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AGX GROUP BERHAD

(Registration No. 201901042663 (1351993-K))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

AGX GROUP BERHAD**Registration No: 201901042663 (1351993-K)**

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2023 ⁽²⁾ RM'000	Unaudited Current Year-to- date 31.03.2024 RM'000	Unaudited Preceding Year-to- date 31.03.2023 ⁽²⁾ RM'000
Revenue	A9	49,418	N/A	49,418	N/A
Cost of sales		(34,470)	N/A	(34,470)	N/A
Gross profit		14,948	N/A	14,948	N/A
Other income		562	N/A	562	N/A
Administrative expenses		(14,268)	N/A	(14,268)	N/A
Other expenses		(776)	N/A	(776)	N/A
Finance costs		(404)	N/A	(404)	N/A
Net reversal of impairment losses on financial assets		268	N/A	268	N/A
Share of results of associates		59	N/A	59	N/A
Profit before tax		389	N/A	389	N/A
Income tax expenses	B5	(351)	N/A	(351)	N/A
Profit after tax		38	N/A	38	N/A
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
- Foreign currency translation differences		225	N/A	225	N/A
Total comprehensive income		263	N/A	263	N/A
Profit after tax attributable to:					
Owners of the Company		72	N/A	72	N/A
Non-controlling interests		(34)	N/A	(34)	N/A
		38	N/A	38	N/A

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾ (continued)**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter 31.03.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 31.03.2023 ⁽²⁾ RM'000	Unaudited Current Year-to- date 31.03.2024 RM'000	Unaudited Preceding Year-to-date 31.03.2023 ⁽²⁾ RM'000
Total comprehensive income attributable to:					
Owners of the Company		297	N/A	297	N/A
Non-controlling interests		(34)	N/A	(34)	N/A
		263	N/A	263	N/A
Earnings per share ("EPS") (sen)					
- Basic/ Diluted	B12	0.02	N/A	0.02	N/A

Notes:

N/A – Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report of AGX Group Berhad ("AGX" or "Company") issued on **30 April 2024** ("**Annual Report**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾ (continued)

- (3) Administrative expenses included one-off expenses of RM1.64 million charged out to profit or loss during the current financial quarter. For illustrative purposes only, the Company's financial performance after adjusting for the one-off listing expenses is as follows:

	Individual Quarter Current Year Quarter 31.03.2024 RM'000	Cumulative Quarter Preceding Year-to-date 31.03.2024 RM'000
Profit before tax	389	389
Add: Listing expenses	1,644	1,644
Adjusted profit before taxation	<hr/> 2,033	<hr/> 2,033

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AGX GROUP BERHAD**Registration No: 201901042663 (1351993-K)**

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽¹⁾**

	Unaudited As at 31.03.2024 RM'000	Audited As at 31.12.2023 RM'000
NON-CURRENT ASSETS		
Investment in associates	3,886	3,827
Equipment	5,031	3,592
Right-of-use assets	16,143	9,502
Intangible assets	1,215	1,166
Deferred tax assets	805	788
	27,080	18,875
CURRENT ASSETS		
Trade receivables	53,258	52,934
Other receivables, deposits and prepayments	14,710	12,675
Contract assets	3,649	1,765
Amount owing by associates	31	30
Tax recoverable	415	190
Fixed deposits with licensed banks	22,323	2,303
Cash and bank balances	12,282	10,263
	106,668	80,160
TOTAL ASSETS	133,748	99,035
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,075	27,120
Retained profits	23,895	23,823
Reserves	571	346
Equity attributable to owners of the Company	84,541	51,289
Non-controlling interests	85	119
TOTAL EQUITY	84,626	51,408

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AGX GROUP BERHAD**Registration No: 201901042663 (1351993-K)**

