 90 (31.12.2022 - 30 to 90; 31.12.2021 - 30 to 90; 31.12.2020 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) In 31.12.2021, the long-term trade receivables were due from 2 customers which are to be settled based on instalment plans.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>Non-current</b>				
Other receivables	81,777	-	-	-
<b>Current</b>				
Other receivables	4,489,797	3,472,735	1,897,665	2,173,556
Deposits	4,330,009	4,412,849	4,122,283	3,657,412
Prepayments	3,299,141	3,776,234	4,788,742	7,262,019
	<u>12,118,947</u>	<u>11,661,818</u>	<u>10,808,690</u>	<u>13,092,987</u>
Allowance for impairment losses	(279,882)	(398,991)	(257,755)	(420,759)
	<u>11,839,065</u>	<u>11,262,827</u>	<u>10,550,935</u>	<u>12,672,228</u>
<b>Allowance for impairment losses:-</b>				
At 1 January	(90,100)	(279,882)	(398,991)	(257,755)
Additions during the financial year/period	(207,664)	(128,124)	(17,337)	(244,717)
Reversal during the financial year/period	18,541	-	147,977	90,810
Exchange differences	(659)	9,015	10,596	(9,097)
At 31 December/31 August	<u>(279,882)</u>	<u>(398,991)</u>	<u>(257,755)</u>	<u>(420,759)</u>

(a) Included in non-current other receivables represent amount owing by a vendor which was interest-bearing at Nil (31.12.2022 - Nil, 31.12.2021 - Nil, 31.12.2020 - 3.90%) per annum.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**12. CONTRACT ASSETS/(LIABILITIES)**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>Contract Assets</b>				
Accrued billings	1,744,724	4,610,721	4,973,791	3,781,362
<b>Contract Liabilities</b>				
Deferred revenue	-	(13,124)	-	-

(a) The contract assets primarily relate to the Group's right to consideration for services performed but not yet billed as at the reporting date. The amount will be invoiced within 30 (31.12.2022 - 30, 31.12.2021 - 30, 31.12.2020 - 30) days.

(b) The contract liabilities primarily relate to invoices billed to customers to render logistics services. The amount will be recognised as revenue when the performance obligations are satisfied.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**12. CONTRACT ASSETS/(LIABILITIES) (CONT'D)**

(c) The changes to contract assets and contract liabilities balances during the financial year/period are summarised below:-

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
At 1 January	1,150,608	1,744,724	4,597,597	4,973,791
Revenue recognised in profit or loss during the financial year/period	122,507,355	193,371,857	234,428,619	122,227,772
Billings to customers during the financial year/period	(121,930,496)	(190,399,245)	(233,923,554)	(123,558,428)
Amount billed for unfulfilled performance obligations	-	(13,124)	13,124	-
Exchange differences	17,257	(106,615)	(141,995)	138,227
At 31 December/31 August	<u>1,744,724</u>	<u>4,597,597</u>	<u>4,973,791</u>	<u>3,781,362</u>
Represented by:-				
Contract assets	1,744,724	4,610,721	4,973,791	3,781,362
Contract liabilities	-	(13,124)	-	-
	<u>1,744,724</u>	<u>4,597,597</u>	<u>4,973,791</u>	<u>3,781,362</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****13. AMOUNTS OWING BY/(TO) ASSOCIATES**

	<b>Audited 31.12.2020 RM</b>	<b>Audited 31.12.2021 RM</b>	<b>Audited 31.12.2022 RM</b>	<b>Audited 31.8.2023 RM</b>
<b>Amount owing by:</b>				
Trade balance	-	2,673	414	38,242
Non-trade balance	12,041	1,728	3,940,125	6,661
	<u>12,041</u>	<u>4,401</u>	<u>3,940,539</u>	<u>44,903</u>
<b>Amount owing to:</b>				
Trade balance	(7,950)	-	(2,656)	(19,964)

- (a) The trade balances are subject to the normal credit terms of 60 (31.12.2022 - 60, 31.12.2021 - 60, 31.12.2020 - Nil) days. The amount is to be settled in cash.
- (b) The non-trade balance represents advances which is unsecured, interest-free and repayable on demand except for amount of Nil (31.12.2022 - RM3,938,280, 31.12.2021 - Nil, 31.12.2020 - Nil) which represents dividend receivables. The amount owing is to be settled in cash.

**14. AMOUNTS OWING BY/(TO) RELATED PARTIES**

	<b>Audited 31.12.2020 RM</b>	<b>Audited 31.12.2021 RM</b>	<b>Audited 31.12.2022 RM</b>	<b>Audited 31.8.2023 RM</b>
<b>Amount owing by:</b>				
Trade balance	-	21,000	3,569	-
Non-trade balance	-	-	-	1,675
	<u>-</u>	<u>21,000</u>	<u>3,569</u>	<u>1,675</u>
<b>Amount owing to:</b>				
Non-trade balance	(26,478,842)	-	-	-

- (a) The trade balance is subject to the normal credit terms of Nil (31.12.2022 - 60, 31.12.2021 - 60, 31.12.2020 - Nil) days. The amounts owing is to be settled in cash.
- (b) The non-trade balance represents advances which is unsecured, interest-free and repayable on demand. The amounts owing is to be settled in cash.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****15. FIXED DEPOSITS WITH LICENSED BANKS**

- (a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 1.50% to 2.85% (31.12.2022 - 0.25% to 1.85%, 31.12.2021 - 0.25% to 1.85%, 31.12.2020 - 0.25% to 3.95%) per annum. The fixed deposits have maturity periods of 12 (31.8.2022 - 12, 31.12.2022 - 12, 31.12.2021 - 12, 31.12.2020 - 12) months for the Group.
- (b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM974,989 (31.12.2022 - RM1,124,164, 31.12.2021 - RM1,106,469, 31.12.2020 - RM1,082,283) which has been pledged to licensed bank as security for banking facilities granted to the Group as disclosed in Notes 20 and 25 to the financial statements respectively.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**16. SHARE CAPITAL AND INVESTED CAPITAL**

(a) Share Capital

	Audited 31.12.2020		Audited 31.12.2021		Audited 31.12.2022		Audited 31.8.2023	
	Number Of Shares	RM	Number Of Shares	RM	Number Of Shares	RM	Number Of Shares	RM
<b>Issues and Fully Paid-up</b>								
Ordinary shares								
At 1 January	10	10	10	10	269,092,205	27,120,054	269,092,900	27,120,124
Issuance of new shares for cash	-	-	269,092,195	27,120,044	695	70	-	-
At 31 December/31 August	10	10	269,092,205	27,120,054	269,092,900	27,120,124	269,092,900	27,120,124

(i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(ii) For the financial year ended 31 December 2021, the Company increased its issued and paid-up share capital from RM10 to RM27,120,054 by way of issuance of 269,092,195 new ordinary shares for other than cash consideration of RM27,120,044.

(iii) For the financial year ended 31 December 2022, the Company increased its issued and paid-up share capital from RM27,120,054 to RM27,120,124 by way of issuance of 695 new ordinary shares for a cash consideration of RM70.

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

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****16. SHARE CAPITAL AND INVESTED CAPITAL (CONT'D)**

## (b) Invested Capital

	<b>2020</b>	
	Number Of Shares	RM
<b>Issued and Fully Paid-up</b> Ordinary shares		
At 1 January	1,981,250	3,496,658
Effects of acquisition of common control subsidiaries	(1,981,250)	(3,496,658)
At 31 December	<u>-</u>	<u>-</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**17. RETAINED PROFITS**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
Retained profits	16,028,846	20,768,531	28,408,967	35,855,533
Merger reserve	(11,383,769)	(11,383,769)	(11,383,769)	(11,383,769)
	4,645,077	9,384,762	17,025,198	24,471,764

The merger reserve arises from the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

**18. RESERVES**

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

(b) Retirement Liability

The retirement liability reserve arose from the remeasurement of retirement liability pertains to actuarial gain or loss which are changes in the net retirement liability resulting from (1) experience adjustments - the effects of differences between the previous actuarial assumptions and what has actually occurred - and (2) the effects of changes in actuarial assumptions.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**19. LEASE LIABILITIES**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
At 1 January	8,439,931	6,364,191	9,166,100	6,853,484
Additions during the financial year/period	1,705,518	6,757,898	3,631,774	6,597,657
Covid-19-related rent concessions	(7,060)	-	-	-
Changes due to lease modification	-	-	-	(172,865)
Derecognition due to lease modification	(248,167)	(35,849)	(1,186,911)	(149,840)
Interest expenses recognised in profit or loss	511,630	573,046	456,115	376,876
Repayment of principal	(3,728,174)	(3,951,224)	(4,911,034)	(3,295,005)
Repayment of interest expenses	(511,630)	(573,046)	(456,115)	(376,876)
Exchange differences	202,143	31,084	153,555	208,055
At 31 December/31 August	<u>6,364,191</u>	<u>9,166,100</u>	<u>6,853,484</u>	<u>10,041,486</u>
Analysed by:-				
Current liabilities	3,374,357	3,227,760	3,853,832	4,748,150
Non-current liabilities	2,989,834	5,938,340	2,999,652	5,293,336
	<u>6,364,191</u>	<u>9,166,100</u>	<u>6,853,484</u>	<u>10,041,486</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**20. TERMS LOANS**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
Current liabilities	12,589,145	9,742,167	7,821,427	7,033,593
Non-current liabilities	1,150,182	1,297,077	512,639	-
	13,739,327	11,039,244	8,334,066	7,033,593

(a) The term loans of the Group at the end of reporting period bore an effective interest rate ranging from 3.50% to 10.25% (31.12.2022 - 3.50% to 9.50%, 31.12.2021 - 3.28% to 8.90%, 31.12.2020 - 2.81% to 8.90%) per annum.

(b) The term loan is secured by:

- (i) assignment of takaful policy;
- (ii) fixed deposits;
- (iii) joint and severally guaranteed by the directors of the Group; and
- (iv) corporate guarantee by the Company.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**21. PROVISIONS**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
Current liabilities	85,109	-	-	-
Non-current liabilities	774,779	1,008,825	963,347	1,330,178
	<u>859,888</u>	<u>1,008,825</u>	<u>963,347</u>	<u>1,330,178</u>
At 1 January	520,302	859,888	1,008,825	963,347
Provisions made during the financial year/period	328,867	256,450	437,340	334,167
Provision reversed during the financial year/period	-	(86,348)	(449,950)	-
Exchange differences	10,719	(21,165)	(32,868)	32,664
At 31 December/31 August	<u>859,888</u>	<u>1,008,825</u>	<u>963,347</u>	<u>1,330,178</u>

(a) Included in the provision of the Group at the end of the reporting period was an amount of Nil (31.12.2022 - Nil, 31.12.2021 - Nil, 31.12.2020 - RM85,109) which is the provision for reinstatement cost for office and warehouse under operating leases to be reinstated to its original conditions.

(b) Included in the provision of the Group at the end of the reporting period was an amount of RM1,330,178 (31.12.2022 - RM963,347, 31.12.2021 - RM1,008,825, 31.12.2020 - RM774,779) which is the provision for retirement scheme under the Philippines's regulatory framework, Republic Act 7641, Retirement Pay Law.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**21. PROVISIONS (CONT'D)**

(b) The subsidiary, AGX Express Phils., Inc. maintains non-contributory, defined benefit retirement plans, covering substantially all of its regular employees, administered by the appointed retirement plan trustee. Under the existing regulatory framework, Republic Act 7641, Retirement Pay Law, requires provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The plan provides a retirement benefit amounting to certain percentage of plan salary where plan salary means an amount equivalent to the latest monthly salary times the equivalent number of years of service. Benefits are paid in a lump sum upon retirement or separation in accordance with the terms of the plan.

The retirement plan is managed by a retirement plan trustee appointed by the subsidiary, that is legally separated from the subsidiary. The retirement plan trustee is responsible for the general administration of the plan and management of the fund. The control, direction, and management of the fund shall reside in and be the sole responsibility of the retirement plan trustee.

