



# CELEBRATING MILESTONES

**AGX GROUP BERHAD**  
201901042663 (1351993-K)

Annual Report 2023

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<https://agxlogistics.com/investor-relations/>





# POSITIONED **FOR GROWTH**



Over the past year, we have navigated through challenges with resilience and adaptability, leveraging opportunities to strengthen our position in the market. As we stand on the cusp of a new era, we are poised for growth like never before.

In this report, we invite you to delve into our achievements, milestones, and strategic initiatives that have propelled us forward. From expanding our market presence to enhancing operational efficiency, every endeavor has been meticulously crafted to drive value for our shareholders, empower our employees, and serve our clients better. As we chart our course for the future, we remain steadfast in our commitment to innovation, sustainability, and delivering superior returns. With a solid foundation and a clear vision, we are confident in our ability to seize opportunities and unlock new avenues for growth in the years to come.



## Corporate Profile



### GLOBAL FREIGHT FORWARDING & LOGISTICS COMPANY WITH A SERVICE DRIVEN CULTURE

AGX Group Berhad (“AGX” or the “Company”) is a third-party logistics (3PL) service provider. Our Group’s history can be traced back to the incorporation of AGX Logistics (M) Sdn Bhd (“AGX Malaysia”) in 2004 and the commencement of its business as a provider of sea and air freight forwarding and aerospace logistics services in 2005. Our Group provides a range of services to meet the diverse needs of our clients, categorised as follows:-

- i. Sea freight forwarding
- ii. Air freight forwarding
- iii. Aerospace logistics
- iv. Warehousing and other 3PL services
- v. Road freight transportation

Since AGX Malaysia commenced its business in 2005, we have been involved in providing aerospace logistics services primarily to airline operators, aircraft maintenance, repair and overhaul (MRO) workshops, and aircraft parts vendors. Aerospace logistics services are specialised, setting AGX apart from other general logistics companies. Currently, we have three aerospace logistics teams operating in Malaysia, Singapore, and the Philippines.

In support of our clients’ international business demands, our Group expanded its reach to six countries, primarily in Southeast Asia, namely Malaysia, Singapore, the Philippines, Korea, Myanmar, and Cambodia (via associate), by establishing and operating branch offices and warehouses. With Malaysia now being our Group’s global headquarters, as of April 2024, our Group operates 18 offices and 11 warehouses in Malaysia, Singapore, the Philippines, Korea, Myanmar, and Cambodia, employing more than 400 individuals.

Our Group (through its subsidiary) is registered as a Non-vessel Operating Common Carrier (NVOCC) and accredited as an International Air Transport Association (IATA) Cargo Agent, thus permitting direct dealings with sea (for shipments to the United States) and air freight common carriers.



- 2004** AGI Logistics (Malaysia) Sdn Bhd was incorporated
- 2009** AGI Logistics (Malaysia) Sdn Bhd changed its name to ("**AGX Malaysia**")
- 2010** AGX Logistics (S) Pte. Ltd. ("**AGX Singapore**"), first subsidiary in a foreign country, was incorporated
- 2011**
- AGX Malaysia started to provide warehousing and other 3PL services, and road freight transportation services
  - Changi Airport Warehouse in Singapore commenced operations
- 2012**
- AGX Logistics Korea Co., Ltd. ("**AGX Korea**") was incorporated and commenced business
  - AGX Express Phils. Inc. ("**AGX Philippines**") was incorporated and commenced business
- 2013**
- AGX Logistics (Myanmar) Company Limited ("**AGX Myanmar**") was incorporated
  - AGX Singapore started to provide warehousing and other 3PL services

2004 -  
20142015 -  
2024

- 2017**
- AGX Myanmar started to provide warehousing and other 3PL services, and road freight transportation services
  - KLIA Warehouse in Malaysia commenced operations
- 2019**
- AGX Worldwide Solutions Inc. ("**AGX Worldwide**") was incorporated in the Philippines
  - Subic Bay Warehouse in the Philippines commenced operations
  - AGX Group Berhad was incorporated in Malaysia
  - Completed the acquisition of the remaining 60% of the equity interest in AGX Korea
- 2021** Relocated AGX Singapore's head office and warehouse operations from our Changi South Warehouse to Gul Warehouse and Office
- 2022**
- 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)
  - AGX Transport Sdn. Bhd. ("**AGX Transport**") was incorporated in Malaysia
- 2023**
- Relocated Port Klang Warehouses 1 and 2 to the Lot 41 Warehouse at Taman Perindustrian Pulau Indah in Selangor, Malaysia
  - AGX Philippines was accredited as an International Air Transport Association (IATA) Cargo Agent
- 2024** AGX Group Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad on 7 February 2024

## Corporate Milestones & Achievements



AGX Philippines was accredited as an **INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) CARGO AGENT** in February 2023

# Global Presence

## PRESENCE IN 6 COUNTRIES, CONNECTING 155+ DESTINATIONS

AGX started its business in 2004, operating out of a single Malaysia office. Since then, we have built a solid reputation throughout the world as an innovative and flexible provider of logistics services. Over the past 20 years, our successful entrepreneurial history with a significant positive growth encouraged us to expand in Singapore, the Philippines, Myanmar, Korea & Cambodia (via associate).

We are a member of international logistics networks and platforms. With our highly dedicated and client centric team approach, we begin to spin the globe with global access to more than 1,100 network members worldwide.

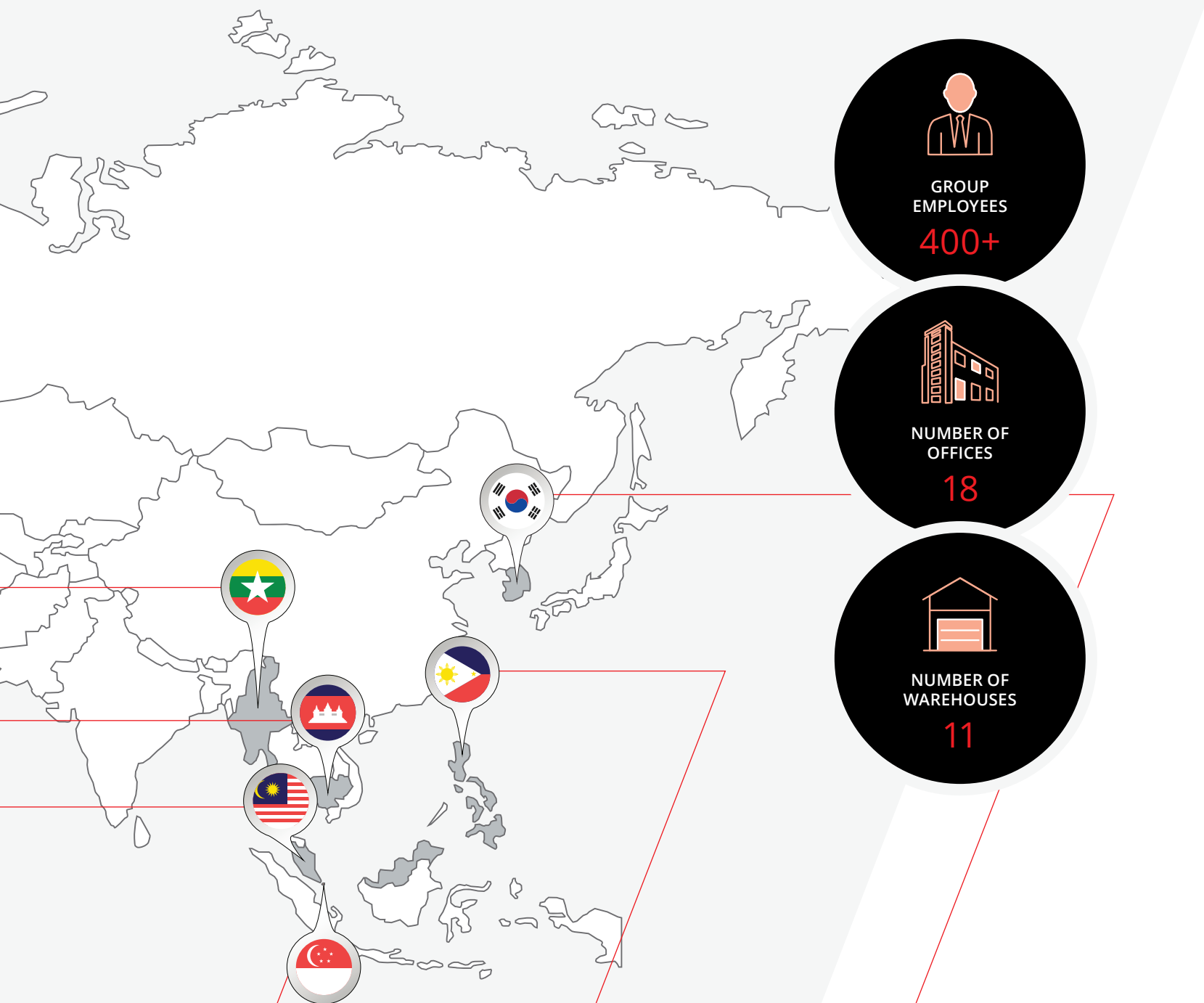


MYANMAR

CAMBODIA

MALAYSIA





SINGAPORE

PHILIPPINES

KOREA





## Business Overview

# Logistics Solutions with Worldwide Connections



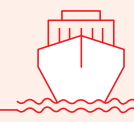
Our clients' cargo's fastest and most efficient fleet

### AIR FREIGHT

Our flexibility and dependable nature of flying our clients' cargo at the fastest and most efficient way possible is our pride!

We implement solutions to your changing needs by staying true to our trustworthy process for air freight shipments.

Our clients get to experience an end-to-end professional and effective flight service that goes beyond touchdown, from handling the initial quotation, enhancing and fine-tuning our clients' requests, through to all the regulations check and we provide real-time tracking.



Our clients' cargo's cost-effective and reliable fleet

### SEA FREIGHT

Our cost-effective approach of connecting the dots of where our clients' cargo needs to be, when it needs to be there, is our pride!

Choosing Sea Freight means working with our team of professionals intricately involved in each process, from tailoring specific service requests for our clients' cargo to the needed security and documentation compliance.

Set sail to an assurance of quality delivery for our clients' cargos as they navigate the world's seas.







Get our clients' plane  
back in the air

#### AEROSPACE LOGISTICS

AGX's dedicated and highly experienced Aviation Shipping Specialists create comprehensive logistical solutions to help keep down time to a minimum. Our global team has long tenure in the aviation shipping industry and has extensive aviation knowledge and vast experiences from different companies of parts suppliers to original equipment manufacturers (OEM) and airlines.

We offer a wide range of services including same day delivery in our clients' country and overnight to most international destinations, and custom solutions that range from door-to-door, hold for pickup, priority freight, dedicated drives, specialised trucking, on board courier and aircraft chartering, as well as import and export customs clearance and warehousing. Custom support includes aftermarket care and logistics consultation, a 24-hour help desk for emergency and technical assistance.



Safe, secured, and  
specialised storage for  
our clients' goods

#### WAREHOUSING, STORAGE & DISTRIBUTION

Our whole understanding of our clients' warehouse needs, including specialised services that can help adapt the ever-evolving landscape of their business. We strive to provide our clients with the best service at a competitive price.

Our warehouse and customised suites are fully optimised to provide our clients with all the distribution services they may need while operating at peak efficiency.



Our clients' cargo's  
most practical and  
trustworthy fleet

#### LAND TRANSPORTATION

Armed with the in and out of land freight and transport, our team is ready to aid our clients' from the coordination of pick-up, delivery times, customs clearance up until the cargos reach their location through real-time updates!

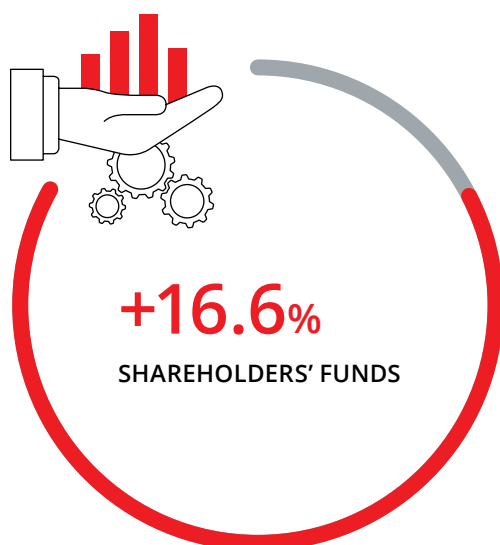
Land freight, even for large companies, can still be tricky. We aim to assist our clients from A to Z through our tried and tested system, fleet of trucks, and network of partners to ensure the safe arrival of their cargo.

## Chairperson's Statement



As a third-party logistics service provider, our commitment to excellence is particularly evident in our specialisation in aerospace logistics. This niche focus has not only allowed us to carve a distinct identity in the industry but has also positioned us as a **reliable and preferred partner for aerospace clients regionally.**

**DATO' ROZALILA BINTI ABDUL RAHMAN**  
CHAIRPERSON



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the AGX Group Berhad's Annual Report for the financial year ended 31 December 2023 ("**FY 2023**").

Amidst the market volatility, geopolitical uncertainties and a challenging business environment in 2023, our company has continued to demonstrate resilience, adaptability and sustained a commendable growth. I am proud to announce that on 7 February 2024, AGX Group Berhad was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"), marking a significant milestone in our journey.

### FINANCIAL PERFORMANCE

In FY 2023, AGX Group continued to excel despite the global uncertainties, demonstrating our resilience, dedication and commitment to our clients. Our total revenue for FY 2023 was RM186.8 million, which experienced a decline of 20.3% compared to the previous financial year's record of RM234.4 million. This decline was primarily due to the decreased revenue from our sea and air freight forwarding services segments, which were impacted by falling freight rates and softer demand.

However, there was a significant growth in revenue from our aerospace logistics services, which surged by 138.7% to RM70.9 million, up from RM29.7 million in the previous financial year. This growth was driven by higher demand in the aviation industry, including increased maintenance services for passenger aircraft, and acquiring a new airline client.

Although our Profit Before Tax ("**PBT**") decreased by 15.5% primarily due to the increased in administrative costs including IPO expenses incurred during the financial year, our Gross Profit ("**GP**") increased, driven by the aerospace logistics services, warehousing, and other 3PL services segments.

Our Profit After Tax ("**PAT**") was 27.4% lower than the previous financial year, which resulted in a decrease in Earnings Per Share ("**EPS**"). However, our Shareholders' Funds and Total Assets increased, showing growth in our financial position.

## Chairperson's Statement

### SPECIALISATION IN AEROSPACE LOGISTICS

As a third-party logistics services provider, our commitment to excellence is particularly evident in our specialization in aerospace logistics. This niche focus has not only allowed us to carve a distinct identity in the logistics industry but has also positioned us as a reliable and preferred partner for aerospace clients regionally. We expect this segment to be a key driver to our business growth in the foreseeable future as seat capacity within the region continues to recover and grow post pandemic.

### REGIONAL PRESENCE

Our regional presence has been a key driver of our success. To date, we have presence in six (6) countries namely, Malaysia, the Philippines, Korea, Myanmar, Singapore and Cambodia (via associate). In accordance with our business strategies and plans outlined in our initial public offering ("IPO") prospectus dated 16 January 2024 ("**Prospectus**"), we intend to expand our presence in Malaysia and South Korea by establishing new warehouses and offices. The strategic expansion into Johor and Penang within Malaysia and Busan, Korea would allow us to serve our clients more effectively, capitalise on emerging opportunities, and solidify our position as a leading player in the logistics industry.

### BUILDING A SUSTAINABLE FUTURE FOR LOGISTICS

Sustainability remains as one of the main focuses for AGX Group Berhad, emphasising on Environmental, Social, and Governance (ESG) practices. We firmly believe that by giving precedence to environmental sustainability, social responsibility, and sound governance, we will be able to enhance shareholder value and contribute positively to society. Throughout 2023, we steadfastly pursued our ESG agenda, initiating measures to diminish our carbon footprint, intensify recycling endeavors, and foster diversity and inclusivity within our workforce. Given the industry's increasing commitment to ESG principles, incorporating these practices is imperative to meet the expectations of stakeholders, including clients, investors, and regulatory bodies. ESG practices are instrumental in ensuring that AGX Group Berhad operates sustainably and responsibly, laying the foundation for long-term success and profitability.

### LISTING ON BURSA MALAYSIA

The culmination of our efforts resulted in our successful listing on ACE Market of Bursa Malaysia in February 2024. This achievement not only reflects the strength of our operations but also opens up new avenues for growth and collaboration. We are excited about the prospects this listing brings and are confident in our ability to create sustainable value for our shareholders.

### DIVIDEND

The Board is pleased to recommend a final single tier dividend of 0.45 sen per ordinary share for the financial year ended 31 December 2023 for shareholders' approval at the forthcoming Annual General Meeting.

### ACKNOWLEDGEMENTS

On behalf of the Group, I would like to thank our shareholders, valued clients and business partners for their continued trust and unwavering support. I also like to express my deepest gratitude to our dedicated team, whose hard work and commitment have been instrumental in our success. To my fellow Board colleagues, I thank them for their commitment and invaluable guidance in steering AGX Group Berhad forward.

### LOOKING AHEAD

As we move forward, we are poised for continued growth with steadfast innovation and excellence. The global logistics landscape is evolving, and we are well-prepared to navigate these changes, leveraging on our expertise, strategic partnerships, and the resilience that defines our company.

In conclusion, the year 2023 has been a year of achievements with key milestones for AGX Group Berhad. We will capitalise and maximise on the opportunities that lie ahead and are confident in our ability to deliver sustained value to our stakeholders.

Thank you for your trust and confidence in AGX Group Berhad.

Sincerely,  
**Dato' Rozalila Binti Abdul Rahman**  
Chairperson

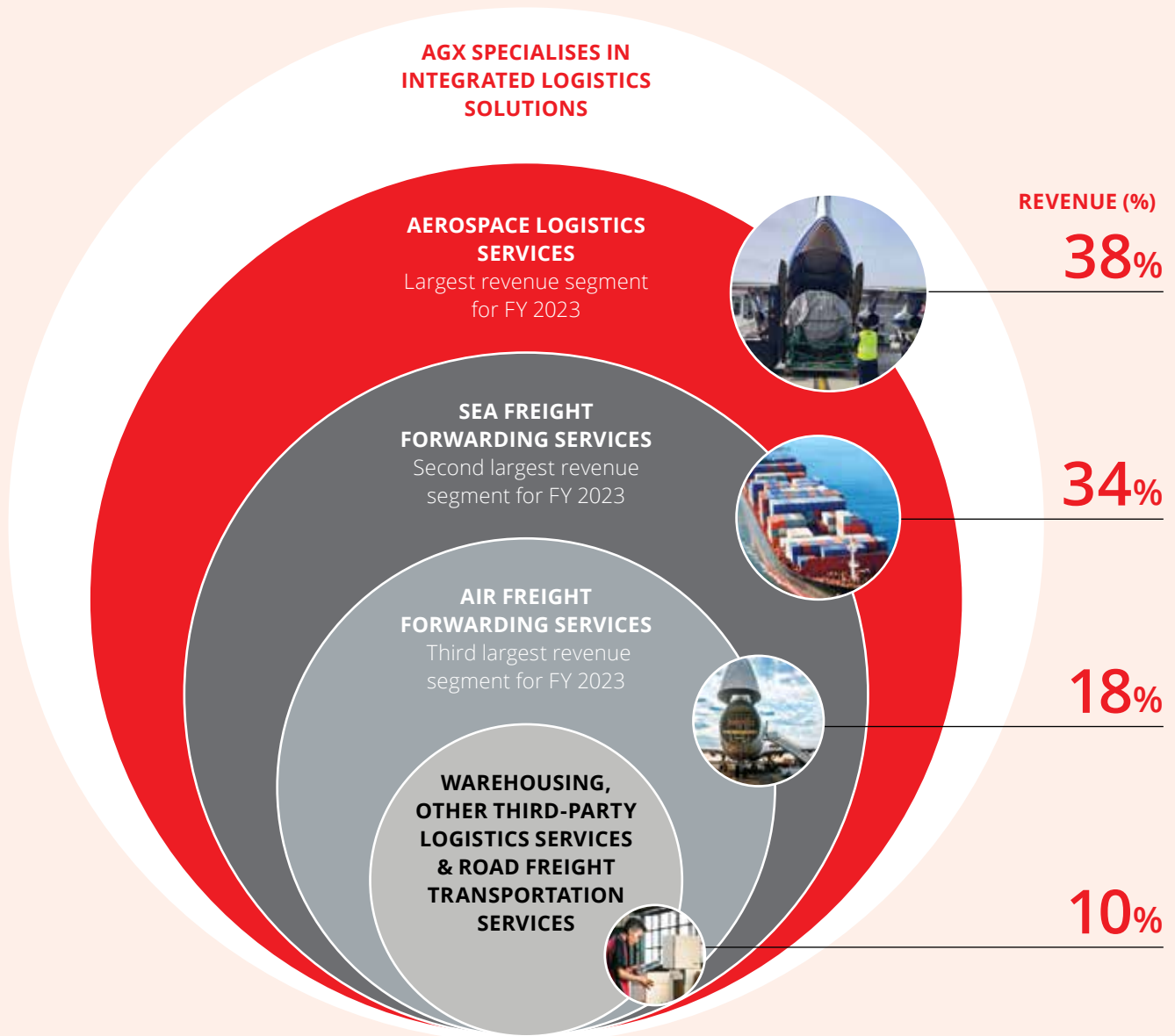


# Management Discussion and Analysis (MD&A)

We are delighted to present the Management Discussion and Analysis (MD&A) for AGX Group Berhad (“AGX” or the “Company”) for the financial year ended 31 December 2023 (“FY 2023”). As a recently listed entity on the ACE Market of Bursa Malaysia, this report offers insights into our operational performance, strategic initiatives, and market outlook, with a focus on our core business segments: sea and air freight forwarding, aerospace logistics services, and related operations.

## OPERATIONAL OVERVIEW

Our Group is a third-party logistics (3PL) service provider, offering comprehensive services to facilitate the transportation of cargo worldwide. Our core services include sea and air freight forwarding services, aerospace logistics services, complemented by warehousing and other 3PL services, and road freight transportation services.



## Management Discussion and Analysis (MD&A)

Our sea freight forwarding services involve organising shipments of freight mainly by sea on behalf of our clients. 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 clients in dealing with customs authorities in exporting or importing goods, submitting documents and paying duties and fees on behalf of our clients. We also provide domestic sea freight forwarding services to handle shipments between Peninsular and East Malaysia, and between the islands of the Philippines.

Clients 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.

Our global network enables us to provide seamless transportation solutions, ensuring timely delivery of goods from origin to destination. We continue to focus on enhancing operational efficiency and client service to maintain our competitive edge in this segment.



### Sea Freight Forwarding Services

WE PROVIDE SEA FREIGHT FORWARDING SERVICES IN MALAYSIA, THE PHILIPPINES, KOREA, MYANMAR AND SINGAPORE.

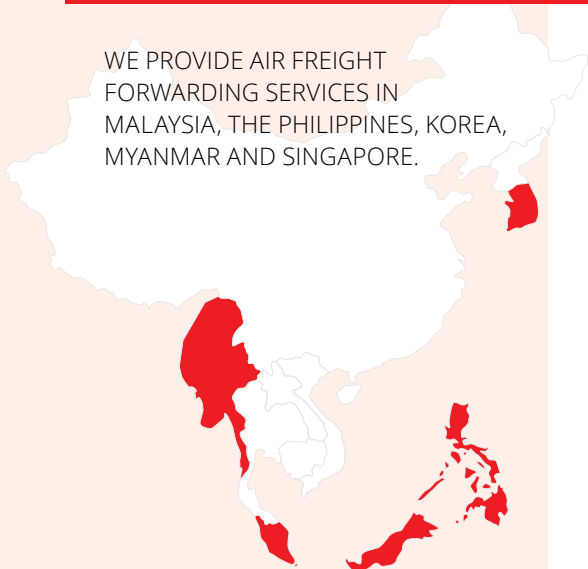




AGX Philippines was accredited as an INTERNATIONAL AIR TRANSPORT ASSOCIATION (IATA) CARGO AGENT in February 2023

## Air Freight Forwarding Services

WE PROVIDE AIR FREIGHT FORWARDING SERVICES IN 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 clients 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.

Clients 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 clients on a full-service basis or documentation-only basis, depending on our clients' requirements.

Our subsidiary, AGX Philippines, was accredited as an IATA Cargo Agent by IATA in February 2023. As an 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.

Our status as a accredited IATA Cargo Agent is a strength as we can deal directly with 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 air freight rates and be in a better position and priority to secure cargo space on aircraft. In addition, should we choose to do so we can potentially serve as an agent for air freight common carriers to third-party logistics service providers to provide an additional revenue stream.

## Management Discussion and Analysis (MD&A)

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 client'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 practical. 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 client's single point of contact for dealing with other service providers and authorities, and we serve as the client'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.

Due to an anticipated increase in volume from our major aerospace client, we have expanded our aerospace team. We have hired experienced client service professionals in Malaysia and the Philippines to accommodate this segment's growth. Additionally, we remain committed to enhancing operational efficiency and client service to sustain our competitive advantage in this segment.



### Aerospace Logistics Services

WE PROVIDE AEROSPACE LOGISTICS SERVICES IN MALAYSIA, THE PHILIPPINES AND SINGAPORE TO CLIENTS LOCATED IN SOUTH EAST ASIA







## Warehousing and Other 3PL Services

AS AT END OF APRIL 2024,  
WE HAVE A TOTAL OF 11  
WAREHOUSES COMPRISE OF 2 IN  
MALAYSIA, 3 IN SINGAPORE, 5 IN THE  
PHILIPPINES AND 1 IN MYANMAR



Our warehouses are utilised to store general cargo. We have a warehouse with bonded and non-bonded storage areas. As at end of April 2024, we have a total of 11 warehouses which comprise of 2 warehouses in Malaysia, 3 in Singapore, 5 in the Philippines and 1 in Myanmar. We intend to set-up another 2 warehouses in the Philippines, 2 warehouses in Malaysia and 1 in Korea within 2024.

The warehousing and other 3PL services that we provide comprise of the following:

1. **Warehousing Services:** We provide space for storing goods. This includes bonded and non-bonded space. Clients can choose floor space, storage bins, or palletised racking space. Storage bins are suitable for fragile, small, or frequently accessed items. Palletised racking is for larger items stored as complete pallets. We charge based on the space or number of storage bins used.
2. **Domestic Distribution Management:** We act as a distribution center for our clients. This involves receiving, inspecting, storing, and packing goods for delivery to retail outlets. We currently offer this service in Malaysia and Singapore.
3. **E-fulfillment:** We help businesses fulfill online orders. This includes receiving, storing, picking, packing, labelling, and arranging delivery of goods ordered online. We input activity data into the seller's online system. This service is available in the Philippines and Singapore.
4. **Container Stuffing and Unstuffing:** We pack and seal containers with clients' freight, usually with customs authorities present. Container unstuffing involves unsealing and unloading containers, also usually with customs authorities present. This service is provided in Malaysia.

These services cater to the various needs in logistics and distribution, helping businesses manage their inventory and fulfill orders efficiently.

## Management Discussion and Analysis (MD&A)

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.

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.



### Road Freight Transportation Services

WE PROVIDE ROAD FREIGHT TRANSPORTATION SERVICES TO CLIENTS IN MALAYSIA, MYANMAR AND SINGAPORE.



## EXPANSION AND STRATEGIC INITIATIVES

In accordance with our business strategies and plans outlined in our Prospectus, we have allocated IPO proceeds of RM8.70 million to expand our presence in Malaysia and South Korea by establishing new warehouses and offices. The current status of our expansion efforts is as follows:

Country	Warehouse/ Office	Budget (RM'000)	Status
Malaysia	1 new warehouse and office at Pelabuhan Tanjung Pelepas ("PTP"), Johor Bahru ("PTP Warehouse and Office")	5,100	Suitable office and warehouse identified in PTP
	1 new warehouse and office in Penang ("Penang Warehouse and Office")	2,100	Staff recruitment ongoing for Penang Warehouse and Office
Korea	1 new sales and operations office in Busan ("Busan Office")	1,500	Identifying suitable office in Busan is ongoing
	<b>Total</b>	<b>8,700</b>	

In addition to the above plans, AGX remains committed to expanding our operations and enhancing service offerings, particularly in our aerospace logistics services. We are strategically consolidating our presence in key markets and gradually introducing value-added services. While certain expansion efforts were impacted by external factors such as regulatory restrictions and market conditions, we are optimistic about future growth opportunities post-listing.

## FINANCIAL PERFORMANCE

Our financial performance for the year 2023 reflects our commitment to excellence and strategic focus. Despite global uncertainties, we remained profitable, showcasing the dedication and hard work of our talented team.

Group revenue for FY 2023 was RM186.8 million, declining 20.3% from the previous financial year ended 31 December 2022 ("FY 2022")'s record of RM234.4 million.

Revenue contribution from our sea and air freight forwarding services were impacted by falling freight rates and softer demand, dropping by 49.1% to RM64.4 million (FY 2022: RM126.6 million) and 48.1% to RM33.0 million (FY 2022: RM63.6 million), respectively.

In contrast, revenue from the aerospace logistics services grew by 138.7% to RM70.9 million from RM29.7 million previously mainly contributed by higher demand due to increase in activities within the aviation industry including more maintenance services for passenger aircraft. In addition, we have secured an additional airline client during FY 2023 which contributed to the increase in cargo volume handled.

Profit Before Tax ("PBT") for the Group decreased by 15.5% to RM14.2 million from RM16.8 million in the previous year. The decline in PBT was mainly due to the increase in our administrative expenses (including IPO expenses) by RM6.5 million, which was partially offset by increase in our Gross Profit ("GP") by RM9.6 million. The increase in GP was mainly contributed by our aerospace logistics services, warehousing and other 3PL services, and road freight transportation services segments.

The Group recorded Profit After Tax ("PAT") of RM9.8 million, which was 27.4% lower than RM13.5 million achieved in FY 2022. Earnings Per Share ("EPS") was 2.26 sen compared to 3.13 sen in the previous financial year.

At the close of FY 2023, the Shareholders' Funds accrued to RM51.3 million, an increase of 16.6% from RM44.0 million previously and Total Assets was increased by 14.1% at RM99.0 million (FY 2022: RM86.8 million). Net Assets Per Share was 12 sen (FY 2022: 10 sen).

## Management Discussion and Analysis (MD&A)

### BUSINESS RISKS AND MITIGATION MEASURES

The Group recognises the inherent risks associated with operating in the logistics industry. Key risks include:

1. **Market Volatility:** Fluctuations in global trade patterns, fuel prices, and economic conditions can impact demand for logistics services. To mitigate this risk, we maintain a diversified client base and monitor market trends closely to adapt our strategies accordingly.
2. **Regulatory Compliance:** Compliance with local and international regulations is essential for smooth operations. We invest in ongoing training and monitoring programs to ensure adherence to regulatory requirements and mitigate the risk of fines or penalties.
3. **Operational Disruptions:** Disruptions such as natural disasters, geopolitical tensions, or cybersecurity threats can disrupt supply chains and impact service delivery. The Group implements robust contingency plans, including redundant systems and alternative transport routes, to minimise operational disruptions and ensure continuity of service.
4. **Competition:** The logistics industry is highly competitive, with numerous players vying for market share. The Group differentiates itself through its specialised services, client-centric approach, and investment in technology. We continuously assess market dynamics and adjust our pricing and service offerings to remain competitive.

### MARKET OUTLOOK

As we reflect on the performance of the Group over the past FY 2023, it is imperative to contextualise our achievements within the broader economic landscape. The global economy has navigated through unprecedented challenges, marked by the ongoing repercussions of the COVID-19 pandemic, geopolitical tensions, and shifting market dynamics. Against this backdrop, the Group has demonstrated resilience, adaptability, and strategic foresight in sustaining growth and mitigating risks.

Looking ahead, we remain cautiously optimistic yet vigilant, cognisant of the uncertainties and opportunities that lie ahead. In this section, we provide an overview of key macroeconomic trends, industry-specific insights, and strategic initiatives that will shape our trajectory in the coming year.