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024⁽¹⁾ (continued)**

	Note	Unaudited As at 31.03.2024 RM'000	Audited As at 31.12.2023 RM'000
NON-CURRENT LIABILITIES			
Loans and borrowings	B8	10,733	5,205
Retirement liability		1,596	1,502
		<hr/>	<hr/>
		12,329	6,707
CURRENT LIABILITIES			
Trade payables		11,655	13,674
Other payables and accruals		5,767	7,421
Amount owing to associate		120	80
Loans and borrowings	B8	17,075	17,879
Current tax liabilities		2,176	1,866
		<hr/>	<hr/>
		36,793	40,920
TOTAL LIABILITIES		<hr/>	<hr/>
		49,122	47,627
TOTAL EQUITY AND LIABILITIES		<hr/>	<hr/>
		133,748	99,035
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾			
		0.20	0.12

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Annual Report issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the net assets divided by the Company's enlarged issued share capital of 432,866,125 ordinary shares ("**Shares**") upon the Company's listing on the ACE Market of Bursa Securities.

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AGX GROUP BERHAD**Registration No: 201901042663 (1351993-K)**

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024^{(1) (2)}**

	<--Non-distributable-->			Distributable				
	Share	Foreign	Remeasurement	Retained	Attributable	Non-	Total	
	Capital	Exchange	of Retirement	Profits	to Owners	Controlling	Equity	
	RM'000	Translation	Liability	RM'000	of the	Interests	RM'000	
		Reserve	RM'000		Company	RM'000		
		RM'000			RM'000			
Balance as at 1 January 2024	27,120	798	(452)	23,823	51,289	119	51,408	
Profit after taxation for the financial period	-	-	-	72	72	(34)	38	
Other comprehensive income/(expenses) for the financial period								
- Foreign exchange translation differences	-	244	(19)	-	225	-	225	
Total comprehensive income/(expenses) for the financial period	-	244	(19)	72	297	(34)	263	
Contributions by owners of the Company:								
- Issuance of new shares	33,775	-	-	-	33,775	-	33,775	
- Share issuance expenses	(820)	-	-	-	(820)	-	(820)	
Balance as at 31 March 2024	60,075	1,042	(471)	23,895	84,541	85	84,626	

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Annual Report issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾

	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year-to-date 31.03.2023⁽²⁾ RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	389	N/A
Adjustments for:		
Amortisation of intangible asset	38	N/A
Bad debts written off	18	N/A
Depreciation of equipment	352	N/A
Depreciation of right-of-use assets	1,349	N/A
Impairment losses:		N/A
- trade receivables	266	N/A
- other receivables	378	N/A
Unrealised gain on foreign exchange	163	N/A
Reversal of impairment losses:		N/A
- trade receivables	(930)	N/A
Share of net profits of equity accounted associates	(59)	N/A
Gain on disposal of equipment	(60)	N/A
Interest expenses	266	N/A
Interest expenses on lease liabilities	138	N/A
Interest income	(93)	N/A
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,215	N/A
Increase in trade and other receivables	(2,092)	N/A
Increase in contract assets	(1,894)	N/A
Decrease in trade and other payables	(3,670)	N/A
Increase in amount owing by associate	(1)	N/A
Increase in amount owing to associate	40	N/A
Cash for operations	(5,402)	N/A
Interest paid	(16)	N/A
Interest received	93	N/A
Income tax paid	(345)	N/A
NET CASH FOR OPERATING ACTIVITIES	(5,670)	N/A

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024⁽¹⁾ (continued)

	Unaudited Current Year-to-date 31.03.2024 RM'000	Unaudited Preceding Year-to-date 31.03.2023⁽²⁾ RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Addition to right-of-use assets	(24)	N/A
Purchase of intangible asset	(79)	N/A
Proceeds from disposal of equipment	67	N/A
Purchase of equipment	(1,762)	N/A
NET CASH FOR INVESTING ACTIVITIES	(1,798)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of trade financing	954	N/A
Drawdown of term loans	3,135	N/A
Interest paid	(388)	N/A
Proceeds from issuance of ordinary shares	32,955	N/A
Repayment of trade financing	(933)	N/A
Repayment of lease liabilities	(1,426)	N/A
Repayment of term loans	(4,510)	N/A
NET CASH FROM FINANCING ACTIVITIES	29,787	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	22,319	N/A
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	345	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	8,460	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD⁽²⁾	31,124	N/A