(i) The amount recognised in the statements of financial position is analysed as follows:

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2022</b>	<b>31.8.2023</b>
	RM	RM	RM	RM
Present value of benefit obligation	910,738	1,160,624	1,307,620	1,322,865
Fair value of plan assets	(125,777)	(124,871)	(325,474)	-
Exchange differences	(10,182)	(26,928)	(18,799)	7,313
Net retirement liability	774,779	1,008,825	963,347	1,330,178

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**21. PROVISIONS (CONT'D)**

(ii) The following table sets out the reconciliation of defined benefits plan:

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
As at 1 January	435,148	774,779	1,008,825	963,347
Current service cost	131,288	173,075	173,845	334,167
Interest expense on defined benefit obligation	30,374	35,715	56,626	-
Interest income on plan assets	(6,565)	(4,933)	(6,092)	-
Included in profit or loss	155,097	203,857	224,379	334,167
<b>Re-measurements</b>				
Actuarial gains/(losses) from:				
- Effect on changes in actuarial assumptions	93,935	(102,972)	(9,632)	-
- Effect on changes in demographic assumptions	-	(891)	(26,635)	-
- Experience adjustments	73,270	151,523	(1,268)	-
Re-measurement gain/(losses) - return on plan assets	6,566	4,932	(37,934)	-
Exchange differences	1,008	(6,835)	(8,894)	(7,378)
Included in other comprehensive income	174,779	45,757	(84,363)	(7,378)
Contribution to retirement fund	-	-	(161,520)	-
Exchange differences	9,755	(15,568)	(23,974)	40,042
As at 31 December/31 August	774,779	1,008,825	963,347	1,330,178

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**21. PROVISIONS (CONT'D)**

(iii) The principal actuarial assumptions used in respect of the funded defined benefits plan of the Group are as follows:

	Audited 31.12.2020 %	Audited 31.12.2021 %	Audited 31.12.2022 %	Audited 31.8.2023 %
Discount rate	3.95	5.08	7.22	7.22
Future salary rate increases	3.00	3.00	5.00	5.00

(iv) The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations ("DBO") as of the end of the reporting period, assuming if all other assumptions were held constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	Audited 31.12.2020 %	Audited 31.12.2021 %	Audited 31.12.2022 %	Audited 31.8.2023 %
Discount rates	9.4 (8.3)	7.8 (6.9)	7.8 (6.9)	7.8 (6.9)
Future salary increases	9.4 (8.4)	7.9 (7.1)	7.9 (7.1)	7.9 (7.1)
	RM	RM	RM	RM
	PV of DBO - Increase (Decrease)	PV of DBO - Increase (Decrease)	PV of DBO - Increase (Decrease)	PV of DBO - Increase (Decrease)
	86,042 (75,239)	90,367 (79,981)	102,141 (90,738)	102,141 (90,738)
	9.4 (8.4)	7.9 (7.1)	7.9 (7.1)	7.9 (7.1)
	RM	RM	RM	RM
	PV of DBO - Increase (Decrease)	PV of DBO - Increase (Decrease)	PV of DBO - Increase (Decrease)	PV of DBO - Increase (Decrease)
	85,997 (76,584)	91,366 (82,252)	103,390 (93,384)	103,390 (93,384)

**22. TRADE PAYABLES**

The normal trade credit term granted to the Group is 60 to 90 (31.12.2022 - 60 to 90, 31.12.2021 - 60 to 90, 31.12.2020 - 60 to 90) days.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**23. OTHER PAYABLES AND ACCRUALS**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
Other payables:-				
Third parties	2,136,460	1,627,265	5,099,055	1,871,432
Sales and services tax payables	103,948	26,039	57,528	168,265
Accruals	2,240,408	1,653,304	5,156,583	2,039,697
Advance receipts	903,563	5,091,620	4,820,406	3,022,763
Deposit received	-	-	81,695	139,135
	88,738	97,266	98,348	192,979
	3,232,709	6,842,190	10,157,032	5,394,574

Included in other payables of the Group in financial year ended 31.12.2022 is an amount of RM3,600,000 being amount due to shareholders for dividend payable as disclosed in Note 30 to the financial statements.

**24. INVOICE FINANCING**

The invoice financing of the Group at the end of the reporting period bore an interest rate of 6.25% (31.12.2022 - 6.10%, 31.12.2021 - 4.90% to 4.95%, 31.12.2020 - 2.45% to 2.55%) per annum. The invoice financing is secured by joint and severally guaranteed by the directors of the Group.



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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**25. BANK OVERDRAFTS**

- (a) The bank overdrafts were secured by:-
- (i) assignment of takaful policy;
  - (ii) fixed deposits;
  - (iii) joint and severally guaranteed by the directors of the Group; and
  - (iv) corporate guarantee by the Company.
- (b) The bank overdrafts of the Group at the end of the reporting period bore floating interest rate is Nil (31.12.2022 - 7.51%, 31.12.2021 - 6.51% to 7.40%, 31.12.2020 - 6.51% to 7.40%) per annum.

## 13. ACCOUNTANTS' REPORT (Cont'd)

## AGX GROUP BERHAD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 26. REVENUE

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
<u>Revenue from Contracts with Customers</u>					
Air freight forwarding	35,012,132	51,784,696	63,649,999	49,718,078	20,916,119
Sea freight forwarding	61,223,753	119,973,059	126,581,973	95,569,778	44,924,553
Road freight transportation	5,847,153	5,015,041	5,401,385	3,307,872	4,142,418
Warehousing and other 3PL services	3,674,306	4,881,647	9,112,567	5,484,545	6,947,084
Aerospace logistics	16,750,011	11,717,414	29,682,695	15,977,438	45,297,598
	<u>122,507,355</u>	<u>193,371,857</u>	<u>234,428,619</u>	<u>170,057,711</u>	<u>122,227,772</u>
<u>Represented by geographical market:-</u>					
Malaysia	16,206,600	17,223,122	25,152,528	16,535,923	20,088,010
Singapore	12,389,512	17,688,068	19,161,542	13,592,358	12,804,575
Philippines	43,194,757	53,572,607	76,776,227	51,812,400	50,928,290
Myanmar	12,873,642	19,409,247	20,076,580	16,159,994	6,071,576
Korea	18,709,114	55,699,595	50,000,436	43,533,301	9,460,153
Others	19,133,730	29,779,218	43,261,306	28,423,735	22,875,168
	<u>122,507,355</u>	<u>193,371,857</u>	<u>234,428,619</u>	<u>170,057,711</u>	<u>122,227,772</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**27. PROFIT BEFORE TAXATION**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
Profit before taxation is arrived at after charging/(crediting):-					
Auditors' remuneration					
- audit fees:					
- current financial year	219,064	274,389	327,395	368,260	351,956
- overprovision in the previous financial year	-	-	71,607	-	-
- non-audit fees	-	-	160,000	-	157,463
Amortisation of intangible asset	2,593	12,882	141,047	94,717	94,659
Bad debt written off	-	359,951	51,448	-	304,802
Depreciation:					
- equipment	1,029,638	907,498	1,015,864	683,834	837,337
- right-of-use assets	3,985,922	3,742,766	4,429,331	2,985,206	3,333,639
Directors' remuneration					
- salaries, bonuses and allowances	2,418,634	3,116,860	4,731,752	3,302,259	3,405,244
- defined contribution benefits	243,912	183,610	240,960	162,238	155,902
- others	156,422	156,929	100,950	42,184	257,084
Impairment loss on:					
- trade receivables	1,519,157	2,299,284	4,668,874	1,335,581	1,969,226
- other receivables	207,664	128,124	17,337	219,239	244,717
Interest expenses on financial liabilities that are not at fair value through profit or loss:					
- bank overdrafts	165,411	200,415	81,743	66,974	4,785
- invoice financing	9,301	20,763	35,948	23,798	29,799
- term loans	860,896	669,394	687,736	474,511	467,414
- others	-	1,299	2,806	-	160
Interest expenses on lease liabilities	511,630	573,046	456,115	336,944	376,876

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**27. PROFIT BEFORE TAXATION (CONT'D)**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
Equipment written off	29,360	-	14,225	-	-
Loss/(Gain) on foreign exchange:					
- realised	152,742	68,341	(2,624)	16,118	243,571
- unrealised	173,386	171,474	325,464	(159,418)	146,033
Loss/(Gain) on lease modification	8,607	(4,268)	(84,250)	(2,625)	(50,765)
Short term lease expenses					
- premises	555,242	548,728	416,269	482,880	700,501
- equipment	262,296	228,802	371,539	134,420	137,168
- motor vehicles	364,298	670,122	648,513	553,821	293,838
Staff costs					
- short-term employee benefits	13,275,696	12,160,120	14,126,010	8,921,375	10,604,704
- defined contribution benefits	1,305,434	1,291,643	1,481,383	722,171	934,842
- others	1,972,373	2,185,916	2,598,937	1,699,441	2,148,685
Covid-19-related rent concessions	(7,060)	-	-	-	-
(Gain)/Loss on disposal of equipment	(44,514)	(129,302)	5,179	-	(3,566)
Share of results in associates	(4,848)	(60,780)	(5,535,932)	(2,875,093)	(2,062,252)
Total interest income on financial assets measured at amortised cost	(54,018)	(67,109)	(89,613)	(18,573)	(18,106)
Rental income	-	(100,000)	(179,824)	(37,793)	(53,788)
Reversal of impairment losses:					
- trade receivables	-	(90,441)	(4,353,614)	-	(1,690,487)
- other receivables	(18,541)	-	(147,977)	-	(90,810)

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**28. INCOME TAX EXPENSE**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
Current tax expense	906,616	1,292,605	2,825,494	2,904,822	2,805,909
Under/(Over)provision in the previous financial year/period	73,884	(262,054)	(14,242)	(1,417)	320,311
	<u>980,500</u>	<u>1,030,551</u>	<u>2,811,252</u>	<u>2,903,405</u>	<u>3,126,220</u>
Deferred tax (Note 9):					
- origination and reversal of temporary differences	(239,956)	445,110	358,673	(574,943)	(243,148)
- under provision in the previous financial year/period	93,178	1,091	76,940	76,939	32,991
	<u>(146,778)</u>	<u>446,201</u>	<u>435,613</u>	<u>(498,004)</u>	<u>(210,157)</u>
	<u>833,722</u>	<u>1,476,752</u>	<u>3,246,865</u>	<u>2,405,401</u>	<u>2,916,063</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**28. INCOME TAX EXPENSE (CONT'D)**

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
Profit before taxation	1,393,236	7,416,512	16,787,431	11,046,194	10,362,224
Tax at the statutory tax rate of 24% (31.8.2022 - 24%, 31.12.2022 - 24%, 31.12.2021 - 24%; 31.12.2020 - 24%)	334,377	1,779,963	4,028,983	2,651,087	2,486,934
Tax effects of:-					
Share of results in associates	(1,164)	(14,587)	(1,328,624)	(690,022)	(494,940)
Non-taxable income	(1,255)	(46,424)	-	-	-
Non-deductible expenses	405,071	241,882	430,235	396,261	385,004
Deferred tax assets not recognised during the financial year/period	-	-	-	50,354	125,028
Effects of differential in tax rates of foreign jurisdictions	(17,289)	(181,804)	(168,141)	(158,344)	(51,025)
Tax exempt income	(53,080)	(53,736)	(55,606)	-	(58,578)
Under/(Over)provision of current tax in the previous financial year					
- current tax expense	73,884	(262,054)	(14,242)	(1,417)	320,311
- deferred taxation	93,178	1,091	76,940	76,939	32,991
Withholding tax from foreign income	-	-	307,000	307,000	198,224
Others	-	12,421	(29,680)	(226,457)	(27,886)
	<u>833,722</u>	<u>1,476,752</u>	<u>3,246,865</u>	<u>2,405,401</u>	<u>2,916,063</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (31.8.2022 - 24%, 31.12.2022 - 24%, 31.12.2021 - 24%; 31.12.2020 - 24%) of the estimated assessable profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**29. EARNINGS PER SHARE**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Unaudited 31.8.2022 RM	Audited 31.8.2023 RM
Profit after tax attributable to owners of the Company	559,465	5,939,685	13,540,436	8,640,700	7,446,566
Enlarged total number of shares upon Listing	432,866,125	432,866,125	432,866,125	432,866,125	432,866,125
Basic earnings per share (Sen)	0.13	1.37	3.13	2.00	1.72

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.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**30. DIVIDENDS**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
First interim dividend of RM0.44 per ordinary share in respect of 31 December 2021	-	1,200,000	-	-	-
Single tier first interim dividend of RM0.85 per ordinary share in respect of 31 December 2022	-	-	2,300,000	2,300,000	-
Single tier final dividend of RM0.13 per ordinary share in respect of 31 December 2022	-	-	3,600,000	-	-
	<u>-</u>	<u>1,200,000</u>	<u>5,900,000</u>	<u>2,300,000</u>	<u>-</u>

(i) The dividend payout is satisfied by a way of offsetting the amount owing by shareholders and the respective subsidiaries. The remaining dividend payable is paid to shareholders whose names appeared in the record of depositors on 15 July 2021.

(ii) The dividend payout is satisfied by a way of offsetting the amount owing by shareholders and the respective subsidiaries. The remaining dividend payable is paid to shareholders whose names appeared in the record of depositors on 27 July 2022.