- IMF's World Economic Outlook:** Global growth is projected at 3.1% in 2024 and 3.2% in 2025, with the 2024 forecast 0.2% point higher than that in the October 2023 World Economic Outlook (WEO) on account of greater-than-expected resilience in the United States and several large emerging market and developing economies, as well as fiscal support in China. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8%, with elevated central bank policy rates to fight inflation, a withdrawal of fiscal support amid high debt weighing on economic activity, and low underlying productivity growth. Inflation is falling faster than expected in most regions, in the midst of unwinding supply-side issues and restrictive monetary policy. Global headline inflation is expected to fall to 5.8% in 2024 and to 4.4% in 2025, with the 2025 forecast revised down.
- Asian Development Bank's Asian Development Outlook:** The ADB maintains a solid outlook for developing Asia, with a forecast of 4.8% growth in 2024. South Asia's projection is even higher at 6.0%. Despite global challenges, the region's outlook remains positive.
- International Air Transport Association (IATA):** Asia-Pacific airlines experienced a significant increase in traffic in January 2024 compared to the previous year, indicating a rapid recovery following the lifting of pandemic restrictions. This growth is primarily driven by China, although international routes are still lagging behind pre-pandemic levels.

The outlook above concludes by stating that the Group is well-positioned to capitalise on the evolving dynamics of the logistics industry and aerospace logistics services. It highlights the increasing demand for aviation services as a potential growth catalyst and emphasises the importance of staying vigilant of market trends and adapting strategies to meet clients' needs.

## DIVIDENDS

The Board is pleased to recommend a final single tier dividend of 0.45 sen per ordinary share for the financial year ended 31 December 2023 for shareholders' approval at the forthcoming Annual General Meeting.

## CONCLUSION

In conclusion, FY 2023 marked a period of resilience and strategic advancement for AGX Group Berhad. Our steadfast commitment to operational excellence, client satisfaction, and innovation has enabled us to navigate through challenges and emerge stronger.

As we continue our journey as a public listed company, we remain focused on delivering sustainable value for our shareholders, clients, and stakeholders. We extend our gratitude to our dedicated team members, whose hard work and dedication have been instrumental in achieving our goals.

## ACKNOWLEDGMENTS

On behalf of the Board, we would like to convey our sincere thanks to all our shareholders, esteemed clients, bankers, suppliers as well as the other business partners and associates. Our success would not have been possible without their continuous support and confidence in AGX.

In closing, I would like to extend my profound appreciation to my fellow colleagues on the Board for their valued contributions. Lastly but certainly not the least, I would like to record my gratitude to the management team and all the employees of AGX for their continuous perseverance and unrelenting efforts and commitment in ensuring the success of the Group.

**Dato' Ponnudorai A/L Periasamy**  
Group CEO and Executive Director

# Corporate Information

## BOARD OF DIRECTORS

### INDEPENDENT NON-EXECUTIVE DIRECTOR / CHAIRPERSON

- Dato' Rozalila Binti Abdul Rahman

### EXECUTIVE DIRECTORS

- Jayasielan A/L Gopal  
- Penu Mark  
- Neo Lip Pheng, Peter

### EXECUTIVE DIRECTOR / GROUP CEO

- Dato' Ponnudorai A/L Periasamy

### INDEPENDENT NON-EXECUTIVE DIRECTORS

- Dato' George Alfonso Miranda  
- Ong Teng Yan  
- Aida Mosira Binti Mokhtar

### AUDIT AND RISK MANAGEMENT COMMITTEE

**Chairperson** - Ong Teng Yan

**Members** - Dato' George Alfonso Miranda  
- Aida Mosira Binti Mokhtar

### NOMINATION COMMITTEE

- Dato' George Alfonso Miranda

- Ong Teng Yan  
- Aida Mosira Binti Mokhtar

### REMUNERATION COMMITTEE

- Aida Mosira Binti Mokhtar

- Ong Teng Yan  
- Dato' George Alfonso Miranda

## AGX GROUP BERHAD

Unit 1A-C, 2<sup>nd</sup> Floor, Jalan USJ 10/1A  
Pusat Perniagaan USJ 10  
47610 UEP Subang Jaya, Selangor, Malaysia  
Tel: 03-8023 1311  
Website: www.agxlogistics.com

## COMPANY SECRETARIES

**Leong Shiak Wan**  
MAICSA 7012855  
CCM Practising Certificate  
202008002757

**Zuriati Binti Yaacob**  
Licensed Secretary LS0009971  
CCM Practising Certificate  
202008003191

## REGISTERED OFFICE

12<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: 03-7890 4800

## SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd  
11<sup>th</sup> Floor, Menara Symphony  
No. 5, Jalan Prof. Khoo Kay Kim  
Seksyen 13, 46200 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel: 03-7890 4700

## AUDITORS

Crowe Malaysia PLT  
Firm No. : 201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants  
Level 16, Tower C, Megan Avenue 2  
No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur  
Wilayah Persekutuan, Malaysia  
Tel: 03-2788 9999

## SPONSOR

TA Securities Holdings Berhad  
(Registration No. 197301001467 (14948-M))  
29<sup>th</sup> Floor, Menara TA One  
22, Jalan P. Ramlee, 50250 Kuala Lumpur  
Tel: 03-2072 1277

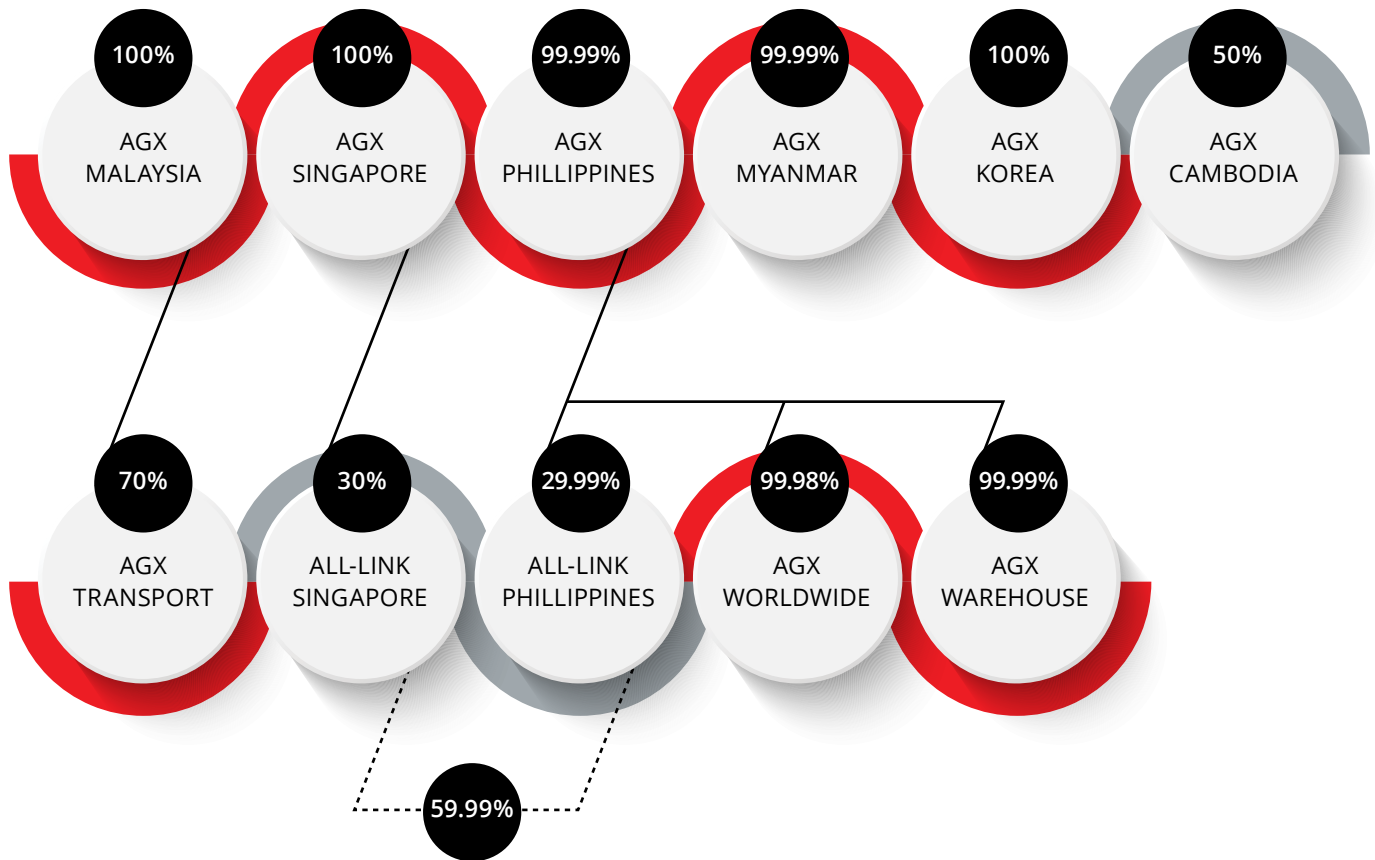
## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad  
Stock Code : AGX  
Stock No. : 0299  
(Listed on 7 February 2024)

# Corporate Structure



AGX GROUP BERHAD



● Subsidiary Company  
● Associated Company

## Profile of Board of Directors

### DATO' ROZALILA BINTI ABDUL RAHMAN

Dato' Rozalila graduated from Universiti Putra Malaysia (formerly known as Universiti Pertanian Malaysia) with a Bachelor of Food Science and Technology in 1988.

She has more than 30 years of working experience at renowned MNCs of fast-moving consumer goods (FMCG) and reputable Malaysian public listed companies. Her areas of competence are in product lifecycle management, consumer lifestyle and brand management, business and strategic marketing, R&D and Quality Assurance, and client service management.

Dato' Rozalila was the Chief Executive Officer of Astro GS Shop Sdn Bhd, Chief Marketing Officer of Telekom Malaysia Berhad, General Manager of Maxis Mobile Services Sdn Bhd and Director of Sales & Marketing at Bank Simpanan Nasional Berhad. She was also an Adjunct Professor at the Faculty of Economics and Management, Universiti Putra Malaysia.

Prior to this, Dato' Rozalila had multiple managerial roles at Unilever Malaysia (Holdings) Sdn Bhd, Kellogg Asia Marketing Inc., Reckitt Benckiser (Malaysia) Sdn Bhd and Perwira Niaga Malaysia Sdn Bhd (PERNAMA).

Presently, she sits on the board of Affin Bank Berhad, a financial institution listed on the Main Market of Bursa Malaysia, as an Independent Non-Executive Director. Dato' Rozalila also holds directorships in two private companies.



#### INDEPENDENT NON-EXECUTIVE DIRECTOR / CHAIRPERSON

Nationality: Malaysian

Age: 62 years old

Gender: Female

Date of Appointment:  
7 November 2022



**EXECUTIVE DIRECTOR / GROUP CEO  
OF AGX GROUP BERHAD**

Nationality: Malaysian

Age: 52 years old

Gender: Male

Date of Appointment:  
26 November 2019

**DATO' PONNUDORAI A/L PERIASAMY**

Dato' Dorai obtained the Certificate in Procurement and Contract Professionals accredited by the Chartered Institute of Logistics and Transport in 2016.

He began his career as a dispatch officer at Union Air Transport Sdn Bhd (now known as United Logistics Sdn Bhd), a company principally involved in the provision of logistic services, in 1989. From there, he began advancing in his profession by working for several logistic firms, from a clerk position to an executive position to a managerial position throughout the years until 2004.

Dato' Dorai has extensive experience in the local and international freight forwarding and air freight division, where he accumulated more than 15 years of working experience in this field, before co-founding AGX Malaysia. He was previously working for Helu-Zaid Sdn Bhd, Shapadu Trans-System Sdn Bhd, SHAPADU-BAL Transport (M) Sdn Bhd (formerly known as BAL Transport (M) Sdn Bhd) and BALtrans Logistics (Malaysia) Sdn Bhd (formerly known as BALtrans Freight (Malaysia) Sdn Bhd).

In 2005, he 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 also holds directorship in a private company. Save for his directorship of the Company, he does not hold any other directorship in public companies and listed corporation.

## Profile of Board of Directors

### NEO LIP PHENG, PETER

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. AGI Freight Singapore Pte Ltd is a company principally involved in international freight forwarding and he held the position of Managing Director.

Following his resignation in 2003, he then joined AGI Logistics (S) Pte Ltd, a logistics company, as the Regional Director. In 2009, he resigned as the Regional Director of AGI Logistics (S) Pte Ltd and joined IDS Logistics International Pte Ltd as Director. He then left IDS Logistics International Pte Ltd in 2010.

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

Save for his directorship of the Company, he does not hold any other directorship in public companies or listed corporation.



#### EXECUTIVE DIRECTOR / MANAGING DIRECTOR OF AGX MYANMAR

Nationality: Singaporean

Age: 56 years old

Gender: Male

Date of Appointment:  
26 November 2019



**EXECUTIVE DIRECTOR / MANAGING  
DIRECTOR OF AGX MALAYSIA**

Nationality: Malaysian

Age: 64 years old

Gender: Male

Date of Appointment:  
26 November 2019

**JAYASIELAN A/L GOPAL**

Mr. Jayasielan obtained the Certificate in Procurement and Contract Professionals accredited by the Chartered Institute of Logistics and Transport in 2016.

He started his journey with Malaysia Baggage Transport Sdn Bhd, a company principally involved in the provision of logistic services, as an Operation Clerk in 1980. He started making strides in his chosen field of work at diverse logistics companies up until 2004, going from a clerk post to an executive role to a managerial one.

Mr. Jayasielan has extensive experience in the local and international freight forwarding and air freight division, where he accumulated approximately 24 years of working experience in this field, before co-founding AGX Malaysia. He has experience working for Aik Khiaw Travel & Cargo Sdn Bhd, Union Air Transport Sdn Bhd (now known as United Logistics Sdn Bhd), SHAPADU-BAL Transport (M) Sdn Bhd (formerly known as BAL Transport (M) Sdn Bhd) and BALtrans Logistics (Malaysia) Sdn Bhd (formerly known as BALtrans Freight (Malaysia) Sdn Bhd).

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

Save for his directorship of the Company, he does not hold any other directorship in public companies or listed corporation.

## Profile of Board of Directors

### PENU MARK

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

Before he completed his degree from Loughborough University, Mr. Mark founded Premier Supporters, a sole proprietorship which was principally involved in the wholesale and retail sale of football merchandise, in 1994. He was responsible for the operations of Premier Supporters.

In 2002, he founded Premier Sports International Pte. Ltd. ("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. The assets and business of Premier Supporters was transferred to Premier Sports in 2002.

Mr. Mark incorporated Premier Football International Pte. Ltd. in 2005, a company principally involved in the retail of football merchandise. He has performed his duties as its Managing Director since then 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 directorship in several private companies. Save for his directorship of the Company, he does not hold any other directorship in public companies or listed corporation.



#### EXECUTIVE DIRECTOR / MANAGING DIRECTOR OF AGX SINGAPORE

Nationality: Singaporean

Age: 52 years old

Gender: Male

Date of Appointment:  
26 November 2019



**INDEPENDENT NON-EXECUTIVE  
DIRECTOR**

Nationality: Malaysian

Age: 56 years old

Gender: Male

Date of Appointment:  
7 November 2022

**DATO' GEORGE ALFONSO MIRANDA**

Dato' Miranda is the Chairperson of our Nomination Committee and a member of our Audit and Risk Management Committee and Remuneration Committee.

He 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 has 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.

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.

Dato' Miranda has over 25 years of experience as a practising lawyer.

He also holds directorships in several private companies. Save for his directorship of the Company, he does not hold any other directorship in public companies or listed corporation.

## Profile of Board of Directors

### ONG TENG YAN

Mr. Ong is the Chairperson of our Audit and Risk Management Committee and a member of the Nomination Committee and Remuneration Committee.

He is a qualified accountant and obtained his professional qualification from the Association of Chartered Certified Accountants, United Kingdom (ACCA). 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.

He has more than 20 years of progressive auditing and accounting experience with GEP Associates, BDO Singapore, BDO Malaysia and Baker Tilly Monteiro Heng PLT ("Baker Tilly Malaysia"). He is the audit partner in Baker Tilly Malaysia since 2013.

Save for his directorship of the Company, he does not hold any other directorship in public companies or listed corporation.



#### INDEPENDENT NON-EXECUTIVE DIRECTOR

Nationality: Malaysian

Age: 52 years old

Gender: Male

Date of Appointment:  
7 November 2022

**AIDA MOSIRA  
BINTI MOKHTAR****INDEPENDENT NON-EXECUTIVE  
DIRECTOR**

Nationality: Malaysian  
Age: 50 years old  
Gender: Female  
Date of Appointment:  
7 November 2022

Puan Aida is the Chairperson of our Remuneration Committee and a member of Audit and Risk Management Committee and Nomination Committee.

Puan Aida is a Chartered Accountant and Chartered Islamic Finance Professional (CIFP). She is a Fellow member of The Association of Chartered Certified Accountants (FCCA), a Chartered member of The Malaysian Institute of Accountants (CA (M)), a certified Islamic Financial Planner (IFP) and holds an honours degree in Economics (Accounting and Finance) from The London School of Economics and Political Science (LSE). She also holds a Certificate in Sustainable Investing (Harvard Business School Online) and is a Certified Trainer (HRD Corp).

Her professional milestones span across various industries such as corporate treasury, asset management, oil & gas, aviation, professional services and management consulting. She has over 20 years of experience in various senior positions in advisory and strategic roles in the areas of finance (accounting, audit, investment, fund management, Islamic finance), risk management and strategic planning. She was the Chief Executive Officer

of Aberdeen Islamic Asset Management, Chief Financial Officer of Iclif Leadership and Governance Centre (“Iclif”), Vice President of Malaysia Airlines (“MAS”) and Director of Global Treasury Advisory Services of Deloitte Risk Advisory Sdn Bhd.

Puan Aida’s extensive exposures in the financial and commodity markets include global bonds, stocks, commodities and money markets in conventional and *Shariah*-compliant markets. Her strengths include investing and trading in the financial markets and hedging risks in crude oil, currency and interest rate with derivatives. She has vast knowledge in fundamental (macro and micro assessments) and technical analyses, quantitative and market psychology. Her corporate and entrepreneurial experiences in setting up new business ventures contributed to her holistic perspectives.

Her expertise is in treasury, investment (by maximising fund returns), turnaround and transformation (by bringing cost savings in turning around and transforming investment and hedging portfolios) and enhancing governance and risk management (by developing and revamping policies and providing solutions in risk management). Her strengths include implementing new business and investment opportunities in markets and products and developing strategies and policies in companies.

Presently, she is an Independent and Non-Executive Director of Ocean Vantage Holdings Berhad, a public listed company on the ACE Market of Bursa Malaysia which is 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.

In addition, Puan Aida also holds directorship in several private companies.

**Notes:**

1. None of the Directors has any family relationship with any Director and/or major Shareholder of AGX Group Berhad.
2. None of the Directors has any conflict of interest or potential conflict of interest with AGX Group Berhad.
3. None of the Directors has any conviction for offences within the past 5 years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

## Profile of Key Senior Management

**MAXIMINO BAYLEN  
GULMAYO, JR.**



**MANAGING DIRECTOR OF AGX PHILIPPINES**

Nationality: Filipino  
Age: 55 years old  
Gender: Male

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

He started his career as a Documentation Clerk at Negros Navigation Co., Inc. in 1993, where he handled loading and unloading containers for domestic shipping.

From 1994 to 1997, he left Negros Navigation Co. and joined Jugro Transport Int'l Phils Corp., gaining experience in domestic shipping and logistics services.

Between 1998 and 2011, Mr. Maximino worked with Nippon Express Philippines Corporation and Kintetsu World Express (Philippines) Inc., specialising in domestic shipping, air freight, sea freight, customs brokerage, road transport, and logistics services.

In 2012, he co-founded AGX Philippines together with Dato' Dorai, Mr. Jayasielan, Mr. Mark and Mr. Peter and has since served as the Managing Director of AGX Philippines.

He is responsible for expanding our Group's logistics network and overseeing the product development and overall operations of AGX Philippines and its subsidiaries.

**CHANG POH SHENG**



**CHIEF FINANCIAL OFFICER**

Nationality: Malaysian  
Age: 52 years old  
Gender: Male

Mr. Chang is a qualified accountant, certified by The Chartered Institute of Management Accountants, United Kingdom (CIMA) since 2001. He is also a member of the Malaysian Institute of Accountants and a Chartered Member of the Institute of Internal Auditors Malaysia since 2002.

He began his career as an Auditor at Wong Yeng Mun & Co., Chartered Accountants in 1995. Mr. Chang progressed to become an Audit Senior in Wong Yeng Mun & Co. before moving to UMS Holdings Berhad ("UMS") in 1997. At UMS, he served as an Internal Audit Executive and later as an Internal Audit Manager in 2002.

He then transitioned to Rubberflex Sdn Bhd as an Accountant, and subsequently promoted to be Finance Manager in 2004. In 2005, Mr. Chang joined IRIS Corporation Berhad as a Finance Manager, responsible for financial matters. He was promoted to Director of Finance in 2013 before joining our Group as CFO in 2018.

As a CFO of our Group, he is responsible for overseeing all financial matters including financial reporting and internal control of the Group.

**YUN JAEHOON****MANAGING DIRECTOR OF AGX KOREA**

Nationality: Korean

Age: 45 years old

Gender: Male

Mr. Yun graduated from Kyungmin University, South Korea, in 2002, specialising in Office Automation – Trade Automation and Logistics Management.

He started his career in 2002 at 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. He worked as a Sales and Operations Executive, handling sea export operations, booking vessel space, and managing inland trucking.

From 2007 to 2011, Mr. Yun held managerial positions at various companies including Forman Shipping Co. Ltd., KMTC Air and Sea Services Co., and Sunrise Corporation Co. He excelled in client and employee management, providing shipping, air, warehouse, and logistics services, as well as managing sales and overseas partners.

In 2012, he co-founded AGX Korea with Dato' Dorai, Mr. Jayasielan, Mr. Mark and Mr. Peter and has served as its Managing Director since then.

He is responsible for expanding our Group's logistics network and overseeing the product development and overall operations of AGX Korea.

**Notes:**

1. None of the Key Senior Managements ("KSMs") has any family relationship with any Director and/or major Shareholder of AGX Group Berhad.
2. None of the KSMs has any conflict of interest or potential conflict of interest with AGX Group Berhad.
3. None of the KSMs has any conviction for offences within the past 5 years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. None of the KSMs has any directorship in other public companies and listed corporations in Malaysia.

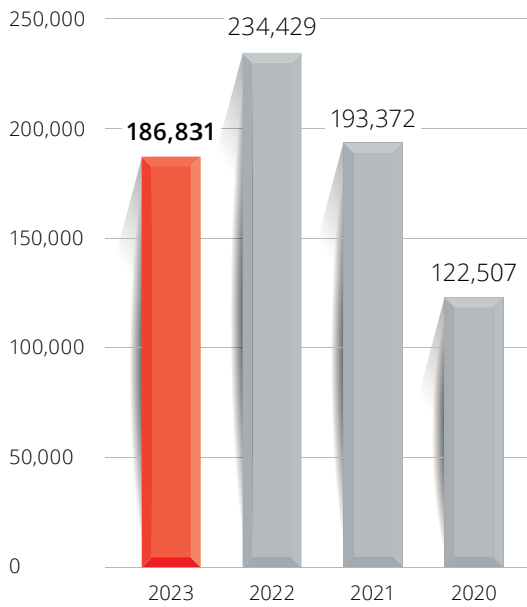


## Financial Highlights

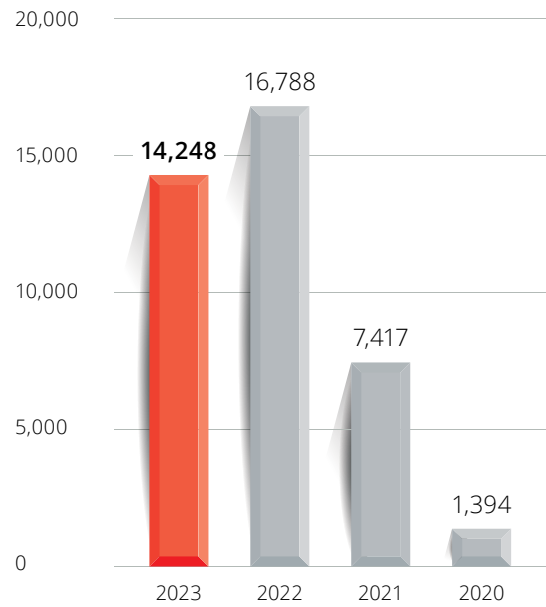
	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
<b>INCOME STATEMENTS</b>				
Revenue	186,831	234,429	193,372	122,507
Profit before taxation	14,248	16,788	7,417	1,394
Profit after taxation	9,765	13,541	5,940	560
Profit after taxation attributable to owners of the Company	9,798	13,541	5,940	560
<b>BALANCE SHEETS</b>				
Current assets	80,160	72,965	77,908	61,402
Non-current assets	18,874	13,865	12,686	10,041
Total assets	99,035	86,830	90,594	71,443
Current liabilities	40,920	38,060	45,571	61,236
Non-current liabilities	6,707	4,737	8,244	4,915
Total liabilities	47,626	42,797	53,815	66,151
Equity attributable to owners of the Company	51,290	44,032	36,778	5,291
<b>SHARE INFORMATION</b>				
Earnings per share (sen)*	2.26	3.13	1.37	0.13
Net assets per share (RM)*	0.12	0.10	0.08	0.01
<b>FINANCIAL RATIOS</b>				
Return of equity (%)	19.00	30.75	16.15	10.58
Current ratio (times)	1.96	1.92	1.71	1.00
Gearing ratio (times)	0.27	0.22	0.37	3.38

\* This is calculated based on the Company's enlarged issued share capital of 432,866,125 shares upon the Company's listing on the ACE Market of Bursa Malaysia.

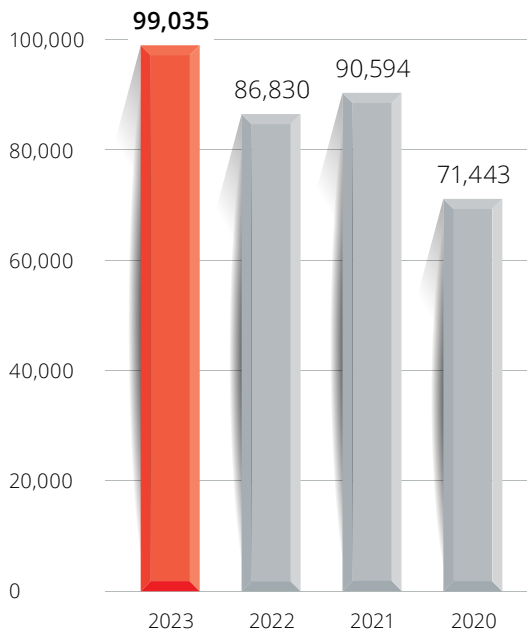
**REVENUE (RM'000)**



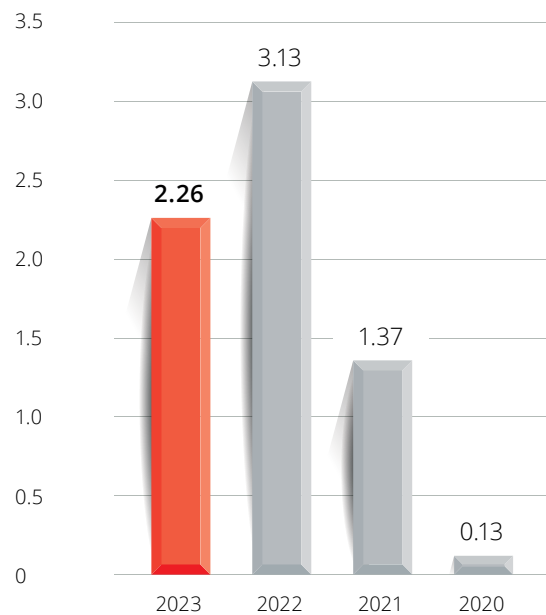
**PROFIT BEFORE TAXATION (RM'000)**



**TOTAL ASSETS (RM'000)**



**EARNINGS PER SHARE (SEN)**



# Sustainability Statement

## 1. INTRODUCTION

### 1.1 INTRODUCTION

AGX Group Berhad (“AGX” or the “Company”) and its subsidiaries (collectively known as “AGX Group” or “the Group”) is pleased to present its Annual Sustainability Statement for the financial year ended 31 December 2023 (“FY 2023”) (“Statement”). This Statement provides an overview of the Group’s sustainability activities during the period of 1 January 2023 to 31 December 2023 including comparative historical data where available.

### 1.2 SCOPE AND BOUNDARIES

This Statement covers the Group’s sustainability performance and progress of its business operations in Malaysia and selected geographical locations where it operates in, particularly Singapore, the Philippines, Myanmar, and Korea.

## 1.3 GUIDELINES AND STANDARDS

This Statement has been prepared according to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) (“Listing Requirements”), with reference to Bursa Malaysia’s Sustainability Reporting Guide (3<sup>rd</sup> Edition) and Global Reporting Initiative (“GRI”) Standards.

## 1.4 GOVERNANCE STRUCTURE

The Board of Directors (“Board” or “AGX Board”) of AGX adopts a sustainability governance approach that is fit for the Group’s purpose, after considering amongst others, its culture, needs, sustainability-related risks and opportunities and level of maturity of the sustainability intellect and readiness.

The diagram below highlights the key roles and responsibilities of AGX Board and Management on Environmental, Social, and Governance (“ESG”) matters.



## 2. MATERIALITY ASSESSMENT PROCESS

### 2.1 OBJECTIVES

A materiality assessment is a process used by organisations to identify, prioritise, and understand the significance of ESG matters that may impact the business and stakeholders. The goal of a materiality assessment is to determine which matters are most relevant and significant to the organization and its stakeholders, helping the company to prioritise its efforts on addressing the most important sustainability and corporate responsibility challenges.

The Board considers that it is appropriate in this regard to limit the scope of materiality assessment and by extension, the

sustainability disclosure of active companies within the Group. The scope to which materiality assessment applies, as far as operations are concerned, is limited to the logistics businesses in Malaysia, Singapore, the Philippines, Myanmar, and Korea.

### 2.2 STAKEHOLDER ENGAGEMENT

AGX has a broad range of stakeholder groups that influence or affected by the Group and its activities. The key stakeholder groups include shareholders, clients, suppliers and service providers, surrounding community, authorities and regulators, employees and financiers. Such stakeholders are identified based on their different levels of influence over and dependence on AGX Group's businesses.









# Sustainability Statement

## 2. MATERIALITY ASSESSMENT PROCESS (CONTINUED)

### 2.2 STAKEHOLDER ENGAGEMENT (CONTINUED)

As a Group, we aim to maintain constructive channels of communication with all key stakeholder groups. Thus, regular engagements are held through both formal and informal channels. These interactions help the Group to identify relevant material matters and provide insights into emerging opportunities and risks whilst responding to ESG needs more effectively.

