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**AGX GROUP BERHAD**

(Registration No. 201901042663 (1351993-K))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter 30.09.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2023 RM'000	Unaudited Current Year-to- date 30.09.2024 RM'000	Unaudited Preceding Year Corresponding Year-to- date 30.09.2023 RM'000
Revenue	<b>A9</b>	66,471	47,301	171,686	138,159
Cost of sales	<b>B14</b>	(51,079)	(33,403)	(125,405)	(96,274)
<b>Gross profit</b>		<b>15,392</b>	<b>13,898</b>	<b>46,281</b>	<b>41,885</b>
Other income	<b>B14</b>	176	129	1,064	608
Administrative expenses		(10,938)	(7,967)	(37,837)	(29,162)
Other expenses	<b>B14</b>	(3,302)	(1,230)	(4,587)	(1,677)
Finance costs		(623)	(331)	(1,651)	(1,006)
Net impairment (loss)/income on financial assets	<b>B14</b>	(73)	(650)	118	(453)
Share of results of associates		2,424	209	3,880	2,116
<b>Profit before taxation</b>		<b>3,056</b>	<b>4,058</b>	<b>7,268</b>	<b>12,311</b>
Income tax expenses	<b>B5</b>	(755)	(1,061)	(1,961)	(3,145)
<b>Profit after taxation</b>		<b>2,301</b>	<b>2,997</b>	<b>5,307</b>	<b>9,166</b>
<b>Other comprehensive (expenses)/income</b>					
Items that will be reclassified subsequently to profit or loss:					
- Foreign currency translation differences		(3,165)	(572)	(4,189)	742
<b>Total comprehensive (expenses)/income</b>		<b>(864)</b>	<b>2,425</b>	<b>1,118</b>	<b>9,908</b>

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**  
(continued)

	Individual Quarter		Cumulative Quarter	
	Unaudited Current Year Quarter 30.09.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2023 RM'000	Unaudited Current Year-to- date 30.09.2024 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.09.2023 RM'000
<b>Profit after taxation attributable to:</b>				
Owners of the Company	2,389	2,995	5,486	9,160
Non-controlling interests	(88)	2	(179)	6
	<b>2,301</b>	<b>2,997</b>	<b>5,307</b>	<b>9,166</b>
<b>Total comprehensive (expenses)/income attributable to:</b>				
Owners of the Company	(965)	2,433	1,108	9,934
Non-controlling interests	101	(8)	10	(26)
	<b>(864)</b>	<b>2,425</b>	<b>1,118</b>	<b>9,908</b>
<b>Earnings per share ("EPS") (sen)</b>				
- Basic/Diluted	<b>B12</b> 0.55	0.69	1.27	2.12

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>  
(continued)****Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended ("FYE") 31 December 2023, as disclosed in the Annual Report of AGX Group Berhad ("AGX" or "Company") issued on **29 April 2024** ("**Annual Report 2024**"), and the accompanying explanatory notes attached to this interim financial report.
- (2) Administrative expenses included one-off expenses of RM0.35 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:

	<b>Individual Quarter Current Year Quarter 30.09.2024 RM'000</b>	<b>Cumulative Quarter Preceding Year-to-date 30.09.2024 RM'000</b>
Profit before taxation	3,056	7,268
Add: Listing expenses	349	2,274
Adjusted profit before taxation	3,405	9,542

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024<sup>(1)</sup>**

	<b>Unaudited As at 30.09.2024 RM'000</b>	<b>Audited As at 31.12.2023 RM'000</b>
<b>NON-CURRENT ASSETS</b>		
Investment in associates	7,766	3,827
Other investment	149	-
Equipment	5,636	3,592
Right-of-use assets	25,360	9,502
Intangible assets	1,140	1,166
Deferred tax assets	678	788
	40,729	18,875
<b>CURRENT ASSETS</b>		
Trade receivables	57,774	52,934
Other receivables, deposits and prepayments	15,461	12,675
Contract assets	3,054	1,765
Amount owing by associates	26	30
Tax recoverable	852	190
Fixed deposits with licensed banks	11,656	2,303
Cash and bank balances	11,799	10,263
	100,622	80,160
<b>TOTAL ASSETS</b>	141,351	99,035
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	60,035	27,120
Retained profits	27,361	23,823
Reserves	(4,032)	346
<b>Equity attributable to owners of the Company</b>	83,364	51,289
Non-controlling interests	129	119
<b>TOTAL EQUITY</b>	83,493	51,408