(iii) The Company declared a final tier dividend amounting to RM3,600,000 in respect of financial year ended 31 December 2022, paid on 9 February 2023, to shareholders whose names appeared in the record of depositors on 30 December 2022.

(iv) On 31 October 2023, the Company declared a single tier interim dividend of RM0.011 per ordinary share amounting to RM3,000,000 in respect of the current financial year, payable on 31 October 2023, to shareholders whose names appeared in the record of depositors on 30 September 2023. The financial statements for the current financial period do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2023.



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**31. CASH FLOW INFORMATION**

(a) The cash disbursed for the purchase of equipment and the addition of right-of-use assets are as follows:-

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
<b>Equipment</b>					
Cost of equipment purchased/Cash disbursed for purchase of equipment (Note 6)	960,091	547,685	2,317,973	2,100,501	1,011,145
<b>Right-of-use assets</b>					
Cost of right-of-use assets acquired (Note 7)	1,757,516	6,863,891	3,767,820	7,086,409	6,748,975
Less: Additions of new lease liabilities (Note 19)	(1,705,518)	(6,757,898)	(3,631,774)	(6,896,070)	(6,597,657)
	<u>51,998</u>	<u>105,993</u>	<u>136,046</u>	<u>190,339</u>	<u>151,318</u>

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Term Loans RM	Lease Liabilities RM	Invoice Financing RM	Total RM
<b>31.12.2020</b>				
Audited				
At 1 January	13,115,440	8,439,931	-	21,555,371
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	16,176,874	-	1,589,950	17,766,824
Repayment of principal	(16,056,111)	(3,728,174)	(1,337,596)	(21,121,881)
Repayment of interests	(837,007)	(511,630)	(9,301)	(1,357,938)
	(716,244)	(4,239,804)	243,053	(4,712,995)
<u>Non-cash Changes</u>				
Acquisition of new leases	-	1,705,518	-	1,705,518
Covid-19-related rent concessions	-	(7,060)	-	(7,060)
Derecognition due to lease modification	-	(248,167)	-	(248,167)
Interest expense recognised in profit or loss	860,896	511,630	9,301	1,381,827
Foreign exchange adjustments	479,235	202,143	-	681,378
	1,340,131	2,164,064	9,301	3,513,496
At 31 December	13,739,327	6,364,191	252,354	20,355,872

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Term Loans RM	Lease Liabilities RM	Invoice Financing RM	Total RM
<b>31.12.2021</b>				
Audited				
At 1 January	13,739,327	6,364,191	252,354	20,355,872
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	38,022,789	-	4,728,234	42,751,023
Repayment of principal	(40,402,997)	(3,951,224)	(4,071,770)	(48,425,991)
Repayment of interests	(669,394)	(573,046)	(20,763)	(1,263,203)
	(3,049,602)	(4,524,270)	635,701	(6,938,171)
<u>Non-cash Changes</u>				
Acquisition of new leases	-	6,757,898	-	6,757,898
Derecognition due to lease modification	-	(35,849)	-	(35,849)
Interest expense recognised in profit or loss	669,394	573,046	20,763	1,263,203
Foreign exchange adjustments	(319,875)	31,084	-	(288,791)
	349,519	7,326,179	20,763	7,696,461
At 31 December	11,039,244	9,166,100	908,818	21,114,162

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Term Loans RM	Lease Liabilities RM	Invoice Financing RM	Total RM
<b>31.12.2022</b>				
Audited				
At 1 January	11,039,244	9,166,100	908,818	21,114,162
<u>Changes in Financing Cash</u>				
<u>Flows</u>				
Proceeds from drawdown	31,525,553	-	6,642,268	38,167,821
Repayment of principal	(33,907,337)	(4,911,034)	(6,935,792)	(45,754,163)
Repayment of interests	(687,736)	(456,115)	(35,948)	(1,179,799)
	(3,069,520)	(5,367,149)	(329,472)	(8,766,141)
<u>Non-cash Changes</u>				
Acquisition of new leases	-	3,631,774	-	3,631,774
Derecognition due to lease modification	-	(1,186,911)	-	(1,186,911)
Interest expense recognised in profit or loss	687,736	456,115	35,948	1,179,799
Foreign exchange adjustments	(323,394)	153,555	-	(169,839)
	364,342	3,054,533	35,948	3,454,823
At 31 December	8,334,066	6,853,484	615,294	15,802,844

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Term Loans RM	Lease Liabilities RM	Invoice Financing RM	Total RM
<b>31.8.2022</b>				
Unaudited				
At 1 January	11,039,244	9,166,100	908,818	21,114,162
<u>Changes in Financing Cash Flows</u>				
Proceeds from drawdown	30,403,372	-	5,030,174	35,433,546
Repayment of principal	(32,517,044)	(3,273,613)	(5,251,373)	(41,042,030)
Repayment of interests	(474,511)	(336,944)	(23,798)	(835,253)
	(2,588,183)	(3,610,557)	(244,997)	(6,443,737)
<u>Non-cash Changes</u>				
Acquisition of new leases	-	6,896,070	-	6,896,070
Derecognition due to lease modification	-	(573,028)	-	(573,028)
Interest expense recognised in profit or loss	474,511	336,944	23,798	835,253
Foreign exchange adjustments	(262,943)	159,578	-	(103,365)
	211,568	6,819,564	23,798	7,054,930
At 31 August	8,662,629	12,375,107	687,619	21,725,355

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****31. CASH FLOW INFORMATION (CONT'D)**

(b) The reconciliations of liabilities arising from financing activities are as follows:- (Cont'd)

	Term Loans RM	Lease Liabilities RM	Invoice Financing RM	Total RM
<b>31.8.2023</b>				
Audited				
At 1 January	8,334,066	6,853,484	615,294	15,802,844
<u>Changes in Financing Cash</u>				
<u>Flows</u>				
Proceeds from drawdown	-	-	3,725,929	3,725,929
Repayment of principal	(1,541,286)	(3,295,005)	(3,772,984)	(8,609,275)
Repayment of interests	(467,414)	(376,876)	(29,799)	(874,089)
	(2,008,700)	(3,671,881)	(76,854)	(5,757,435)
<u>Non-cash Changes</u>				
Acquisition of new leases	-	6,597,657	-	6,597,657
Derecognition due to lease modification	-	(149,840)	-	(149,840)
Changes due to lease modification	-	(172,865)	-	(172,865)
Interest expense recognised in profit or loss	467,414	376,876	29,799	874,089
Foreign exchange adjustments	240,813	208,055	-	448,868
	708,227	6,859,883	29,799	7,597,909
At 31 August	7,033,593	10,041,486	568,239	17,643,318

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**31. CASH FLOW INFORMATION (CONT'D)**

(c) The cash and cash equivalents comprise the following:-

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
Fixed deposits with licensed banks	1,157,042	1,182,458	1,205,365	1,203,603	1,059,939
Cash and bank balances	5,521,392	8,657,492	13,134,468	8,650,415	10,404,751
Bank overdraft	(2,544,906)	(1,013,119)	(116,538)	(914,888)	-
	<u>4,133,528</u>	<u>8,826,831</u>	<u>14,223,295</u>	<u>8,939,130</u>	<u>11,464,690</u>
Less: Fixed deposits pledged and with tenure of more than 3 months	<u>(1,082,283)</u>	<u>(1,106,469)</u>	<u>(1,124,164)</u>	<u>(1,124,164)</u>	<u>(974,989)</u>
	<u>3,051,245</u>	<u>7,720,362</u>	<u>13,099,131</u>	<u>7,814,966</u>	<u>10,489,701</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**32. KEY MANAGEMENT PERSONNEL COMPENSATION**

The key management personnel of the Group include executive directors and non-executive directors and certain members of senior management of the Group.

The key management personnel compensation during the financial year/period are as follows:-

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
<b>(a) Directors</b>					
Short-term employee benefits:					
- salaries, bonuses and allowances	2,418,634	3,116,860	4,731,752	3,302,259	3,405,244
- other benefits	156,422	156,929	100,950	42,184	257,084
	2,575,056	3,273,789	4,832,702	3,344,443	3,662,328
Defined contribution benefits	243,912	183,610	240,960	162,238	155,902
Total directors' remuneration	2,818,968	3,457,399	5,073,662	3,506,681	3,818,230
<b>(b) Other Key Management Personnel</b>					
Short-term employee benefits	307,107	353,693	418,860	278,274	311,772
Defined contribution benefits	35,136	41,190	46,101	32,280	37,320
	342,243	394,883	464,961	310,554	349,092



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**33. RELATED PARTY DISCLOSURES**

**(a) Identities of Related Parties**

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

**(b) Significant Related Party Transactions and Balances**

Other than those disclosed elsewhere in the financial statements, the Group also carried out the following significant transactions with the related parties during the financial year/period:-

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
<u>Transactions with Related Parties</u>					
- Rendering of services	665,409	24,486	4,005	-	-
<u>Transactions with Associates</u>					
- Rendering of services	6,708	6,125	271,328	185,877	46,074
- Purchase of services	(61,558)	(1,010)	(21,681)	(1,365)	(19,854)

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****34. OPERATING SEGMENTS****34.1 BUSINESS SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purpose, the Group is organised into business units based on their services provided. Accordingly, the Group is organised into 5 (31.8.2022 - 5, 31.12.2022 - 5, 31.12.2021 - 5, 31.12.2020 - 5) reportable segments that are organised and managed separately according to the nature of services that is either logistics, which requires different business and marketing strategies.

The reportable segments are Malaysia, Singapore, Philippines, Myanmar and Korea which are involved in logistic services.

**(a) Logistics**

There are 5 (31.8.2022 - 5, 31.12.2022 - 5, 31.12.2021 - 5, 31.12.2020 - 5) reportable segments involved in providing integrated freight and logistics services such as air freight, sea freight, road freight transportation, warehousing and other 3PL services and aerospace logistics, which are operated by subsidiary companies in Malaysia, Singapore, Philippines, Myanmar and Korea.

The Group evaluates operating segments' performance on the basis of profit or loss from operations before tax. The accounting policies of operating segments are the same as those described in the respective sections of the notes to the financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude current tax assets and deferred tax assets.

Segment liabilities exclude current tax liabilities and deferred tax liabilities. Details are provided in the reconciliation from segment assets and segment liabilities to the statements of financial position of the Group.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

**34.1 BUSINESS SEGMENTS (CONT'D)**

1.1.2020 to 31.12.2020 Audited	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
<b>Revenue</b>						
External revenue	23,360,643	12,756,270	51,253,157	15,358,754	19,778,531	122,507,355
Inter-segment revenue	807,324	2,022,694	1,101,759	20,268	375,409	4,327,454
	24,167,967	14,778,964	52,354,916	15,379,022	20,153,940	126,834,809
Consolidation adjustments						(4,327,454)
Consolidated revenue						122,507,355

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

**34.1 BUSINESS SEGMENTS (CONT'D)**

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
<b>1.1.2020</b>						
<b>to</b>						
<b>31.12.2020</b>						
Audited						
<b>Results</b>						
Segment results	1,265,675	2,524,751	5,550,680	(341,170)	745,617	9,745,553
Interest income	34,934	335	18,671	-	78	54,018
Finance costs	(315,292)	(45,888)	(1,059,446)	-	(126,612)	(1,547,238)
Amortisation of intangible asset	-	-	2,593	-	-	2,593
Depreciation:						
- equipment	(178,346)	(124,932)	(602,988)	(119,124)	(4,248)	(1,029,638)
- right-of-use assets	(1,013,687)	(1,042,516)	(1,689,560)	(148,234)	(91,925)	(3,985,922)
Impairment loss of receivables	(1,089,264)	(45,300)	(590,664)	-	(1,593)	(1,726,821)
Gain on disposal of equipment	36,148	-	8,366	-	-	44,514
Share of results in an associate	4,848	-	-	-	-	4,848
Unrealised foreign exchange (loss)/gain	(71,648)	(180,355)	51,347	-	27,270	(173,386)
Profit before taxation	(1,326,632)	1,086,095	1,688,999	(608,528)	548,587	1,388,521
Income tax expense						(833,722)
Profit after taxation						554,799
Consolidation adjustments						4,715
Consolidation profit after taxation						559,514

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

**31.12.2020**

Audited

**Assets**

Segment assets	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Consolidation adjustments	43,033,820	7,665,792	38,934,402	4,445,493	9,090,314	103,169,821
Consolidated total assets						<u>71,443,163</u>

Additions to non-current assets  
other than financial instruments:

- equipment	310,817	14,774	406,895	227,605	-	960,091
- right-of-use assets	680,271	108,936	585,240	-	383,069	<u>1,757,516</u>