STAKEHOLDER	 FINANCIERS AND SHAREHOLDERS	 CLIENTS	 SUPPLIERS AND SERVICE PROVIDERS	 SURROUNDING COMMUNITY	 AUTHORITIES AND REGULATORS	 EMPLOYEES
AREAS OF INTEREST	<ul style="list-style-type: none"> <li>Financial performance</li> <li>ESG performance</li> <li>Business performance</li> <li>Business directions</li> <li>Prospect and strategies</li> <li>Return of Investment</li> <li>Business continuity</li> <li>Business risks</li> <li>Climate change risk</li> <li>Trade velocity</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Services satisfaction</li> <li>Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Procurement process, payment terms and lead time</li> <li>Business conduct, integrity and ethics</li> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>Financial support and aid</li> <li>Social responsibility</li> <li>Environmental awareness and education</li> <li>Lifestyle support</li> <li>Business opportunity</li> <li>Employment support</li> <li>Livelihood support</li> </ul>	<ul style="list-style-type: none"> <li>Regulations, governance and compliance to law, requirements and standards</li> <li>Accuracy, transparency and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Business ethics and practices (including anti-corruption)</li> <li>Employee benefits and welfare</li> <li>Talent development and training</li> <li>Human rights and labour practices</li> </ul>
MODE OF RESPONSE	<ul style="list-style-type: none"> <li>Quarterly reporting and regular audits (i.e., both internal and external audit)</li> <li>Financial performance results</li> <li>Bursa announcements</li> <li>Press conferences and media releases</li> <li>Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>Quality Management System</li> <li>Competitive pricing</li> <li>Client engagement</li> <li>Client surveys</li> <li>Assessment conducted by clients</li> </ul>	<ul style="list-style-type: none"> <li>Constant and regular engagement and coordination</li> <li>Process improvement</li> <li>Annual supplier assessment</li> <li>Supplier audits on key material suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Financial assistance and donation</li> <li>Corporate Social Responsibility (“CSR”) events and programmes with community</li> <li>Job opportunity</li> <li>Festive events</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with regulatory bodies and government agencies</li> <li>Compliance management (e.g. legal checklist)</li> <li>Participation in training provided by relevant agencies</li> </ul>	<ul style="list-style-type: none"> <li>Induction and orientation</li> <li>Internal and external training</li> <li>Employee activities and staff welfare events</li> <li>Performance management system</li> <li>Whistleblowing channel</li> </ul>

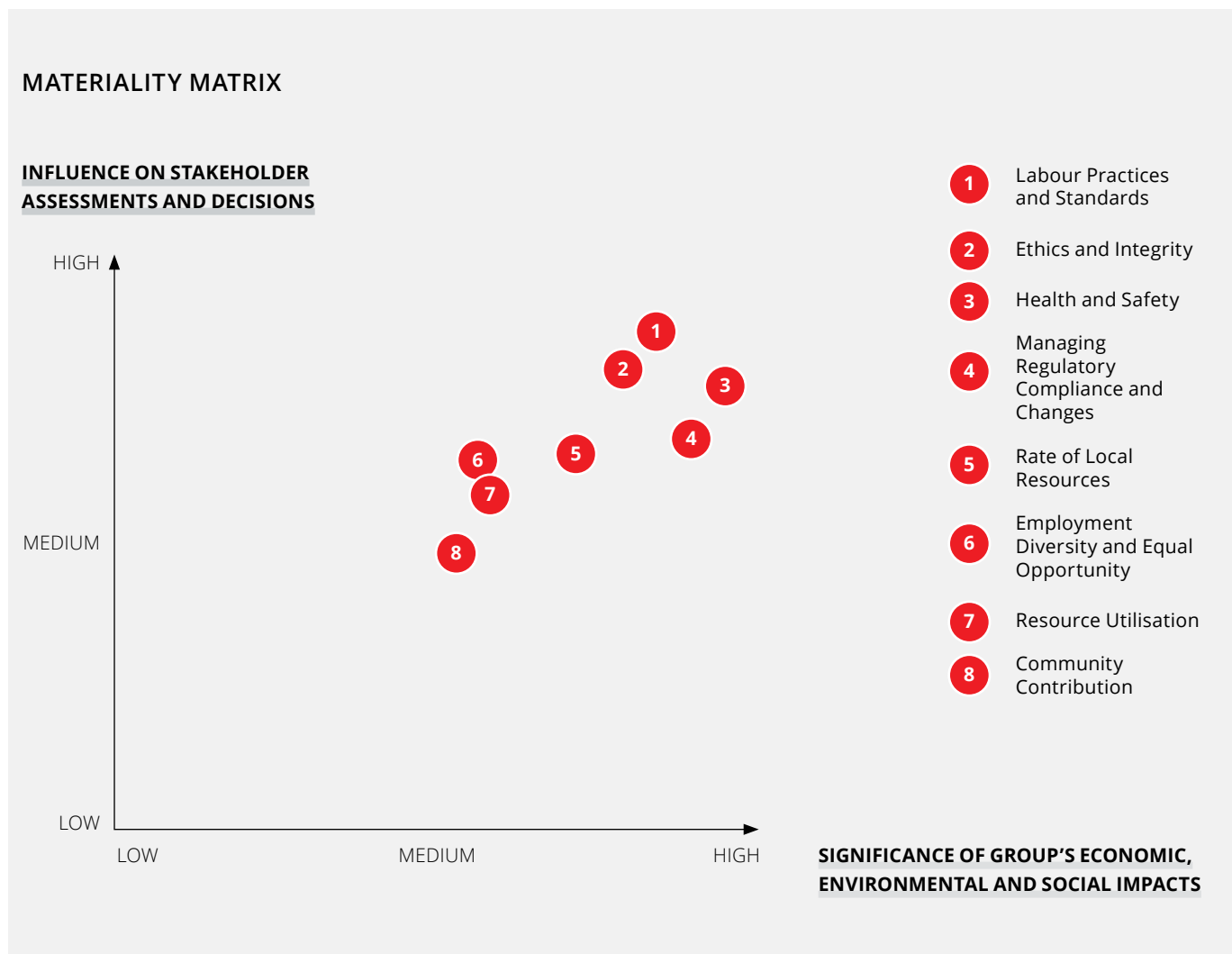


**2. MATERIALITY ASSESSMENT PROCESS (CONTINUED)**

**2.3 PRIORITISATION OF SUSTAINABILITY MATTERS (MATERIALITY ASSESSMENT)**

Through stakeholder engagement assessment, we have identified our material matters in tandem with AGX's economic, governance, environmental, and social impacts and their significance, both from the perspective of our business and stakeholders. Throughout the reporting period, eight (8) sustainability material matters has been identified with three (3) matters, namely Labour Practices and Standards, Health and Safety and Ethics and Integrity fall in the "significantly material" segment which represents the greatest significance to AGX's long-term business value and stakeholders' interest.

The Group's material matrix is illustrated below.



# Sustainability Statement

## 3. SUSTAINABILITY ACTIVITIES

### 3.1 ECONOMIC

#### 3.1.1 Ethical and Integrity

One of the most important principle in sustaining the Group business in the long term is upholding of ethics and integrity in business dealings. AGX’s commitment to this core principle has eventually built trust with stakeholders in its journey towards becoming a responsible and trustworthy corporation.

Various policies and communication documents have been established to set out the Group’s stance, commitments, or expectations for the stakeholders.

##### Anti-Corruption and Bribery (“ACB”)

AGX has established an Anti-Corruption and Bribery (“ACB”) Policy which sets out the Group’s zero-tolerance towards bribery in all aspects of its businesses regardless of country of operation. The ACB Policy is not only applicable to Directors and employees but also to the Group’s suppliers and business associates in ensuring businesses and operations, including those carried out by third parties, are conducted fairly.

##### Whistleblowing Policy

The ACB Policy is supported by the Whistleblowing Policy, which provides a channel for employees and stakeholders to report in good faith any illegal, unethical, questionable practices, wrongdoings, or improper conduct committed or about to be committed within the Group, without fear of being subjected to detrimental conduct including reprisal and retaliation.

#### *Incidents of Corruption*

Employees are expected to conduct themselves professionally and with integrity and shall not engage in any form of corrupt or illegal act. Any allegation or suspicion of corruption or illegality is taken seriously, and every employee is to uphold the business ethics promulgated by the Group when carrying out their tasks and responsibilities.

In FY 2023, there was no bribery and corruption case reported and the Group aims to maintain this record by promoting a positive culture of compliance. None of our employees was penalised or dismissed due to non-compliance with the ACB policy. AGX remains committed towards preserving this record and will continue to uphold high levels of integrity and ethical standards.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
Confirmed incidents of corruption	Number	Zero	Zero	Zero

### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.1 ECONOMIC (CONTINUED)

##### 3.1.1 Ethical and Integrity (Continued)

###### **Corruption Risk Assessment and Training**

The Group has in place procedures to communicate its ACB Policy and stance to stakeholders. The policy is communicated to Directors and employees during onboarding orientation when joining the Group. Training is also provided to Directors and employees in positions and functions that are exposed to higher corruption risk.

Percentage of AGX Directors and employees who have received training on anti-corruption and bribery are summarised as follows.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
<b>Percentage of employees who have received training on anti-corruption and bribery by employee category</b>				
Management	Percentage	2%	2%	2%
Executive	Percentage	2%	2%	1%
Non-executive/ Technical Staff	Percentage	12%	14%	16%

##### 3.1.2 Managing Regulatory Compliances and Changes

AGX recognises that any actual or potential regulatory non-compliance may affect the Group's reputation and operations. As such, the Group continues to commit to high standards of governance by ensuring the Group's policies and procedures that governs regulatory compliances are continuous adhered to and are updated regularly at appropriate intervals.

Apart from instilling awareness amongst employees, AGX has also instituted adequate checks and balances such as policies and procedures to preserve and maintain compliances with relevant guidelines, regulations and industry practices to safeguard the Group's interest.

For FY 2023, we are pleased to report that there is no incident of non-compliances reported (FY 2021 and FY 2022: Nil).

###### **Cybersecurity and Data Privacy**

Businesses are increasingly relying on Information Technology ("IT") systems and services such as cloud servers, remote access, virtual networks, etc. to enhance business capability and operational efficiency. Thus, safeguarding cybersecurity has become more pertinent to businesses the Group is operating in.

## Sustainability Statement

### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.1 ECONOMIC (CONTINUED)

##### 3.1.2 Managing Regulatory Compliances and Changes (Continued)

###### **Cybersecurity and Data Privacy (Continued)**

As a logistics service provider, it is crucial to protect data belonging to various stakeholders such as client's personal information and the Group's financial information from data security breaches.

The Group has a dedicated IT function that is responsible for developing and maintaining the integrity of its IT systems, including ensuring appropriate controls such as firewalls, private networks, backup systems, and anti-virus and anti-malware systems are in place and are operating effectively.

As at FY 2023, AGX has not received any complaints concerning data privacy breaches, and the Group has not been alerted to any identified data leak, theft, or loss of client data.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
Substantiated complaints concerning breaches of client privacy or losses of client data	Number	Zero	Zero	Zero

##### 3.1.3 Rate of Local Sources

###### **Local Procurement**

AGX aims to stand together with the local community it operates in. AGX prides itself in the support of local community. The Group prioritises sourcing from local vendors to supply the required items/services for AGX whenever available.

As a corporate citizen of Malaysia, AGX Group endeavours to support the Malaysian community. The table below demonstrates the Group commitment in engaging local Malaysia-based suppliers in sourcing for items/ services.



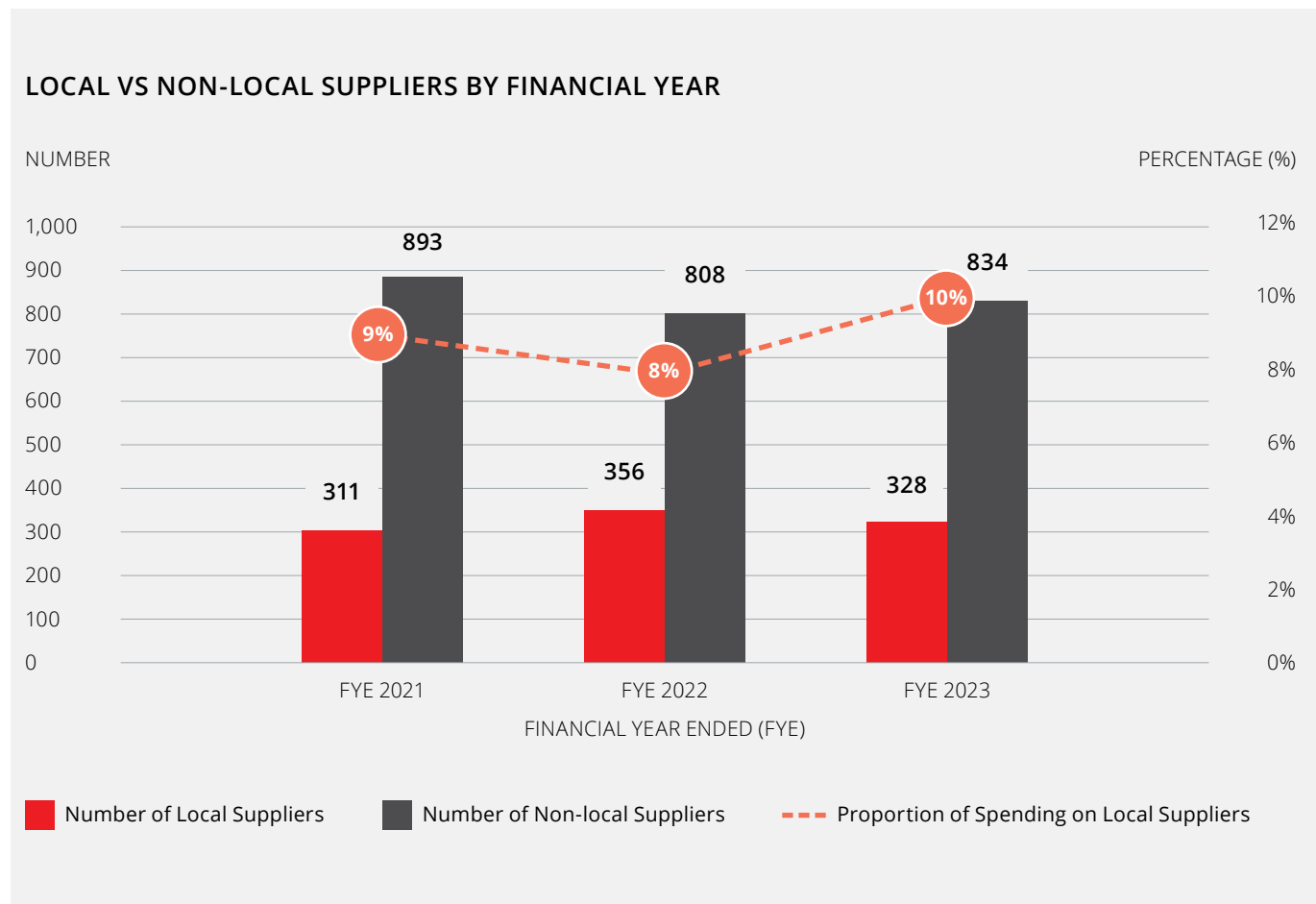
INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
Proportion of spending on local suppliers	Percentage	9%	8%	10%
Number of local suppliers	Number	311	356	328
Number of non-local suppliers	Number	893	808	834

### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.1 ECONOMIC (CONTINUED)

##### 3.1.3 Rate of Local Sources (Continued)

###### *Local Procurement (Continued)*



As the Group operates as an international third-party logistics service provider, the proportion of local spending is on Malaysia perspective. As at 31 December 2023, the proportion of spending on local Malaysia-based suppliers on a group-wide basis has increased to 10% from 9% in FY 2021 and 8% in FY 2022.



## Sustainability Statement

### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.1 ECONOMIC (CONTINUED)

##### 3.1.3 Rate of Local Sources (Continued)

###### **Local Procurement (Continued)**

###### AGX Malaysia

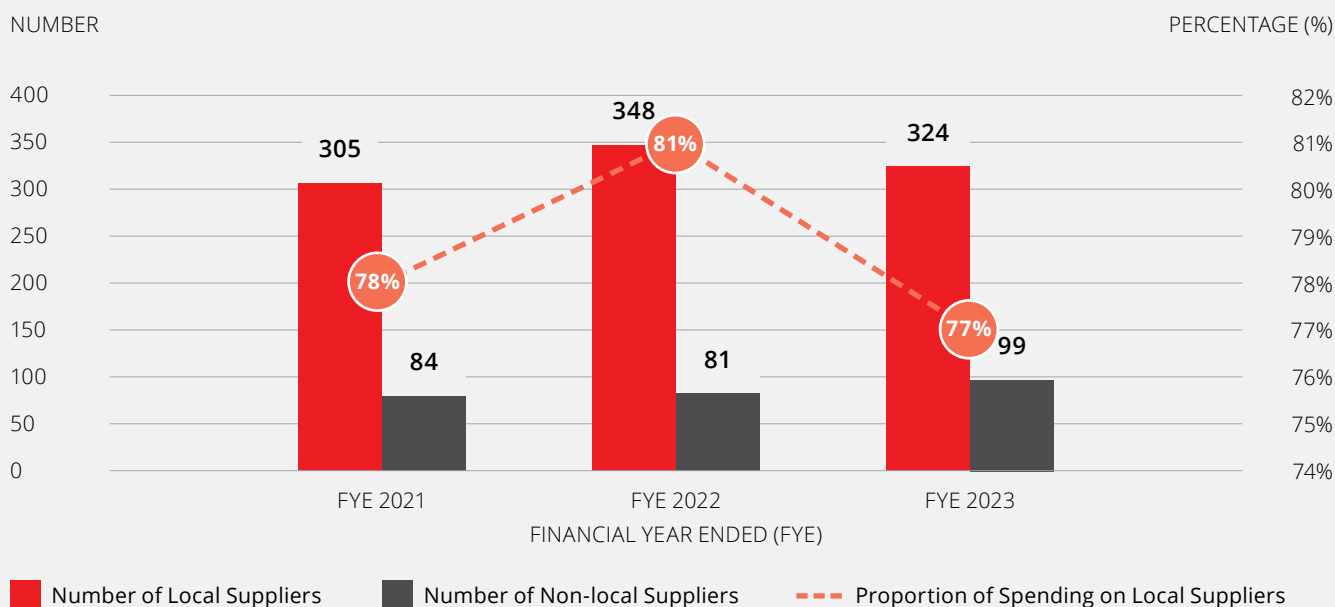
Spending on Malaysia-based suppliers are mainly contributed by the Group's operation in Malaysia as part of demonstrating the Group's commitment to support the local community where its operation is in, which are tabulated as follows.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
Proportion of spending on local suppliers	Percentage	78%	81%	77%
Number of local suppliers	Number	305	348	324
Number of non-local suppliers	Number	84	81	99

Note: Data from AGX Malaysia's perspective only.

#### LOCAL VS NON-LOCAL SUPPLIERS BY FINANCIAL YEAR (AGX MALAYSIA)



Note: Data from AGX Malaysia's perspective only.

The proportion of spending on local suppliers for AGX Malaysia is at 77% in FY 2023 which is slightly lower when compared to 78% in FY 2021 and 81% in FY 2022.

### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.2 SOCIAL

##### 3.2.1 Health and Safety

AGX is committed to providing a safe and healthy working environment for its employees by having in place health and safety policy and protocols in mitigating and managing possible occupational health and safety risks.

All operations of AGX are required to comply with the relevant safety and health laws and regulations. Proper mechanisms are in place to facilitate the identification and assessment of occupational health and safety risks, and this includes identifying personnel, and activities that are potentially vulnerable to safety and health risks.

##### **Health and Safety Training**

During the FY 2023, health and safety trainings are provided to employees, especially employees who are exposed to work-related risks. The Group place strong emphasis and briefs its employees on the procedures to remove themselves from hazards or potential hazards, prioritising their safety and health and that of others. Policies and procedures addressing safety and health are also communicated to employees regularly.

The number of employees who have received training on safety and health, through various avenues which includes safety measures briefing and specific safety and health training programs, is summarised as follows.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
<b>Employees trained on health and safety standards</b>				
Management	Number	20	24	12
Executive	Number	29	41	40
Non-executive/ Technical Staff	Number	60	61	115
General Workers	Number	26	25	28
<b>Total</b>	Number	<b>135</b>	<b>151</b>	<b>195</b>

##### **Work-Related Injuries**

Any incident/accident reported will be investigated to identify potential weaknesses in the Group's operation and procedures. Remedial actions will be developed and implemented to avoid the recurrence and/or occurrence of the incidents/accidents.

The Group's safety and health performance during the period under review is summarised as follows.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
Number of work-related fatalities	Number	Zero	Zero	Zero
Lost Time Incident Rate ("LTIR")	Rate	Zero	Zero	Zero
Total hours worked	Hours	Zero	Zero	Zero
Number of lost time injuries	Number / (Hour)	Zero	Zero	Zero

# Sustainability Statement

## 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

### 3.2 SOCIAL (CONTINUED)

#### 3.2.2 Labour Practices and Standards

##### **Human Rights**

As a responsible organisation, AGX is committed to protecting and respecting human rights across all geographical locations and business operations. The Group believes that equitable human rights practices coupled with fair and ethical treatment improve productivity and promote a healthy working culture.

The Group also understands that addressing human rights and labour standards are an ongoing process where continual evaluation and review on the Group strategy on how best to strengthen the Group’s approach is necessary in elevating human rights and labour standards.

In this regard, steps are taken to identify and address any human rights and labour standards non-fulfilment either in directly or indirectly through our business activities or our business relationships. The Group conducts ongoing human rights and labour standards due diligence to assess and mitigate potential human rights and labour standards infringements on an ongoing basis.

AGX is committed to act on the findings arising from such due diligence with proper monitoring and tracking of resolutions, if any. The Group will intensify our efforts to manage human rights to retain the achievement of zero substantiated complaints regarding human rights violation.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
Number of substantiated complaints concerning human rights violations	Number	Zero	Zero	Zero

##### **Employee Retention and Attraction**

The Group regard employees as important assets in supporting the Group’s business operations. The Group has an employee handbook in place that serves as a guide for employees, promotes legal compliance, and contributes to the overall well-functioning of the Group. The employee handbook provides benefits and entitlement of employees which plays a vital role in motivation, setting expectations, ensuring work consistency, and providing valuable information to both employees and the entities within the Group.

Furthermore, the Group strives to foster a culture of work-life balance, prioritising employee well-being whilst fulfilling work responsibilities. The Group employee turnover rate for past three (3) years are as follow.

### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

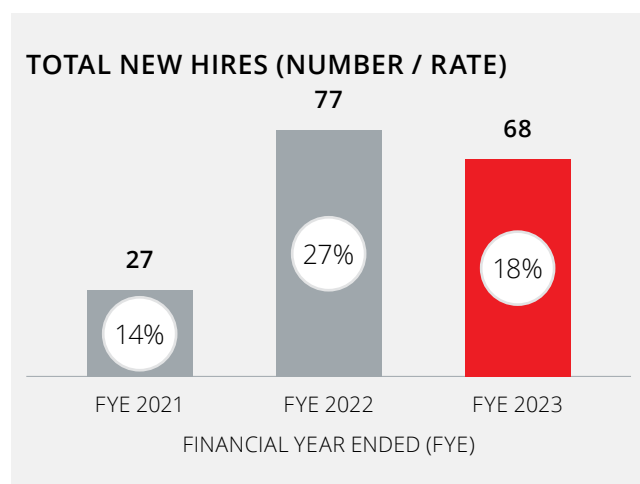
#### 3.2 SOCIAL (CONTINUED)

##### 3.2.2 Labour Practices and Standards (Continued)

##### *Employee Retention and Attraction (Continued)*



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
<b>Employee Data by Category</b>				
Total number of employee turnover by employee category				
Management	Number	2	1	0
Executive	Number	12	13	13
Non-executive/ Technical Staff	Number	15	20	13
General Workers	Number	26	27	29
<b>Turnover</b>				
Turnover rate	Percentage	19%	22%	22%



#### *Training and Development*

Training and development are basic components towards the Group's contribution to the collective growth of both individuals and organisations. Adequate training and development ensure that individuals are better equipped to handle their current roles efficiently and effectively, which in return providing value and contribution to the Group's success.

The Group continuously encourages employees to upgrade themselves by attending trainings to enhance their capabilities and contribute to future development of the entity they work in. The average training hours per employee has increased from 38 hours/employee in FY 2022 to 68 hours/employee in FY 2023.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
<b>Employee Data by Category</b>				
Total hours of training by employee category				
Management	Hours	111	138	205
Executive	Hours	366	460	1,109
Non-executive/ Technical Staff	Hours	80	121	257
General Workers	Hours	960	1,096	1,424
<b>Average hours</b>				
Average training hours per employee	Hours	33	38	68

# Sustainability Statement

## 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

### 3.2 SOCIAL (CONTINUED)

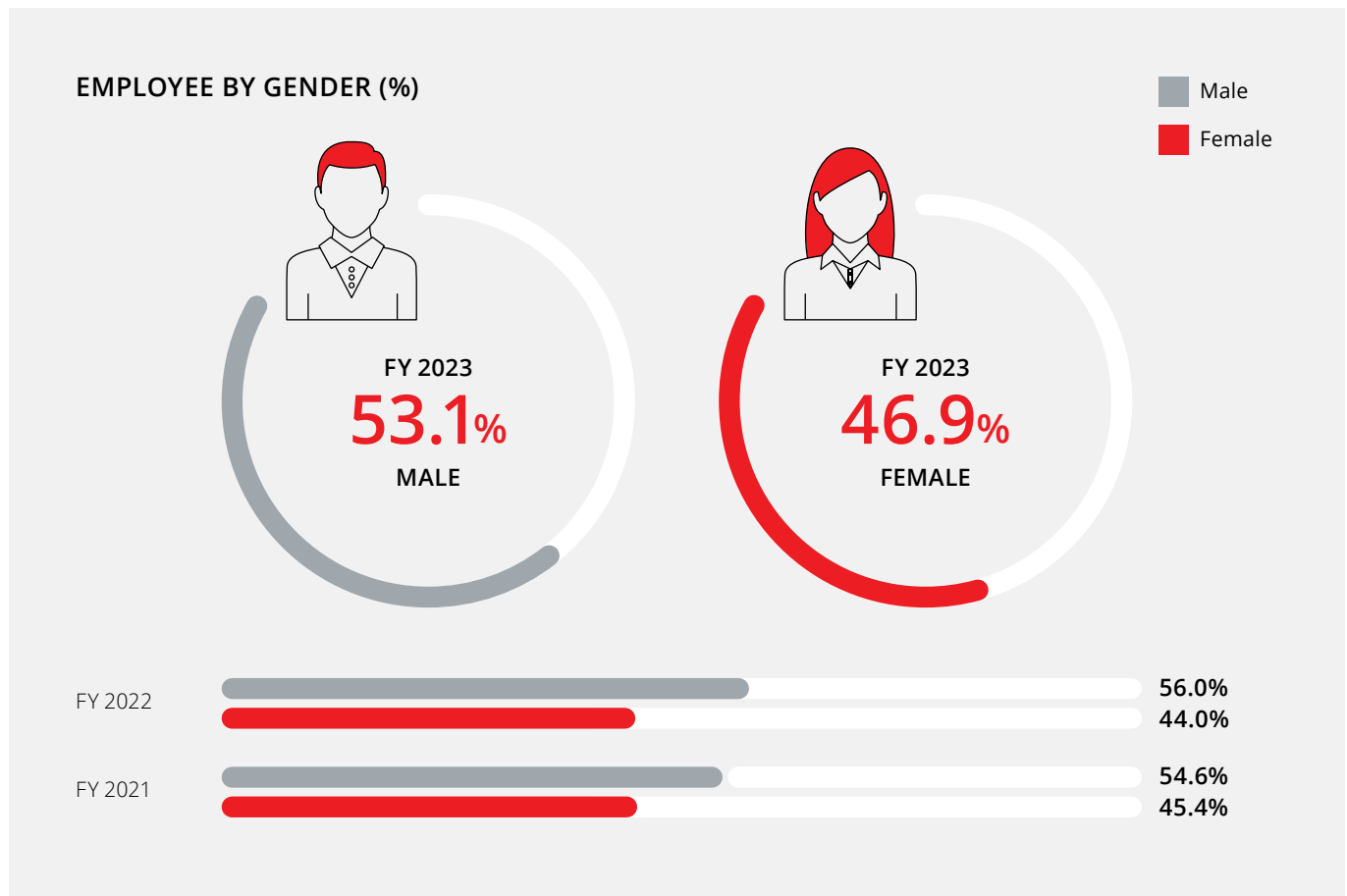
#### 3.2.3 Employment Diversity and Equal Opportunity

##### *Diversity and Inclusion*

The Group recognises the importance of workforce diversity and, supports and promotes equal opportunity, fair treatment, gender, and cultural diversity. The Group has a systematic appraisal process where employees are assessed based on their skillsets, capabilities and contribution to the Group

As at 31 December 2023, the Group's workforce comprises 53.1% male employee and 46.9% female employees respectively.

The gender diversity ratio of female employees has increased from 45.4% (FY 2021) and 44% (FY 2022) to 46.9% in FY 2023.





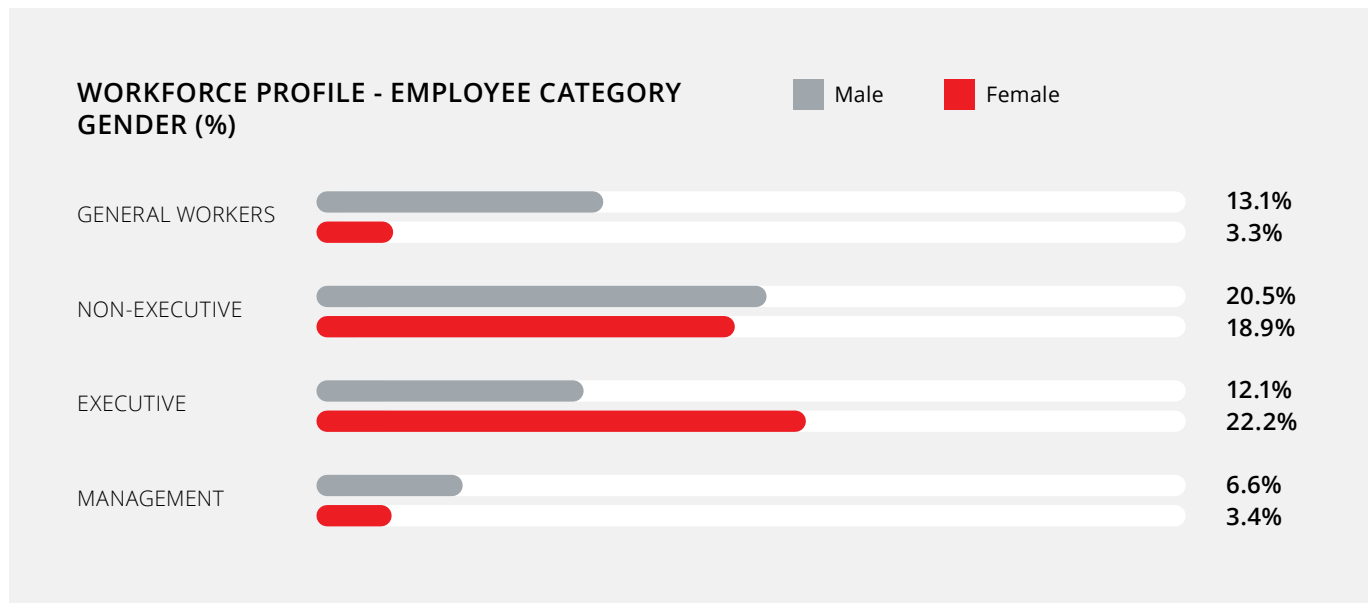
### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.2 SOCIAL (CONTINUED)

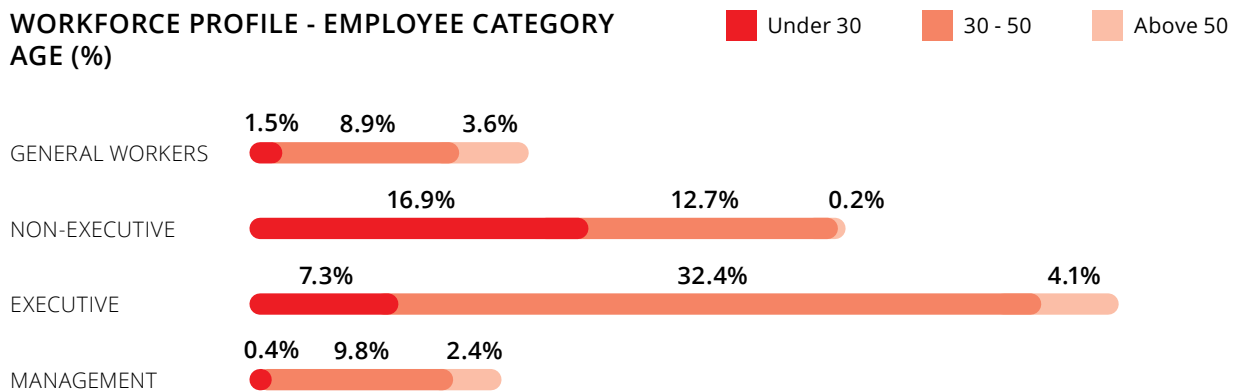
##### 3.2.3 Employment Diversity and Equal Opportunity (Continued)

###### *Diversity and Inclusion (Continued)*

As at 31 December 2023, AGX Group's employees are from diverse backgrounds in terms of genders and age groups. The profile of AGX Group's employees are as follow.