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

Notes:

N/A – Not applicable

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Annual Report issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (3) Cash and cash equivalents at the end of the financial period consist of:

	Current Year-to-date 31.03.2024 RM'000	Preceding Year Corresponding Year-to-date 31.03.2023⁽²⁾ RM'000
Fixed deposits with licensed banks	22,323	N/A
Cash and bank balances	12,282	N/A
Bank overdrafts	(1,159)	N/A
	33,446	N/A
Less: Fixed deposits pledged and with tenure of more than 3 months	(2,322)	N/A
	31,124	N/A

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements of AGX Group Berhad and its subsidiaries ("**Group**") are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("**MFRS**") 134: Interim Financial Reporting issued by the Malaysian Accounting Standards ("**MASB**") and Rules 9.22 and Appendix 9B of the Listing Requirements.

This is the Company's third interim financial statements on the unaudited condensed consolidated financial results announced by the Company in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding year's corresponding period.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report of issued on 30 April 2024 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2023 as disclosed in the Annual Report, except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

(a) MFRSs, Amendments to MFRSs and Interpretations adopted

	Effective for financial periods beginning on or
MFRSs, Amendments to MFRSs and IC Interpretations	
Amendments to MFRS 16: Lease Liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangement	1 January 2024

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A2. Significant Accounting Policies (continued)

(a) MFRSs, Amendments to MFRSs and Interpretations adopted (continued)

The adoption of the abovementioned accounting standards and amendments are not expected to have any material impact on the financial statements of the Group.

(b) Amendments to MFRSs not adopted

As at the date of authorisation of the unaudited interim financial report, the following Standards were issued but not yet effective and have not been adopted by the Group:

	Effective for financial periods beginning on or
MFRSs, Amendments to MFRSs and IC Interpretations	
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 initial application of the above standards is not expected to have any material impact on the financial statements of the Group upon adoption.

A3. Auditors' report of preceding annual audited financial statements

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

A4. Seasonal or cyclical factors

The business operations of the Group were not affected by any seasonal or cyclical trend during the current financial quarter under review and financial year-to-date.

A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no extraordinary and exceptional items of unusual nature affecting the assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review and year-to-date.

A6. Material changes in estimates

There were no material changes in the estimates that have a material effect to the Group during the current quarter under review and year-to-date.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A7. Debt and equity securities

Save as disclosed below, there were no issuances, cancellation, repurchases, resales and repayment of debts and equity securities during the current quarter under review and year-to-date:

The Company had on 7 February 2024 successfully listed its entire share capital of 432,866,125 Shares on the ACE Market of Bursa Securities ("**Listing**").

In conjunction with the Company's Listing, on 16 January 2024, the Company issued its Prospectus for its initial public offering which entails:

- (i) Public issue of 96,500,000 new shares ("**Public Issue Shares**") at an IPO price of RM0.35 per share in the following manner:
 - a) 21,650,000 Public Issue Shares for application by the Malaysia Public;
 - b) 6,320,000 Public Issue Shares for application by our eligible Directors and employees of the Group;
 - c) 68,530,000 Public Issue Shares by way of private placement to selected investors; and
- (ii) Offer for sales of 30,000,000 existing ordinary shares by way of private placement to selected investors.

A8. Dividends Paid

No dividend was paid during the current quarter under review.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A9. Segmental information

The segmental information based on the business segments and geographical location are as follows:-

- (a) Analysis of revenue by business segments

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year-to-	Year-to-date
	Quarter	Quarter	date	date
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Sea freight forwarding	19,349	N/A	19,349	N/A
Air freight forwarding	8,630	N/A	8,630	N/A
Aerospace logistics	14,703	N/A	14,703	N/A
Warehousing and other 3PL services	2,713	N/A	2,713	N/A
Road freight transportation	4,023	N/A	4,023	N/A
Total	49,418	N/A	49,418	N/A

- (b) Analysis of revenue by geographical location where our operating subsidiary companies are located.