**Liabilities**

Segment liabilities	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Unallocated liabilities:						
- deferred tax liabilities	36,359,825	3,434,698	22,406,797	2,432,033	6,701,868	71,335,221
- provision for taxation						28,592
Consolidation adjustments						<u>316,028</u>
Consolidated total liabilities						<u>66,151,562</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

1.1.2021 to 31.12.2021	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Audited						
<b>Revenue</b>						
External revenue	26,335,010	22,204,849	61,235,053	25,063,371	58,533,574	193,371,857
Inter-segment revenue	3,029,748	1,720,784	140,362	5,629	362,374	5,258,897
	<u>29,364,758</u>	<u>23,925,633</u>	<u>61,375,415</u>	<u>25,069,000</u>	<u>58,895,948</u>	<u>198,630,754</u>
Consolidation adjustments						<u>(5,258,897)</u>
Consolidated revenue						<u>193,371,857</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

**34.1 BUSINESS SEGMENTS (CONT'D)**

1.1.2021 to 31.12.2021	Audited	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
<b>Results</b>							
Segment results		4,557,449	2,732,050	6,290,759	282,920	4,247,226	18,110,404
Interest income		26,960	188	39,820	-	141	67,109
Finance costs		(362,392)	(50,094)	(938,983)	-	(113,448)	(1,464,917)
Amortisation of intangible asset		-	-	(12,882)	-	-	(12,882)
Depreciation:							
- equipment		(199,365)	(29,212)	(552,818)	(123,471)	(2,632)	(907,498)
- right-of-use assets		(746,766)	(1,129,424)	(1,773,240)	-	(93,336)	(3,742,766)
Impairment loss of receivables		(750,691)	(123,687)	(1,437,885)	-	(118,285)	(2,430,548)
Gain on disposal of equipment		3,999	76,587	48,716	-	-	129,302
Reversal of impairment losses		-	82,644	7,797	-	-	90,441
Share of results in as associate		60,780	-	-	-	-	60,780
Unrealised foreign exchange gain/(loss)		18,752	(73,329)	(74,336)	-	(42,561)	(171,474)
Profit before taxation		2,608,726	1,485,723	1,596,948	159,449	3,877,105	9,727,951
Income tax expense							(1,476,752)
Profit after taxation							8,251,199
Consolidation adjustments							(2,311,439)
Consolidation profit after taxation							5,939,760

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

**31.12.2021**

Audited

**Assets**

Segment assets	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Consolidation adjustments	44,348,576	13,304,148	45,855,147	5,487,273	15,341,345	124,336,489
Consolidated total assets						(33,742,458)
						<u>90,594,031</u>

Additions to non-current assets  
other than financial instruments:

- equipment	63,750	69,507	414,428	-	-	547,685
- right-of-use assets	2,032,969	3,495,610	1,335,312	-	-	6,863,891

**Liabilities**

Segment liabilities	10,285,707	8,952,669	28,392,687	3,104,503	9,380,381	60,115,947
Unallocated liabilities:						244,212
- deferred tax liabilities						1,057,066
- provision for taxation						(7,602,553)
Consolidation adjustments						
Consolidated total liabilities						<u>53,814,672</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

1.1.2022 to 31.12.2022	Audited	Revenue	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
External revenue		41,050,954	22,574,966	89,216,426	27,046,797	54,539,476	234,428,619	
Inter-segment revenue		9,115,652	3,843,056	177,298	6,715	784,909	13,927,630	
		50,166,606	26,418,022	89,393,724	27,053,512	55,324,385	248,356,249	
Consolidation adjustments							(13,927,630)	
Consolidated revenue							234,428,619	

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
<b>1.1.2022</b>						
<b>to</b>						
<b>31.12.2022</b>						
Audited						
<b>Results</b>						
Segment results	13,269,616	2,326,821	7,130,469	88,636	2,617,805	25,433,347
Interest income	20,470	80	65,739	-	3,324	89,613
Finance costs	(196,981)	(105,338)	(880,761)	-	(81,268)	(1,264,348)
Amortisation of intangible asset	-	-	(141,047)	-	-	(141,047)
Depreciation:						
- equipment	(234,888)	(112,264)	(567,186)	(100,631)	(895)	(1,015,864)
- right-of-use assets	(765,859)	(1,721,707)	(1,833,309)	-	(108,456)	(4,429,331)
Impairment loss of receivables	(67,572)	-	(4,615,499)	-	(3,140)	(4,686,211)
Loss on disposal of equipment	-	-	(5,179)	-	-	(5,179)
Reversal of impairment losses	-	-	4,405,937	-	95,654	4,501,591
Share of results in associates	124,346	5,418,053	(6,467)	-	-	5,535,932
Unrealised foreign exchange gain/(loss)	37,071	(175,758)	(152,529)	-	(34,248)	(325,464)
Profit before taxation	12,186,203	5,629,887	3,400,168	(11,995)	2,488,776	23,693,039
Income tax expense						(3,246,865)
Profit after taxation						20,446,174
Consolidation adjustments						(6,905,608)
Consolidation profit after taxation						<u>13,540,566</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

**31.12.2022**

Audited

**Assets**

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Segment assets	50,372,072	18,285,698	45,448,626	3,860,378	7,608,824	125,575,598
Consolidation adjustments						(38,745,262)
Consolidated total assets						<u>86,830,336</u>

Additions to non-current assets  
other than financial instruments:

- equipment	239,554	1,066,815	982,600	29,004	-	2,317,973
- right-of-use assets	336,457	906,678	2,319,356	-	205,329	<u>3,767,820</u>

**Liabilities**

Segment liabilities  
Unallocated liabilities:  
- deferred tax liabilities  
- provision for taxation  
Consolidation adjustments

	13,026,854	12,486,855	26,979,782	1,716,856	2,260,837	56,471,184
						264,559
						350,646
						(14,289,199)

Consolidated total liabilities

42,797,190

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

1.1.2022 to 31.8.2022 Unaudited	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
<b>Revenue</b>						
External revenue	26,710,812	16,239,520	59,027,052	21,186,818	46,893,509	170,057,711
Inter-segment revenue	3,472,585	1,983,676	367,467	1,123	592,921	6,417,772
	<u>30,183,397</u>	<u>18,223,196</u>	<u>59,394,519</u>	<u>21,187,941</u>	<u>47,486,430</u>	<u>176,475,483</u>
Consolidation adjustments						<u>(6,417,772)</u>
Consolidated revenue						<u>170,057,711</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

**34.1 BUSINESS SEGMENTS (CONT'D)**

**1.1.2022  
to  
31.8.2022**

Unaudited

**Results**

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Segment results	5,901,181	1,957,468	5,945,435	604,964	2,597,719	17,006,767
Interest income	17,695	78	578	-	222	18,573
Finance costs	(167,761)	(59,483)	(606,052)	-	(68,931)	(902,227)
Depreciation:						
- equipment	(158,798)	(60,592)	(399,317)	(64,524)	(603)	(683,834)
- right-of-use assets	(571,478)	(954,880)	(1,399,633)	-	(59,215)	(2,985,206)
Impairment loss of receivables	(8,568)	-	(1,546,252)	-	-	(1,554,820)
Unrealised foreign exchange gain/(loss)	81,609	119,558	(75,033)	-	33,284	159,418
Profit before taxation	5,093,880	1,002,149	1,919,726	540,440	2,502,476	11,058,671
Income tax expense						(2,405,401)
Profit after taxation						8,653,270
Consolidation adjustments						(12,477)
Consolidation profit after taxation						<u>8,640,793</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

**31.8.2022**

Unaudited

**Assets**

Segment assets	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Consolidation adjustments	45,619,809	17,295,822	44,837,666	4,878,378	8,456,919	121,088,594
Consolidated total assets						<u>(32,067,381)</u>
						<u>89,021,213</u>

Additions to non-current assets  
other than financial instruments:  
- equipment

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
	178,920	969,612	942,295	9,674	-	2,100,501
	329,521	3,472,670	3,284,218	-	-	<u>7,086,409</u>

**Liabilities**

Segment liabilities  
Unallocated liabilities:  
- provision for taxation  
Consolidation adjustments  
Consolidated total liabilities

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
	9,833,440	12,361,942	27,918,097	2,126,600	3,197,007	55,437,086
						<u>945,930</u>
						<u>(9,680,049)</u>
						<u>46,702,967</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

1.1.2023  
to  
31.8.2023

Audited

**Revenue**

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
External revenue	28,177,031	13,971,379	61,429,202	6,794,535	11,855,625	122,227,772
Inter-segment revenue	2,383,671	4,099,584	187,770	51,492	80,142	6,802,659
	<u>30,560,702</u>	<u>18,070,963</u>	<u>61,616,972</u>	<u>6,846,027</u>	<u>11,935,767</u>	<u>129,030,431</u>
Consolidation adjustments						(6,802,659)
Consolidated revenue						<u>122,227,772</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

**34.1 BUSINESS SEGMENTS (CONT'D)**

**1.1.2023  
to  
31.8.2023**

Audited

**Results**

	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Segment results	4,161,570	492,800	8,200,194	(190,804)	40,046	12,703,806
Interest income	18,022	84	-	-	-	18,106
Finance costs	(222,643)	(43,460)	(599,565)	-	(13,366)	(879,034)
Amortisation of intangible assets	-	-	(94,659)	-	-	(94,659)
Depreciation:						
- equipment	(222,297)	(121,877)	(440,833)	(51,669)	(661)	(837,337)
- right-of-use assets	(939,125)	(1,147,694)	(1,166,648)	-	(80,172)	(3,333,639)
Impairment loss of receivables	(1,014,650)	-	(1,196,153)	-	(3,140)	(2,213,943)
Gain on disposal of equipment	3,499	-	-	67	-	3,566
Reversal of impairment losses	587,305	-	1,193,992	-	-	1,781,297
Share of results in associates	(91,515)	2,153,767	-	-	-	2,062,252
Unrealised foreign exchange loss	(46,217)	-	(65,729)	-	(34,087)	(146,033)
Profit before taxation	2,233,949	1,333,620	5,830,599	(242,406)	(91,380)	9,064,382
Income tax expense						(2,916,063)
Profit after taxation						6,148,319
Consolidation adjustments						1,297,842
Consolidation profit after taxation						<u>7,446,161</u>



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

34.1 BUSINESS SEGMENTS (CONT'D)

**31.8.2023**

Audited

**Assets**

Segment assets	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Consolidation adjustments	53,978,237	14,870,686	49,750,786	2,378,497	6,319,765	127,297,971
Consolidated total assets						<u>(36,287,602)</u>
						<u>91,010,369</u>

Additions to non-current assets  
other than financial instruments:

- equipment	465,097	103,037	419,658	23,353	-	1,011,145
- right-of-use assets	5,932,921	275,390	540,664	-	-	6,748,975

**Liabilities**

Segment liabilities	Malaysia RM	Singapore RM	Philippines RM	Myanmar RM	Korea RM	Total RM
Unallocated liabilities:	15,048,411	7,644,167	26,799,544	871,452	1,761,196	52,124,770
- deferred tax liabilities						347,201
- provision for taxation						676,913
Consolidation adjustments						<u>(14,249,281)</u>
Consolidated total liabilities						<u>38,899,603</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**34. OPERATING SEGMENTS (CONT'D)**

**34.2 GEOGRAPHICAL INFORMATION**

Revenue is based on the country in which the customers are located.