**WORKFORCE PROFILE - EMPLOYEE CATEGORY AGE (%)**



# Sustainability Statement

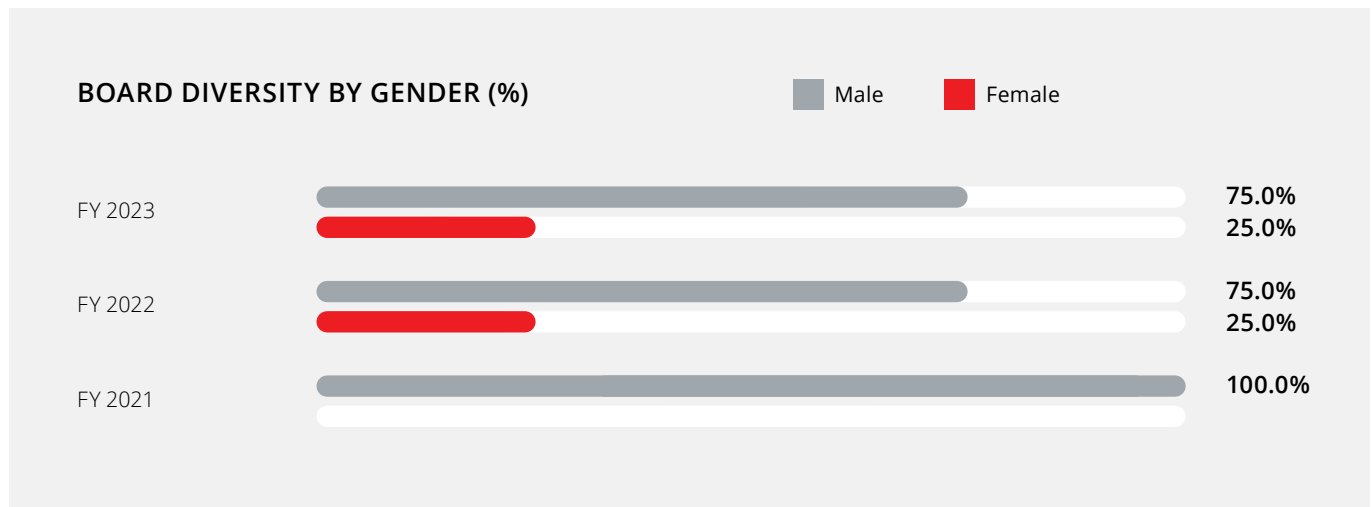
## 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

### 3.2 SOCIAL (CONTINUED)

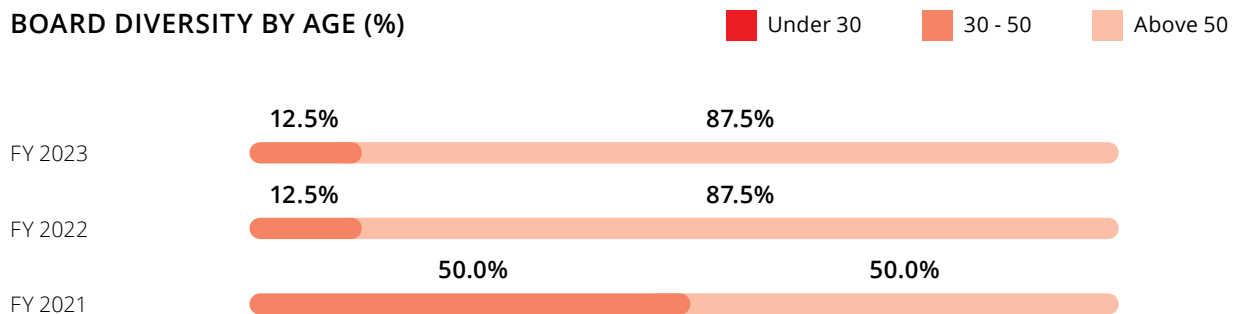
#### 3.2.3 Employment Diversity and Equal Opportunity (Continued)

##### *Diversity and Inclusion (Continued)*

AGX strongly advocates fair gender representation on the Board and will ensure that a minimum of 30% women representation is present at the Board level.



##### BOARD DIVERSITY BY AGE (%)



### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.2 SOCIAL (CONTINUED)

##### 3.2.4 Employee Engagement

###### ***Honouring and Recognising the AGX Team's Efforts***

AGX's steadfast dedication to cultivating an appreciation and acknowledgment of rich culture transcends the ordinary workplace. We held a number of get-togethers and events all year long to show our appreciation for the diligence, commitment, and loyalty of our team. In particular, our long-service awards honoured individuals who had committed years of experience and hard work. These occasions were commemorated in honor of the extraordinary people who helped AGX grow into the thriving, dynamic organisation it is today.



**TEAM BUILDING 2023**



**SPORTFEST 2023**



# Sustainability Statement

## 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

### 3.2 SOCIAL (CONTINUED)

#### 3.2.4 Employee Engagement (Continued)

##### ***AGX's Diverse Festivals & Events***

##### ***AGX 18<sup>th</sup> Anniversary Celebration***

AGX marked its 18<sup>th</sup> Anniversary on 1 April 2023. All employees from various branches will take part in the activity. As a sign of the AGX primary color of red, employees commemorated these occasions by donning red clothing. We connect at these events and take time to consider the successes and turning points that have shaped our shared journey. Cheers to many more prosperous years!

##### ***Festive Celebrations***

Festive season is the ideal time to bring everyone together and provides a break of everyday routine. We celebrated festivals and year's achievements together. A beautifully decorated office for a festive, or a party to celebrate special occasion, boosting team spirit of the employees.

**AGX 18<sup>th</sup> ANNIVERSARY  
CELEBRATION**



**HARI RAYA CELEBRATION**





**MALAYSIA INDEPENDENCE DAY**



**MOTHER'S DAY CELEBRATION**



**CHINESE NEW YEAR CELEBRATION**



**DEEPAVALI CELEBRATION**



**CHRISTMAS & NEW YEAR CELEBRATION**



**AGX DINNER 2023**



**ANNUAL STAFF PARTY**





# Sustainability Statement

## 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

### 3.2 SOCIAL (CONTINUED)

#### 3.2.5 Community Engagement

As responsible citizen and residents of the country the Group operates in, the Group is always supportive of the development and progress of the community and society.

Contributions were made to the local communities by AGX Malaysia and AGX Philippines respectively, where the total amount contributed and the beneficiaries are provided in the table below.



INDICATOR	UNIT	FY 2021	FY 2022	FY 2023
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,640.69	3,640.69	8,692.56
Total number of beneficiaries of the investment in communities	Number	1	3	10

Note: Inclusive of AGX Malaysia and AGX Philippines.

The Group believes that adopting a continuous Corporate Social Responsibility towards the community will create value and enhance the development of its local society and community.



CSR - CHARITY AT MUNTING  
TAHANAN NG NAZARETH



### 3. SUSTAINABILITY ACTIVITIES (CONTINUED)

#### 3.3 ENVIRONMENT

##### 3.3.1 Energy and Resource Management

The Group recognises that managing electricity and water consumption is crucial in safeguarding our environment and preserving our resources. Efficient electricity consumption is essential in combating climate change and reducing carbon footprint of the Group, especially in respect of Greenhouse Gas (“GHG”) emission. The Group is also mindful of the need to conserve water in our operations, even though our operations are not located in water stressed areas.

##### **Energy Consumption**

During FY 2023, the total energy consumption recorded was at 544,324 KWH with a 13% increase from FY 2022. The electricity per revenue rate had increased from 2.06KWH/RM(K) in FY 2022 to 2.91KWH/RM(K) in FY 2023, while the electricity per operating expenses rate had decreased from 14.38KWH/RM(K) in FY 2022 to 13.60KWH/RM(K) in FY 2023.



TOTAL	FY 2021	FY 2022	FY 2023
Total Electricity Consumption (KWH)	399,981	482,305	544,324
Revenue (RM'000)	193,372	234,429	186,831
Electricity (KWH) per Revenue (RM'000)	2.07	2.06	2.91
Total Operating Expenses (RM'000)	27,232	33,538	40,021
Electricity (KWH) per Operating Expenses (RM'000)	14.69	14.38	13.60

##### **Water Management**

The issue of water scarcity is becoming increasingly alarming due to several factors, such as climate change, poor water management and contamination. Although none of the Group operations are in water-stressed areas, AGX adopts a practical approach to water management, aiming to improve water efficiency and promote water conservation.

The Group consumed approximately 3,233 megalitres of water across multi-location of operations during FY 2023 (approximately 13% decrease compare with FY 2022). The water usage per revenue rate remained at 0.02 megalitres/RM(K) for consecutive 3 FYs, while the water usage per operating expenses rate has progressively decreased from 0.12 megalitres/RM(K) in FY 2021 to 0.08 megalitres/RM(K) in FY 2023.



TOTAL	FY 2021	FY 2022	FY 2023
Total Volume of Water Used (megalitres)	3,161	3,731	3,233
Revenue (RM'000)	193,372	234,429	186,831
Water (megalitres) per Revenue (RM'000)	0.02	0.02	0.02
Total Operating Expenses (RM'000)	27,232	33,538	40,021
Water (megalitres) per Operating Expenses (RM'000)	0.12	0.11	0.08

## Sustainability Statement

### 4. PERFORMANCE DATA TABLE

As part of the Group's sustainability efforts, below are the historical and comparative data achieved by AGX Group toward sustainability under the various indicators promulgated by the relevant guidance and requirements:

INDICATOR	UNIT	FY 2021	FY 2022	FY 2023	
<b>ANTI-CORRUPTION</b>	Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	2%	2%	2%	
Executive	Percentage	2%	2%	1%	
Non-executive/Technical Staff	Percentage	12%	14%	16%	
Confirmed incidents of corruption and action taken	Number	Zero	Zero	Zero	
<b>HEALTH &amp; SAFETY</b>	Number of work-related fatalities				
	Number	Zero	Zero	Zero	
Lost Time Incident Rate ("LTIR")	Rate	Zero	Zero	Zero	
Number of employees trained on health and safety standards	Number	135	151	195	
Total hours worked	Hours	Zero	Zero	Zero	
Number of lost time injuries	Number	Zero	Zero	Zero	
<b>CYBERSECURITY &amp; DATA PROTECTION</b>	Number of substantiated complaints concerning breaches of client privacy or losses of client				
	Number	Zero	Zero	Zero	
<b>ENERGY CONSUMPTION</b>	Total energy consumption				
	KWH	399,981	482,305	544,324	
<b>EMPLOYEE MANAGEMENT</b>	Total hours of training by employee category				
Management	Hours	111	138	205	
Executive	Hours	366	460	1,109	
Non-executive/Technical Staff	Hours	80	121	257	
General Workers	Hours	960	1,096	1,424	
	Total number of employee turnover by employee category				
Management	Number	2	1	-	
Executive	Number	12	13	13	
Non-executive/Technical Staff	Number	15	20	13	
General Workers	Number	26	27	29	
Average training hours per employee	Hours	33	38	68	
Total new hires	Number	27	77	68	
New hire rate	Percentage	14%	27%	18%	
Turnover rate	Percentage	19%	22%	22%	

#### 4. PERFORMANCE DATA TABLE (CONTINUED)

As part of the Group's sustainability efforts, below are the historical and comparative data achieved by AGX Group toward sustainability under the various indicators promulgated by the relevant guidance and requirements: (Continued)

INDICATOR	UNIT	FY 2021	FY 2022	FY 2023	
<b>DIVERSITY, EQUITY &amp; INCLUSION</b>	Percentage of employees by gender and age group by employee category				
	Gender group by employee category				
	Management – Male	Percentage	7.6%	7.5%	6.6%
	Management – Female	Percentage	3.5%	3.2%	3.4%
	Executive – Male	Percentage	10.4%	13.8%	12.1%
	Executive - Female	Percentage	26.3%	22.9%	22.2%
	Non-executive/Technical Staff - Male	Percentage	20.5%	20.9%	20.5%
	Non-executive/Technical Staff - Female	Percentage	15.8%	18.7%	18.9%
	General Workers - Male	Percentage	15.6%	11.9%	13.1%
	General Workers - Female	Percentage	0.3%	1.0%	3.3%
	Management - Under 30	Percentage	0.5%	0.5%	0.4%
	Management - Between 30-50	Percentage	12.3%	10.8%	9.8%
	Management - Above 50	Percentage	1.1%	2.3%	2.4%
	Executive - Under 30	Percentage	8.6%	8.3%	7.3%
	Executive Between 30-50	Percentage	34.8%	34.9%	32.4%
	Executive Above 50	Percentage	4.9%	4.9%	4.1%
	Non-executive/Technical Staff - Under 30	Percentage	11.4%	13.5%	16.9%
	Non-executive/Technical Staff - Between 30-50	Percentage	9.2%	11.2%	12.7%
	Non-executive/Technical Staff - Above 50	Percentage	0.7%	0.6%	0.2%
	General Workers - Under 30	Percentage	3.1%	1.0%	1.5%
	General Workers - Between 30-50	Percentage	9.1%	7.5%	8.9%
	General Workers - Above 50	Percentage	4.4%	4.6%	3.6%
	Percentage of directors by gender and age group				
	Male	Percentage	100.0%	75.0%	75.0%
	Female	Percentage	0.0%	25.0%	25.0%
	Under 30	Percentage	0.0%	0.0%	0.0%
	Between 30-50	Percentage	50.0%	12.5%	12.5%
Above 50	Percentage	50.0%	87.5%	87.5%	
Percentage of employees that are contractors or temporary staff	Percentage	0.6%	0.6%	0.6%	

## Sustainability Statement

### 4. PERFORMANCE DATA TABLE (CONTINUED)

As part of the Group's sustainability efforts, below are the historical and comparative data achieved by AGX Group toward sustainability under the various indicators promulgated by the relevant guidance and requirements: (Continued)

INDICATOR		UNIT	FY 2021	FY 2022	FY 2023
<b>DIVERSITY, EQUITY &amp; INCLUSION (CONTINUED)</b>	Gender diversity - Male	Percentage	54.6%	56.0%	53.1%
	Gender diversity - Female	Percentage	45.4%	44.0%	46.9%
	Age diversity - Under 30	Percentage	22.9%	24.6%	27.0%
	Age diversity - Between 30-50	Percentage	66.9%	62.5%	61.2%
	Age diversity - Above 50	Percentage	10.2%	13.0%	11.8%
	Ethnic diversity - Bumiputera	Percentage	12.2%	12.1%	14.1%
	Ethnic diversity - Chinese	Percentage	11.6%	13.2%	9.8%
	Ethnic diversity - Indian	Percentage	9.7%	9.4%	9.5%
	Ethnic diversity - Others	Percentage	66.6%	65.3%	66.5%
<b>HUMAN RIGHTS</b>	Number of substantiated complaints concerning human rights violations	Number	Zero	Zero	Zero
<b>SUPPLY CHAIN MANAGEMENT</b>	Proportion of spending on local suppliers	Percentage	9%	8%	10%
<b>COMMUNITY INVESTMENT</b>	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,640.69	3,640.69	8,692.56
	Total number of beneficiaries of the investment in communities	Number	1	3	10
<b>WATER MANAGEMENT</b>	Total volume of water used	Megalitres	3,161	3,731	3,233

### CLOSING

The journey towards attaining sustainable growth and long-term profitability begins with small steps such as ingraining the principles on sustainability into the Group's culture, value system and way of doing business. AGX Group remains optimistic that such small steps will eventually lead to the Group's better performances in the economy, environment and social aspects where the Group operates in.




# Corporate Governance Overview Statement

The Board of Directors of AGX Group Berhad (“AGX” or the “Company”) (“Board”) acknowledges the importance of practising good corporate governance (“CG”) in the conduct of the Company’s and its subsidiaries’ (collectively referred to as the “Group”) affairs and is committed to implementing good corporate governance practices throughout the Group.

The Board fully supports the Principles and Practices of Good Corporate Governance Practices (including the Intended Outcomes) promoted by the Malaysian Code of Corporate Governance (“MCCG”) in directing and managing the Group’s business and affairs toward promoting business prosperity and corporate accountability as a fundamental goal in discharging its responsibilities to protect and enhance the interests of all stakeholders and financial performance.

The Board is pleased to present this CG Overview Statement which sets out a summary of the Group’s corporate governance practices during the financial year ended 31 December 2023 (“FY 2023”).

This CG Overview Statement gives an overview of how the Company complies with the 3 main corporate governance principles in MCCG:

	1. <b>Principle A: Board leadership and effectiveness</b>
	2. <b>Principle B: Effective audit and risk management</b>
	3. <b>Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders</b>

This CG Overview Statement should be read in conjunction with the Company’s Corporate Governance Report 2023 (“CG Report”), which is available on the Company’s website at [www.agxlogistics.com](http://www.agxlogistics.com).

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## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS



### I. Board Responsibilities

The Board is responsible for formulating and reviewing the Group’s overall strategic plans and key policies of the Company, providing oversight of the Management’s performance, risk assessment and controls over the Group’s business operations and investor relations.

#### Principle Functions and Responsibilities of the Board

The principal functions and responsibilities of the Board include the following:

- Establishing, reviewing and adopting the overall strategic direction of the Group;
- Promoting a good Corporate Governance culture within the Group;
- Overseeing the conduct of business by the Company and Group and assessing the management’s performance;
- Identifying principal risks and ensuring the implementation of appropriate internal controls and risk management framework;
- Establishing an appropriate succession plan for the Board and Senior Management;
- Developing and implementing an investor relations program or a shareholder communication policy for the Company; and
- Ensuring the integrity of the Company’s financial and non-financial reporting.

The Board delegates and confers some of its authorities and discretions to the Independent Non-Executive Chairperson, the Group Chief Executive Officer (“Group CEO”), Executive Directors and Management as well as the constituted board committees comprising exclusively Non-Executive Directors.



## Corporate Governance Overview Statement

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### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)



#### I. Board Responsibilities (Continued)

##### Board Committee

The Board has formed the following committees (“**Board Committees**”) and delegated specific responsibilities to each of them in order to ensure the orderly and effective fulfilment of the Board’s functions and obligations:

TYPE OF COMMITTEE	PRINCIPAL FUNCTIONS
Audit & Risk Management Committee	To review and report on the Group’s financial results, systems of internal control, risk management, related party transactions and conflict of interests.
Nomination Committee	To assess and evaluate the effectiveness of the Board and its committee as a whole.  To assess, evaluate and recommend to the Board on the appointment of new Board members and principal officers.
Remuneration Committee	To assess, evaluate and recommend to the Board on the appointment of new Board members and principal officers.

The Board Committees shall deal with matters within their respective terms of reference and authority delegated by the Board.

##### Meetings

The Board will convene on a regular basis, at least once a quarter, to assess the Group’s activities and approve quarterly and yearly financial statements.

The Board meetings will be held according to the schedule outlined below:

DATE	DESCRIPTION
February 2024	1 <sup>st</sup> Board Meeting
April 2024	2 <sup>nd</sup> Board Meeting
August 2024	3 <sup>rd</sup> Board Meeting
November 2024	4 <sup>th</sup> Board Meeting

The Board, Audit & Risk Management Committee, Nomination Committee and Remuneration Committee did not hold any meeting for FY 2023.

##### Board Independence and Effectiveness

In order to promote accountability and balance of authority, the offices of the Chairperson and Group CEO are held by separate individuals with defined and distinct functions that are explicitly documented in the Company’s Board Charter.

The primary role of the Chairperson is to ensure the Board’s effectiveness by promoting constructive and open discussion and exchange of views between Board and the Management, as well as to lead discussions on strategies and policies, and to spearhead the Board on its collective oversight responsibilities. The Chairperson is not a chairperson of any board committees.

The Board is led by an Independent Non-Executive Chairperson, Dato’ Rozalila Binti Abdul Rahman, who provides leadership to the Board on its collective oversight responsibilities and is responsible to instil good corporate governance practices and for ensuring the effectiveness of all aspects of the Board.

The Group CEO, Dato’ Ponnudorai A/L Periasamy, is responsible for the implementation of the policies laid down, execute the decision-making and undertake the day-to-day management of the Group’s business and operations, with a view of achieving its corporate objectives, performance targets and long-term goals.

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## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)



### I. Board Responsibilities (Continued)

#### Board Independence and Effectiveness (Continued)

Currently, the Group CEO and the Executive Directors, who have vast years of experience and in-depth knowledge of the logistics business in Malaysia, lead the Group's overall strategic direction. They report to the Board on major strategic ideas and initiatives, as well as implement Board decisions.

Presence of the Independent Non-Executive Directors complements the Board by ensuring there is an effective check and balance in the functioning of the Board. The Independent Non-Executive Directors fulfil the criteria of independence as set out in the Listing Requirements.

In carrying out their corporate governance obligations, the Independent Non-Executive Directors engage with management, internal and external auditors.

#### Policies

The Board has approved a Board Charter, which acts as a guide for both the Board and Management. The Board also established a Code of Ethics and Conduct, which gives advice to Directors, Management, and employees on ethical and behavioural considerations and/or actions as they carry out duties and obligations during their appointment.

The Board Charter was tabled and approved at the Board Meeting held on 18 August 2020 while the Code of Ethics and Conduct was tabled and approved at the Board Meeting held on 26 April 2024. The same have been uploaded to the Company's website at [www.agxlogistics.com](http://www.agxlogistics.com).

Additionally, the Company has also put in place a Whistleblowing Policy which clearly spells out the procedures for reporting any wrongful activities and/or wrongdoings within the Group.

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("**MACC Act 2018**"), the Company has put in place the Anti-Corruption and Bribery Policy to promote a culture of integrity and transparency in all the Group's activities. This policy which adheres to the AMLR and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's clients, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The Anti-Corruption and Bribery Policy is available on the Company's website at [www.agxlogistics.com](http://www.agxlogistics.com).

In line with the new rule of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**AMLR**"), the Board has on 26 April 2024 adopted the Directors' Fit & Proper Policy to ensure a formal and transparent process for the appointment and re-election of Directors of the Company and its subsidiaries. This policy shall be reviewed by the Board on an annual basis or at any time the Board may deem necessary in accordance with the needs of the Company. The Directors' Fit & Proper Policy is accessible through the Company website at [www.agxlogistics.com](http://www.agxlogistics.com).

Further details pertaining to the Board Charter, Code of Ethics and Conduct and Whistleblowing Policy and Procedure are set out in the CG Report.

## Corporate Governance Overview Statement

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### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)



#### I. Board Responsibilities (Continued)

##### Company Secretary

The Board is assisted by two (2) Companies Secretaries who are sufficiently qualified, experienced, and competent. The Company Secretaries advise the Board and Board Committees on issues relating to compliance with the relevant laws, rules, procedures, and regulations affecting the Company and the Group, as well as best governance practices.

All Directors have unrestricted access to the advice and services of the company secretaries. The Board is updated and apprised by the Company Secretaries on the laws and regulations (or any amendments thereto), as well as directives issued by the regulatory authorities. The Company Secretaries attend all Board and Committee meetings and ensure the meetings are properly convened, deliberations and decisions made by the Board are accurately minuted, recorded and kept.

##### Access to Information and Advice

Every Director has full and unrestricted access to information within the Group. Where required, the Board and its Committees are provided with independent professional advice, the cost of which is borne by the Company. The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns. The Board is supplied with quality and timely information, which allows it to discharge its responsibilities effectively and efficiently.

The agenda for each meeting together with a set of comprehensive board papers for each agenda item are delivered via email to each Director in advance of meetings, to afford the Board sufficient time to review the matters to be deliberated for

effective discussion and decision making during the meeting, and where necessary, to obtain supplementary information before the meeting.

#### II. Board Composition

The Group is governed by an experienced Board comprises of high-calibre members from varied professional backgrounds who possess the necessary skills, competence, and experience. The Board consists of four (4) Executive Directors and four (4) Independent Non-Executive Directors with expertise in corporate strategy, finance, business management, and corporate law.

The Board and the Nominating Committee believe that the current size and composition of the Board are well-balanced, taking into account the Board members' experience and exposure in various area, as well as their diverse background and skills, and reflecting the Group's commitment to ensuring effective leadership of the Group.

All the Directors of the Company do not hold more than five (5) directorships in listed issuers as required under Rule 15.06 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The profile of each Directors is set out in the Profile of Directors section in this Annual Report.

##### Annual Assessment of Board Members

The Board through the Nominating Committee, conducts annual assessment on effectiveness of the Board, the Board Committees and the individual Directors of the Company.

The effectiveness of the Board and Board Committees is measured in terms of board structure/mix, decision making, boardroom participation and activities, meeting administration and conducts, skill and competencies, as well as role and responsibilities, while the performance of individual Directors is measured in terms of contribution and interaction with peers, quality of the Director's input, understanding of the role, and etc.

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**PRINCIPLE A: BOARD  
LEADERSHIP AND  
EFFECTIVENESS (CONTINUED)****II. Board Composition (Continued)**Annual Assessment of Board Members  
(Continued)

The assessment's findings and recommendations would be presented to the Board for deliberation and decision making on areas for improvement. The yearly evaluation of the Board, the Board Committees, and individual Directors was satisfactory.

Directors' Appointment and Re-election

In accordance with the Company's Constitution, at every Annual General Meeting ("AGM") one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years. All Directors who retire from office shall be eligible for re-election.

The Director who is subject to re-election and/or re-appointment at the next AGM shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nomination Committee would be based on the yearly assessment conducted and the criteria of the newly adopted fit & proper policy.

All appointments of new directors to the Board are made in accordance with an established and transparent method and in accordance with the relevant requirements of the relevant authorities. Any additional director will be appointed as and when the existing Board deems it necessary, taking into account the individual's educational and professional background, employment record, financial integrity, time management and

commitment, whether the individuals have any special experience in a relevant area, possession of the required skill and qualification, personal accomplishments, and the mix and range of expertise and experience required for an effective Board.

The Board, based on the recommendation of the Nomination Committee, would evaluate and decide on the appointment of the proposed candidate(s).

Based on the standards outlined in the Listing Requirements, criteria have been established to examine the independence of candidates for directorship and existing Directors. The Independent Directors are required to confirm their independence on a yearly basis by completing the independence checklist.

The Board takes cognisance of the Code's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. As at the date of the printing of this Annual Report, none of the Independent Non-Executive Director of the company have been in service for more than nine (9) years.

Directors' Training

The Board recognises the need for them to attend training in order to perform their duties effectively. Individual directors would assess and recommend training needs for each other. In accordance with the Listing Requirements on Directors' Training, the Directors will continue to participate in relevant training programmes to continuously improve their knowledge.

The Company Secretary also keeps the Board up to date on the latest updates and important changes to the Listing Requirements, Companies Act 2016, and other regulatory requirements relevant to the discharge of the Directors' duties and responsibilities.

## Corporate Governance Overview Statement

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### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)



#### II. Board Composition (Continued)

##### Directors' Training

The Directors have attended the following conference, seminars and training programmes during the financial year under review:

NAME OF DIRECTORS	NAME OF SEMINAR/TRAINING PROGRAMMES ATTENDED	ORGANISED BY
<b>Dato' Ponnudorai A/L Periasamy</b>	Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia
<b>Jayasielan A/L Gopal</b>	Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia
	Resresher Course / Seminar (RC)	Akademi Kastam Diraja Malaysia
<b>Penu Mark</b>	Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia
<b>Neo Lip Pheng, Peter</b>	Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia
<b>Dato' Rozalila Binti Abdul Rahman</b>	"Can America Stop China's Rise? Will ASEAN Be Damaged?"	FIDE FORUM
	Building The Digital Bank of Tomorrow, Today	Amazon Web Services (AWS)
	Under Pressure in Southeast Asia : What marketers need to know now for strategic planning	Kantar APAC Webinar
	AWS Cloud Day - Driving Malaysia's Digital Future with AWS	Amazon Web Services (AWS)
	Demystifying Cyber	Affin Bank Berhad
	Risk Management Committee – Banking Sector	ASB / ICLIF
	Media Preparedness and Crisis Simulation Training	Affin Bank Berhad
	Leadership For Enterprise Sustainability Asia Conference	LESA
	Carbon Emissions	ESGright
	Risk Management Committee – Banking Sector	ASB / ICLIF
	ICDM PowerTalk: Generative AI – An Opportunity Or Risk?	Institute of Corporate Directors Malaysia
	"What ESG means to your industry"	LeadWomen Sdn. Bhd.
	Pricing A Negative Externality: Carbon	Wixevents
Chairperson Masterclass Series 2023- The Concept of Double Materiality	Climate Governance Malaysia	
Cyber Security Incident Management Process	Affin Bank Berhad	
Business Continuity Management	DRI Malaysia	

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**PRINCIPLE A:  
BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****II. Board Composition (Continued)**Directors' Training (Continued)

The Directors have attended the following conference, seminars and training programmes during the financial year under review: (Continued)

NAME OF DIRECTORS	NAME OF SEMINAR/TRAINING PROGRAMMES ATTENDED	ORGANISED BY
<b>Dato' Rozalila Binti Abdul Rahman (Continued)</b>	National Climate Governance Summit 2023	Climate Governance Malaysia
	An exclusive briefing on Navigating Sustainability Reporting in the Banking Industry	PwC
	Audit Committee Conference 2023	Malaysian Institute of Accountants
	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	Institute of Corporate Directors Malaysia
	What is Estate Planning in Preparation for Retirement?	AKPK
	"Digital Banking Asia Summit Malaysia Conference 2023"	Escom
	Business of Biodiversity and Why It Matters to Your Company	Climate Governance Malaysia
	Oil and Gas Corporate Day – Industry Insights and Corporate Updates	Affin Hwang Investment Bank Berhad
	Entrepreneurs Summit IV	NEXEA
	AFFINioVATION 2.0 : Unleashing the Power of AI : Shaping the Future	Affin Hwang Investment Bank Berhad
<b>Ong Teng Yan</b>	Chairperson Masterclass Series Session 5 : The New Era of Board Duties by Philippe Joubert	Climate Governance Malaysia
	Climate Change & Carbon Footprint - Getting the Right Financial Risk & Reporting Perspectives	Institute of Corporate Directors Malaysia
	Baker Tilly Malaysia - Tax & Budget Webinar	Baker Tilly Malaysia
	MIA Webinar Series: Valuation in Practice: Demystifying Business Valuation	Malaysian Institute of Accountants
	MIA Webinar Series: Compare and Contrast Asset Accounting - PPE, IP, Inventories, Biological Assets and Financial Assets	Malaysian Institute of Accountants
	MIA Webinar Series: A Comprehensive Review of Latest Developments in MFRS	Malaysian Institute of Accountants
	Mandatory Accreditation Programme	Institute of Corporate Directors Malaysia
	Baker Tilly Malaysia - Tax & Budget Webinar	Baker Tilly Malaysia



## Corporate Governance Overview Statement

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### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)



#### II. Board Composition (Continued)

##### Directors' Training (Continued)

The Directors have attended the following conference, seminars and training programmes during the financial year under review: (Continued)

NAME OF DIRECTORS	NAME OF SEMINAR/TRAINING PROGRAMMES ATTENDED	ORGANISED BY
Aida Mosira Binti Mokhtar	Diversity, Equity & Inclusion (DEI) Conversation	Maybank
	Train The Trainer - HRD Corporation	Success Edge
	Corporate Venture Capital Programme	Securities Commission Malaysia
	Sustainable Investing	HBS
	SEA Development Symposium - Imagining a Net Zero ASEAN	Asian Development Bank
	Bursa PLC Transformation Programme #Digital4SE	Bursa Malaysia
	National Economic Forum 2023	Federation of Malaysian Manufactures
	Power Talk : Advancing Cyber Resilience	Institute of Corporate Directors Malaysia
	Board Oversight of ESG (Panelist)	Malaysian Institute of Accountants
	How Web 3.0 Technology and Data Policy Combine to Promote Data Sovereignty, Privacy, and Trust Confirmation	The London School of Economics and Political Science
	Economic Conference	Affin Bank
	SCXSC Fintech Conference	Securities Commission Malaysia
	Sustainability session for CEOs and Boards	ERM
	Oversight by Boards (Panelist)	Malaysian Institute of Accountants
	World ESG Summit 2023 (Panelist)	Gulf Xcellence
	Global Risk Conference 2023 (Panelist)	Institute of Enterprise Risk Practitioners
	Cybersecurity	PwC Malaysia
	Asset Liability Management	PwC Malaysia
	National Climate Governance Summit	Climate Governance Malaysia
	Cooler Earth Sustainability Summit	CIMB
	Audit Committee Conference	Malaysian Institute of Accountants
	IFN Asia Conference	Islamic Finance News
	Islamic Sustainable Finance and Investment Forum 2023	Securities Commission Malaysia
	What amounts to conflict of interest by Directors?	Asia School of Business
	ESG Talk	KPMG
	Mandatory Accreditation Programme Part 2 (Leading for Impact)	Institute of Corporate Directors Malaysia
	ESG Awareness and Gap Analysis Session	KPMG
Chairperson Masterclass Series 2023	Climate Governance Malaysia	

*During the financial year, Dato' George Miranda Alfonso did not attend any training due to personal commitments.*

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## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)



### III. Remuneration

#### Directors Remuneration Policy & Procedure

The Board believes in a remuneration scheme that adequately supports the Directors' obligations and fiduciary duties in leading the Group toward its long-term goals and increasing shareholder value. The Remuneration Committee ("RC") is primarily responsible for, amongst others, recommending to the Board for approval the remuneration policy and reward framework for Executive Directors that are aligned with the Company's business objectives and long-term objectives while also being fairly guided by market norms and industry practises. The RC conducts an annual assessment of the remuneration packages of the Executive Directors, after which the recommendation is forwarded to the Board for approval. This annual assessment ensures that the remuneration packages for Executive Directors remain competitive and sufficiently attractive to retain them.