	Individual Quarter		Cumulative Quarter	
	Current	Preceding	Current	Preceding
	Year	Year	Year-to-	Year-to-date
	Quarter	Quarter	date	date
	31.03.2024	31.03.2023⁽¹⁾	31.03.2024	31.03.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysia	9,595	N/A	9,595	N/A
Singapore	3,834	N/A	3,834	N/A
Philippines	23,610	N/A	23,610	N/A
Korea	6,475	N/A	6,475	N/A
Myanmar	5,904	N/A	5,904	N/A
Total	49,418	N/A	49,418	N/A

Notes:

N/A – Not applicable

- (1) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A10. Valuation of property, plant and equipment

There was no valuation of property, plant and equipment in the current financial quarter under review.

A11. Material events subsequent to the end of the current financial quarter

There were no material events subsequent to the end of the current financial quarter under review.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during current financial quarter under review.

A13. Contingent liabilities and contingent assets

There were no contingent liabilities and contingent assets in the Group as at date of this interim financial report.

A14. Capital commitments

Save as disclosed below, there are no other material capital commitments as at the date of this interim financial report.

	RM'000
Contracted but not provided for:	
- motor vehicles	3,585
- warehouse equipment	321
	<hr/>
	3,906
	<hr/>

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

A15. Related party transactions

Save as disclosed below, there were no other significant related party transactions during the current quarter and year-to-date under review:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023⁽¹⁾ RM'000	Current Year-to- date 31.03.2024 RM'000	Preceding Year-to-date 31.03.2023⁽¹⁾ RM'000
<u>Transactions with Associates</u>				
- Rendering of services	61	N/A	61	N/A

Note:

- (1) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter as no interim financial report was prepared for the comparative financial period concerned.

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INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024**B. ADDITIONAL INFORMATION REQUIRED BY THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Review of performance**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year-to-date	Preceding Year-to-date
	31.03.2024	31.03.2023 ⁽¹⁾	31.03.2024	31.03.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	49,418	N/A	49,418	N/A
Gross profit ("GP")	14,948	N/A	14,948	N/A
Profit before tax	389	N/A	389	N/A
Profit after tax	38	N/A	38	N/A

Notes:

N/A – Not applicable

- (1) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

The Group recorded revenue of RM49.42 million for the current financial quarter ended 31 March 2024.

The Group's revenue was mainly derived from the sea freight forwarding and aerospace logistics consists of approximately 39.15% and 29.75% of the total revenue for the current financial quarter ended 31 March 2024.

The Group's cost of sales mainly constituted freight charges paid to the carriers for the transportation of our customers' goods by cargo ships and planes which accounted for RM14.31 million or 41.51% of the total cost of sales of RM34.47 million for the current financial quarter under review.

The Group recorded a GP of RM14.95 million (GP margin of 30.25%) for the current quarter ended 31 March 2024.

Further, the Group recorded a profit before tax of RM0.39 million for the current quarter ended 31 March 2024. The Group profit before tax was mainly contributed by the deduction of administrative expenses of RM14.27 million. The administrative expenses mainly consist of staff costs of RM9.35 million and listing expenses of RM1.64 million incurred for the current quarter ended 31 March 2024.

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

B1. Review of performance (continued)

This is the third interim financial report announced in compliance with the Listing Requirements. As such, there are no comparative figures for the corresponding preceding quarter and year-to-date results.

B2. Comparison with immediate preceding quarter's results

	Current Year Quarter 31.03.2024 RM'000	Preceding Quarter 31.12.2023 RM'000
Revenue	49,418	48,672
Gross profit	14,948	16,166
Profit before tax	389	2,384

The Group registered a higher revenue of RM49.42 million for the current quarter as compared to RM48.67 million in the preceding quarter. The Group recorded a profit before tax of RM0.39 million as compared to a profit before tax of RM2.38 million in the preceding quarter. The lower profit before tax for the current quarter was mainly due to bonus payout of RM1.87 million and the professional fee in relation to the IPO of RM1.64 million which is one-off and non-recurring in nature.