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Unaudited 31.8.2022 RM	Audited 31.8.2023 RM
Malaysia	1,476,056	2,626,644	1,099,339	1,834,406	6,214,254
Singapore	938,190	3,163,963	3,597,698	6,874,784	2,846,679
Philippines	5,516,401	5,332,731	6,134,051	6,832,906	5,502,055
Myanmar	407,665	299,419	244,582	264,577	223,292
Korea	306,615	197,969	295,571	129,962	194,162
	<u>8,644,927</u>	<u>11,620,726</u>	<u>11,371,241</u>	<u>15,936,635</u>	<u>14,980,442</u>

**34.3 MAJOR CUSTOMERS**

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Unaudited 31.8.2022 RM	Audited 31.8.2023 RM	Segment
Customer A	16,238,084	53,287,625	47,013,048	40,996,823	-	Korea
Customer B	-	-	24,616,344	-	33,458,252	Malaysia and Philippines
	<u>-</u>	<u>-</u>	<u>24,616,344</u>	<u>-</u>	<u>33,458,252</u>	

<sup>(1)</sup> Representing revenue contribution of not more than 10% of the Group's total revenue for the respective financial years and financial period.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS**

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**35.1 FINANCIAL RISK MANAGEMENT POLICIES**

The Group's policies in respect of the major areas of treasury activity are as follows:-

**(a) Market Risk****(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), Philippine Peso ("PHP"), United States Dollar ("USD"), Euro ("EUR") and South Korean Won ("KRW"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure*

**31.12.2020**

Audited

**Financial Assets**

Trade receivables	2,800,736	15,675,794	9,657,552	7,433,585	5,158,224	402,266	41,128,157
Other receivables	697,186	2,727,268	312,415	375,147	436,563	-	4,548,579
Amount owing by an associate	-	-	12,041	-	-	-	12,041
Fixed deposits with licensed banks	74,759	-	-	-	1,082,283	-	1,157,042
Cash and bank balances	707,973	1,715,167	2,486,825	74,882	21,578	514,967	5,521,392
	4,280,654	20,118,229	12,468,833	7,883,614	6,698,648	917,233	52,367,211

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

**31.12.2020**

Audited

Financial Liabilities

Trade payables	648,575	1,103,002	7,054,875	2,089,072	1,224,142	405,643	12,525,309
Other payables and accruals	599,713	775,004	802,710	1,113	858,912	2,571	3,040,023
Amount owing to an associate	-	-	7,950	-	-	-	7,950
Amount owing to related parties	-	-	26,478,842	-	-	-	26,478,842
Term loans	-	8,861,600	-	4,123,997	753,730	-	13,739,327
Invoice financing	-	-	-	-	252,354	-	252,354
Bank overdrafts	-	-	-	-	2,544,906	-	2,544,906
	1,248,288	10,739,606	34,344,377	6,214,182	5,634,044	408,214	58,588,711

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

	Singapore Dollar RM	Philippine Peso RM	United States Dollar RM	South Korean Won RM	Ringgit Malaysia RM	Others RM	Total RM
<b>31.12.2020</b>							
Audited							
Net financial assets/(liabilities)	3,032,366	9,378,623	(21,875,544)	1,669,432	1,064,604	509,019	(6,221,500)
Less: Net financial assets denominated in the Group's functional currency	-	-	-	-	(1,064,604)	-	(1,064,604)
Currency Exposure	3,032,366	9,378,623	(21,875,544)	1,669,432	-	509,019	(7,286,104)

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

**31.12.2021**

Audited

**Financial Assets**

Trade receivables	3,659,050	20,210,770	10,214,680	12,859,611	4,966,104	263,656	52,173,871
Other receivables	101,386	2,102,911	335,014	750,091	100,894	-	3,390,296
Amount owing by an associate	-	-	4,401	-	-	-	4,401
Amount owing by related parties	3,934	-	17,066	-	-	-	21,000
Fixed deposits with licensed banks	75,989	-	-	-	1,106,469	-	1,182,458
Cash and bank balances	968,476	2,535,565	4,054,855	178,686	324,755	595,155	8,657,492
	4,808,835	24,849,246	14,626,016	13,788,388	6,498,222	858,811	65,429,518

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

**31.12.2021**

Audited

Financial Liabilities

Trade payables	985,737	4,233,282	10,791,648	5,416,026	1,456,685	286,236	23,169,614
Other payables and accruals	518,839	5,104,975	58,470	-	852,960	19,379	6,554,623
Term loans	-	8,149,249	-	2,153,298	736,697	-	11,039,244
Invoice financing	-	-	-	-	908,818	-	908,818
Bank overdrafts	-	-	-	-	1,013,119	-	1,013,119
	<b>1,504,576</b>	<b>17,487,506</b>	<b>10,850,118</b>	<b>7,569,324</b>	<b>4,968,279</b>	<b>305,615</b>	<b>42,685,418</b>



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

	Singapore Dollar RM	Philippine Peso RM	United States Dollar RM	South Korean Won RM	Ringgit Malaysia RM	Others RM	Total RM
<b>31.12.2021</b>							
Audited							
Net financial assets	3,304,259	7,361,740	3,775,898	6,219,064	1,529,943	553,196	22,744,100
Less: Net financial assets denominated in the Group's functional currency	-	-	-	-	(1,529,943)	-	(1,529,943)
Currency Exposure	3,304,259	7,361,740	3,775,898	6,219,064	-	553,196	21,214,157

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(a) Market Risk (Cont'd)**

(i) Foreign Currency Risk (Cont'd)

*Foreign Currency Exposure (Cont'd)*

**31.12.2022**

Audited

<u>Financial Assets</u>	Singapore Dollar RM	Philippine Peso RM	United States Dollar RM	South Korean Won RM	Ringgit Malaysia RM	Others RM	Total RM
Trade receivables	2,470,750	17,641,454	8,351,872	3,668,355	6,120,079	620,276	38,872,786
Other receivables	30,748	1,323,497	256,340	130,961	78,866	654	1,821,066
Amount owing by associates	3,938,280	-	2,259	-	-	-	3,940,539
Amount owing by related parties	-	-	3,596	-	-	-	3,596
Fixed deposits with licensed banks	81,201	-	-	-	1,124,164	-	1,205,365
Cash and bank balances	1,039,378	4,025,467	4,816,247	2,166,121	243,812	843,443	13,134,468
	7,560,357	22,990,418	13,430,314	5,965,437	7,566,921	1,464,373	58,977,820



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

	Singapore Dollar RM	Philippine Peso RM	United States Dollar RM	South Korean Won RM	Ringgit Malaysia RM	Others RM	Total RM
<b>31.12.2022</b>							
Audited							
Net financial assets/(liabilities)	5,711,860	6,226,908	8,225,678	4,534,578	(103,059)	250,847	24,846,812
Less: Net financial assets denominated in the Group's functional currency	-	-	-	-	103,059	-	103,059
Currency Exposure	5,711,860	6,226,908	8,225,678	4,534,578	-	250,847	24,949,871

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

**31.8.2023**

Audited

**Financial Assets**

Trade receivables	2,331,416	23,929,025	5,323,344	1,569,572	10,027,503	257,844	43,438,704
Other receivables	269,357	1,284,141	278,734	-	32,105	1,515	1,865,852
Amount owing by associates	-	40,132	4,771	-	-	-	44,903
Amount owing by related parties	1,675	-	-	-	-	-	1,675
Fixed deposits with licensed banks	84,950	-	-	-	974,989	-	1,059,939
Cash and bank balances	873,250	3,815,206	3,679,714	756,870	650,289	629,422	10,404,751
	3,560,648	29,068,504	9,286,563	2,326,442	11,684,886	888,781	56,815,824

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

	Singapore Dollar RM	Philippine Peso RM	United States Dollar RM	South Korean Won RM	Ringgit Malaysia RM	Others RM	Total RM
<b>31.8.2023</b>							
Audited							
<u>Financial Liabilities</u>							
Trade payables	1,373,350	4,650,543	4,767,210	943,132	1,050,513	991,340	13,776,088
Other payables and accruals	623,039	2,744,904	234,599	59,033	1,212,320	20,300	4,894,195
Amount owing to associates	-	19,964	-	-	-	-	19,964
Term loans	-	6,928,143	-	-	105,450	-	7,033,593
Invoice financing	-	-	-	-	568,239	-	568,239
	1,996,389	14,343,554	5,001,809	1,002,165	2,936,522	1,011,640	26,292,079

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Exposure (Cont'd)*

	Singapore Dollar RM	Philippine Peso RM	United States Dollar RM	South Korean Won RM	Ringgit Malaysia RM	Others RM	Total RM
<b>31.8.2023</b>							
Audited							
Net financial assets/(liabilities)	1,564,259	14,724,950	4,284,754	1,324,277	8,748,364	(122,859)	30,523,745
Less: Net financial assets denominated in the Group's functional currency	-	-	-	-	(8,748,364)	-	(8,748,364)
Currency Exposure	1,564,259	14,724,950	4,284,754	1,324,277	-	(122,859)	21,775,381

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(i) Foreign Currency Risk (Cont'd)**

*Foreign Currency Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>Effects on Profit After Taxation and Other Comprehensive Income</b>				
SGD/RM - strengthened by 5%	115,230	125,562	217,051	59,442
- weakened by 5%	(115,230)	(125,562)	(217,051)	(59,442)
PHP/RM - strengthened by 5%	356,388	279,746	236,623	559,548
- weakened by 5%	(356,388)	(279,746)	(236,623)	(559,548)
USD/RM - strengthened by 5%	831,271	143,484	312,576	162,821
- weakened by 5%	(831,271)	(143,484)	(312,576)	(162,821)
KRW/RM - strengthened by 5%	63,438	236,324	172,314	50,323
- weakened by 5%	(63,438)	(236,324)	(172,314)	(50,323)



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(a) Market Risk (Cont'd)**

**(ii) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate receivables and borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as in defined MFRS 7 since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 20 to the financial statements respectively.

*Interest Rate Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>Effects On Profit After Taxation and Other Comprehensive Income</b>				
Increase by 25 basis points	261,047	209,746	158,347	133,638
Decrease by 25 basis points	(261,047)	(209,746)	(158,347)	(133,638)

**(iii) Equity Price Risk**

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)****35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(b) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other 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.

**(i) Credit Risk Concentration Profile**

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

**(ii) Maximum Exposure to Credit Risk**

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

**(iii) Assessment of Impairment Losses**

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the trade receivables. The Group closely monitors the trade receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulties of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty;
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 1 year past due.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

*Trade Receivables and Contract Assets*

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables and contract assets.

*Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

To measure the expected credit losses, trade receivable has been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables and contract assets are summarised below:-

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>31.12.2020</b>			
Audited			
Current (not past due)	20,460,257	(35,146)	20,425,111
1 to 90 days past due	6,570,777	(6,450)	6,564,327
91 to 180 days past due	13,105,105	(888,249)	12,216,856
More than 181 days past due	2,120,119	(198,256)	1,921,863
Credit impaired	1,148,882	(1,148,882)	-
Trade receivables	43,405,140	(2,276,983)	41,128,157
Contract assets	1,744,724	-	1,744,724
	<b>45,149,864</b>	<b>(2,276,983)</b>	<b>42,872,881</b>

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

*Trade Receivables and Contract Assets (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables and contract assets are summarised below:- (Cont'd)

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>31.12.2021</b>			
Audited			
Current (not past due)	30,749,411	(196,290)	30,553,121
1 to 90 days past due	9,485,998	(253,102)	9,232,896
91 to 180 days past due	3,736,386	(105,874)	3,630,512
More than 181 days past due	9,718,377	(961,035)	8,757,342
Credit impaired	1,403,699	(1,403,699)	-
Trade receivables	55,093,871	(2,920,000)	52,173,871
Contract assets	4,610,721	-	4,610,721
	59,704,592	(2,920,000)	56,784,592
	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>31.12.2022</b>			
Audited			
Current (not past due)	19,327,530	(765,690)	18,561,840
1 to 90 days past due	17,366,119	(347,393)	17,018,726
91 to 180 days past due	2,001,511	(333,962)	1,667,549
More than 181 days past due	3,209,406	(1,584,735)	1,624,671
Trade receivables	41,904,566	(3,031,780)	38,872,786
Contract assets	4,973,791	-	4,973,791
	46,878,357	(3,031,780)	43,846,577

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

*Trade Receivables and Contract Assets (Cont'd)*

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for trade receivables and contract assets are summarised below:- (Cont'd)

	Gross Amount RM	Lifetime Loss Allowance RM	Carrying Amount RM
<b>31.8.2023</b>			
Audited			
Current (not past due)	22,859,709	(235,135)	22,624,574
1 to 90 days past due	18,565,105	(349,328)	18,215,777
91 to 180 days past due	2,150,416	(171,316)	1,979,100
More than 181 days past due	1,758,190	(1,138,937)	619,253
Credit impaired	1,488,838	(1,488,838)	-
Trade receivables	46,822,258	(3,383,554)	43,438,704
Contract assets	3,781,362	-	3,781,362
	50,603,620	(3,383,554)	47,220,066

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 10 and 12 to the financial statements respectively.

*Other Receivables*

The Group applies the 3-stage general approach to measuring expected credit losses for other receivables and amount owing by an associate.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)**

## 35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

## (iii) Assessment of Impairment Losses (Cont'd)

*Other Receivables (Cont'd)**Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

<u>Category</u>	<u>Definition of Category</u>	<u>Loss Allowance</u>
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial period.