The RC comprises the following members:

NAME & DESIGNATION	DIRECTORSHIP IN THE BOARD
<b>Chairperson</b>	
Aida Mosira Binti Mokhtar	Independent Non-Executive Director
<b>Members</b>	
Ong Teng Yan	Independent Non-Executive Director
Dato' George Alfonso Miranda	Independent Non-Executive Director

The Board has in place a Remuneration Policy & Procedures for Directors and Senior Management to facilitate the RC in reviewing, considering and recommending to the Board on the remuneration packages for the Executive Directors, senior management and directors of the Company's subsidiaries.

The Remuneration Policy & Procedures for Directors and Senior Management is to be reviewed from time to time for its competitiveness in order to attract, develop and retain directors with the necessary skills and experience to undertake the responsibilities of an effective Board.

The remuneration of Non-Executive Directors, which is made up of director's fee, meeting allowances and other benefits, if any, is to be determined by the Board and to be tabled for approval by shareholders on a yearly basis at the annual general meeting.

The RC met at the Board Meeting held on 28 February 2024 to review the proposed remuneration package of Executives Directors with such recommended remuneration packages submitted to the Board for approval. The RC also reviewed the salary increment and bonus for Executive Directors, senior management and directors of the Company's subsidiaries.

## Corporate Governance Overview Statement

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### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)



#### III. Remuneration (Continued)

##### Directors' Remuneration

Details of the Directors remuneration for the financial year ended 31 December 2023 are as follows:

##### a) Received from the Company

DIRECTORS	MEETING ALLOWANCES RM'000	TOTAL RM'000
<u>Executive Directors</u>		
Jayasielan A/L Gopal	4	4
Dato' Ponnudorai A/L Periasamy	4	4
Neo Lip Pheng, Peter	3	3
Penu Mark	3	3
<u>Non-Executive Directors</u>		
Aida Mosira Binti Mokhtar	4	4
Dato' George Miranda Alfonso	4	4
Dato' Rozalila Binti Abdul Rahman	4	4
Ong Teng Yan	4	4
<b>Total</b>	<b>30</b>	<b>30</b>

##### b) Received from the Group

DIRECTORS	SALARIES, BONUSES AND ALLOWANCES RM'000	STATUTORY CONTRIBUTION RM'000	BENEFITS- IN-KIND RM'000	TOTAL RM'000
<u>Executive Directors</u>				
Jayasielan A/L Gopal	650	30	–	680
Dato' Ponnudorai A/L Periasamy	686	85	2	773
Neo Lip Pheng, Peter	767	49	8	824
Penu Mark	778	50	–	828
<u>Non-Executive Directors</u>				
Aida Mosira Binti Mokhtar	4	–	–	4
Dato' George Miranda Alfonso	4	–	–	4
Dato' Rozalila Binti Abdul Rahman	4	–	–	4
Ong Teng Yan	4	–	–	4
<b>Total</b>	<b>2,897</b>	<b>214</b>	<b>10</b>	<b>3,121</b>

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**PRINCIPLE B:  
EFFECTIVE AUDIT AND RISK  
MANAGEMENT****I. Audit & Risk Management Committee**

The Group's financial reporting, audit, risk management and internal control system are reviewed by the Audit & Risk Management Committee ("ARMC"), which comprises 3 members, all of whom are Independent Non-Executive Directors. The ARMC is chaired by Mr Ong Teng Yan and its members are Dato' George Alfonso Miranda and Puan Aida Mosira Binti Mokhtar. Chairman of the ARMC is not the Chairman of the Board.

The detailed roles, functions, responsibilities and summary of activities carried out by the ARMC during the financial year under review are set out in the ARMC Report of this Annual Report.

**II. Risk Management and Internal Control Framework**

The Board acknowledge that it is crucial for the Group to maintain a sound system of risk management and internal control ("RMIC") that is able to provide reasonable assurance that the Group's assets and shareholders' investments in the Group are safeguarded. Nonetheless, due to its inherent nature, the Group's RMIC system can only provide reasonable but not absolute assurance against material misstatements, errors or wilful circumvention of rules and procedures.

Risk management and internal control framework has been embedded into the Group's business operation in line with the Group's principles toward effective risk management and internal control. The Group has in place a Risk Management Framework in communicating risk culture as well as serving as a guideline on risk management practices. Internal control framework, on the other hand, provide clear guidelines in governance and conducts of business operations. The risk management and internal control framework shall be reviewed and evaluated

from time to time to ensure it is continuously improved and remain relevant in accommodating to business environment changes. Details of the risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

To assist the Board in maintaining a sound system of internal control, an outsourced internal audit function has been engaged and is tasked to undertake independent review of the Group's system of internal controls. The outsourced internal audit function is required to report regularly to the ARMC with regards to the adequacy and effectiveness of the system of internal control implemented within the Group. Details of the internal audit function and its activities during the financial year are as set out in the Audit & Risk Management Committee Report of this Annual Report.

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**PRINCIPLE C: INTEGRITY IN  
CORPORATE REPORTING AND  
MEANINGFUL RELATIONSHIP  
WITH STAKEHOLDERS****I. Engagement with Stakeholders**Communication with Shareholders

The Board cherishes discussion with investors and encourages them to contact the Company at any time with questions. The Company recognises the value of effective communication with investors and shareholders on topics ranging from strategic orientations to financial performance to various policies that help investors/ shareholders make informed decisions.

The Board keeps shareholders informed via various announcements, release of quarterly financial results, press releases, annual reports, circulars to shareholders, policies and Board Charter on the Company's website.

## Corporate Governance Overview Statement

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### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)



#### I. Engagement with Stakeholders (Continued)

##### Communication with Shareholders (Continued)

The Company has outlined a policy on shareholders communication with regard to matters relating to the communication between the Company and its valued shareholders. In addition, the Company has also established a Statement on Shareholders' Right which clearly spelt out de-facto rights of shareholders. Both the Shareholders Communication Policy and Statement on Shareholders' Rights at General Meeting are made available for review at the Company's website at [www.agxlogistics.com](http://www.agxlogistics.com).

##### Corporate Disclosure Policy

The Group recognises the importance of information disclosure that is transparent, timely, and cohesive. Communication with the investing public and other stakeholders is continuously included on the Board's agenda for improvement. The Group has developed and enforced the implementation of corporate disclosure policy based on disclosure requirements imposed by relevant regulatory agencies, Listing Requirements guidelines, and the Code's principles and suggestions. The Group makes public disclosures to the general public via Bursa and the Company's website after consultation with the designated Company Secretaries and/or other external professionals.

The Corporate Disclosure Policy was tabled and approved by the Board at the Board Meeting held on 26 April 2024. The same have been uploaded to the Company's website at [www.agxlogistics.com](http://www.agxlogistics.com).

#### II. Conduct of General Meetings

The AGM is the primary forum for communication and interaction with the Company's shareholders. The Company encourages shareholders to attend

the AGM, which provides an opportunity for them to meet the Board and the Management team. The Board welcomes shareholders' feedback and encourages shareholders to actively engage in question-and-answer session, which is available to all shareholders that are present at the AGM. The Board will ensure all special business items that requires resolution contained in the notice of general meeting is supported by a thorough explanation on the implications before seeking shareholder's approval.

The Board will attend the AGM and will endeavour to answer the concerns raised by shareholders on the Group's business, prospects and advancement plans. The Board will provide clarification on issues and concerns highlighted by shareholders. External auditors will also present to provide clarifications, notably on the financial statements.

The Company has uploaded a policy on "Shareholders' Rights Relating to General Meeting" on its website at [www.agxlogistics.com](http://www.agxlogistics.com) for shareholders' references.

#### ACCOUNTABILITY AND AUDIT

The Board is generally responsible for taking the necessary steps to protect and increase the value of the Company's shareholders. The Company maintains a proper and open connection with its external auditors.

The Board is responsible for providing shareholders with a balanced, concise, and thorough assessment of the Group's financial performance via quarterly reports and annual financial statements. The Board and the ARMC must ensure that the financial statements are prepared in line with the applicable approved accounting standards.

In presenting the financial statements, the Board has reviewed and ensured that appropriate accounting policies have been used, consistently applied and supported by reasonable judgements and estimates. In discharging its responsibilities, the Board is assisted by the ARMC to ensure accuracy and adequacy of information disclosed.

## **RESPONSIBILITY STATEMENT BY DIRECTORS**

The Company's Directors are responsible for ensuring that the Group's and the Company's financial statements are properly prepared in accordance with the applicable approved accounting standards in order to provide a true and fair view of the Group's and the Company's state of affairs as of the end of the financial period, as well as the Group's and the Company's financial results and cash flows for that period.

The Board is responsible for maintaining proper accounting records for the Group and the Company and reports the financial position of the Group and the Company with reasonable accuracy and allow them to ensure the financial statements have complied with the applicable approved accounting standards.

The Directors are generally responsible for taking all reasonable actions to protect the Group's assets and to identify and prevent errors and other irregularities.

The Board, with the recommendations by the ARMC, will ensure that all quarterly announcements and annual reports present a balance and understandable assessment of the Group's financial position and prospects.

The Statement by Directors pursuant to Section 251 (2) of the Companies Act 2016 is set out in page 84 of this Annual Report.



## Additional Compliance Information

In compliance with the ACE Market Listing Requirements of Bursa Malaysia, the following information is provided:

### 1. Utilisation of Proceeds

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 7 February 2024 (“Listing”). In conjunction with the Listing, the Company undertook a public issue of 96,500,000 new ordinary shares at an issue price of RM0.35 per ordinary share, raising gross proceeds of RM33.78 million.

As at 31 December 2023, the gross proceeds from the public issue amounted to RM33.78 million and is earmarked to be utilised in the following manner:-

DETAILS OF UTILISATION	ESTIMATED TIMEFRAME FOR THE UTILISATION UPON LISTING	PROPOSED UTILISATION RM'000	ACTUAL UTILISATION <sup>(1)</sup> RM'000
Business expansion	Within 12 months	8,700	-
Repayment of bank borrowings	Within 3 months	4,139	-
Working capital	Within 24 months	16,436	-
Estimated listing expenses	Within 3 months	4,500	-
<b>Total</b>		<b>33,775</b>	<b>-</b>

Note: <sup>(1)</sup> As at 31 December 2023, the public issue was pending completion.

### 2. Audit/Non-audit Fees

The amount of audit/non-audit fees paid/payable to the external auditors by the Company and by the Group for the financial year ended 31 December 2023 are set out below:

	GROUP RM'000	COMPANY RM'000
Audit fees		
- statutory	470	88
- special	194	160
Non-audit fees	147	147

### 3. Material Contracts and Contracts related to Loan involving Directors, Chief Executive and Substantial Shareholders

There were no material contracts or contracts related to loans entered into by the Company and/or its subsidiaries involving Directors', Chief Executive's and/or major shareholders' interests that were still subsisting at the end of the financial year ended 31 December 2023.

### 4. Employee Share Option Scheme

During the financial year ended 31 December 2023, there was no issuance of any Employee Share Option Scheme.

### 5. Recurrent Related Party Transactions of a Revenue Nature (“RRPT”)

During the financial year ended 31 December 2023, there were no RRPT of a revenue or trading nature which requires shareholders' mandate.

### 6. List of Properties

During the financial year ended 31 December 2023, there was no list of properties.

# Audit and Risk Management Committee Report

The Board of Directors (“**Board**”) of AGX Group Berhad (“**AGX**” or the “**Company**”) is pleased to present the Audit & Risk Management Committee Report for the financial year ended 31 December 2023 (“**FY 2023**”).

## COMPOSITION

The Audit & Risk Management Committee (“**ARMC**” or “**Committee**”) comprises three (3) Independent Non-Executive Directors, in line with the requirements of Rule 15.09 of the ACE Market Listing Requirement of Bursa Malaysia and as advocated by Practice 9.4 of the Malaysian Code on Corporate Governance. Composition of the ARMC are as follows:

NAME & DESIGNATION	DIRECTORSHIP IN THE BOARD
<b>Chairperson</b> Ong Teng Yan*	Independent Non-Executive Director
<b>Members</b> Dato’ George Alfonso Miranda	Independent Non-Executive Director
Aida Mosira Binti Mokhtar	Independent Non-Executive Director

\* A member of the Malaysian Institute of Accountants.

Chairman of the ARMC is a member of the Malaysian Institute of Accountants, which is in compliance with Rule 15.09(1)(c) of the Listing Requirement of Bursa Malaysia.

## AUTHORITY

The ARMC is authorised by the Board to review any activity of the Group within its Terms of Reference and has full access to information and resources which it needs to discharge its duties and responsibilities.

## ARMC MEETINGS

The ARMC shall meet at least four (4) times a year and additional meetings may be called as and when required in order to fulfil its duties. Notice pertaining to ARMC meeting and relevant meeting papers are required to be distributed in advance to each ARMC member so as to ensure they are able to discharge their duties and responsibilities effectively. In this regard, the ARMC is supported by the Company Secretary in ensuring timely distribution of meeting papers as well as keeping records of ARMC meeting.

## SUMMARY OF ACTIVITIES

The main activities undertaken by the ARMC after its formation and subsequent to the listing of the Group on the ACE Market of Bursa Malaysia (“**Listing**”) are as follows:

### 1. Financial Reporting

- Reviewed the unaudited quarterly financial results of the Company and the Group prior to recommending to the Board for approval and for the release of announcement to Bursa Malaysia.

### 2. External Audit

- Reviewed the audit status of the Company’s financial statements for the FY 2023, which was presented by the External Auditors.
- Reviewed the audit fees of the external auditors prior to recommending to the Board for approval.
- Had private sessions with the External Auditors without the presence of the Executive Directors.

## Audit and Risk Management Committee Report

### SUMMARY OF ACTIVITIES (CONTINUED)

The main activities undertaken by the ARMC after its formation and subsequent to the Listing of the Group on the ACE Market of Bursa Malaysia are as follows: (Continued)

#### 3. Internal Audit

- Reviewed and evaluated profile and proposal of professional service provider firms for the provision of internal audit services to the Group. Recommended the appointment of Resolve IR Sdn Bhd (“RESOLVE”) as the outsourced internal audit function of the Group to the Board for approval.
- Reviewed and approved the internal audit plan for financial year ending 31 December 2024.
- Reviewed the adequacy of scope, function, competency and resources of the outsourced internal audit function.

#### 4. Related Party Transactions

- Reviewed any related party transaction and conflict of interest situation that arose within the Company and the Group including any transaction, procedure or course of conduct that may have impact on management’s integrity.

#### 5. Matters Relating to Corporate Governance

- Reviewed the Statement on Risk Management and Internal Control and ARMC Report for its inclusion in the Annual Report.

### SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

Subsequent to the financial year under review and pursuant to the Group’s Listing, the Group has outsourced its internal audit function to RESOLVE. RESOLVE was appointed on 26 April 2024 and is tasked to perform independent assessment on the adequacy and effectiveness of the RMIC systems of the Group. Scope of work of the outsourced internal audit function has been set out in the internal audit plan that has been approved by the ARMC which focuses on the key risk and functional areas of the Group. The outsourced internal audit function is required to reports directly to the ARMC on a quarterly basis.

Details on the Statement of Risk Management and Internal Control are furnished in pages 73 to 75 of this Annual Report.

# Statement on Risk Management & Internal Control

This Statement is prepared in accordance with Rule 15.26 (b) of the Listing Requirements of Bursa Malaysia for the ACE Market, Principle B of the Malaysian Code of Corporate Governance (“MCCG 2021”) and is guided by the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers.

The Board is pleased to present the Statement on Risk Management and Internal Control (“Statement”), which outlines the nature and scope of risk management and internal control within the Group for FY 2023.

## BOARD'S RESPONSIBILITY

The Board prioritises a robust RMIC system as an essential element of the Group's success and a cornerstone of good corporate governance. In fulfilling its fiduciary duty, the Board promotes a culture of risk awareness and proactive control. This commitment is demonstrated through establishing clear risk appetite, integrating risk management into core processes as well as continuous evaluation of the risk management and internal control system's adequacy, integrity, and effectiveness in ensuring that AGX Group remains agile and resilient in facing evolving challenges and in pursuing its business objectives.

The Board acknowledged that the risk management and internal control system is designed to manage or mitigate risks rather than eliminate the risks that may impede the achievement of the Group's business objectives. In view of the limitations inherent in any RMIC system, the system can only provide reasonable but not absolute assurance against material losses.

The disclosures in this Statement do not include the RMIC practices of AGX's associates as the Board has no direct control over their operations. Nevertheless, AGX's interests are safeguarded through the appointment of members to the relevant Board of Directors and, in certain cases, the management committees of these entities. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed by the Board and Management periodically.

## RISK MANAGEMENT FRAMEWORK

The Board underscores the importance of robust risk management as the foundation for the Group's sustainable growth and acknowledges that striking a strategic balance between calculated risks and potential rewards is crucial in achieving the Group's long-term objectives. In this regard, the Group has in place a Risk Management (“RM”) Framework that is guided by the global risk management standard, AS ISO31000:2018 Risk Management – Principles and Guidelines. The RM Framework sets out the Group's risk management governance, guidelines, processes and control responsibilities and aims to achieve the following objectives:-

- Communicate and disseminate across the organisation the vision, role and direction of the Group;
- Identify, assess, evaluate and manage the various principal risks which affect the businesses of the Group;
- Create a risk-awareness culture and risk ownership for more effective management of risks; and
- Formulate a systematic process of reviewing, tracking and reporting on keys risks identified and the corresponding risk mitigation procedures.

Leveraging on the Group's RM framework to ensure the cultivation of strong risk awareness culture and consistent application of effective risk management practices across the Group.

The Board, together with the ARMC and executive management, fosters a pervasive risk culture across the Group. The Board provides strategic direction, defining roles, responsibilities, and risk reporting structures while ARMC and executive management jointly cultivate and champion a culture of risk awareness throughout the Group. This ensures the strategic integration of risk management principles within all operational segments, thereby promoting their consistent and effective execution.

## Statement on Risk Management & Internal Control

### RISK MANAGEMENT FRAMEWORK (CONTINUED)

The Group's RM framework empowers the respective country executive management to proactively identifies, assesses, manages, communicates, monitor and review inherent and emerging risks on an ongoing basis. This framework encompasses evaluation of risk mitigation strategies and controls at both the entity and operational levels. Identified risks are then reported to the Group CEO and Chief Financial Officer ("**CFO**") at regular intervals and subsequently escalated to the ARMC and the Board for deliberation in order to keep them abreast of all aspects of the Group's business risk, enabling them to provide effective oversight and strategic guidance. By proactively addressing and reporting these risks, the Group strengthens its resilience, safeguards its long-term interests, and fosters sustainable growth.

### INTERNAL CONTROL SYSTEM

Key elements of the system of the internal controls are as follow:-

- In order to avoid conflicts of interest, the Group ensures clear segregation of duties by delegating roles and authority between Board Committees and Management.
- Periodic management meetings are undertaken to review the operational and financial performance of the Group. This is to ensure that the Group's performances are in line with the corporate objectives and strategies. Necessary strategies, policies and procedures are also formulated to address changes in the business environment and risks.
- Formal reporting systems are in place for reporting of information relating to operating and financial performances, key business issues and financial statements to Management and to the Board.
- The Group's internal policies and procedures are well documented in the form of standard operating procedures as internal controls to promote compliances.
- Code of Ethics and Conduct that governs the behaviours of Board members and employees in all business dealings are in place.

- The Group has adopted a Whistle-Blowing Policy which provide clear guideline and serves as an avenue for all employees, directors, stakeholders and/or any party connected with the Group to raise concerns about misconduct or malpractice within the Group as well as ensuring the integrity of reporting and information while protecting the rights of informants.
- Anti-Bribery and Anti-Corruption Policy that describes the Group's commitment towards zero tolerance against any forms of bribery and corruption is adopted and enforced. The Group is committed to conduct its businesses with transparency, integrity and accountability.

### INTERNAL AUDIT FUNCTION

The Board, through the ARMC and in collaboration with the executive management, lead the development and ongoing refinement of the internal control system. This system proactively manages and mitigates risks, fostering sound corporate governance and ensuring continuous adherence with applicable laws and regulations. Seamlessly integrated within the Group's operations, the internal control system empowers effective control and continuous monitoring of all activities, safeguarding the Group's long-term sustainability, value creation and assets.

The ARMC leverages on the expertise of an external professional services firm to conduct independent assessment on the Group's internal control system. Subsequent to financial year under review, the Group has outsourced its internal audit function to an independent professional services firm, namely Resolve IR Sdn. Bhd. Scope of work of the outsourced internal audit function has been set out in the internal audit plan, which focuses on key risk areas of the Group's businesses, has been approved by the ARMC. Results of internal audit reviews conducted together with recommendations for improvements and Management's commitment to resolution are required to be reported to the ARMC for their deliberation on a quarterly basis and subsequently brought to the Board for their attention. Such reviews ensure the RMIC system of the Group are adequate and effective in all material aspects in safeguarding the Group's assets and operations.

## **REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS**

The Company's External Auditors, Crowe Malaysia PLT, has reviewed this Statement pursuant to Rule 15.23 of Listing Requirement. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their reviews, nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines to be set out, nor is factually inaccurate.

## **CONCLUSION**

For the financial year under review, and up to the date of approval of this Statement, the Board is of the view that the Group's RMIC system is operating adequately and effectively in all material aspects to enable the Group to achieve its business objectives. There were no significant internal control weaknesses that have not been reported which have led to material losses, contingencies or uncertainties that would require a separate disclosure in the Annual Report.

The Board has received assurance from the Group CEO and the CFO that the Group's RMIC system are operating adequately and effectively, in all material aspects, based on the risk appetite of the Group.

This Statement was approved by the Board of Directors on 26 April 2024.



## Statement of Directors' Responsibility

In preparing the annual financial statements of the Group and the Company, the Directors are collectively responsible to ensure that these financial statements have been properly drawn up in accordance with the applicable approved Malaysian Financial Reporting Standard issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act 2016 (**"the Act"**) so as to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the financial results and the cash flows of the Group and of the Company for the financial year ended on that date.

In preparing the financial statements for the year ended 31 December 2023, the Directors have:-

1. adopted Appropriate Accounting Policies And Applied Them Consistently;
2. made Judgements And Estimates That Are Reasonable And Prudent;
3. prepared Financial Statements On The Going Concern Basis; and
4. ensure the adoption of and compliance with applicable approved accounting standards.

The Directors have responsibility for ensuring that the proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Act.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

# Financial Report

## For the Financial Year Ended 31 December 2023



### FINANCIAL STATEMENTS

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# Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	<b>THE GROUP RM</b>	<b>THE COMPANY RM</b>
Profit after taxation for the financial year	9,765,276	2,168,788
Attributable to:-		
Owners of the Company	9,797,537	2,168,788
Non-controlling interests	(32,261)	-
	<u>9,765,276</u>	<u>2,168,788</u>

## DIVIDENDS

Dividends paid or declared by the Company since 31 December 2022 are as follows:-

### Ordinary Share

**RM**

#### In respect of the financial year 31 December 2023

Single tier interim dividend of RM0.011 per ordinary share, paid on  
31 October 2023

3,000,000

At the forthcoming Annual General Meeting, a final single tier dividend of RM0.0045 per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 December 2024.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## Directors' Report (Continued)

### ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company had carried out a subdivision of 4 existing ordinary shares into 5 ordinary shares. The issued share capital of the Company has increased from 269,092,900 into 336,366,125 ordinary shares as disclose in Note 18 to the financial statements; and
- (b) there were no issues of debentures by the Company.

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

### OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

### BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the addition allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

### CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

### VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## Directors' Report (Continued)

### CONTINGENT AND OTHER LIABILITIES

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

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

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

### CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

### ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Ponnudorai A/L Periasamy  
Jayasielan A/L Gopal  
Neo Lip Pheng, Peter  
Penu Mark  
Aida Mosira Binti Mokhtar  
Dato' George Alfonso Miranda  
Dato' Rozalila Binti Abdul Rahman  
Ong Teng Yan

## Directors' Report (Continued)

### DIRECTORS (CONTINUED)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Abigael P. Velasco  
Aldrich P. Espino  
Hnin Aye Chit  
Kathy Thein  
Maximino B. Gulmayo Jr.  
Mohd Zalani Bin Abdullah  
Thuzar Thet Pe  
Yun JaeHoon

### DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES			
	AT 1.1.2023	SUBDIVISION	SOLD	AT 31.12.2023
<b>The Company</b>				
<i>Direct Interests</i>				
Dato' Ponnudorai A/L Periasamy	44,721,800	11,180,450	-	55,902,250
Jayasielan A/L Gopal	44,721,800	11,180,450	-	55,902,250
Neo Lip Pheng, Peter	68,177,500	17,044,375	-	85,221,875
Penu Mark	68,177,500	17,044,375	-	85,221,875

By virtue of their shareholdings in the Company, Dato' Ponnudorai A/L Periasamy, Jayasielan A/L Gopal, Neo Lip Pheng, Peter and Penu Mark are deemed to have interests in shares in the Company and in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.



## Directors' Report (Continued)

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:-

	<b>THE GROUP RM</b>	<b>THE COMPANY RM</b>
Salaries, bonuses and allowances	4,885,898	30,000
Statutory contribution	253,324	-
Other benefits	54,109	-
	<u>5,193,331</u>	<u>30,000</u>

### SUBSIDIARIES

The details of the subsidiaries name, place of incorporation, principal activities and percentage of issued share capital held by the Company are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

### SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 38 to the financial statements.

## Directors' Report (Continued)

### AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	THE GROUP RM	THE COMPANY RM
<b>Audit fees</b>		
Statutory audit		
- Crowe Malaysia PLT	133,000	88,000
- Foreign affiliates of Crowe Malaysia PLT	253,273	-
- Other auditors	83,227	-
	469,500	88,000
Special audit		
- Crowe Malaysia PLT	160,000	160,000
- Foreign affiliates of Crowe Malaysia PLT	24,168	-
- Other auditors	9,587	-
	193,755	160,000
Non-audit fees		
- Crowe Malaysia PLT	147,000	147,000
	810,255	395,000

Signed in accordance with a resolution of the directors dated 26 April 2024.

**Dato' Ponnudorai A/L Periasamy**

**Jayasielan A/L Gopal**

# Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato' Ponnudorai A/L Periasamy and Jayasielan A/L Gopal, being two of the directors of AGX Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 90 to 172 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 26 April 2024.

**Dato' Ponnudorai A/L Periasamy**

**Jayasielan A/L Gopal**

# Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

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 90 to 172 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 26 April 2024

**Chang Poh Sheng**

Before me  
**Shaiful Hilmi Bin Halim**  
No. W-804  
Commissioner for Oaths

# Independent Auditors' Report

## to the Members of AGX Group Berhad (Incorporated In Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of AGX Group Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 90 to 172.

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

#### Basis for Opinion

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

#### *Independence and Other Ethical Responsibilities*

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

#### Key Audit Matters

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

## Independent Auditors' Report

to the Members of AGX Group Berhad (Incorporated In Malaysia) (Continued)

### Key Audit Matters (Continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.

#### Revenue recognition

Refer to Note 26 to the financial statements

##### Key Audit Matter

The revenue of the Group for the financial year ended 31 December 2023 amounted to RM186.83 million derived from logistics services rendered.

We have identified revenue recognition as a key audit matter, particularly in respect of the occurrence of services rendered and the appropriateness of the timing of revenue recognition with transactions occurring on or near financial year end. We consider the high volume of transactions to be possible cause of higher risk material misstatements in the timing and amount of revenue recognised.

##### How our audit addressed the key audit matter

Our audit procedures, with involvement of the component auditors, included the following:-

- obtained an understanding of the revenue recognition process and evaluated the controls surrounding revenue recognition;
- tested transactions close to the year end to establish whether the transactions were recorded in the correct accounting period; and
- verified accrued billings and deferred income to establish whether the transactions were recorded in the correct accounting period.

#### Recoverability of trade receivables

Refer to Note 11 to the financial statements

##### Key Audit Matter

As at 31 December 2023, the Group's trade receivables amounted to approximately RM52.93 million net of impairment losses. Trade receivables are a major component of the financial position of the Group's total assets.

We focused on this area due to the magnitude of the amount involved and judgements are required to assess the allowance for impairment losses of trade receivables.

##### How our audit addressed the key audit matter

Our audit procedures, with involvement of the component auditors, included the following:-

- reviewed the ageing analysis of trade receivables and tested the reliability thereof;
- assessed the reasonableness of historical loss rate applied and discussed the forward-looking information used by the management in relation to the provision matrix application;
- reviewed subsequent cash collection for major receivables and overdue amounts; and
- reviewed the adequacy of the Group's disclosure in this area.

## Independent Auditors' Report

to the Members of AGX Group Berhad (Incorporated In Malaysia) (Continued)

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

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

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

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



## Independent Auditors' Report

to the Members of AGX Group Berhad (Incorporated In Malaysia) (Continued)

### Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

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

# Independent Auditors' Report

to the Members of AGX Group Berhad (Incorporated In Malaysia) (Continued)

## **Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

## **OTHER MATTERS**

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

### **Crowe Malaysia PLT**

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

26 April 2024

### **Chan Kuan Chee**

02271/10/2025 J

Chartered Accountant

# Statements of Financial Position

As at 31 December 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
<b>ASSETS</b>					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	26,070,360	26,978,611
Investments in associates	6	3,827,502	2,349,175	141,433	141,433
Equipment	7	3,591,699	3,318,320	-	-
Right-of-use assets	8	9,501,913	6,923,653	-	-
Intangible assets	9	1,165,533	1,274,430	-	-
Deferred tax assets	10	787,807	-	-	-
		18,874,454	13,865,578	26,211,793	27,120,044
CURRENT ASSETS					
Trade receivables	11	52,934,366	38,872,786	-	-
Other receivables, deposits and prepayments	12	12,675,102	10,550,935	464,045	-
Contract assets	13	1,765,165	4,973,791	-	-
Amount owing by subsidiaries	14	-	-	1,930,441	5,519,013
Amount owing by associates	15	29,572	3,940,539	-	-
Amount owing by related parties	16	-	3,596	-	-
Current tax assets		189,764	283,278	-	-
Fixed deposits with licensed banks	17	2,302,959	1,205,365	-	-
Cash and bank balances		10,263,476	13,134,468	220,404	120,877
		80,160,404	72,964,758	2,614,890	5,639,890
TOTAL ASSETS		99,034,858	86,830,336	28,826,683	32,759,934
<b>EQUITY AND LIABILITIES</b>					
EQUITY					
Share capital	18	27,120,124	27,120,124	27,120,124	27,120,124
Retained profits	19	23,822,735	17,025,198	297,979	1,129,191
Reserves	20	346,875	(113,198)	-	-
Equity attributable to owners of the Company		51,289,734	44,032,124	27,418,103	28,249,315
Non-controlling interests		118,649	1,022	-	-
TOTAL EQUITY		51,408,383	44,033,146	27,418,103	28,249,315

The annexed notes form an integral part of these financial statements.