B3. Prospects of the Group

As disclosed in the Prospectus, the Group's business strategies and plans are as follows:

- (i) To set up a new warehouse and office at PTP in Johor Bahru, known as the PTP Warehouse and Office, to improve our coverage in the southern region of Peninsular Malaysia, and to support providing warehousing and 3PL services to customers in Singapore. In addition, establishing a physical presence in PTP, which is close to other seaports and the airport in Johor, will facilitate our dealings with the port and customs authorities at PTP, Johor Port, Tanjung Langsat Port, as well as with airport and customs authorities at the Senai International Airport. As of the date of this interim report, we have leased a 41,550 sq. ft. warehouse in PTP, and the operation is expected to start by the end of June 2024.
- (ii) To set up a new operational facility comprising an office and warehouse in Penang, known as the Penang Warehouse and Office, to improve our coverage in the northern region of Peninsular Malaysia. The Penang Warehouse and Office will enable us to establish a physical presence close to the seaports and airports in Penang to facilitate dealings with the Port of Penang and the Penang International Airport. We intend to utilise the Penang Warehouse and Office to offer warehousing and other 3PL services to external customers, as well as to support our air and sea freight forwarding, and logistics services in the northern region. As of the date of this interim report, we are still searching for the right location to set up the Penang Warehouse and Office.

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B3. Prospects of the Group (continued)

As disclosed in the Prospectus, the Group's business strategies and plans are as follows:
(continued)

- (iii) To set up a new office in Busan, South Korea, known as the Busan Office, to improve our coverage in the southern region of South Korea. Establishing a physical presence in Busan will support our sea freight forwarding services for the import and export of cargo through the Port of Busan by facilitating our dealings with port and customs authorities. As of the date of this interim report, we are still searching for the right location to set up the Busan Office.

In addition to the business strategies and plan of the Group, the Board of Directors ("**Board**") has also taken into consideration of the global economic outlook below:

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.

Based on the above, the Board is optimistic of the Group's future prospects as the Group is well-positioned to capitalise on the evolving dynamics of the logistics industry and aerospace logistics services, and its ability to contribute positively to its financial performance in future.

B4. Variance of actual profits from forecast profits

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review and year-to-date.

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B5. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 ⁽¹⁾ RM'000	Current Year-to- date 31.03.2024 RM'000	Preceding Year-to-date 31.03.2023 ⁽¹⁾ RM'000
Current tax expense	351	N/A	351	N/A
Effective tax rate ⁽²⁾ (%)	90.23	N/A	90.23	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable

- (1) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) For the current financial quarter, the Group recorded a marginal profit before tax of RM0.39 million, this was mainly due to the loss of the holding company, AGX Group Berhad. The loss of AGX Group Berhad mainly attributable to one-off listing expenses. AGX Group Berhad is an investment holding company with no taxable income nor permitted expenses for tax purposes. If the listing expenses of AGX Group Berhad was excluded, the effective tax rate would have been 17.27%.

The effective tax rate of 17.27% is lower than the statutory income tax rate of Malaysia of 24.00%. For the period ended 31 March 2024, this was mainly attributable to reversal of impairment losses which is not taxable for tax purposes.

B6. Status of corporate proposals

There were no corporate proposals announced by the Company but not completed as of the date of this report.

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B7. Utilisation of proceeds

The utilisation of proceeds as disclosed below should be read in conjunction with the Prospectus of the Company dated 16 January 2024. The gross proceeds of approximately RM33.78 million raised from the Listing and the status of utilisation is disclosed in the following manner:-

Details of use of proceeds	Estimated timeframe for utilisation from the date of listing⁽¹⁾	Proposed utilisation RM'000	Actual utilisation RM'000	Balance to be utilised RM'000
Business expansion	Within 12 months	8,700	563	8,137
Repayment of bank borrowings	Within 3 months	4,953	4,953	-
Working capital	Within 24 months	15,622	7,974	7,648
Estimated listing expenses	Within 3 months	4,500	4,500	-
Total		33,775	17,990	15,785

Note:

(1) From the date of listing of the Company on the ACE Market of Bursa Securities.