*Fixed Deposits with Licensed Banks, Cash and Bank Balances*

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>31.12.2020</b>					
Audited					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	3.00 - 7.48	6,364,191	6,856,749	3,608,160	3,248,589
Term loans	2.81 - 8.90	13,739,327	13,799,703	12,629,389	1,170,314
Trade payables	-	12,525,309	12,525,309	12,525,309	-
Other payables and accruals	-	3,040,023	3,040,023	3,040,023	-
Amount owing to an associate	-	7,950	7,950	7,950	-
Amount owing to related parties	2.45 - 2.55	26,478,842	26,478,842	26,478,842	-
Invoice financing	6.51 - 7.40	252,354	252,354	252,354	-
Bank overdrafts		2,544,906	2,544,906	2,544,906	-
		<b>64,952,902</b>	<b>65,505,836</b>	<b>61,086,933</b>	<b>4,418,903</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-  
(Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>31.12.2021</b>					
Audited					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	3.00 - 7.81	9,166,100	9,472,470	4,137,128	5,335,342
Term loans	3.28 - 8.90	11,039,244	11,124,150	9,767,262	1,356,888
Trade payables	-	23,169,614	23,169,614	23,169,614	-
Other payables and accruals	-	6,554,623	6,554,623	6,554,623	-
Invoice financing	4.90 - 4.95	908,818	908,818	908,818	-
Bank overdrafts	6.51 - 7.40	1,013,119	1,013,119	1,013,119	-
		<b>51,851,518</b>	<b>52,242,794</b>	<b>45,550,564</b>	<b>6,692,230</b>



**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-  
(Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>31.12.2022</b>					
Audited					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	3.00 - 9.91	6,853,484	7,038,652	3,943,054	3,095,598
Term loans	3.50 - 9.90	8,334,066	8,515,693	7,866,061	649,632
Trade payables	-	15,142,993	15,142,993	15,142,993	-
Other payables and accruals	-	9,919,461	9,919,461	9,919,461	-
Amount owing to an associate	-	2,656	2,656	2,656	-
Invoice financing	6.10	615,294	615,294	615,294	-
Bank overdrafts	7.15	116,538	116,538	116,538	-
		<b>40,984,492</b>	<b>41,351,287</b>	<b>37,606,057</b>	<b>3,745,230</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-  
(Cont'd)

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
<b>31.8.2023</b>					
Audited					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	3.00 - 9.91	10,041,486	11,106,176	5,197,067	5,909,109
Term loans	3.50 - 10.25	7,033,593	7,036,747	7,001,230	35,517
Trade payables	-	13,776,088	13,776,088	13,776,088	-
Other payables and accruals	-	4,894,195	4,894,195	4,894,195	-
Amount owing to associate	-	19,964	19,964	19,964	-
Invoice financing	6.25	568,239	568,239	568,239	-
		<b>36,333,565</b>	<b>37,401,409</b>	<b>31,456,783</b>	<b>5,944,626</b>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.2 CAPITAL RISK MANAGEMENT**

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
Lease liabilities	6,364,191	9,166,100	6,853,484	10,041,486
Term loans	13,739,327	11,039,244	8,334,066	7,033,593
Invoice financing	252,354	908,818	615,294	568,239
Bank overdrafts	2,544,906	1,013,119	116,538	-
	<u>22,900,778</u>	<u>22,127,281</u>	<u>15,919,382</u>	<u>17,643,318</u>
Less: Cash and cash equivalents	<u>(3,051,245)</u>	<u>(7,720,362)</u>	<u>(13,099,131)</u>	<u>(10,489,701)</u>
Net debt	<u>19,849,533</u>	<u>14,406,919</u>	<u>2,820,251</u>	<u>7,153,617</u>
Total equity	<u>5,291,601</u>	<u>36,779,359</u>	<u>44,033,146</u>	<u>52,110,766</u>
Debt-to-equity ratio	<u>3.75</u>	<u>0.39</u>	<u>0.06</u>	<u>0.14</u>

There was no change in the Group's approach to capital management during the financial period.

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	Audited 31.12.2020 RM	Audited 31.12.2021 RM	Audited 31.12.2022 RM	Audited 31.8.2023 RM
<b>Financial Assets</b>				
Amortised Cost				
Trade receivables	41,128,157	52,173,871	38,872,786	43,438,704
Other receivables	4,548,579	3,390,296	1,821,066	1,865,852
Amount owing by associates	12,041	4,401	3,940,539	44,903
Amount owing by related parties	-	21,000	3,596	1,675
Fixed deposits with licensed banks	1,157,042	1,182,458	1,205,365	1,059,939
Cash and bank balances	5,521,392	8,657,492	13,134,468	10,404,751
	<u>52,367,211</u>	<u>65,429,518</u>	<u>58,977,820</u>	<u>56,815,824</u>
<b>Financial Liabilities</b>				
Amortised Cost				
Trade payables	12,525,309	23,169,614	15,142,993	13,776,088
Other payables and accruals	3,040,023	6,554,623	9,919,461	4,894,195
Amount owing to associate	7,950	-	2,656	19,964
Amount owing to related parties	26,478,842	-	-	-
Term loans	13,739,327	11,039,244	8,334,066	7,033,593
Invoice financing	252,354	908,818	615,294	568,239
Bank overdrafts	2,544,906	1,013,119	116,538	-
	<u>58,588,711</u>	<u>42,685,418</u>	<u>34,131,008</u>	<u>26,292,079</u>

**13. ACCOUNTANTS' REPORT (Cont'd)**

**AGX GROUP BERHAD**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**35. FINANCIAL INSTRUMENTS (CONT'D)**

**35.4 LOSSES ARISING FROM FINANCIAL INSTRUMENTS**

	Audited 1.1.2020 to 31.12.2020 RM	Audited 1.1.2021 to 31.12.2021 RM	Audited 1.1.2022 to 31.12.2022 RM	Unaudited 1.1.2022 to 31.8.2022 RM	Audited 1.1.2023 to 31.8.2023 RM
<b>Financial Assets</b>					
Amortised Cost					
Net losses recognised in profit or loss	(1,654,262)	(2,269,858)	(95,007)	(1,536,247)	(414,540)
<b>Financial Liabilities</b>					
Amortised Cost					
Net losses recognised in profit or loss	(1,035,608)	(891,871)	(808,233)	(565,283)	(502,158)

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****35. FINANCIAL INSTRUMENTS (CONT'D)****35.5 FAIR VALUE INFORMATION**

At the end of the reporting period, there were no financial instruments carried at fair values in the statement of financial position.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
<b>Audited</b>					
<b>31.12.2020</b>					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	13,739,327	-	13,739,327	13,739,327
<b>31.12.2021</b>					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	11,039,244	-	11,039,244	11,039,244
<b>31.12.2022</b>					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	8,334,066	-	8,334,066	8,334,066
<b>31.8.2023</b>					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	7,033,593	-	7,033,593	7,033,593

**Fair Value of Financial Instruments Not Carried at Fair Value**

The fair values, which are for disclosure purposes, have been determined using the following basis:-

The fair values of the Group's term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

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**13. ACCOUNTANTS' REPORT (Cont'd)**

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**AGX GROUP BERHAD****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****36. SIGNIFICANT EVENTS OCCURRING DURING THE REPORTING YEAR/PERIOD**

- (a) On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a global pandemic. Following the declaration, the Government of Malaysia had on 18 March 2020 imposed the Movement Control Order ("MCO") and subsequently entered into various phases of the MCO to curb the spread of the COVID-19 pandemic in Malaysia.

The Company's operations have been disrupted by a series of precautionary and control measures taken by the government and private corporations in response to the emergency of the COVID-19 pandemic.

Although the Company's operation has been disrupted, the management has assessed the impact on the Company that there was no material financial impacts arising from the pandemic. Nevertheless, the Company has taken and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs.

- (b) On 24 February 2022, its subsidiary AGX Logistics (S) Pte Ltd. had acquired 30% of shares in All-Link Air & Sea Pte. Ltd. with consideration of SGD30,000 (approximately RM93,000).
- (c) On 5 September 2022, its subsidiary AGX Express Phils., Inc. and All-Link Air & Sea Pte. Ltd. incorporated an associate namely All-Link Air & Sea Phils., Inc. with an effective interest rate of 47.99% with consideration of PHP3,600,000 (approximately RM284,000).
- (d) On 8 November 2022, AGX Logistics (M) Sdn. Bhd. incorporated a 70% owned subsidiary namely, AGX Transport Sdn. Bhd.. The Company is principally involved in road freight transportation.

**37. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD**

- (a) On 7 December 2023, AGX Express Phils. Inc. incorporated a 99.99% owned subsidiary namely, AGX Warehouse Solutions Inc.. The intended principal activities are warehousing and other 3PL services.

**13. ACCOUNTANTS' REPORT (Cont'd)****AGX GROUP BERHAD****STATEMENT BY DIRECTORS**

We, Jayasielan A/L Gopal and Dato' Ponnudorai A/L Periasamy, being two of the directors of AGX Group Berhad, state that, in the opinion of the directors, the consolidated financial statements set out on pages 4 to 138 are drawn up in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the Prospectus Guidelines issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of AGX Group Berhad and its subsidiaries (collectively known as the "Group") as of 31 December 2020, 31 December 2021, 31 December 2022, and 31 August 2023 and their financial performance and cash flows for the financial years/period then ended 31 December 2020, 31 December 2021, 31 December 2022, and 31 August 2023.

Signed in accordance with a resolution of the directors dated **02 JAN 2024**



Jayasielan A/L Gopal



Dato' Ponnudorai A/L Periasamy

**STATUTORY DECLARATION**

I, Chang Poh Sheng, being the officer primarily responsible for the financial management of AGX Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 4 to 138 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Chang Poh Sheng, NRIC Number: 720509-14-5217  
at Kuala Lumpur  
in the Federal Territory  
on this **02 JAN 2024**



Chang Poh Sheng

Before me



Unit C-6-1, Megan Avenue II  
No. 12, Jalan Yap Kwan Seng  
50450 Kuala Lumpur



## 14. ADDITIONAL INFORMATION

### 14.1 SHARE CAPITAL

- (a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which ranks equally with one another.
- (b) Save for the Pink Form Allocations and 15,690,000 Offer Shares to be acquired by Dato' Rozalila Binti Abdul Rahman, our Independent Non-Executive Director, Chairperson, as disclosed in Section 4.3.2 and Section 4.3.3 of this Prospectus respectively,
  - (i) no person including Directors and employees of our Group has been or is entitled to be given or has exercised any option to acquire/subscribe for any shares or debentures, warrants, options, convertible securities or uncalled capital of our Company or our subsidiaries; and
  - (ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (c) Save as disclosed in Section 6.4 of this Prospectus, no shares, debentures, warrants, options, convertible securities or uncalled capital of our Group have been issued or are 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.
- (d) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

### 14.2 CONSTITUTION

The following provisions are extracted from our Constitution and are qualified in its entirety by the provisions of our Constitution and by applicable law. Terms defined in our Constitution shall have the same meaning when used here unless they are otherwise defined here or the context otherwise requires.

#### 14.2.1 Share Capital

The provisions in our Constitution in respect of the changes in capital and variation of class rights are as follows:

##### **Clause 7 – Classes of shares**

##### (3) Rights of preference shareholders

Subject to the Act, any applicable laws and any other requirements of Bursa Securities and the SC, any preference shares may with the sanction of an ordinary resolution be issued on the terms that they are liable, or at the option of the Company are liable to be redeemed and the Company shall not issue preference shares ranking in priority over preference shares already issued but may issue preference shares ranking equally therewith.

- (a) A holder of preference shares must have a right to vote in each of the following circumstances:
  - (i) when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
  - (ii) on a proposal to reduce the Company's share capital;

**14. ADDITIONAL INFORMATION (Cont'd)**

- (iii) on a proposal for the disposal of the whole of the Company's property, business and undertaking;
  - (iv) on a proposal that affects the rights attached to the preference shares;
  - (v) on a proposal to wind up the Company; and
  - (vi) during the winding up of the Company.
- (b) A holder of preference shares shall be entitled to the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements and attending meetings.

**(4) Repayment of preference capital**

Notwithstanding Clause 3 hereof, the repayment of preference share capital other than redeemable preference shares or any alteration of preference shareholders' 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 resolution is not obtained at the meeting of the preference shareholders concerned, consent in writing representing not less than seventy-five percent (75%) of the total voting rights of the holders of the preference shares obtained within two (2) months of the meeting shall be valid and effectual as a special resolution carried at the meeting.

**Clause 8 – Variation of rights****(1) Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

- (a) with the consent in writing of the holders holding not less than seventy-five percent (75%) of the total voting rights of the holders of that class of shares; or
- (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

**(3) Variation of rights of existing preference shares**

The rights attached to an existing class of preference shares shall be deemed to be varied by the issue of new preference shares that rank equally with the existing class of preference shares unless such issuance was authorised by:

- (a) the terms of the issue of the existing preference shares; or
- (b) this Constitution of the Company as in force at the time when the existing preference shares were issued.