## Statements of Financial Position

As at 31 December 2023 (Continued)

	NOTE	THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
NON-CURRENT LIABILITIES					
Deferred tax liabilities	10	-	261,134	-	-
Lease liabilities	21	4,998,086	2,804,218	-	-
Borrowings	22	206,573	708,073	-	-
Retirement liability	23	1,502,050	963,347	-	-
		6,706,709	4,736,772	-	-
CURRENT LIABILITIES					
Trade payables	24	13,674,274	15,142,993	-	-
Other payables and accruals	25	7,420,839	10,157,032	1,099,651	4,213,951
Amount owing to subsidiaries	14	-	-	308,929	296,668
Amount owing to associates	15	79,829	2,656	-	-
Lease liabilities	21	4,099,788	3,523,652	-	-
Borrowings	22	13,779,385	8,883,439	-	-
Current tax liabilities		1,865,651	350,646	-	-
		40,919,766	38,060,418	1,408,580	4,510,619
TOTAL LIABILITIES		47,626,475	42,797,190	1,408,580	4,510,619
TOTAL EQUITY AND LIABILITIES		99,034,858	86,830,336	28,826,683	32,759,934

The annexed notes form an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2023

	NOTE	THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	26	186,830,719	234,428,619	5,400,000	8,589,420
Cost of sales		(128,016,227)	(185,166,823)	-	-
Gross profit		58,814,492	49,261,796	5,400,000	8,589,420
Other income		869,395	1,114,477	152,783	67,594
		59,683,887	50,376,273	5,552,783	8,657,014
Administrative expenses		(39,539,014)	(33,088,842)	(1,972,744)	(1,270,407)
Other expenses		(4,703,711)	(4,477,983)	(908,251)	-
Finance costs		(1,416,965)	(1,264,348)	-	-
Net impairment losses on financial assets	27	(1,254,477)	(293,601)	-	-
Share of profit of equity accounted associates		1,478,327	5,535,932	-	-
Profit before taxation	28	14,248,047	16,787,431	2,671,788	7,386,607
Income tax expense	29	(4,482,771)	(3,246,865)	(503,000)	(307,000)
Profit after taxation		9,765,276	13,540,566	2,168,788	7,079,607

The annexed notes form an integral part of these financial statements.

## Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 31 December 2023 (Continued)

NOTE	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
OTHER COMPREHENSIVE INCOME				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Foreign currency translation differences	693,283	(471,242)	-	-
Remeasurement of retirement liability	(233,322)	84,363	-	-
	459,961	(386,879)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	10,225,237	13,153,687	2,168,788	7,079,607
<b>PROFIT AFTER TAXATION ATTRIBUTABLE TO:-</b>				
Owners of the Company	9,797,537	13,540,436	2,168,788	7,079,607
Non-controlling interests	(32,261)	130	-	-
	9,765,276	13,540,566	2,168,788	7,079,607
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-</b>				
Owners of the Company	10,257,610	13,153,645	2,168,788	7,079,607
Non-controlling interests	(32,373)	42	-	-
	10,225,237	13,153,687	2,168,788	7,079,607
<b>EARNINGS PER SHARE (SEN)</b>				
Basic	30	2.26	3.13	

The annexed notes form an integral part of these financial statements.



# Statements of Changes in Equity

For the Financial Year Ended 31 December 2023

	NOTE	SHARE CAPITAL RM	FOREIGN EXCHANGE TRANSLA- TION RESERVE RM	REMEASURE- MENT OF RETIRE- MENT LIABILITY RM	RETAINED PROFITS RM	ATTRIBUT- ABLE TO OWNERS OF THE COMPANY RM	NON- CON- TROLLING INTERESTS RM	TOTAL EQUITY RM
<b>The Group</b>								
Balance at 1.1.2022		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 for the financial year:								
- Foreign exchange translation differences		-	(471,154)	-	-	(471,154)	(88)	(471,242)
- Remeasurement of retirement liability		-	-	84,363	-	84,363	-	84,363
Total comprehensive income 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	18	70	-	-	-	70	-	70
- Incorporation of subsidiary with non- controlling interests		-	-	-	-	-	30	30
- Dividends	31	-	-	-	(5,900,000)	(5,900,000)	-	(5,900,000)
		70	-	-	(5,900,000)	(5,899,930)	30	(5,899,900)
Balance at 31.12.2022		27,120,124	117,426	(230,624)	17,025,198	44,032,124	1,022	44,033,146

The annexed notes form an integral part of these financial statements.

## Statements of Changes in Equity

For the Financial Year Ended 31 December 2023 (Continued)

	NOTE	SHARE CAPITAL RM	FOREIGN EXCHANGE TRANSLA- TION RESERVE RM	REMEASURE- MENT OF RETIRE- MENT LIABILITY RM	RETAINED PROFITS RM	ATTRIBUT- ABLE TO OWNERS OF THE COMPANY RM	NON- CON- TROLLING INTERESTS RM	TOTAL EQUITY RM
<b>The Group</b>								
Balance at 1.1.2023		27,120,124	117,426	(230,624)	17,025,198	44,032,124	1,022	44,033,146
Profit after taxation for the financial year		-	-	-	9,797,537	9,797,537	(32,261)	9,765,276
Other comprehensive income for the financial year:								
- Foreign exchange translation differences		-	693,383	-	-	693,383	(100)	693,283
- Remeasurement of retirement liability		-	(12,400)	(220,910)	-	(233,310)	(12)	(233,322)
Total comprehensive income for the financial year		-	680,983	(220,910)	9,797,537	10,257,610	(32,373)	10,225,237
Contributions by and distributions to owners of the Company:								
- Issuance of shares to non-controlling interest in a subsidiary		-	-	-	-	-	150,000	150,000
- Dividends	31	-	-	-	(3,000,000)	(3,000,000)	-	(3,000,000)
		-	-	-	(3,000,000)	(3,000,000)	150,000	(2,850,000)
Balance at 31.12.2023		27,120,124	798,409	(451,534)	23,822,735	51,289,734	118,649	51,408,383

The annexed notes form an integral part of these financial statements.

## Statements of Changes in Equity

For the Financial Year Ended 31 December 2023 (Continued)

	NOTE	SHARE CAPITAL RM	(ACCUMULATED LOSSES)/ RETAINED PROFITS RM	TOTAL EQUITY RM
<b>The Company</b>				
At 1.1.2022		27,120,054	(50,416)	27,069,638
Profit after taxation/Total comprehensive income for the financial year		-	7,079,607	7,079,607
Contributions by and distributions to owners of the Company:				
- Issuance of new shares	18	70	-	70
- Dividends	31	-	(5,900,000)	(5,900,000)
Balance at 31.12.2022/1.1.2023		27,120,124	1,129,191	28,249,315
Profit after taxation/Total comprehensive income for the financial year		-	2,168,788	2,168,788
Contributions by and distributions to owners of the Company:				
- Dividends	31	-	(3,000,000)	(3,000,000)
Balance at 31.12.2023		27,120,124	297,979	27,418,103

The annexed notes form an integral part of these financial statements.

# Statements of Cash Flows

For the Financial Year Ended 31 December 2023

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	14,248,047	16,787,431	2,671,788	7,386,607
Adjustments for:-				
Amortisation of intangible assets	144,503	141,047	-	-
Bad debts written off	304,802	51,448	-	-
Depreciation of equipment	1,279,084	1,015,864	-	-
Depreciation of right-of-use assets	5,133,748	4,429,331	-	-
Equipment written off	6,520	14,225	-	-
Impairment losses:				
- investments in subsidiaries	-	-	908,251	-
- trade receivables	1,416,128	4,668,874	-	-
- other receivables and deposits	442,439	17,337	-	-
- equipment	129,478	-	-	-
Gain on modification of leases	(10,197)	(84,250)	-	-
Retirement expenses	269,918	224,379	-	-
Unrealised loss on foreign exchange	6,426	325,464	-	-
Reversal of impairment losses:				
- trade receivables	(604,090)	(4,353,614)	-	-
- other receivables and deposits	(72,800)	(147,977)	-	-
Share of net profits of equity accounted associates	(1,478,327)	(5,535,932)	-	-
(Gain)/Loss on disposal of equipment	(55,880)	5,179	-	-
Interest expenses	868,049	865,428	-	-
Interest expenses on lease liabilities	548,916	398,920	-	-
Interest income	(66,116)	(89,613)	-	-
Dividend income	-	-	(5,400,000)	(8,589,420)
Operating profit before working capital changes	22,510,648	18,733,541	(1,819,961)	(1,202,813)
(Increase)/Decrease in trade and other receivables	(17,587,796)	13,776,909	(464,045)	-
Decrease/(Increase) in contract assets	3,049,880	(363,070)	-	-
(Decrease)/Increase in trade and other payables	(664,007)	(9,473,257)	485,700	435,829
Decrease in contract liabilities	-	(13,124)	-	-
(Increase)/Decrease in amount owing by associates	(8,004)	414	-	-
Increase in amount owing to associates	77,173	2,656	-	-
Increase in amount owing by related parties	3,596	17,404	-	-
CASH FROM/(FOR) OPERATIONS CARRIED FORWARD	7,381,490	22,681,473	(1,798,306)	(766,984)

## Statements of Cash Flows

For the Financial Year Ended 31 December 2023 (Continued)

	NOTE	THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FROM/(FOR) OPERATIONS BROUGHT FORWARD		7,381,490	22,681,473	(1,798,306)	(766,984)
Interest paid		(11,452)	(84,549)	-	-
Interest received		66,116	89,613	-	-
Income tax paid		(4,098,719)	(3,390,516)	-	-
Income tax refunded		150,414	-	-	-
NET CASH FROM /(FOR) OPERATING ACTIVITIES		3,487,849	19,296,021	(1,798,306)	(766,984)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Acquisition of associates		-	(372,145)	-	-
Additions of fixed deposits with tenure more than 3 months		(1,178,795)	(17,695)	-	-
Additions of right-of-use assets	32(a)	(5,086)	(136,046)	-	-
Dividends received		-	-	7,359,920	1,247,000
Repayment from subsidiaries		-	-	1,125,652	1,165,526
Changes in amount due from associates		3,918,971	(107,125)	-	-
Proceeds from disposal of equipment		237,835	24,702	-	-
Purchase of intangible assets		(9,107)	-	-	-
Purchase of equipment	32(a)	(1,451,084)	(2,317,973)	-	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		1,512,734	(2,926,282)	8,485,572	2,412,526

The annexed notes form an integral part of these financial statements.

## Statements of Cash Flows

For the Financial Year Ended 31 December 2023 (Continued)

	NOTE	THE GROUP		THE COMPANY	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FOR FINANCING ACTIVITIES					
Dividend paid	31	(6,600,000)	(1,184,000)	(6,600,000)	(1,184,000)
Drawdown of invoice financing	32(b)	4,692,833	6,642,268	-	-
Drawdown of term loans	32(b)	4,511,900	31,525,553	-	-
Interest paid		(1,405,513)	(1,179,799)	-	-
Proceeds from issuance of ordinary shares		-	70	-	70
Proceeds from issuance of ordinary shares to non-controlling interest in a subsidiary		150,000	30	-	-
Advances to/(Repayment from) subsidiaries		-	-	12,261	(440,228)
Repayment of invoice financing	32(b)	(4,953,186)	(6,935,792)	-	-
Repayment of lease liabilities	32(b)	(4,857,726)	(4,351,101)	-	-
Repayment of hire purchase payables	32(b)	(383,640)	(559,933)	-	-
Repayment of term loans	32(b)	(1,840,522)	(33,907,337)	-	-
NET CASH FOR FINANCING ACTIVITIES		(10,685,854)	(9,950,041)	(6,587,739)	(1,624,158)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(5,685,271)	6,419,698	99,527	21,384
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		1,045,721	(1,040,929)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		13,099,131	7,720,362	120,877	99,493
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32(c)	8,459,581	13,099,131	220,404	120,877

The annexed notes form an integral part of these financial statements.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023

## 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 : 12<sup>th</sup> 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, 2<sup>nd</sup> Floor,  
Jalan USJ 10/1A,  
Pusat Perniagaan USJ 10,  
47610 UEP Subang Jaya,  
Selangor Darul Ehsan,  
Malaysia.

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 26 April 2024.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group and the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 3. BASIS OF PREPARATION (CONTINUED)

- 3.1 During the current financial year, the Group and the Company 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)**

MFRS 17: Insurance Contracts

Amendments to MFRS 17: Insurance Contracts

Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9- Comparative Information

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 112: International Tax Reform- Pillar Two Model Rules

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

- 3.2 The Group and the Company have not applied in advance the following accounting standards and 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 year:-

#### **MFRSs and/or IC Interpretations (Including the Consequential Amendments)**

#### **Effective Date**

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

1 January 2024

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

1 January 2024

Amendment 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 interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### 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 uncertainties at the reporting period, 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 7 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 9 to the financial statements.

#### **(c) Impairment of Investments in Subsidiaries, Investments in Associates, Equipment and Right-of-use Assets**

The Group determines whether its investments in subsidiaries, investments in associates, equipment and right-of-use assets is 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. The carrying amount of investments in subsidiaries, investments in associates, equipment and right-of-use assets as at the reporting date are disclosed in Notes 5, 6, 7 and 8 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 value of trade receivables. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 11 and 13 to the financial statements respectively.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

*Key Sources of Estimation Uncertainty (Continued)*

#### (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 subsidiaries, amount owing by associates and amount owing by related parties as at the reporting period are disclosed in Notes 12, 14, 15 and 16 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 accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

#### Lease Terms

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).

### 4.2 FINANCIAL INSTRUMENTS

#### (a) Financial Assets

##### Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.2 FINANCIAL INSTRUMENTS (CONTINUED)

#### (b) Financial Liabilities

##### Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

#### (c) Equity

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction cost incurred. The ordinary shares are not remeasured subsequently.

### 4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for those business combinations which business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income are the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

### 4.4 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase price is recognised in profit or loss immediately.

### 4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries including which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

### 4.6 INVESTMENTS IN ASSOCIATES

Investments in associates are accounted for using the equity method in the consolidated financial statements.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 4.7 EQUIPMENT

All items of equipment are initially measured at cost.

Subsequent to initial recognition, all equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation on equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principle annual depreciation rate 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%

#### 4.8 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following periods:-

Warehouse management software cost	5 years
------------------------------------	---------

#### 4.9 RIGHT-OF-USE ASSETS AND LEASE LIABILITES

##### (a) Short-term Leases and Lease of Low-value Assets

The Group applies the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

##### (b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 4.9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

#### (c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

### 4.10 REVENUE FROM CONTRACTS WITH CLIENTS

The Group recognises revenue when (or as) it transfers control over a product or service to client. An asset is transferred when (or as) the client 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 client simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the client controls as the asset is created or enhances.
- 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 client simultaneously receives and consumes the benefits provided by the Group's performance based on the actual service provided to the end of the reporting year.

#### (b) Road freight transportation services

Revenue from road freight transportation services 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 year to measure progress towards complete satisfaction of the service.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 4.11 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.

### 5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2023 RM	2022 RM
Unquoted shares, at cost	26,978,611	26,978,611
Allowance for impairment losses	(908,251)	-
	<u>26,070,360</u>	<u>26,978,611</u>

The details of the subsidiaries are as follows:-

NAME OF SUBSIDIARIES	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PERCENTAGE OF ISSUED SHARE CAPITAL HELD BY PARENT		PRINCIPAL ACTIVITIES
		2023 %	2022 %	
AGX Logistics (M) Sdn. Bhd. ("AGX Malaysia")	Malaysia	100	100	Sea and air freight forwarding, aerospace logistics, road freight transportation, warehousing and other 3PL services.
AGX Logistics (S) Pte. Ltd. *	Singapore	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	Sea and air freight forwarding, aerospace logistics, and warehousing and other 3PL services.
AGX Logistics (Myanmar) Company Limited ^	Myanmar	99.998	99.998	Sea and air freight forwarding, road freight transportation and warehousing.
AGX Logistics Korea Co., Ltd. ^	Korea	100	100	Sea and air freight forwarding services.



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows (Continued):-

NAME OF SUBSIDIARIES	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PERCENTAGE OF ISSUED SHARE CAPITAL HELD BY PARENT		PRINCIPAL ACTIVITIES
		2023	2022	
		%	%	
<u>Subsidiaries of AGX Philippines</u>				
AGX Worldwide Solutions, Inc. *	Philippines	100	100	Warehousing and other 3PL services.
AGX Warehouse Solutions Inc. #	Philippines	99.99	–	Warehousing and other 3PL services.
<u>Subsidiary of AGX Malaysia</u>				
AGX Transport Sdn. Bhd.	Malaysia	70	70	Road freight transportation services.

\* These subsidiaries were audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

^ These subsidiaries were audited by other firms of chartered accountants.

# The subsidiary was newly incorporated on 7 December 2023. The Company has been consolidated based on management accounts for the financial period from 7 December 2023 to 31 December 2023.

(a) During the financial year, the Company has carried out a review of the recoverable amounts of its investment in subsidiaries that had been persistently making losses. A total impairment loss of RM908,251 (2022 - Nil) representing the write down of the investment to its recoverable amount, was recognised in "Other Expenses" line in the statement of profit or loss and other comprehensive income.

(b) Summarised financial information of non-controlling interests has not been presented as the non-controlling interests of the subsidiaries are not individually material to the Group.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 6. INVESTMENTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares, at cost	513,578	513,578	141,433	141,433
Share of post-acquisition profits, net of dividend received	3,313,924	1,835,597	-	-
	<b>3,827,502</b>	<b>2,349,175</b>	<b>141,433</b>	<b>141,433</b>

The details of the associates are as follows:-

NAME OF ASSOCIATES	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PERCENTAGE OF OWNERSHIP		PRINCIPAL ACTIVITIES
		2023 %	2022 %	
AGX Logistics (Cambodia) Co., Ltd. ^	Cambodia	50	50	Freight forwarding services.
All-Link Air & Sea Pte. Ltd. ^	Singapore	30	30	Freight transport arrangement and general warehousing.
All-Link Air & Sea Phils Inc. ^	Philippines	47.99	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).

^ Associates audited by other firms of chartered accountants.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 6. INVESTMENTS IN ASSOCIATES (CONTINUED)

The details of the associates are as follows (Continued):-

- (a) On 24 February 2022, its subsidiary AGX Logistics (S) Pte. Ltd. had acquired 30% shares in All-Link Air & Sea Pte. Ltd. with consideration of SGD30,000 (approximately RM93,000).
- (b) 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).
- (c) The summarised financial information for associates are as follows:-

	<b>ALL-LINK AIR &amp; SEA PTE. LTD. RM</b>	<b>OTHER IMMATERIAL ASSOCIATES RM</b>	<b>TOTAL RM</b>
<u>At 31 December 2023</u>			
Non-current assets	21,241		
Current assets	19,457,928		
Current liabilities	(5,918,225)		
Net assets	<u>13,560,944</u>		
<u>Financial Year Ended 31 December 2023</u>			
Revenue	21,591,927		
Profit for the financial year	5,448,493		
Total comprehensive income	<u>5,437,901</u>		
Group's share of profit for the financial year	1,634,548	(156,221)	1,478,327
Group's share of other comprehensive income	<u>1,631,370</u>	<u>-</u>	<u>1,631,370</u>
<u>Reconciliation of Net Assets to Carrying Amount</u>			
Group's share of net assets/Carrying amount in the statement of financial position	<u>4,068,283</u>	<u>(240,781)</u>	<u>3,827,502</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 6. INVESTMENTS IN ASSOCIATES (CONTINUED)

(c) The summarised financial information for associates are as follows (Continued):-

	<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	<u>6,165,670</u>		
<u>Financial Year Ended 31 December 2022</u>			
Revenue	50,414,419		
Profit for the financial year/ Total comprehensive income	<u>18,060,175</u>		
Group's share of profit for the financial year/other comprehensive income	<u>5,418,053</u>	<u>117,879</u>	<u>5,535,932</u>
<u>Reconciliation of Net Assets to Carrying Amount</u>			
Group's share of net assets/Carrying amount in the statement of financial position	<u>1,849,701</u>	<u>499,474</u>	<u>2,349,175</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 7. EQUIPMENT

	AT 1.1.2023	ADDITIONS	DISPOSALS	WRITE OFF	DEPRECIATION CHARGES	IMPAIRMENT LOSSES	TRANSFER FROM RIGHT-OF- USE ASSETS	EXCHANGE DIFFERENCES	AT 31.12.2023
	RM	RM	RM	RM	RM	RM	RM	RM	RM
<b>The Group</b>									
<b>2023</b>									
<i>Carrying Amount</i>									
Computer and software	219,701	143,033	-	(38)	(125,671)	-	-	6,198	243,223
Furniture and fittings	129,535	97,264	(584)	(214)	(56,715)	-	-	19,549	188,835
Motor vehicles	210,923	310,791	(173,816)	-	(172,827)	-	244,621	(36,110)	383,582
Office equipment	451,464	324,154	(6,985)	-	(193,827)	(53,088)	-	18,474	540,192
Renovation	1,242,863	539,361	(570)	(6,267)	(541,740)	(70,589)	-	47,673	1,210,731
Signboard	56,148	30,332	-	(1)	(30,912)	(5,801)	-	1,201	50,967
Portable cabin	1	-	-	-	-	-	-	-	1
Warehouse equipment	1,007,685	65,244	-	-	(157,392)	-	-	58,631	974,168
	<b>3,318,320</b>	<b>1,510,179</b>	<b>(181,955)</b>	<b>(6,520)</b>	<b>(1,279,084)</b>	<b>(129,478)</b>	<b>244,621</b>	<b>115,616</b>	<b>3,591,699</b>

	AT 1.1.2022	ADDITIONS	DISPOSALS	WRITE OFF	DEPRECIATION CHARGES	EXCHANGE DIFFERENCES	AT 31.12.2022
	RM	RM	RM	RM	RM	RM	RM
<b>The Group</b>							
<b>2022</b>							
<i>Carrying Amount</i>							
Computer and software	140,303	172,507	-	(69)	(100,941)	7,901	219,701
Furniture and fittings	120,668	59,674	-	(3,267)	(49,312)	1,772	129,535
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>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 7. EQUIPMENT (CONTINUED)

	AT COST RM	ACCUMULATED DEPRECIATION RM	ACCUMULATED IMPAIRMENT LOSSES RM	CARRYING AMOUNT RM
<b>The Group</b>				
<b>2023</b>				
Computer and software	1,356,142	(1,112,919)	–	243,223
Furniture and fittings	571,986	(383,151)	–	188,835
Motor vehicles	4,770,080	(4,386,498)	–	383,582
Office equipment	2,587,623	(1,993,860)	(53,571)	540,192
Renovation	3,165,245	(1,883,282)	(71,232)	1,210,731
Signboard	236,392	(179,571)	(5,854)	50,967
Portable cabin	7,100	(7,099)	–	1
Warehouse equipment	1,556,508	(582,340)	–	974,168
	<u>14,251,076</u>	<u>(10,528,720)</u>	<u>(130,657)</u>	<u>3,591,699</u>
		AT COST RM	ACCUMULATED DEPRECIATION RM	CARRYING AMOUNT RM
<b>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
		<u>10,980,007</u>	<u>(7,661,687)</u>	<u>3,318,320</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 8. RIGHT-OF-USE ASSETS

	AT 1.1.2023 RM	ADDITIONS RM	DEPRECIATION CHARGES RM	MODIFICATION OF LEASE LIABILITIES RM	TRANSFER TO EQUIPMENT RM	EXCHANGE DIFFERENCES RM	AT 31.12.2023 RM
<b>The Group</b>							
<b>2023</b>							
<i>Carrying Amount</i>							
Forklifts	150,059	–	(79,624)	–	–	–	70,435
Motor vehicles	1,206,754	1,047,479	(555,655)	(36,756)	(244,621)	54,298	1,471,499
Office equipment	48,803	28,299	(29,797)	–	–	2,344	49,649
Office building and warehouses	5,518,037	6,760,564	(4,468,672)	(121,680)	–	222,081	7,910,330
	<u>6,923,653</u>	<u>7,836,342</u>	<u>(5,133,748)</u>	<u>(158,436)</u>	<u>(244,621)</u>	<u>278,723</u>	<u>9,501,913</u>
		AT 1.1.2022 RM	ADDITIONS RM	DEPRECIATION CHARGES RM	MODIFICATION OF LEASE LIABILITIES RM	EXCHANGE DIFFERENCES RM	AT 31.12.2022 RM
<b>The Group</b>							
<b>2022</b>							
<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 equipment		76,148	–	(30,878)	–	3,533	48,803
Office building and warehouses		7,452,128	2,923,877	(3,835,764)	(1,095,900)	73,696	5,518,037
		<u>8,631,291</u>	<u>3,767,820</u>	<u>(4,429,331)</u>	<u>(1,102,661)</u>	<u>56,534</u>	<u>6,923,653</u>



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 8. RIGHT-OF-USE ASSETS (CONTINUED)

The Group leases forklifts, motor vehicles, office equipment, office building and warehouses of which the leasing activities are summarised below:-

- |       |                                |  |
|-------|--------------------------------|--|
| (i)   | Forklifts                      | The Group has leased a number of forklifts that run between 2 years and 3 years (2022 - 2 years and 3 years), with an option to renew the lease after that date.   |
| (ii)  | Motor vehicles                 | The Group has leased its motor vehicles under hire purchase arrangements. The leases are secured by the leased assets. The Group has an option to purchase the asset at the expiry of the lease year at an insignificant amount.   |
| (iii) | Office equipment               | The Group has leased a number of office equipment that run between 1 year and 5 years (2022 - 1 year and 5 years), with an option to renew the lease after that date.  |
| (iv)  | Office building and warehouses | The Group has leased a number of office buildings and warehouses that run between 1 year and 5 years (2022 - 1 year and 5 years), with an option to renew the lease after that date. Some leases contain variable lease payments. Lease payments are increased every year to reflect current market rentals. The Group is allowed to sublease the retail stores. |

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 9. INTANGIBLE ASSETS

	AT 1.1.2023 RM	ADDITIONS RM	AMORTISATION CHARGES RM	EXCHANGE DIFFERENCES RM	AT 31.12.2023 RM
<b>The Group</b>					
<b>2023</b>					
<i>Carrying Amount</i>					
Goodwill	658,740	–	–	–	658,740
Warehouse management software cost	615,690	9,107	(144,503)	26,499	506,793
	1,274,430	9,107	(144,503)	26,499	1,165,533
		AT 1.1.2022 RM	AMORTISATION CHARGES RM	EXCHANGE DIFFERENCES RM	AT 31.12.2022 RM
<b>The Group</b>					
<b>2022</b>					
<i>Carrying Amount</i>					
Goodwill		658,740	–	–	658,740
Warehouse management software cost		779,624	(141,047)	(22,887)	615,690
		1,438,364	(141,047)	(22,887)	1,274,430

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 9. INTANGIBLE ASSETS (CONTINUED)

	AT COST RM	ACCUMULATED AMORTISATION RM	CARRYING AMOUNT RM
<b>The Group</b>			
<b>2023</b>			
Goodwill	658,740	–	658,740
Warehouse management software cost	812,407	(305,614)	506,793
	1,471,147	(305,614)	1,165,533
<b>2022</b>			
Goodwill	658,740	–	658,740
Warehouse management software cost	766,735	(151,045)	615,690
	1,425,475	(151,045)	1,274,430

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.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 10. DEFERRED TAX ASSETS/(LIABILITIES)

	AT 1.1.2023 RM	RECOGNISED IN PROFIT OR LOSS (NOTE 29) RM	EXCHANGE DIFFERENCES RM	AT 31.12.2023 RM
<b>The Group</b>				
<b>2023</b>				
<i>Deferred Tax Assets</i>				
Lease liabilities	253,660	1,204,246	1,460	1,459,366
Provisions	832,504	142,863	33,208	1,008,575
Others	290,574	68,417	13,642	372,633
	1,376,738	1,415,526	48,310	2,840,574
<i>Deferred Tax Liabilities</i>				
Equipment	(187,275)	17,170	(8,704)	(178,809)
Right-of-use assets	(411,945)	(1,230,444)	(2,669)	(1,645,058)
Provisions	(1,036,339)	849,742	(38,227)	(224,824)
Others	(2,313)	(1,834)	71	(4,076)
	(1,637,872)	(365,366)	(49,529)	(2,052,767)
	(261,134)	1,050,160	(1,219)	787,807

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 10. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

	AT 1.1.2022 RM	RECOGNISED IN PROFIT OR LOSS (NOTE 29) RM	EXCHANGE DIFFERENCES RM	AT 31.12.2022 RM
<b>The Group</b>				
<b>2022</b>				
<i>Deferred Tax Assets</i>				
Lease liabilities	726,243	(466,802)	(5,781)	253,660
Provisions	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)
Provisions	(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)

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 11. TRADE RECEIVABLES

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	56,844,520	41,904,566
Allowance for impairment losses	(3,910,154)	(3,031,780)
	<b>52,934,366</b>	<b>38,872,786</b>
Allowance for impairment losses:-		
At 1 January	(3,031,780)	(2,920,000)
Additions during the financial year	(1,416,128)	(4,668,874)
Reversal during the financial year	604,090	4,353,614
Write-off during the financial year	-	127,992
Exchange differences	(66,336)	75,488
At 31 December	<b>(3,910,154)</b>	<b>(3,031,780)</b>

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

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	2,747,933	1,897,665	-	-
Allowance for impairment losses	(516,757)	(76,599)	-	-
	2,231,176	1,821,066	-	-
Deposits	4,445,943	4,122,283	-	-
Allowance for impairment losses	(128,731)	(181,156)	-	-
	4,317,212	3,941,127	-	-
Prepayments	6,126,714	4,788,742	464,045	-
	12,675,102	10,550,935	464,045	-
Allowance for impairment losses:-				
At 1 January	(257,755)	(398,991)	-	-
Additions during the financial year:				
- other receivables	(442,439)	-	-	-
- deposits	-	(17,337)	-	-
Reversal during the financial year:				
- other receivables	-	21,659	-	-
- deposits	72,800	126,318	-	-
Exchange differences	(18,094)	10,596	-	-
At 31 December	(645,488)	(257,755)	-	-

Included in prepayments of the Group is an amount of RM3,953,651 (2022 - RM2,501,365) being input Value Added Tax ("VAT") from Bureau of Internal Revenue in the Republic of Philippines.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 13. CONTRACT ASSETS

	THE GROUP	
	2023 RM	2022 RM
At 1 January	4,973,791	4,597,597
Revenue recognised in profit or loss during the financial year	186,830,719	234,428,619
Billings to clients during the financial year	(190,198,091)	(233,923,554)
Amount billed for unfulfilled performance obligations	-	13,124
Exchange differences	158,746	(141,995)
At 31 December	1,765,165	4,973,791

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 (2022 - 30) days.

### 14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The non-trade balances represent unsecured, interest-free payments made on behalf. The amounts owing are repayable on demand and to be settled in cash.

### 15. AMOUNTS OWING BY/(TO) ASSOCIATES

	THE GROUP	
	2023 RM	2022 RM
<b>Amount owing by:</b>		
Trade balance	8,418	414
Non-trade balance	21,154	3,940,125
	29,572	3,940,539
<b>Amount owing to:</b>		
Trade balance	(79,829)	(2,656)

(a) The trade balances are subject to the normal credit terms of 60 (2022 - 60) 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 except for amount of RM3,938,280 which represents dividend receivables in the previous financial year.



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 16. AMOUNT OWING BY RELATED PARTIES

The trade balances are subject to the normal credit terms of 60 (2022 - 60) days. The amounts owing is to be settled in cash.

### 17. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective rates ranging from 0.25% to 2.85% (2022 - 0.25% to 1.85%) per annum. The fixed deposits have maturity periods of 12 (2022 - 12) months.
- (b) Included in the fixed deposits with licensed banks at the end of the reporting period was an amount of RM2,302,959 (2022 - RM1,124,164) which has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 22(a) to the financial statements.