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B8. Loans and borrowings

The Group's loans and borrowings were as follows:

	Unaudited As at 31.03.2024			
	Current RM Denomination RM'000	Foreign Denomination RM'000	Non-current RM Denomination RM'000	Foreign Denomination RM'000
<u>Secured and guaranteed</u>				
<u>Denominated in RM</u>				
Bank overdrafts	1,159	-	-	-
Term loans	63	-	-	-
Trade financing	377	-	-	-
<u>Denominated in PHP</u>				
Lease liabilities	-	269	-	198
Term loans	-	9,526	-	-
<u>Denominated in KRW</u>				
Term loans	-	596	-	-
<u>Unsecured and unguaranteed</u>				
<u>Denominated in RM</u>				
Lease liabilities	1,188	-	4,001	-
<u>Denominated in PHP</u>				
Lease liabilities	-	2,830	-	6,217
<u>Denominated in SGD</u>				
Lease liabilities	-	990	-	36
<u>Denominated in KRW</u>				
Lease liabilities	-	77	-	281
Total	2,787	14,288	4,001	6,732
Grand Total	17,075		10,733	

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B9. Derivative financial instruments

The Group did not enter into any derivatives during the current financial quarter under review and year-to-date.

B10. Material litigation

As at the date of this report, the Group is not involved in any material litigations or arbitrations either as a defendant or plaintiff and the Board is not aware of any proceedings pending or of any fact likely to give rise to any proceedings.

B11. Dividends Proposed

A final single-tier dividend of 0.45 sen per ordinary share for the financial year ended 31 December 2023 will be tabled at the upcoming Annual General Meeting on 30 May 2024 for shareholders' approval. If approved, the total amount of the dividend will be approximately RM1.95 million and will be payable 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.

B12. Earnings per share

The basic and diluted earnings per share for the current quarter and financial period is calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2024	Preceding Year Quarter 31.03.2023⁽¹⁾	Current Year-to-date 31.03.2024	Preceding Year-to-date 31.03.2023⁽¹⁾
Profit attributable to owners of the Company (RM'000)	72	N/A	72	N/A
Number of ordinary shares ('000)	432,866	N/A	432,866	N/A
Basic earnings per share (sen) ⁽²⁾	0.02	N/A	0.02	N/A
Diluted earnings per share (sen) ⁽³⁾	0.02	N/A	0.02	N/A

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B12. Earnings per share (continued)

Notes:

N/A – Not applicable

- (1) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (2) Basic EPS is calculated based on the profits attributable to owners of the Company divided by the Company's entire share capital of 432,866,125 Shares on the ACE Market of Bursa Securities.
- (3) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any no dilutive instruments as at the end of the financial period.

B13. Notes to the statement of profit or loss and other comprehensive income

Profit for the period was derived after taking into consideration of the following:-

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2024 RM'000	Preceding Year Quarter 31.03.2023 ⁽¹⁾ RM'000	Current Year-to-date 31.03.2024 RM'000	Preceding Year-to-date 31.03.2023 ⁽¹⁾ RM'000
After charging/(crediting):				
Finance costs	404	N/A	404	N/A
Amortisation of intangible asset and depreciation of equipment and right-of-use assets	1,739	N/A	1,739	N/A
Net foreign exchange loss	20	N/A	20	N/A
Net reversal of impairment losses on receivables and bad debts written off	(268)	N/A	(268)	N/A
Interest income	(93)	N/A	(93)	N/A
Rental income	(51)	N/A	(51)	N/A
Management fee income	(37)	N/A	(37)	N/A

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B13. Notes to the statement of profit or loss and other comprehensive income (continued)

Notes:

N/A – Not applicable

- (1) This is the third interim financial report on the Company's unaudited condensed consolidated financial results for the first (1st) quarter ended 31 March 2024 announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

Other disclosure items as required under Appendix 9B of the Listing Requirements are not applicable.

**BY ORDER OF THE BOARD AGX GROUP BERHAD
30 May 2024**