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**14. ADDITIONAL INFORMATION (Cont'd)****Clause 12 – Issue of securities**(1) Allotment of shares or grant of rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

- (a) issue and allot shares in the Company; and
- (b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Issue of new shares or securities to Members

- (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.
- (b) The offer shall be made by notice specifying the number of shares or 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 securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.
- (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

(4) General mandate for issue of securities

Subject to the Listing Requirements, requirements prescribed by Bursa Securities and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities exceeds the prescribed limit as permitted under the Listing Requirements and set by Bursa Securities from time to time, except where the shares or convertible securities are issued with the prior shareholder approval in a General Meeting of the precise terms and conditions of the issue. In working out the number of shares or convertible securities that may be issued by the Company, if the security is a convertible security, each of such security is counted as the maximum number of shares into which it can be converted or exercised.

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**14. ADDITIONAL INFORMATION (Cont'd)****Clause 46 – Alteration of capital***(1) Consolidation of shares and subdivision of shares*

The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

- (a) consolidate and divide all or any of its share capital, 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; or
- (b) subdivide its shares or any of them into shares, whichever 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.

*(2) Cancellation of shares and reduction of share capital*

The Company may from time to time by special resolution and subject to other applicable requirements:

- (a) cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or
- (b) reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

*(3) Purchase of own shares*

The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

**14.2.2 Borrowing and voting powers of the Directors**

The provisions in our Constitution dealing with voting and borrowing powers of our Directors including voting powers in relation to proposals, arrangements or contracts in which they are interested in are as follows:

**Clause 94 – Powers of Directors**

Without limiting the generality of Clause 93(1) and (2), the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

*Borrowing*

- (1) borrow money;

**14. ADDITIONAL INFORMATION (Cont'd)**Mortgage

- (2) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

Issue debentures

- (3) issue debentures and other Securities whether outright or as security; and/or

Lend or advance money

- (4) (a) lend and advance money or give credit to any person or company;
- (b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;
- (c) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company.

**Clause 96 – Powers of Directors**Power of attorney

- (1) The Directors may from time to time by power of attorney under Seal appoint any corporation, firm, or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities, and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for a period and subject to any conditions as the Directors may think fit.
- (2) Any powers of attorney granted under Clause 96(1) may contain provisions for the protection and convenience of persons dealing with the attorney as the Directors think fit and may also authorise the attorney to delegate all or any of the powers, authorities, and discretions vested in the attorney.

**Clause 104 – Directors' interest in contracts**Directors' interest in contracts

- (a) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.
- (b) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

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**14. ADDITIONAL INFORMATION (Cont'd)**

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**Clause 117 – Voting at board meetings***(1) Directors' decision*

Subject to this Constitution, questions arising at a Board Meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

*(2) Casting of vote*

Each Director is entitled to cast one (1) vote on each matter for determination.

**Clause 118 – Casting Vote**

In the case of an equality of votes, the chairperson of the Board Meeting is entitled to a second or casting vote, except where two (2) Directors form a quorum and only such a quorum is present, or at which only two (2) Directors are competent to vote on the question at issue.

**14.2.3 Remuneration of Directors**

The provisions in our Constitution dealing with remuneration of Directors are as follows:

**Clause 84 – Appointment of Managing and Executive Directors***Remuneration*

A Managing Director or an Executive Director shall, subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, bonus, commission, or participation in profits, or partly in one way and partly in another and other benefits) as the Board of Directors may determine.

**Clause 92 – Remuneration of Directors***(1) Fee*

Subject to Clause 84, the fees of the Directors and any benefits payable to the Directors including compensation for loss of employment of a Director or a former Director of the Company shall be subject to annual shareholders' approval at a General Meeting.

*(2)*

If the fee of each such non-executive Director is not specifically fixed by the Members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

**14. ADDITIONAL INFORMATION (Cont'd)**(3) Expenses

The following expenses shall be determined by the Directors:

- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or General Meetings of the Company or in connection with the business of the Company; and
- (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(4) Executive Directors' remuneration

Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 but such remuneration may not include a commission on or percentage of turnover.

**14.2.4 Transfer of Shares**

The provisions in our Constitution dealing with transfer of Shares are as follows:

**Clause 14 – Transfer of Securities**Transfer of securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

**Clause 17 – Transfer of Shares or Debentures**(1) Instrument of transfer

Subject to this Constitution and other written laws, any Shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

(2) Execution of instrument of transfer

The instrument of transfer must be executed by or on behalf of the transferor and the transferee.

(3) Effect the transfer of shares or debentures

The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the Register of Members or register of debenture holders in respect of the shares or debentures respectively.

**14.3 LIMITATION ON THE RIGHT TO OWN SECURITIES**

There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

## 14. ADDITIONAL INFORMATION (Cont'd)

### 14.4 PUBLIC TAKE-OVERS

During the last financial year and up to the LPD, 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' shares.

### 14.5 REPATRIATION OF CAPITAL, REMITTANCE OF PROFIT AND TAXATION

#### (i) Malaysia

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single-tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gains tax arising from the disposal of listed shares.

Effective from 1 January 2022, generally, all types of foreign income (i.e., dividends) received in Malaysia by a resident in Malaysia is subject to tax. For the period from 1 January 2022 to 30 June 2022, foreign income received in Malaysia will be taxed at a rate of 3% at gross under the Income Tax Act 1967. Effective from 1 July 2022, foreign income received in Malaysia is subject to the prevailing tax rate.

Notwithstanding the above, the Income Tax (Exemption) (No. 6) Order 2022 ("**Exemption Order**") provides for exemption on foreign sourced dividend income received in Malaysia by, amongst others, a resident company incorporated under the Act for the period from 1 January 2022 to 31 December 2026. The exemption is given subject to the following qualifying conditions:

- (i) the dividend income has been subjected to tax in the country of origin;
- (ii) the highest tax rate (headline tax) in the country of origin is not less than 15 percent; and
- (iii) comply with the economic substance requirements.

Reference can be made to the Technical Guidelines issued by the Inland Revenue Board of Malaysia on 29 December 2022 to determine whether the above conditions are met for the purposes of the exemption on foreign sourced dividend income received in Malaysia. For clarity purposes, the Exemption Order does not apply to a resident carrying on the business of banking, insurance or sea or air transport.

#### (ii) Singapore

##### (a) Exchange controls

Subject to AGX Singapore adhering to the applicable provisions of the Companies Act 1967 of Singapore ("**Singapore Companies Act**"), there are no significant restrictions on the remittance of profits, dividend and the return of capital by AGX Singapore to AGB. Under the laws of Singapore, AGX Singapore may repatriate capital and/or remit profits to AGB by way of:

- (i) share buy-backs;
- (ii) capital reduction;



**14. ADDITIONAL INFORMATION (Cont'd)**

(iii) distribution of assets on a winding-up; and

(iv) declaration of dividends.

(b) Dividend distribution

Subject to the Singapore Companies Act, the constitution of AGX Singapore, and the payment of applicable taxes under the laws of Singapore:

(i) dividends may be paid only out of profits available for distribution. The constitution of AGX Singapore provides for the declaration of dividends upon AGB's approval by ordinary resolution in a general meeting, but any dividend declared must not exceed the amount recommended by the directors of AGX Singapore. There are no restrictions on payment of dividends to AGB;

(ii) the directors of AGX Singapore may, from time to time, pay to AGB such interim dividends as appear to the directors to be justified by the profits of AGX Singapore; and

(iii) capital may not be returned to AGB unless a capital reduction exercise is carried out.

(c) Withholding tax

Dividends received in respect of the ordinary shares of AGX Singapore by either Singapore tax resident or non-Singapore tax resident taxpayers are not subject to Singapore withholding tax, even if paid to non-Singapore resident shareholders.

Singapore operates under the "One-Tier" Corporate Tax System ("**One-Tier System**"). Under this One-Tier System, the tax collected from corporate profits is the final tax and AGX Singapore can pay tax exempt (1-tier) dividends which are tax exempt in the hands of AGB, regardless of the tax residence status or the legal form of AGB.

(iii) **Philippines**

(a) Exchange controls

Subject to the Republic Act No. 7653 (1993), as amended by Republic Act No. 11211 (2018), dividend and profit remittances as well as capital repatriation are generally not regulated in the Philippines. Among the rights recognised by the Philippine government is the right to remit earnings from investment, in the currency in which the investment was originally made and at the exchange rate prevailing at the time of remittance.

Foreign investments registered with the Bangko Sentral ng Pilipinas ("**BSP**") may repatriate capital and remit dividends, profit and earnings, using foreign exchange sourced from the domestic banking system. If the foreign investment is not registered with the BSP, remittances using foreign exchange may only be sourced outside the domestic banking system.

(b) Dividend distribution

Under the laws of the Philippines, dividends may only be declared out of the unrestricted retained earnings of AGX Philippines/AGX Worldwide, which may be paid by cash, property or in stock to all stockholders, including AGB, on the basis of the outstanding stock held by them.

**14. ADDITIONAL INFORMATION (Cont'd)**

Board of directors' approval is required for the declaration of cash dividends. Any cash dividends due on delinquent stock shall first be applied to the unpaid balance on the subscription price plus costs and expenses. Declaration of stock dividends also require the board of directors' approval and the approval of at least two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose. Further, stock dividends shall be withheld from the delinquent stockholders until their unpaid subscription is fully paid.

AGX Philippines/AGX Worldwide is prohibited from retaining surplus profits in excess of 100% of its paid-in capital stock, except:

- (i) when justified by definite corporate expansion projects or programs approved by the board of directors;
- (ii) when AGX Philippines/AGX Worldwide is prohibited under any loan agreement with financial institutions or creditors, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured; or
- (iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in AGX Philippines/AGX Worldwide, such as when there is need for special reserve for probable contingencies.

(c) **Withholding tax**

Dividends received by AGB from AGX Philippines/AGX Worldwide is subject to income tax at a final withholding tax rate of 15%. The prevailing Double Tax Treaty Agreement between Malaysia and the Philippines currently provides that the dividends payable to a Malaysian incorporated company, i.e. AGB, will be subject to a preferential tax rate of 15% of the gross amount of the dividends.

(iv) **Korea**

(a) **Exchange controls**

The Foreign Exchange Transaction Act of Korea and the Presidential Decree and regulations thereunder ("**Foreign Exchange Transaction Laws**"), regulate foreign currency exchange and cross border transactions by or with companies domiciled in Korea, pursuant to which prior and post reporting obligations may be required for such transactions to or from Korea by AGX Korea on a case-by-case basis. Subject to certain limitations, the Ministry of Economy and Finance of Korea ("**MOEF**") has the authority to take the following actions under the Foreign Exchange Transaction Laws for a period of up to 6 months, or longer under extraordinary circumstances:

- (i) if the Korean government deems it necessary on account of war, armed conflict, natural disaster or grave and sudden and significant changes in domestic or foreign economic circumstances or similar events or circumstances, the MOEF may temporarily suspend performance under any or all foreign exchange transactions, in whole or in part, to which the Foreign Exchange Transaction Laws apply (including suspension of payment and receipt of foreign exchange) or impose an obligation to deposit, safe-keep or sell any means of payment to The Bank of Korea, a foreign exchange equalisation fund or certain other governmental agencies or financial institutions; and

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**14. ADDITIONAL INFORMATION (Cont'd)**

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(ii) if the Korean government concludes that the international balance of payments and international financial markets are experiencing or are likely to experience significant disruption or that the movement of capital between Korea and other countries is likely to adversely affect its currency policies, exchange rate policies or other macroeconomic policies, the MOEF may take action to require any person who intends to effect a capital transaction to obtain permission or to require any person who effects a capital transaction to deposit a portion of the means of payment acquired in such transactions with The Bank of Korea, a foreign exchange equalisation fund or certain other governmental agencies or financial institutions, in each case subject to certain limitations.

(b) Dividend distribution

No governmental approval is required for AGB to receive any dividends or sale proceeds of any shares in a Korean company which are to be paid, received, and retained in Korea. Such dividends or sales proceeds may be received by AGB in its account established with a bank located outside Korea or AGB may deposit such amounts in its Korean Won account established with a foreign exchange bank. Such funds in AGB's Korean Won account may be transferred to its account established with a bank located outside Korea.

Further, there are no restrictions under the Articles of Incorporation of AGX Korea that explicitly prohibit, directly or indirectly, the payment of dividends to its foreign shareholder, AGB, on its shares in any material respects.