### 18. SHARE CAPITAL

	THE GROUP/THE COMPANY			
	2023	2022	2023	2022
	NUMBER OF SHARES		RM	
<b>Issued and Fully Paid-up</b>				
Ordinary shares				
At 1 January	269,092,900	269,092,205	27,120,124	27,120,054
Issuance of new shares for cash	-	695	-	70
Subdivision of existing ordinary shares	67,273,225	-	-	-
At 31 December	336,366,125	269,092,900	27,120,124	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) On 28 November 2023, the Company had carried out a subdivision of 4 existing ordinary shares into 5 ordinary shares. The issued share capital of the Company has increased from 269,092,900 into 336,366,125 ordinary shares.
- (iii) In the previous financial year, 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.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 19. RETAINED PROFITS

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Retained profits	35,206,504	28,408,967	297,979	1,129,191
Merger reserve	(11,383,769)	(11,383,769)	-	-
	<u>23,822,735</u>	<u>17,025,198</u>	<u>297,979</u>	<u>1,129,191</u>

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.

### 20. 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.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 21. LEASE LIABILITIES

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At 1 January	6,327,870	8,362,896
Additions during the financial year	7,547,500	3,334,057
Derecognition due to lease modification	(168,633)	(1,186,911)
Interest expenses recognised in profit or loss	548,916	398,920
Repayment of principal	(4,857,726)	(4,351,101)
Repayment of interest expenses	(548,916)	(398,920)
Exchange differences	248,863	168,929
At 31 December	<u>9,097,874</u>	<u>6,327,870</u>
Analysed by:-		
Current liabilities	4,099,788	3,523,652
Non-current liabilities	4,998,086	2,804,218
	<u>9,097,874</u>	<u>6,327,870</u>

### 22. BORROWINGS

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Non-current</b>		
Term loans (secured)	11,744	512,639
Hire purchase payables (secured)	194,829	195,434
	<u>206,573</u>	<u>708,073</u>
<b>Current</b>		
Term loans (secured)	11,370,025	7,821,427
Hire purchase payables (secured)	250,524	330,180
Invoice financing (secured)	354,941	615,294
Bank overdrafts (secured)	1,803,895	116,538
	<u>13,779,385</u>	<u>8,883,439</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 22. BORROWINGS (CONTINUED)

- (a) The term loans are 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 invoice financing is secured by joint and severally guaranteed by the directors of the Group.
- (c) The bank overdrafts are secured by:-
- (i) assignment of takaful policy; and
  - (ii) joint and severally guaranteed by the directors of the Group.
- (d) The details of hire purchase payables are as follows:-

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
At 1 January	525,614	803,204
Additions during the financial year	283,756	297,717
Interest expenses recognised in profit or loss	53,084	57,195
Repayment of principal	(383,640)	(559,933)
Repayment of interest expenses	(53,084)	(57,195)
Exchange differences	19,623	(15,374)
At 31 December	<b>445,353</b>	<b>525,614</b>
Analysed by:-		
Current liabilities	250,524	330,180
Non-current liabilities	194,829	195,434
	<b>445,353</b>	<b>525,614</b>

- (e) The interest rates profile of the borrowings of the Group are summarised below:-

		<b>THE GROUP</b>	
<b>INTEREST RATE</b>		<b>EFFECTIVE INTEREST RATE</b>	
		<b>2023</b>	<b>2022</b>
Term loans	Floating	4.50% - 10.25%	3.50% - 9.50%
Hire purchase payables	Fixed	7.33% - 10.00%	6.31% - 10.54%
Invoice financing	Floating	6.44%	6.10%
Bank overdrafts	Floating	8.65%	7.51%

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 23. RETIREMENT LIABILITY

	THE GROUP	
	2023 RM	2022 RM
At 1 January	963,347	1,008,825
Provisions made during the financial year	490,839	437,340
Provisions reversed during the financial year	-	(449,950)
Exchange differences	47,864	(32,868)
At 31 December	1,502,050	963,347

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:-

	THE GROUP	
	2023 RM	2022 RM
Present value of benefit obligation	1,819,099	1,307,620
Fair value of plan assets	(330,611)	(325,474)
Exchange differences	13,562	(18,799)
Net retirement liability	1,502,050	963,347

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 23. RETIREMENT LIABILITY (CONTINUED)

(ii) The following table sets out the reconciliation of defined benefits plan:-

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
As at 1 January	963,347	1,008,825
Current service post	197,888	173,845
Interest expense on defined benefit obligation	95,900	56,626
Interest income on plan assets	(23,870)	(6,092)
Included in profit or loss	269,918	224,379
<b>Re-measurements</b>		
Actuarial gains/(losses) from:		
- Effect on changes in actuarial assumptions	145,295	(9,632)
- Effect on changes in demographic assumptions	19,893	(26,635)
- Experience adjustments	31,863	(1,268)
Re-measurement gains/(losses) - return on plan assets	23,870	(37,934)
Exchange differences	12,401	(8,894)
Included in other comprehensive income	233,322	(84,363)
Contribution to retirement fund	-	(161,520)
Exchange differences	35,463	(23,974)
As at 31 December	<u>1,502,050</u>	<u>963,347</u>

(iii) The principal actuarial assumptions used in respect of the funded defined benefits plan of the Group are as follows:-

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>%</b>	<b>%</b>
Discount rate	6.12	7.22
Future salary rate increases	5.00	5.00

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 23. RETIREMENT LIABILITY (CONTINUED)

- (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.

	THE GROUP			
	2023		2022	
	INCREASE/ (DECREASE) %	PV OF DBO - INCREASE/ (DECREASE) RM	INCREASE/ (DECREASE) %	PV OF DBO - INCREASE/ (DECREASE) RM
Discount rates	8.3	150,562	7.8	102,141
	(7.3)	(132,872)	(6.9)	(90,738)
Future salary increases	8.3	150,744	7.9	103,390
	7.4	(135,417)	(7.1)	(93,384)

### 24. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 60 to 90 (2022 - 60 to 90) days.

### 25. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables:-				
Third parties	1,917,846	5,099,055	746,730	3,893,951
Sales and services tax payables	83,517	57,528	-	-
	2,001,363	5,156,583	746,730	3,893,951
Accruals	5,303,960	4,820,406	352,921	320,000
Advance receipts	29,060	81,695	-	-
Deposits received	86,456	98,348	-	-
	7,420,839	10,157,032	1,099,651	4,213,951

- (a) Included in other payables of the Group is an amount of RM59,095 (2022 - Nil) being unpaid balance for acquisition of equipment as disclosed in Note 32(a) to the financial statements.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 25. OTHER PAYABLES AND ACCRUALS (CONTINUED)

- (b) In the previous financial year, included in other payables of the Group is an amount of RM3,600,000 being amount due to shareholders for dividend payable as disclosed in Note 31(ii) to the financial statements.

### 26. REVENUE

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Revenue recognised at a point of time</u>				
Dividend income	–	–	5,400,000	8,589,420
<u>Revenue recognised over time</u>				
Air freight forwarding	33,017,950	63,649,999	–	–
Sea freight forwarding	64,433,169	126,581,973	–	–
Road freight transportation	8,024,692	5,401,385	–	–
Warehousing and other 3PL services	10,477,745	9,112,567	–	–
Aerospace logistics	70,877,163	29,682,695	–	–
	186,830,719	234,428,619	5,400,000	8,589,420
<u>Represented by geographical markets:-</u>				
Malaysia	29,093,287	25,152,528	5,400,000	8,589,420
Singapore	18,628,238	19,161,542	–	–
Philippines	80,169,811	76,776,227	–	–
Myanmar	10,500,076	20,076,580	–	–
Korea	13,034,514	50,000,436	–	–
Others	35,404,793	43,261,306	–	–
	186,830,719	234,428,619	5,400,000	8,589,420



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 27. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	<b>THE GROUP</b>	
	<b>2023 RM</b>	<b>2022 RM</b>
Impairment losses:		
- trade receivables (Note 11)	1,416,128	4,668,874
- other receivables (Note 12)	442,439	-
Reversal of impairment losses:		
- trade receivables (Note 11)	(604,090)	(4,353,614)
- other receivables (Note 12)	-	(21,659)
	1,254,477	293,601

### 28. PROFIT BEFORE TAXATION

	<b>THE GROUP</b>		<b>THE COMPANY</b>	
	<b>2023 RM</b>	<b>2022 RM</b>	<b>2023 RM</b>	<b>2022 RM</b>
Profit before taxation is arrived at after charging/(crediting):-				
Amortisation of intangible assets	144,503	141,047	-	-
Auditors' remuneration:				
- audit fees:				
- statutory				
- Crowe Malaysia PLT	133,000	87,000	88,000	50,000
- foreign affiliates of Crowe Malaysia PLT	253,273	175,877	-	-
- other auditors	83,227	64,518	-	-
- special				
- Crowe Malaysia PLT	160,000	160,000	160,000	160,000
- foreign affiliates of Crowe Malaysia PLT	24,168	48,504	-	-
- other auditors	9,587	23,103	-	-
- non-audit fees				
- Crowe Malaysia PLT	147,000	200,000	147,000	200,000
Bad debts written off	304,802	51,448	-	-
Depreciation:				
- equipment	1,279,084	1,015,864	-	-
- right-of-use assets	5,133,748	4,429,331	-	-
Directors' remuneration:				
- salaries, bonuses and allowances	4,885,898	4,731,752	30,000	8,000
- statutory contribution	253,324	240,960	-	-
- others	54,109	100,950	-	-
Equipment written off	6,520	14,225	-	-

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 28. PROFIT BEFORE TAXATION (CONTINUED)

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting) (Continued):-				
Impairment losses:				
- equipment	129,478	-	-	-
- investment in a subsidiary	-	-	908,251	-
- deposits	-	17,337	-	-
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	11,000	81,743	-	-
- hire purchase payables	53,084	57,195	-	-
- invoice financing	39,111	35,948	-	-
- term loans	764,402	687,736	-	-
- others	452	2,806	-	-
Interest expenses on lease liabilities	548,916	398,920	-	-
Listing expenses	1,624,217	993,302	1,624,217	993,302
Loss/(Gain) on foreign exchange:				
- realised	182,466	(2,624)	43,917	5,731
- unrealised	6,426	325,464	(196,700)	(73,325)
Retirement expenses	269,918	224,379	-	-
Short term lease expenses:				
- equipment	208,564	371,539	-	-
- motor vehicles	857,134	648,513	-	-
- premises	591,883	416,269	-	-
Staff costs:				
- salaries, bonuses and allowances	16,084,762	14,126,010	-	-
- statutory contribution	1,702,265	1,481,383	-	-
- others	3,994,967	2,598,937	-	-
Gain on modification of leases	(10,197)	(84,250)	-	-
(Gain)/Loss on disposal of equipment	(55,880)	5,179	-	-
Rental income	(201,554)	(179,824)	-	-
Reversal of impairment losses:				
- deposits	(72,800)	(126,318)	-	-
Share of results in associates	(1,478,327)	(5,535,932)	-	-
Total interest income on financial assets measured at amortised cost	(66,116)	(89,613)	-	-

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 29. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax expense:				
- for the current year	5,117,945	2,825,494	503,000	307,000
- under/(over)provision in the previous financial year	414,986	(14,242)	-	-
	5,532,931	2,811,252	503,000	307,000
Deferred tax (Note 10):				
- origination and reversal of temporary differences	(1,083,151)	358,673	-	-
- underprovision in the previous financial year	32,991	76,940	-	-
	(1,050,160)	435,613	-	-
	4,482,771	3,246,865	503,000	307,000

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 29. INCOME TAX EXPENSE (CONTINUED)

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 the Company is as follows:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation	14,248,047	16,787,431	2,671,788	7,386,607
Tax at the statutory tax rate of 24% (2022 - 24%)	3,419,531	4,028,983	641,229	1,772,786
Tax effects of:-				
Share of results in associates	(354,798)	(1,328,624)	-	-
Non-taxable income	-	-	(1,296,000)	(2,061,461)
Non-deductible expenses	434,891	430,235	654,771	288,675
Effects of differential in tax rates of foreign jurisdictions	88,159	(168,141)	-	-
Tax exempt income	(59,212)	(55,606)	-	-
Under/(Over) provision of current tax in the previous financial year	414,986	(14,242)	-	-
Underprovision of deferred taxation in the previous financial year	32,991	76,940	-	-
Withholding tax from foreign income	506,223	307,000	503,000	307,000
Others	-	(29,680)	-	-
	4,482,771	3,246,865	503,000	307,000

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022 - 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.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 30. EARNINGS PER SHARE

	THE GROUP	
	2023 RM	2022 RM
Profit after tax attributable to owners of the Company	9,797,537	13,540,436
Enlarged total number of shares upon Listing *	432,866,125	432,866,125
Basic earnings per share (Sen)	2.26	3.13

\* Based on the Company's enlarged issued share capital of 432,866,125 shares upon the Company's listing on the ACE Market of Bursa Malaysia.

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.

### 31. DIVIDENDS

		THE COMPANY	
		2023 RM	2022 RM
Single tier interim dividend of RM0.0085 per ordinary share in respect of 31 December 2022	(i)	-	2,300,000
Single tier final dividend of RM0.013 per ordinary share in respect of 31 December 2022	(ii)	-	3,600,000
Single tier interim dividend of RM0.011 per ordinary share in respect of 31 December 2023	(iii)	3,000,000	-
		3,000,000	5,900,000

(i) The dividend payout is satisfied by a way of offsetting the amount owing by shareholders and respective subsidiaries. The remaining dividend payable is paid to shareholders whose names appeared in the record of depositors on 27 July 2022.

(ii) 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.

(iii) The Company declared a single tier interim dividend amounting to RM3,000,000 in respect of financial year ended 31 December 2023, paid on 31 October 2023, to shareholders whose names appeared in the record of depositors on 30 September 2023.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 32. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of equipment and the addition of right-of-use assets is as follows:-

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Equipment</b>		
Cost of equipment purchased (Note 7)	1,510,179	2,317,973
Less: Other payables - balances remained unpaid at financial year end (Note 25)	(59,095)	-
	1,451,084	2,317,973
	1,451,084	2,317,973
<b>Right-of-use assets</b>		
Cost of right-of-use assets acquired (Note 8)	7,836,342	3,767,820
Less: Additions of new lease liabilities (Note 21)	(7,547,500)	(3,334,057)
Less: Additions of new hire purchase payables (Note 22)	(283,756)	(297,717)
	5,086	136,046
	5,086	136,046

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 32. CASH FLOW INFORMATION (CONTINUED)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	<b>TERM LOANS RM</b>	<b>LEASE LIABILITIES RM</b>	<b>HIRE PURCHASE PAYABLES RM</b>	<b>INVOICE FINANCING RM</b>	<b>TOTAL RM</b>
<b>The Group</b>					
<b>2023</b>					
At 1 January	8,334,066	6,327,870	525,614	615,294	15,802,844
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	4,511,900	-	-	4,692,833	9,204,733
Repayment of principal	(1,840,522)	(4,857,726)	(383,640)	(4,953,186)	(12,035,074)
Repayment of interests	(764,402)	(548,916)	(53,084)	(39,111)	(1,405,513)
	1,906,976	(5,406,642)	(436,724)	(299,464)	(4,235,854)
<u>Non-cash Changes</u>					
Acquisition of new leases	-	7,547,500	-	-	7,547,500
Acquisition of new hire purchase	-	-	283,756	-	283,756
Derecognition due to lease modification	-	(168,633)	-	-	(168,633)
Interest expenses recognised in profit or loss	764,402	548,916	53,084	39,111	1,405,513
Foreign exchange adjustments	376,325	248,863	19,623	-	644,811
	1,140,727	8,176,646	356,463	39,111	9,712,947
At 31 December	11,381,769	9,097,874	445,353	354,941	21,279,937

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 32. CASH FLOW INFORMATION (CONTINUED)

(b) The reconciliations of liabilities arising from financing activities are as follows (Continued):-

	<b>TERM LOANS RM</b>	<b>LEASE LIABILITIES RM</b>	<b>HIRE PURCHASE PAYABLES RM</b>	<b>INVOICE FINANCING RM</b>	<b>TOTAL RM</b>
<b>The Group</b>					
<b>2022</b>					
At 1 January	11,039,244	8,362,896	803,204	908,818	21,114,162
<u>Changes in Financing Cash Flows</u>					
Proceeds from drawdown	31,525,553	-	-	6,642,268	38,167,821
Repayment of principal	(33,907,337)	(4,351,101)	(559,933)	(6,935,792)	(45,754,163)
Repayment of interests	(687,736)	(398,920)	(57,195)	(35,948)	(1,179,799)
	(3,069,520)	(4,750,021)	(617,128)	(329,472)	(8,766,141)
<u>Non-cash Changes</u>					
Acquisition of new leases	-	3,334,057	-	-	3,334,057
Acquisition of new hire purchase	-	-	297,717	-	297,717
Derecognition due to lease modification	-	(1,186,911)	-	-	(1,186,911)
Interest expenses recognised in profit or loss	687,736	398,920	57,195	35,948	1,179,799
Foreign exchange adjustments	(323,394)	168,929	(15,374)	-	(169,839)
	364,342	2,714,995	339,538	35,948	3,454,823
At 31 December	8,334,066	6,327,870	525,614	615,294	15,802,844



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 32. CASH FLOW INFORMATION (CONTINUED)

(c) The cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed deposits with licensed banks	2,302,959	1,205,365	-	-
Cash and bank balances	10,263,476	13,134,468	220,404	120,877
Bank overdrafts	(1,803,895)	(116,538)	-	-
	10,762,540	14,223,295	220,404	120,877
Less: Fixed deposits with tenure of more than 3 months	(2,302,959)	(1,124,164)	-	-
	8,459,581	13,099,131	220,404	120,877

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company 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 are as follows:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- salaries, bonuses and allowances	2,896,648	2,841,182	30,000	8,000
- others	10,462	-	-	-
	2,907,110	2,841,182	30,000	8,000
Statutory contribution	213,915	206,855	-	-
	3,121,025	3,048,037	30,000	8,000
<u>Directors of the Subsidiaries</u>				
Short-term employee benefits:				
- salaries, bonuses and allowances	1,989,250	1,991,520	-	-
- others	43,647	-	-	-
	2,032,897	1,991,520	-	-
Statutory contribution	39,409	34,105	-	-
	2,072,306	2,025,625	-	-
Total directors' remuneration	5,193,331	5,073,662	30,000	8,000
	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>(b) Other Key Management Personnel</b>				
Short-term employee benefits	468,000	418,500	320,250	-
Statutory contribution	57,319	51,222	39,299	-
Total compensation for other key management personnel	525,319	469,722	359,549	-

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 34. RELATED PARTY DISCLOSURES

#### (a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

#### (b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Transaction with Subsidiaries</u>				
- Dividend income	-	-	5,400,000	8,589,420
<u>Transactions with Related Parties</u>				
- Rendering of services	14,504	4,005	-	-
- Purchase of services	(1,443)	-	-	-
<u>Transactions with Associates</u>				
- Rendering of services	156,015	271,328	-	-
- Purchase of services	(1,000)	(21,681)	-	-

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.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 35. OPERATING SEGMENTS

#### 35.1 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 (2022 - 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 (2022 - 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 clients 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.

	MALAYSIA RM	SINGAPORE RM	PHILIPPINES RM	MYANMAR RM	KOREA RM	TOTAL RM
<b>2023</b>						
<b>Revenue</b>						
External revenue	42,527,308	20,888,141	94,881,100	11,706,158	16,828,012	186,830,719
Inter-segment revenue	6,797,150	6,042,792	530,640	52,253	108,457	13,531,292
	<u>49,324,458</u>	<u>26,930,933</u>	<u>95,411,740</u>	<u>11,758,411</u>	<u>16,936,469</u>	<u>200,362,011</u>
Consolidation adjustments						(13,531,292)
Consolidated revenue						<u>186,830,719</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 35. OPERATING SEGMENTS (CONTINUED)

#### 35.1 BUSINESS SEGMENTS (CONTINUED)

	MALAYSIA RM	SINGAPORE RM	PHILIPPINES RM	MYANMAR RM	KOREA RM	TOTAL RM
<b>2023</b>						
<b>Results</b>						
Segment results	10,100,960	2,698,188	12,952,175	(227,256)	(239,554)	25,284,513
Interest income	22,297	85	42,755	-	979	66,116
Finance costs	(377,078)	(74,289)	(942,062)	-	(23,536)	(1,416,965)
Amortisation of intangible assets	-	-	(144,503)	-	-	(144,503)
Depreciation:						
- equipment	(316,666)	(188,282)	(696,563)	(76,457)	(1,116)	(1,279,084)
- right-of-use assets	(1,441,943)	(1,929,257)	(1,640,529)	-	(122,019)	(5,133,748)
Impairment loss of trade, other receivables and deposits	(803,404)	(199,265)	(855,898)	-	-	(1,858,567)
Gain/(Loss) on disposal of equipment	3,499	-	(3,642)	11,304	44,719	55,880
Reversal of impairment losses	587,305	-	72,800	-	16,785	676,890
Share of results in associates	(77,590)	1,634,548	(78,631)	-	-	1,478,327
Unrealised foreign exchange gain/(loss)	124,330	(83,519)	(32,544)	-	(14,693)	(6,426)
Profit before taxation	7,821,710	1,858,209	8,673,358	(292,409)	(338,435)	17,722,433
Income tax expense						(4,482,771)
Profit after taxation						13,239,662
Consolidation adjustments						(3,474,386)
Consolidation profit after taxation						9,765,276

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 35. OPERATING SEGMENTS (CONTINUED)

#### 35.1 BUSINESS SEGMENTS (CONTINUED)

	MALAYSIA RM	SINGAPORE RM	PHILIPPINES RM	MYANMAR RM	KOREA RM	TOTAL RM
<b>2023</b>						
<b>Assets</b>						
Segment assets	56,982,094	13,910,143	55,470,338	2,581,951	5,482,786	134,427,312
Unallocated assets:						
- deferred tax assets						1,069,074
Consolidation adjustments						(36,461,528)
Consolidated total assets						<u>99,034,858</u>
Additions to non-current assets other than financial instruments:						
- equipment	513,921	114,282	723,932	23,700	134,344	1,510,179
- right-of-use assets	6,295,598	887,129	306,425	-	347,190	7,836,342
<b>Liabilities</b>						
Segment liabilities	16,316,600	7,821,161	31,800,007	1,206,751	1,825,475	58,969,994
Unallocated liabilities:						
- provision for taxation						1,865,651
Consolidation adjustments						(13,209,170)
Consolidated total liabilities						<u>47,626,475</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 35. OPERATING SEGMENTS (CONTINUED)

#### 35.1 BUSINESS SEGMENTS (CONTINUED)

	MALAYSIA RM	SINGAPORE RM	PHILIPPINES RM	MYANMAR RM	KOREA RM	TOTAL RM
<b>2022</b>						
<b>Revenue</b>						
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
	<u>50,166,606</u>	<u>26,418,022</u>	<u>89,393,724</u>	<u>27,053,512</u>	<u>55,324,385</u>	<u>248,356,249</u>
Consolidation adjustments						(13,927,630)
Consolidated revenue						<u>234,428,619</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 35. OPERATING SEGMENTS (CONTINUED)

#### 35.1 BUSINESS SEGMENTS (CONTINUED)

	MALAYSIA RM	SINGAPORE RM	PHILIPPINES RM	MYANMAR RM	KOREA RM	TOTAL RM
<b>2022</b>						
<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 assets	–	–	(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>



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 35. OPERATING SEGMENTS (CONTINUED)

#### 35.1 BUSINESS SEGMENTS (CONTINUED)

	MALAYSIA RM	SINGAPORE RM	PHILIPPINES RM	MYANMAR RM	KOREA RM	TOTAL RM
<b>2022</b>						
<b>Assets</b>						
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>
<b>Liabilities</b>						
Segment liabilities	13,026,854	12,486,855	26,979,782	1,716,856	2,260,837	56,471,184
Unallocated liabilities:						
- deferred tax liabilities						264,559
- provision for taxation						350,646
Consolidation adjustments						(14,289,199)
Consolidated total liabilities						<u>42,797,190</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 35. OPERATING SEGMENTS (CONTINUED)

#### 35.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the clients are located as disclosed in Note 26 to the financial statements.

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.

	NON-CURRENT ASSETS	
	2023 RM	2022 RM
Malaysia	6,300,282	1,455,163
Singapore	5,782,151	5,077,471
Philippines	4,721,223	6,134,051
Myanmar	125,293	244,582
Korea	498,958	295,571
	<u>17,427,907</u>	<u>13,206,838</u>

#### 35.3 MAJOR CLIENTS

The following are major clients with revenue equal to or more than 10% of the Group's total revenue:

	2023 RM	2022 RM	SEGMENT
Client A	– *	47,013,048	Korea
Client B	<u>60,031,287</u>	<u>24,616,344</u>	Malaysia and Philippines

\* Representing revenue contribution of not more than 10% of the Group's total revenue for the current financial year.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company 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 overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

#### 36.1 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 and the Company is exposed to foreign currency risk on transaction and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), Philippines Peso ("PHP"), United States Dollar ("USD") 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.

The Company's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Company) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

##### *Foreign Currency Exposure*

	SINGAPORE DOLLAR RM	PHILIPPINES PESO RM	UNITED STATES DOLLAR RM	SOUTH KOREAN WON RM	RINGGIT MALAYSIA RM	OTHERS RM	TOTAL RM
<b>The Group</b>							
<b>2023</b>							
<u>Financial Assets</u>							
Trade receivables	2,772,844	32,122,766	8,210,625	1,303,240	8,198,595	326,296	52,934,366
Other receivables	-	773,992	29,517	1,368,138	57,122	2,407	2,231,176
Amount owing by associates	-	-	29,572	-	-	-	29,572
Fixed deposits with licensed banks	86,240	1,241,730	-	-	974,989	-	2,302,959
Cash and bank balances	646,476	3,641,474	4,130,524	810,923	248,590	785,489	10,263,476
	3,505,560	37,779,962	12,400,238	3,482,301	9,479,296	1,114,192	67,761,549

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (i) Foreign Currency Risk (Continued)

*Foreign Currency Exposure (Continued)*

	SINGAPORE DOLLAR RM	PHILIPPINES PESO RM	UNITED STATES DOLLAR RM	SOUTH KOREAN WON RM	RINGGIT MALAYSIA RM	OTHERS RM	TOTAL RM
<b>The Group</b>							
<b>2023</b>							
<u>Financial Liabilities</u>							
Lease liabilities	1,603,125	1,632,168	-	380,688	5,481,893	-	9,097,874
Term loans	-	11,299,743	-	-	82,026	-	11,381,769
Trade payables	1,902,364	3,370,203	5,074,570	833,175	1,337,576	1,156,386	13,674,274
Other payables and accruals	450,040	4,759,448	346,131	-	1,496,049	170,138	7,221,806
Amount owing to associates	-	79,829	-	-	-	-	79,829
Hire purchase payables	-	445,353	-	-	-	-	445,353
Invoice financing	-	-	-	-	354,941	-	354,941
Bank overdrafts	-	-	-	-	1,803,895	-	1,803,895
	3,955,529	21,586,744	5,420,701	1,213,863	10,556,380	1,326,524	44,059,741

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (i) Foreign Currency Risk (Continued)

*Foreign Currency Exposure (Continued)*

	SINGAPORE DOLLAR RM	PHILIPPINES PESO RM	UNITED STATES DOLLAR RM	SOUTH KOREAN WON RM	RINGGIT MALAYSIA RM	OTHERS RM	TOTAL RM
<b>The Group</b>							
<b>2023</b>							
Net financial assets/(liabilities)	(449,969)	16,193,218	6,979,537	2,268,438	(1,077,084)	(212,332)	23,701,808
Less: Net financial liabilities denominated in the Group's functional currency	-	-	-	-	1,077,084	-	1,077,084
Currency Exposure	(449,969)	16,193,218	6,979,537	2,268,438	-	(212,332)	24,778,892

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (i) Foreign Currency Risk (Continued)

*Foreign Currency Exposure (Continued)*

	SINGAPORE DOLLAR RM	PHILIPPINES PESO RM	UNITED STATES DOLLAR RM	SOUTH KOREAN WON RM	RINGGIT MALAYSIA RM	OTHERS RM	TOTAL RM
<b>The Group</b>							
<b>2022</b>							
<u>Financial Assets</u>							
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
	<u>7,560,357</u>	<u>22,990,418</u>	<u>13,430,314</u>	<u>5,965,437</u>	<u>7,566,921</u>	<u>1,464,373</u>	<u>58,977,820</u>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (i) Foreign Currency Risk (Continued)

*Foreign Currency Exposure (Continued)*

	SINGAPORE DOLLAR RM	PHILIPPINES PESO RM	UNITED STATES DOLLAR RM	SOUTH KOREAN WON RM	RINGGIT MALAYSIA RM	OTHERS RM	TOTAL RM
<b>The Group</b>							
<b>2022</b>							
<u>Financial</u>							
<u>Liabilities</u>							
Lease liabilities	2,509,610	3,079,132	-	285,936	453,192	-	6,327,870
Term loans	-	7,703,562	-	-	630,504	-	8,334,066
Trade payables	1,237,096	5,114,063	5,044,212	1,430,859	1,137,623	1,179,140	15,142,993
Other payables and accruals	611,401	3,945,885	157,768	-	5,170,021	34,386	9,919,461
Amount owing to associates	-	-	2,656	-	-	-	2,656
Hire purchase payables	-	438,155	-	-	87,459	-	525,614
Invoice financing	-	-	-	-	615,294	-	615,294
Bank overdrafts	-	-	-	-	116,538	-	116,538
	4,358,107	20,280,797	5,204,636	1,716,795	8,210,631	1,213,526	40,984,492

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (i) Foreign Currency Risk (Continued)

*Foreign Currency Exposure (Continued)*

	SINGAPORE DOLLAR RM	PHILIPPINES PESO RM	UNITED STATES DOLLAR RM	SOUTH KOREAN WON RM	RINGGIT MALAYSIA RM	OTHERS RM	TOTAL RM
<b>The Group</b>							
<b>2022</b>							
Net financial assets/ (liabilities)	3,202,250	2,709,621	8,225,678	4,248,642	(643,710)	250,847	17,993,328
Less: Net financial liabilities denominated in the Group's functional currency	-	-	-	-	643,710	-	643,710
Currency Exposure	3,202,250	2,709,621	8,225,678	4,248,642	-	250,847	18,637,038



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (i) Foreign Currency Risk (Continued)

*Foreign Currency Exposure (Continued)*

	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM	RINGGIT MALAYSIA RM	TOTAL RM
<b>The Company</b>				
<b>2023</b>				
<u>Financial Assets</u>				
Cash and bank balances	46,517	–	173,887	220,404
Amount owing by subsidiaries	1,801,265	129,176	–	1,930,441
	1,847,782	129,176	173,887	2,150,845
<u>Financial Liabilities</u>				
Other payables and accruals	107,165	–	992,486	1,099,651
Amount owing to subsidiaries	–	–	308,929	308,929
	107,165	–	1,301,415	1,408,580
Net financial assets/ (liabilities)	1,740,617	129,176	(1,127,528)	742,265
Less: Net financial assets denominated in the Company's functional currency	–	–	1,127,528	1,127,528
Currency Exposure	1,740,617	129,176	–	1,869,793

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (i) Foreign Currency Risk (Continued)

*Foreign Currency Exposure (Continued)*

	UNITED STATES DOLLAR RM	SINGAPORE DOLLAR RM	RINGGIT MALAYSIA RM	TOTAL RM
<b>The Company</b>				
<b>2022</b>				
<u>Financial Assets</u>				
Cash and bank balances	3,388	–	117,489	120,877
Amount owing by subsidiaries	756,304	4,762,709	–	5,519,013
	759,692	4,762,709	117,489	5,639,890
<u>Financial Liabilities</u>				
Other payables and accruals	–	–	4,213,951	4,213,951
Amount owing to subsidiaries	–	–	296,668	296,668
	–	–	4,510,619	4,510,619
Net financial assets/ (liabilities)	759,692	4,762,709	(4,393,130)	1,129,271
Less: Net financial liabilities denominated in the Company's functional currency	–	–	4,393,130	4,393,130
Currency Exposure	759,692	4,762,709	–	5,522,401

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

###### (i) Foreign Currency Risk (Continued)

###### *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:-

		<b>THE GROUP</b>	
		<b>2023</b>	<b>2022</b>
		<b>RM</b>	<b>RM</b>
<b>Effects On Profit After Taxation and Other Comprehensive Income</b>			
SGD/RM	- strengthened by 5%	(17,099)	121,686
	- weakened by 5%	17,099	(121,686)
PHP/RM	- strengthened by 5%	615,342	102,966
	- weakened by 5%	(615,342)	(102,966)
USD/RM	- strengthened by 5%	265,222	312,576
	- weakened by 5%	(265,222)	(312,576)
KRW/RM	- strengthened by 5%	86,201	161,448
	- weakened by 5%	(86,201)	(161,448)
		<b>THE COMPANY</b>	
		<b>2023</b>	<b>2022</b>
		<b>RM</b>	<b>RM</b>
<b>Effects On Profit After Taxation and Other Comprehensive Income</b>			
USD/RM	- strengthened by 5%	66,143	28,868
	- weakened by 5%	(66,143)	(28,868)
SGD/RM	- strengthened by 5%	4,909	180,983
	- weakened by 5%	(4,909)	(180,983)

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (a) Market Risk (Continued)

##### (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 deposits with licensed banks 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 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 are disclosed in Note 22 to the financial statements.