(c) Withholding tax

Korean withholding tax are deducted from dividends (whether in cash or in shares) paid to a non-resident at a rate of 22% (inclusive of local income tax). If a non-resident is a qualified resident in a country that has entered into a tax treaty with Korea, such non-resident may qualify for a reduced rate of Korean withholding tax. Pursuant to the agreement between the Government of the Republic of Korea and the Government of Malaysia for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income that came into force on 2 January 1983 ("**Korea-Malaysia Tax Treaty**"), the domestic withholding tax rate on dividends paid by AGX Korea to AGB, a resident of Malaysia, may be limited to the laws of Korea if AGB is the beneficial owner of the dividends. In such case, the tax so charged shall not exceed (a) 10.0% of the gross amount of the dividends if such beneficial owner owns directly at least 25.0% of the capital stock of AGX Korea, and (b) 15.0% of the gross amount of the dividends in all other cases. In order to enjoy the withholding tax rates for a particular treaty, the beneficial owner of the Korean source income must submit an "Application for Entitlement to Reduced Tax Rate on Domestic Source Income" to the withholding party showing that the beneficial owner is a resident of the country related to the applicable treaty.

**14. ADDITIONAL INFORMATION (Cont'd)**

As a general rule, capital gains earned by non-residents upon transfer of the common shares would be subjected to Korean income tax at a rate equal to the lesser of (i) 11.0% (including local income tax) of the gross proceeds realised or (ii) 22.0% (including local income tax) of the net realised gain (subject to the production of satisfactory evidence of the acquisition costs and certain direct transaction costs arising out of the transfer of such common shares), unless such non-resident is exempted from Korean income taxation under an applicable Korean tax treaty which Korea has entered into with the non-resident's country of tax residence. Pursuant to Article 13 of the Korea-Malaysia Tax Treaty, alienation of the shares in AGX Korea by AGB may be exempted from taxation in Korea if AGB is a tax resident of Malaysia which is eligible for the Korea-Malaysia Tax Treaty.

**(v) Myanmar****(a) Exchange controls**

Despite what is agreed to by Myanmar in Paragraph 1 of the ASEAN Comprehensive Investment Agreement ("**ACIA**") that it shall allow all transfers relating to a covered investment to be made freely and without delay into and out of its territory, the Central Bank of Myanmar ("**CBM**") issued Notification No. 12/2022, forming part of strict foreign exchange control regulations, which provides that all offshore remittances must be carried out by an Authorised Dealer Banks and it can only occur with the approval of the Foreign Exchange Supervisory Committee. The offshore remittances include payments for imports, services, dividends and the repatriation of investment funds, offshore investments, repaying offshore loans and paying for expenses relating to overseas trips.

According to the ACIA, a covered investment in Myanmar is an investment (including, but not limited to, shares and reinvestment in a company incorporated in Myanmar, as well as dividends from a company incorporated in Myanmar) made by an investor from any other ASEAN member state. This encompasses investments that were in existence as of the date the ACIA came into force, 29 March 2012, or established, acquired, or expanded thereafter, subject to compliance with Myanmar laws, regulations, and national policies and the relevant approval in certain cases.

Subsequent to the issuance of Notification No. 12/2022, CBM has issued an exemption list to certain types of organisation that are exempted from seeking approval from the Foreign Exchange Supervisory Committee for offshore remittance. Since AGX Myanmar is not on the exemption list, AGX Myanmar will need to apply or seek for the permission or approval of Foreign Exchange Supervisory Committee for offshore remittance of dividends, interest or other payments to its shareholders, including AGB.

**(b) Dividend distribution**

There are no restrictions under the constitution of AGX Myanmar that explicitly prohibit, directly or indirectly, the payment of dividends to its foreign shareholder, AGB, on its shares in any material respects. However, payment of dividend to AGB is subject to the approval of the Foreign Exchange Supervisory Committee for foreign currency remittance. In practice, prior to dividend remittance to foreign shareholders, resolution of the general meeting and tax clearance of the relevant year will be required.

**14. ADDITIONAL INFORMATION (Cont'd)**

## (c) Withholding tax

There is no withholding tax on dividend in Myanmar. Pursuant to Section 5(a)(xii) of the Income Tax Law, 1974 (as amended), the income tax (including withholding tax) shall not apply to dividend rendered from after-taxed profit of other tax unit (association of persons). As such, no withholding tax is required against payment of dividend by AGX Myanmar to its shareholders, including AGB.

**14.6 MATERIAL CONTRACTS**

Save as disclosed below, we have not entered into any contract which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus, up to the date of this Prospectus:

- (i) Share Sale Agreement dated 30 November 2019 and Supplemental Agreement dated 30 November 2020 between AGX BVI (as vendor) and AGB (as purchaser) in relation to the acquisition of all ordinary shares held by AGX BVI in AGX Malaysia, AGX Singapore, AGX Philippines, AGX Korea, AGX Myanmar and AGX Cambodia by AGB for a total consideration of RM26,374,131 to be satisfied via issuance and allotment of an aggregate of 263,741,310 new shares in AGB at an issue price of RM0.10 per share to the existing ultimate shareholders of AGX BVI.

AGX BVI was incorporated in the British Virgin Islands on 18 May 2017. AGX BVI was an investment holding company. Subsequent to the Share Sale Agreement dated 30 November 2019 between AGX BVI and AGB, the then shareholders of AGX BVI had, on 30 October 2020, disposed of all their shares in AGX BVI to Melinda Donnel Raj. Melinda Donnel Raj does not have any relationship with the directors or shareholders of AGB or in any way connected to our Group;

- (ii) Share Sale Agreement dated 26 December 2019 between AGB (as purchaser) and Yun JaeHoon (as vendor) and Supplemental Letter dated 26 December 2019 from AGB to Yun JaeHoon in relation to the acquisition of 360,000 ordinary shares in AGX Korea, representing 60% of the issued share capital of AGX Korea for a total cash consideration of KRW 210,709,995;
- (iii) Joint Venture and Shareholders' Agreement dated 13 July 2022 between Xu Hao (executive director, major shareholder and legal representative of Shanghai All-Link Logistics Co., Ltd. ("**All-Link**")), AGX Singapore and All-Link Singapore and Supplemental Agreement dated 13 April 2023 between Xu Hao, All-Link, Tang Ying, AGX Singapore and All-Link Singapore.

The agreement regulates the rights, obligations and liabilities of Tang Ying and AGX Singapore as shareholders of All-Link Singapore and in carrying on the business of logistics, and any other business as may be agreed by the parties from time to time, in Singapore and other countries in Southeast Asia, mainly to serve All-Link's customers from China who have expanded their business to Southeast Asia;

- (iv) Joint Venture and Shareholders' Agreement dated 10 January 2023 between All-Link Singapore, AGX Philippines, Jun Miao and All-Link Philippines.

The agreement regulates the rights, obligations and liabilities of All-Link Singapore, AGX Philippines and Jun Miao as shareholders of All-Link Philippines and in carrying on the business of logistics, and any other business as may be agreed by the parties from time to time, in the Philippines, mainly to serve All-Link's customers from China who have expanded their business to Southeast Asia;

**14. ADDITIONAL INFORMATION (Cont'd)**

- (v) Shareholders' Agreement dated 13 December 2022 and Supplemental Agreement dated 13 January 2023 between AGX Malaysia, Mohd Zalani Bin Abdullah and AGX Transport. The agreement regulates the rights, obligations and liabilities of AGX Malaysia and Mohd Zalani Bin Abdullah as shareholders of AGX Transport and in carrying on the land transportation business and any other business as may be agreed by the parties from time to time, in Malaysia, mainly to serve AGX Malaysia's customers who require road transportation service; and
- (vi) Underwriting Agreement.

**14.7 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS (GENERAL INFORMATION)**

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, holders of our Shares must deposit their Shares with Bursa Depository on or before the date fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, Malaysia and such Shares may not be traded on Bursa Securities.

Dealing in Shares deposited with Bursa Depository may only be effected by a person having a securities account with Bursa Depository ("**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.

**14.8 CONSENTS**

- (a) The written consents of the Principal Adviser, Sponsor, Placement Agent and Underwriter, Solicitors, Share Registrar, Company Secretaries and Issuing House for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn;
- (b) The written consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of their names, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (c) The written consent of the IMR for the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus and have not been subsequently withdrawn.

**14.9 DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the Registered Office of our Company during office hours for a period of 6 months from the date of this Prospectus:

- (a) our Constitution;
- (b) the IMR Report referred to in Section 8 of this prospectus;

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**14. ADDITIONAL INFORMATION (Cont'd)**

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- (c) the Reporting Accountants' Report on the Pro Forma Consolidated Statements of Financial Position as referred to in Section 12 of this Prospectus;
- (d) the Accountants' Report as included in Section 13 of this Prospectus;
- (e) the material contracts referred to in Sections 7.18 and 14.6 of this Prospectus;
- (f) the letters of consent referred to in Section 14.8 of this Prospectus;
- (g) the audited financial statements of AGB for the financial period from 26 November 2019 to 31 December 2020, FYE 2021, FYE 2022 and FPE 2023; and
- (h) the audited consolidated financial statements of our Group's subsidiaries respectively for FYE 2020, FYE 2021 and FYE 2022.

**14.10 RESPONSIBILITY STATEMENTS**

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

TA Securities, being our Principal Adviser, Sponsor, Placement Agent and Underwriter in relation to our IPO 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.

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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 PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE 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 APPLICATIONS**

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 16 January 2024

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 23 January 2024

Applications for the IPO Shares will open and close at the dates stated above.

In the event of any change to the dates or time for closing, 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 APPLICATIONS****15.2.1 Application for our IPO Shares by the Malaysian Public and Eligible Persons**

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

<b>Types of Application and category of investors</b>	<b>Application Method</b>
Applications by the Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(ii) Non-Individuals	White Application Form only

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**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)****15.2.2 Application by selected investors via placement**

<b>Types of Application</b>	<b>Application Method</b>
Applications by selected investors	Our Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

Selected investors may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

**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 Application.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE 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.**

**AN APPLICANT WHO WISHES TO APPLY FOR IPO SHARES OFFERED TO THE MALAYSIAN PUBLIC USING A JOINT BANK ACCOUNT SHOULD COMMUNICATE WITH THE FINANCIAL INSTITUTION IN CHARGE OF IPO APPLICATION TO PROVIDE THE MATCHING NAME IN THE JOINT BANK ACCOUNT AGAINST HIS/ HER CDS ACCOUNT TO THE ISSUING HOUSE. THIS IS TO ENSURE THAT THE ISSUING HOUSE RECEIVES THE IPO APPLICATION WHERE THE NAME IN THE JOINT BANK ACCOUNT MATCHES AGAINST THE NAME IN THE CDS ACCOUNT AND TO MINIMIZE THE INCIDENT OF REJECTED IPO APPLICATION DUE TO "CDS ACCOUNT BELONGS TO OTHER PERSON". OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUE ARISING THEREAFTER.**

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## 15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

### 15.3.2 Application 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 18 years old as at the date of the application for our IPO Shares; 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 the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:
  - (a) White Application Form; or
  - (b) Electronic Share Application; or
  - (c) Internet Share Application.

### 15.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation.

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, the Issuing House, TA Securities, 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 RM0.35 for each IPO Share.

Payment must be made out in favour of “**MIH SHARE ISSUE ACCOUNT NO. 637**” 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 of the following methods:

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd  
 (199301003608 (258345-X))  
 11<sup>th</sup> Floor, Menara Symphony  
 No. 5, Jalan Prof. Khoo Kay Kim  
 Seksyen 13, 46200 Petaling Jaya  
 Selangor Darul Ehsan  
 Malaysia

or

P.O. Box 00010  
 Pejabat Pos Jalan Sultan  
 46700 Petaling Jaya  
 Selangor Darul Ehsan  
 Malaysia

- (b) **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, Malaysia, so as to arrive not later than 5.00 p.m. on 23 January 2024 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, 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 Form to the Issuing House.

**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, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad and Public Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

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**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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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 THE ISSUING HOUSE**

The Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
  - (a) do not conform to the instructions of our 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
- (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 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House 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, the Issuing House 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 Issue 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 results of the allocation of our Issue Shares derived from successful balloting will be made available to the public at the Issuing House's website at [www.mih.com.my](http://www.mih.com.my) within 1 Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.0% of our Company's 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 the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public, subject to the underwriting arrangements and reallocation as set out in Sections 4.3.4(i) and 4.10 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Underwriter based on the terms of the Underwriting Agreement.

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**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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**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 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 the Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) The Issuing House 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 ordinary/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 Application and Internet Share Application**

- (i) The Issuing House 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 Institution or Internet Participating Financial Institution (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.
- (ii) You may check your account on the 5<sup>th</sup> Market Day from the balloting date.

**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

- (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 the Issuing House 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 Institution will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institution will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

**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 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:

<b>Mode of application</b>	<b>Parties to direct the enquiries</b>
Application Form	Issuing House Enquiry Services 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 Issuing House website at [www.mih.com.my](http://www.mih.com.my), **one Market Day** after the balloting date.

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**15. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**

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You may also check the status of your Application at the above website, **five 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 Prospectus on the website of Bursa Securities.

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