##### *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:-

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Effects On Profit After Taxation and Other Comprehensive Income</b>		
Increase by 25 basis points	257,271	172,252
Decrease by 25 basis points	(257,271)	(172,252)

##### (iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 36. FINANCIAL INSTRUMENTS (CONTINUED)

### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

#### (b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances and fixed deposits with licensed banks), 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 client 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 ongoing 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 difficulty 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; or
- 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.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 36. FINANCIAL INSTRUMENTS (CONTINUED)

### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

#### (b) Credit Risk (Continued)

##### (iii) Assessment of Impairment Losses (Continued)

###### 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 clients, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2022 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (b) Credit Risk (Continued)

##### (iii) Assessment of Impairment Losses (Continued)

##### Trade Receivables and Contract Assets (Continued)

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:-

	<b>GROSS AMOUNT RM</b>	<b>COLLECTIVE IMPAIRMENT RM</b>	<b>CARRYING AMOUNT RM</b>
<b>The Group</b>			
<b>2023</b>			
Current (not past due)	20,959,793	(147,722)	20,812,071
1 to 90 days past due	23,956,226	(488,853)	23,467,373
91 to 180 days past due	7,157,257	(572,155)	6,585,102
More than 181 days past due	3,506,787	(1,436,967)	2,069,820
Credit impaired	1,264,457	(1,264,457)	-
Trade receivables	56,844,520	(3,910,154)	52,934,366
Contract assets	1,765,165	-	1,765,165
	<b>58,609,685</b>	<b>(3,910,154)</b>	<b>54,699,531</b>
<b>2022</b>			
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
	<b>46,878,357</b>	<b>(3,031,780)</b>	<b>43,846,577</b>

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Notes 11 and 13 to the financial statements respectively.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (b) Credit Risk (Continued)

###### (iii) Assessment of Impairment Losses (Continued)

###### Other Receivables and Amount Owing by Related Parties

The Group applies the 3-stage general approach to measuring expected credit losses for other receivables and amount owing by related parties.

###### *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.



# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 36. FINANCIAL INSTRUMENTS (CONTINUED)

### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

#### (b) Credit Risk (Continued)

##### (iii) Assessment of Impairment Losses (Continued)

##### Other Receivables and Amount Owing by Related Parties (Continued)

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).

In deriving the PD and LGD, the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

##### Amount Owing by Subsidiaries (Non-trade balances)

The Group applies the 3-stage general approach to measuring expected credit losses for all inter-company balances.

##### *Input, Assumptions and Techniques used for Estimating Impairment Losses*

The Group measures the expected credit losses on individual basis, which is aligned with its credit risk management practices on the inter-company balances.

# Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

## 36. FINANCIAL INSTRUMENTS (CONTINUED)

### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

#### (b) Credit Risk (Continued)

##### (iii) Assessment of Impairment Losses (Continued)

##### Amount Owing by Subsidiaries (Non-trade balances) (Continued)

The Group considers loans and advances to subsidiaries have low credit risks. The Group assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Group is able to determine the timing of payments of the loans and advances when they are payable, the Group considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Group will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiaries.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

#### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (c) Liquidity Risk (Continued)

###### *Maturity Analysis*

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):-

	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1 - 5 YEARS RM
<b>The Group</b>					
<b>2023</b>					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	4.31 - 11.55	9,097,874	10,000,237	4,493,359	5,506,878
Term loans	4.50 - 10.25	11,381,769	11,384,466	11,372,645	11,821
Trade payables	-	13,674,274	13,674,274	13,674,274	-
Other payables and accruals	-	7,221,806	7,221,806	7,221,806	-
Amount owing to an associate	-	79,829	79,829	79,829	-
Hire purchase payables	7.33 - 10.00	445,353	452,018	257,182	194,836
Invoice financing	6.44	354,941	354,941	354,941	-
Bank overdrafts	8.65	1,803,895	1,803,895	1,803,895	-
		44,059,741	44,971,466	39,257,931	5,713,535

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (c) Liquidity Risk (Continued)

###### *Maturity Analysis (Continued)*

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) (Continued):-

	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM	1-5 YEARS RM
<b>The Group</b>					
<b>2022</b>					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	3.00 - 9.91	6,327,870	6,476,159	3,585,414	2,890,745
Term loans	3.50 - 9.50	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	–
Hire purchase payables	6.31 - 10.54	525,614	562,493	357,640	204,853
Invoice financing	6.10	615,294	615,294	615,294	–
Bank overdrafts	7.51	116,538	116,538	116,538	–
		40,984,492	41,351,287	37,606,057	3,745,230

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.1 FINANCIAL RISK MANAGEMENT POLICIES (CONTINUED)

##### (c) Liquidity Risk (Continued)

###### *Maturity Analysis (Continued)*

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) (Continued):-

	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM	WITHIN 1 YEAR RM
<b>The Company</b>				
<b>2023</b>				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	–	1,099,651	1,099,651	1,099,651
Amount owing to subsidiaries	–	308,929	308,929	308,929
		<b>1,408,580</b>	<b>1,408,580</b>	<b>1,408,580</b>
<b>2022</b>				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	–	4,213,951	4,213,951	4,213,951
Amount owing to subsidiaries	–	296,668	296,668	296,668
		<b>4,510,619</b>	<b>4,510,619</b>	<b>4,510,619</b>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.2 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:

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Lease liabilities	9,097,874	6,327,870
Term loans	11,381,769	8,334,066
Hire purchase payables	445,353	525,614
Invoice financing	354,941	615,294
Bank overdrafts	1,803,895	116,538
	<u>23,083,832</u>	<u>15,919,382</u>
Less: Cash and cash equivalents	(8,459,581)	(13,099,131)
Net debt	<u>14,624,251</u>	<u>2,820,251</u>
Total equity	<u>51,408,383</u>	<u>44,033,146</u>
Debt-to-equity ratio	<u>0.28</u>	<u>0.06</u>

There was no change in the Group's approach to capital management during the financial year.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Financial Assets</b>				
<u>Amortised Cost</u>				
Trade receivables	52,934,366	38,872,786	-	-
Other receivables	2,231,176	1,821,066	-	-
Amount owing by subsidiaries	-	-	1,930,441	5,519,013
Amount owing by associates	29,572	3,940,539	-	-
Amount owing by related parties	-	3,596	-	-
Fixed deposits with licensed banks	2,302,959	1,205,365	-	-
Cash and bank balances	10,263,476	13,134,468	220,404	120,877
	<b>67,761,549</b>	<b>58,977,820</b>	<b>2,150,845</b>	<b>5,639,890</b>
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Lease liabilities	9,097,874	6,327,870	-	-
Term loans	11,381,769	8,334,066	-	-
Trade payables	13,674,274	15,142,993	-	-
Other payables and accruals	7,221,806	9,919,461	1,099,651	4,213,951
Amount owing to subsidiaries	-	-	308,929	296,668
Amount owing to associates	79,829	2,656	-	-
Hire purchase payables	445,353	525,614	-	-
Invoice financing	354,941	615,294	-	-
Bank overdrafts	1,803,895	116,538	-	-
	<b>44,059,741</b>	<b>40,984,492</b>	<b>1,408,580</b>	<b>4,510,619</b>

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.4 LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	<b>THE GROUP</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Financial Assets</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	1,420,363	146,455
<b>Financial Liabilities</b>		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	1,416,965	1,264,348

#### 36.5 FAIR VALUE INFORMATION

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

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:-

	<b>FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE</b>			<b>TOTAL FAIR VALUE</b>	<b>CARRYING AMOUNT</b>
	<b>LEVEL 1</b>	<b>LEVEL 2</b>	<b>LEVEL 3</b>		
	<b>RM</b>	<b>RM</b>	<b>RM</b>		
<b>The Group</b>					
<b>2023</b>					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	11,381,769	-	11,381,769	11,381,769
<b>2022</b>					
<u>Financial Liabilities</u>					
Term loans:					
- floating rate	-	8,334,066	-	8,334,066	8,334,066



## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 36. FINANCIAL INSTRUMENTS (CONTINUED)

#### 36.5 FAIR VALUE INFORMATION (Continued)

##### **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.

### 37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 12 October 2023, the Company has obtained conditional approval from Bursa Malaysia Securities Berhad ("Bursa Malaysia") for its initial listing application on the ACE Market of Bursa Malaysia.
- (b) On 28 November 2023, the Company had carried out a subdivision of 4 existing ordinary shares into 5 ordinary shares. The issued share capital of the Company has increased from 269,092,900 into 336,366,125 ordinary shares.
- (c) On 7 December 2023, its subsidiary AGX Express Phils., Inc. incorporated a 99.99% owned subsidiary namely, AGX Warehouse Solutions Inc.. The Company is principally involved in warehousing and other 3PL services.

### 38. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

- (a) On 16 January 2024, the Company launched its Prospectus and undertook the following listing scheme:
  - (i) A public issue of 96,500,000 new ordinary shares ("Public Issue Shares") of the Company at an issue price of RM0.35 per Public Issue Share ("IPO Price") allocated in the following manner ("Public Issue"):
    - (i) 21,650,000 Public Issue Shares made available for application by the Malaysian Public;
    - (ii) 6,320,000 Public Issue Shares made available for application by the eligible directors and employees of the Group; and
    - (iii) 68,530,000 Public Issue Shares made available by way of private placement to selected investors.
  - (ii) an offer for sale of 30,000,000 existing ordinary shares ("Offer Shares") of the Company at an offer price of RM0.35 per Offer Share by way of private placement of selected investors.
- (b) The listing of and quotation for the Company's entire enlarged issued and paid-up share capital of RM60,895,124 comprising 432,866,125 ordinary shares in the Company at an issue price of RM0.35 each on the ACE Market of Bursa Malaysia was completed on 7 February 2024.

## Notes to the Financial Statements

For the Financial Year Ended 31 December 2023 (Continued)

### 39. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	<b>AS PREVIOUSLY REPORTED RM</b>	<b>AS RESTATED RM</b>
Consolidated Statements of Financial Position (Extract):-		
NON-CURRENT LIABILITIES		
Lease liabilities	2,999,652	2,804,218
Borrowings	-	708,073
Term loans	512,639	-
CURRENT LIABILITIES		
Lease liabilities	3,853,832	3,523,652
Borrowings	-	8,883,439
Term loans	7,821,427	-
Invoice financing	615,294	-
Bank overdrafts	116,538	-
Consolidated Statements of Profit or Loss and Other Comprehensive Income (Extract):-		
COST OF SALES	(184,008,197)	(185,166,823)
ADMINISTRATIVE EXPENSES	(33,538,369)	(33,088,843)
OTHER EXPENSES	(5,480,683)	(4,477,983)
NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS	-	(293,601)

# Analysis of Shareholdings

As at 23 April 2024

## SHARE CAPITAL

Total Number of Issued Shares : 432,866,125  
 Class of Shares : Ordinary Shares  
 Voting Rights : One vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF HOLDERS		NO. OF SHARES		%	
	MALAYSIAN	FOREIGN	MALAYSIAN	FOREIGN	MALAYSIAN	FOREIGN
1 - 99	0	0	0	0	0.00	0.00
100 - 1,000	142	1	68,500	300	0.02	0.00
1,001 - 10,000	829	3	5,255,000	26,700	1.21	0.01
10,001 - 100,000	508	4	20,190,000	172,400	4.66	0.04
100,001 - less than 5% of issued shares	102	20	87,415,350	67,489,625	20.20	15.59
5% and above of issued shares	2	2	99,920,500	152,327,750	23.08	35.19
<b>Total</b>	<b>1,583</b>	<b>30</b>	<b>212,849,350</b>	<b>220,016,775</b>	<b>49.17</b>	<b>50.83</b>
<b>Grand total</b>	<b>NO. OF HOLDERS</b>		<b>NO. OF SHARES</b>		<b>%</b>	
	<b>1,613</b>		<b>432,866,125</b>		<b>100.00</b>	

## SUBSTANTIAL SHAREHOLDERS

(AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	DIRECT	
	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
PENU MARK	79,600,075	18.39
NEO LIP PHENG, PETER	76,865,375	17.76
JAYASIELAN A/L GOPAL	49,960,250	11.54
DATO' PONNUDORAI A/L PERIASAMY	49,960,250	11.54

## Analysis of Shareholdings

As at 23 April 2024 (Continued)

### DIRECTORS' SHAREHOLDINGS

(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS)

NO.	NAME OF DIRECTORS	DIRECT	
		NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
1	PENU MARK	79,600,075	18.39
2	NEO LIP PHENG, PETER	76,865,375	17.76
3	JAYASIELAN A/L GOPAL	49,960,250	11.54
4	DATO' PONNUDORAI A/L PERIASAMY	49,960,250	11.54
5	DATO' ROZALILA BINTI ABDUL RAHMAN	3,955,900	0.91
6	DATO' GEORGE ALFONSO MIRANDA	250,000	0.06
7	AIDA MOSIRA BINTI MOKHTAR	79,500	0.02
8	ONG TENG YAN	100,000	0.02

### LIST OF TOP 30 SHAREHOLDERS AS AT 23 APRIL 2024

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
1	NEO LIP PHENG, PETER	76,163,875	17.60
2	PENU MARK	76,163,875	17.60
3	JAYASIELAN A/L GOPAL	49,960,250	11.54
4	DATO' PONNUDORAI A/L PERIASAMY	49,960,250	11.54
5	MAXIMINO JR BAYLEN GULMAYO	21,530,125	4.97
6	CHANG POH SHENG	10,204,750	2.36
7	TANG YING	9,480,000	2.19
8	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	9,100,000	2.10
9	YUN JAEHOON	8,767,625	2.03
10	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF TACTICAL FUND	6,940,800	1.60
11	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR KAF VISION FUND	4,000,000	0.92

## Analysis of Shareholdings

As at 23 April 2024 (Continued)

### LIST OF TOP 30 SHAREHOLDERS AS AT 23 APRIL 2024 (CONTINUED)

(WITHOUT AGGREGATING THE SECURITIES FROM DIFFERENT SECURITIES ACCOUNTS BELONGING TO THE SAME REGISTERED HOLDER)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD	% OF ISSUED SHARE CAPITAL
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEGDED SECURITIES ACCOUNT FOR DATO' ROZALILA BINTI ABDUL RAHMAN	3,955,900	0.91
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR ETHEREAL-ALPHA EQ FUND (445329)	3,885,000	0.90
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR MTRUSTEE BERHAD (ETHEREAL CAPITAL SDN BHD)	3,757,800	0.87
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR ALBERT PERIANAYAGAM A/L DAVID (7006513)	3,479,000	0.80
16	PENU MARK	3,436,200	0.79
17	WONG CHUAN KEAT(HUANG CHUANJIE)	3,216,125	0.74
18	THUZAR THET PE	3,059,500	0.71
19	HNIN AYE CHIT	2,759,500	0.64
20	YEOH YEW CHOO	2,216,200	0.51
21	RAJASANGARI A/P RAMACHANDRAN	2,185,000	0.51
22	SANTHI NAIDU D/O RAGAVAN (MRS SANTHI DAVID)	2,097,750	0.49
23	LIEW ENG KAN	2,000,000	0.46
24	KATHY THEIN	1,989,625	0.46
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KAF ISLAMIC DIVIDEND INCOME FUND(290411)	1,700,000	0.40
26	KAF TRUSTEE BERHAD KIFB FOR FELDA A/C A2	1,600,000	0.37
27	BATH SAM	1,500,000	0.35
28	KAF TRUSTEE BERHAD KIFB FOR ALTIMA, INC	1,500,000	0.35
29	CHEY SIEW LAN	1,430,000	0.33
30	EDWARD HENRY CLARK	1,430,000	0.33
	<b>TOTAL</b>	<b>369,469,150</b>	<b>85.35</b>

# Notice of 4<sup>th</sup> Annual General Meeting (AGM)

**NOTICE IS HEREBY GIVEN** that the Fourth Annual General Meeting ("**4<sup>th</sup> AGM**") of AGX Group Berhad ("**AGX**" or the "**Company**") will be conducted virtually at Broadcast Venue at Unit 1A-C, 2<sup>nd</sup> Floor, Jalan USJ 10/1, Pusat Perniagaan USJ 10, 47610 Subang Jaya, Selangor Darul Ehsan on Thursday, 30 May 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions set out in this Notice:-

## AGENDA

### As Ordinary Business

1	To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors' and Auditors' Reports thereon.	<b>Please refer to Explanatory Note A</b>
2	To approve the payment of final tax-exempt (single-tier) dividend of 0.45 sen per ordinary share in respect of the financial year ended 31 December 2023.	<b>Ordinary Resolution 1</b>
3	To approve the payment of Directors' fees of RM210,000 for the financial year ended 31 December 2023.	<b>Ordinary Resolution 2</b> <b>Please refer to Explanatory Note B</b>
4	To approve the payment of Directors' fees of RM180,000 for the financial year ending 31 December 2024.	<b>Ordinary Resolution 3</b> <b>Please refer to Explanatory Note B</b>
5	To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM51,000 for the period from 1 January 2023 until the 4 <sup>th</sup> AGM of the Company.	<b>Ordinary Resolution 4</b> <b>Please refer to Explanatory Note C</b>
6	To approve the payment of Directors' benefits (excluding Directors' fees) up to an amount of RM64,000 from the conclusion of the 4 <sup>th</sup> AGM until the next Annual General Meeting of the Company.	<b>Ordinary Resolution 5</b> <b>Please refer to Explanatory Note C</b>
7	To re-elect the following Directors who retire pursuant to Clause 76 of the Company's Constitution, and being eligible, have offered themselves for re-election:-  (a) Mr Neo Lip Pheng, Peter (b) Dato' George Alfonso Miranda (c) Mr Ong Teng Yan	<b>Ordinary Resolution 6</b> <b>Ordinary Resolution 7</b> <b>Ordinary Resolution 8</b> <b>Please refer to Explanatory Note D</b>
8	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration.	<b>Ordinary Resolution 9</b> <b>Please refer to Explanatory Note E</b>



## AGENDA (CONTINUED)



### As Special Business

To consider and if thought fit, to pass the following resolutions with or without modifications:-

9

#### Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to Issue and Allot Shares

“**THAT** subject always to the Companies Act 2016 (“**the Act**”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company from time to time at such price, upon such terms and conditions, and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Ordinary Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors of the Company be and are also empowered to obtain the approval from Bursa Malaysia for the listing of and quotation for the additional shares so issued on the Bursa Malaysia AND FURTHER THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting (“**AGM**”) of the Company, or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting.”

10

To transact any other business of which due notice shall have been given in accordance with the Act and the Constitution of the Company.

**Ordinary Resolution 10**  
Please refer to  
Explanatory Note F

## Notice of 4<sup>th</sup> Annual General Meeting (AGM)

### NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT



**NOTICE IS ALSO HEREBY GIVEN** that a final tax-exempt (single-tier) dividend of 0.45 sen per share for the financial year ended 31 December 2023, if approved by the shareholders at the 4<sup>th</sup> AGM of the Company, will be paid on 28 June 2024 to the shareholders whose names appear on the Record of Depositors of the Company at the close of business on 11 June 2024.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the Depositor's Securities Account before 5.00 p.m. on 11 June 2024 in respect of ordinary transfers; and
- (b) shares bought on the Bursa Malaysia on a cum-entitlement basis according to the Rules of Bursa Malaysia.

BY ORDER OF THE BOARD

**LEONG SHIAK WAN** (MAICSA 7012855) (SSM PC No. 202008002757)

**ZURIATI BINTI YAACOB** (LS0009971) (SSM PC No. 202008003191)

Joint Company Secretaries

Selangor Darul Ehsan

30 April 2024



**NOTES**

1. The 4<sup>th</sup> AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) Facilities to be provided by AGMO Digital Solutions Sdn. Bhd. (“AGMO”) at <https://web.vote2u.my>. Please refer to the Administrative Guide for Shareholders for the 4<sup>th</sup> AGM on the procedures to register, participate and vote remotely via RPV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which specifies that the Chairman of the Meeting shall be present at the main venue of the 4<sup>th</sup> AGM and is accordance with Clause 52 of the Company's Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. No shareholders, proxies and corporate representatives from the public should be physically present nor admitted at the Broadcast Venue on the day of the 4<sup>th</sup> AGM.
3. Members may submit questions relating to resolutions to be tabled at the 4<sup>th</sup> AGM or financial performance/prospect of the Company to the Board via Vote2U Online website at <https://web.vote2u.my> no later than 12.00 p.m. on 28 May 2024. Alternatively, members may via real time submission of typed texts via RPV facilities during the live streaming of the 4<sup>th</sup> AGM.
4. A Member of the Company may appoint a proxy and/or Representative of Member to attend, participate, speak and vote in his stead. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy.
5. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 55 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 20 May 2024. Only a depositor whose name appears on the Record of Depositors as at 20 May 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy.
8. If the appointor is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
10. The original instrument appointing a proxy must be deposited at the Company's Share Registrars's Office at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof. Alternatively, the instrument appointing a proxy may be electronically submitted to AGMO via its Online website at <https://web.vote2u.my>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
11. Pursuant to Rule 8.31A of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

**Explanatory Notes to Ordinary Business:-****(A) Audited Financial Statements for the financial year ended 31 December 2023**

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

## Notice of 4<sup>th</sup> Annual General Meeting (AGM)

### Explanatory Notes to Ordinary Business:- (Continued)

#### (B) **Resolutions 2 and 3 – Payment of Directors’ Fees**

This Agenda item is to approve the proposed Directors’ fees of RM210,000 for the financial year ended 31 December 2023 and RM180,000 for the financial year ending 31 December 2024.

The **Resolutions 2 and 3**, if approved, will authorise the payment of Directors’ fees pursuant to Clause 92 of the Constitution of the Company.

#### (C) **Resolutions 4 and 5 – Payment of Benefits Payable to the Directors**

The benefits payable to the Directors pursuant to Section 230(1)(b) of the Act have been reviewed by the Remuneration Committee (“**RC**”) and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the period from 1 January 2023 until the 4<sup>th</sup> AGM and for the period from the conclusion of the 4<sup>th</sup> AGM until the next AGM of the Company. The benefits comprised of benefit-in-kind i.e. provision of meeting allowance.

#### (D) **Resolutions 6, 7 and 8 – Re-election of Directors**

In determining the eligibility of the Directors to stand for re-election at the forthcoming 4<sup>th</sup> AGM, the Nominating Committee (“**NC**”) has considered the requirements under Rule 2.20A of the AMLR of Bursa Malaysia and recommended Mr Neo Lip Pheng, Peter, Dato’ George Alfonso Miranda and Mr Ong Teng Yan for re-election as Directors pursuant to Clause 76 of the Constitution of the Company.

Mr Neo Lip Pheng, Peter, Dato’ George Alfonso Miranda and Mr Ong Teng Yan have consented to their re-election, and abstained from deliberation and voting in relation to their individual re-election, where applicable, at the NC meeting and Board of Directors’ meeting, respectively.

The profiles of the Directors who are standing for re-election under Ordinary Resolutions 6, 7 and 8 are set out in the Profiles of the Board on pages 22 to 29 of the Annual Report 2023.

#### (E) **Resolution 9 – Re-appointment of Auditors**

The Audit Committee (“**AC**”) has assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Messrs. Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 December 2024. The Board has in turn reviewed the recommendation of the AC and recommended the same be tabled to the shareholders for approval at the forthcoming 4<sup>th</sup> AGM of the Company.

### Explanatory Notes to Special Business:-

#### (F) **Resolution 10 – Authority to Issue Shares pursuant to the Companies Act 2016**

The Resolution 10, if passed, would give a new mandate granted to the Directors of the Company at the 4<sup>th</sup> AGM, to empower the Directors to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of the issued shares of the Company for the time being (“**Proposed General Mandate**”).

The authority for the Proposed General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The mandate is to provide flexibility to the Company to issue new securities without the need to convene a separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time.

**Explanatory Notes to Special Business:- (Continued)****(F) Resolution 10 – Authority to Issue Shares pursuant to the Companies Act 2016 (Continued)**

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for the purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, there is no decision to issue new shares and the Company did not implement its proposal for new allotment of shares under the general mandate granted by the shareholders at the 4<sup>th</sup> AGM. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

# Global Offices

## **MALAYSIA**

### **AGX GROUP BERHAD (HEADQUARTERS)**

#### **AGX LOGISTICS (M) SDN BHD**

Unit 1A-C & Unit 2A-C, 2<sup>nd</sup> Floor  
Jalan USJ 10/1A, Pusat Perniagaan USJ 10  
47610 UEP Subang Jaya, Selangor, Malaysia  
Phone: (603) 8023 1311  
Email : agx.hq@agxlogistics.com

## **SINGAPORE**

### **AGX LOGISTICS (S) PTE. LTD.**

7 Airline Road, #03-03, Singapore 819834  
Phone: (65) 6542 8733  
Email : agx.sin@agxlogistics.com

## **PHILLIPPINES**

### **AGX EXPRESS PHILS. INC.**

3<sup>rd</sup> floor, Clark Center 10, Berthaphil III  
Jose Abad Santos Avenue  
Clark Freeport Zone, Philippines  
Phone: (63) 45 499 0116  
Email : agx.mnl@agxlogistics.com

## **KOREA**

### **AGX LOGISTICS KOREA CO., LTD.**

NewT Castle Building Room 509  
108, Gasan Digital 2-ro, Geumcheon-gu  
Seoul, Republic of Korea  
Phone: (82) 2 326 5526  
Email : agx.icn@agxlogistics.com

## **MYANMAR**

### **AGX LOGISTICS (MYANMAR) COMPANY LIIMITED**

No. 214, 5<sup>th</sup> Floor (501, 502)  
Min Ye Kyaw Swar Street, Lanmadaw, Myanmar  
Phone: (959) 443077522 / (959) 443077533 / (959) 443077544  
Email : agx.ygn@agxlogistics.com

## **CAMBODIA**

### **AGX LOGISTICS (CAMBODIA) CO., LTD.**

82D, ST. 205, Sangkat Tumnob Tuek  
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**AGX GROUP BERHAD**  
201901042663 (1351993-K)  
(INCORPORATED IN MALAYSIA)

# Proxy Form

<b>CDS ACCOUNT NO.</b>
<b>NO. OF SHARES HELD</b>

I/We, \_\_\_\_\_ \*(NRIC/Company No.)  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Address)

being a Member/Members of AGX Group Berhad hereby appoint \_\_\_\_\_

\_\_\_\_\_ (NRIC)  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Address)

or failing him/her \_\_\_\_\_ (NRIC)  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Address)

or failing whom, the Chairperson of the meeting as \*my/our proxy to attend and vote for \*me/us and on \*my/our behalf at the Fourth Annual General Meeting (“**AGM**”) of the Company will be conducted virtually at Broadcast Venue at Unit 1A-C, 2<sup>nd</sup> Floor, Jalan USJ 10/1, Pusat Perniagaan USJ 10, 47610 Subang Jaya, Selangor Darul Ehsan on Thursday, 30 May 2024 at 10.00 a.m. on the following resolutions in the manner indicated below:-

RESOLUTION	DESCRIPTION	FOR	AGAINST
Ordinary Resolution 1	To approve the payment of final tax-exempt (single-tier) dividend of 0.45 sen per ordinary share in respect of the financial year ended 31 December 2023		
Ordinary Resolution 2	To approve the payment of Directors’ fees of RM210,000 for the financial year ended 31 December 2023		
Ordinary Resolution 3	To approve the payment of Directors’ fees of RM180,000 for the financial year ending 31 December 2024		
Ordinary Resolution 4	To approve the payment of Directors’ benefits (excluding Directors’ fees) up to an amount of RM51,000 for the period from 1 January 2023 until the 4 <sup>th</sup> AGM of the Company		
Ordinary Resolution 5	To approve the payment of Directors’ benefits (excluding Directors’ fees) up to an amount of RM64,000 from the conclusion of the 4 <sup>th</sup> AGM until the next Annual General Meeting of the Company		
Ordinary Resolution 6	To re-elect Mr Neo Lip Pheng, Peter as Director		
Ordinary Resolution 7	To re-elect Dato’ George Alfonso Miranda as Director		
Ordinary Resolution 8	To re-elect Mr Ong Teng Yan as Director		
Ordinary Resolution 9	To re-appoint Messrs. Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Directors to fix their remuneration		
Ordinary Resolution 10	Authority to issue and allot shares and waiver of pre-emptive rights pursuant to the Companies Act 2016		

(Please indicate with an ‘X’ in the appropriate spaces provided above on how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

The proposition of my holdings to be represented by my\* proxy/proxies are as follows:-

First Name Proxy	%
Second Name Proxy	%
	<b>100%</b>

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

\*Strike out whichever is not desired

Signature \_\_\_\_\_

## NOTES

1. The 4<sup>th</sup> AGM of the Company will be conducted on a virtual basis through live streaming and online remote voting using the Remote Participation and Voting (“RPV”) Facilities to be provided by AGMO Digital Solutions Sdn. Bhd. (“AGMO”) at <https://web.vote2u.my>. Please refer to the Administrative Guide for Shareholders for the 4<sup>th</sup> AGM on the procedures to register, participate and vote remotely via RPV facilities.
2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which specifies that the Chairman of the Meeting shall be present at the main venue of the 4<sup>th</sup> AGM and is accordance with Clause 52 of the Company’s Constitution which allows a meeting of members to be held at more than one (1) venue, using any technology or method so that all members of the Company can participate and be able to exercise their rights to participate and vote at the general meeting. No shareholders, proxies and corporate representatives from the public should be physically present nor admitted at the Broadcast Venue on the day of the 4<sup>th</sup> AGM.
3. Members may submit questions relating to resolutions to be tabled at the 4<sup>th</sup> AGM or financial performance/prospect of the Company to the Board via Vote2U Online website at <https://web.vote2u.my> no later than 12.00pm on 28 May 2024. Alternatively, members may via real time submission of typed texts via RPV facilities during the live streaming of the 4<sup>th</sup> AGM.
4. A Member of the Company may appoint a proxy and/or Representative of Member to attend, participate, speak and vote in his stead. A proxy may but need not be a Member of the Company. There shall be no restriction as to the qualification of the proxy.
5. For the purpose of determining a member who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 55 of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a General Meeting Record of Depositors as at 20 May 2024. Only a depositor whose name appears on the Record of Depositors as at 20 May 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. A member of the Company may appoint up to 2 proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his shareholding to be represented by each proxy.
8. If the appointor is a corporation, the Form of Proxy must be executed under the corporation’s common seal or under the hand of an officer or attorney duly authorised.
9. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
10. The original instrument appointing a proxy must be deposited at the Company’s Share Registrars’s Office at 11<sup>th</sup> Floor, Menara Symphony, No. 5 Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the AGM or at any adjournment thereof. Alternatively, the instrument appointing a proxy may be electronically submitted to AGMO via its Online website at <https://web.vote2u.my>. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.
11. Pursuant to Rule 8.31A of the AMLR of Bursa Malaysia, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll administrator and independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

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AFFIX STAMP

## SHARE REGISTRAR

BOARDROOM SHARE REGISTRARS SDN BHD

11<sup>th</sup> Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13, 46200 Petaling Jaya

Selangor Darul Ehsan, Malaysia

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# LOGISTICS SOLUTIONS WITH WORLDWIDE CONNECTIONS

**AGX GROUP BERHAD**

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

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*This Annual Report is printed on environmental friendly paper*