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024<sup>(1)</sup> (continued)**

	Note	Unaudited As at 30.09.2024 RM'000	Audited As at 31.12.2023 RM'000
<b>NON-CURRENT LIABILITIES</b>			
Loans and borrowings	<b>B8</b>	21,113	5,205
Retirement liability		1,577	1,502
		22,690	6,707
<b>CURRENT LIABILITIES</b>			
Trade payables		14,133	13,674
Other payables and accruals		5,636	7,421
Amount owing to associates		553	80
Loans and borrowings	<b>B8</b>	13,358	17,879
Current tax liabilities		1,488	1,866
		35,168	40,920
<b>TOTAL LIABILITIES</b>		57,858	47,627
<b>TOTAL EQUITY AND LIABILITIES</b>		141,351	99,035
<b>Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup></b>		0.19	0.12

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the FYE 31 December 2023, as disclosed in the Annual Report 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 issued share capital of 432,866,125 ordinary shares ("**Shares**").

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

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**

	<--Non-distributable-->			Distributable	Attributable	Non-	Total
	Share	Foreign	Remeasurement	Retained	to Owners	Controlling	Equity
	Capital	Exchange	of Retirement	Profits	of the	Interests	
	RM'000	Translation	Liability	RM'000	Company	RM'000	RM'000
		Reserve	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	-	-	-	5,486	5,486	(179)	5,307
Other comprehensive (expenses)/income for the financial period							
- Foreign exchange translation differences	-	(4,400)	22	-	(4,378)	189	(4,189)
Total comprehensive (expenses)/income for the financial period	-	(4,400)	22	5,486	1,108	10	1,118
Contributions by owners of the Company:							
- Issuance of new shares	33,775	-	-	-	33,775	-	33,775
- Share issuance expenses	(860)	-	-	-	(860)	-	(860)
- Dividends	-	-	-	(1,948)	(1,948)	-	(1,948)
Balance as at 30 September 2024	60,035	(3,602)	(430)	27,361	83,364	129	83,493

**Note:**

- (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 audited financial statements for the FYE 31 December 2023 as disclosed in the Annual Report 2024 and the accompanying explanatory notes attached to this interim financial report.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup>**

	<b>Unaudited Current Year-to-date 30.09.2024 RM'000</b>	<b>Unaudited Preceding Year-to-date 30.09.2023 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,268	12,311
<b>Adjustments for:</b>		
Amortisation of intangible asset	115	107
Bad debts written off	1,170	305
Depreciation of equipment	1,248	929
Depreciation of right-of-use assets	5,160	3,698
Impairment losses:		
- trade receivables	18	1,766
- other receivables	352	256
Provision of retirement benefits	271	382
Unrealised loss/(gain) on foreign exchange	2,003	(141)
Loss/(Gain) on modification of leases	21	(51)
Reversal of impairment losses:		
- trade receivables	(1,658)	(1,783)
- other receivables	-	(91)
Share of net profits of equity accounted associates	(3,880)	(2,116)
Gain on disposal of equipment	(103)	(4)
Interest expenses	709	580
Interest expenses on lease liabilities	942	426
Interest income	(307)	(34)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>13,329</b>	<b>16,540</b>
Increase in trade and other receivables	(7,509)	(10,833)
(Increase)/Decrease in contract assets	(1,060)	1,941
Decrease in trade and other payables	(1,326)	(1,782)
Decrease/(Increase) in amount owing by associates	4	(21)
Increase/(Decrease) in amount owing to associates	474	(3)
Increase in amount owing by related parties	-	(13)
<b>Cash from operations</b>	<b>3,912</b>	<b>5,829</b>
Interest paid	(25)	(5)
Interest received	307	34
Income tax paid	(2,832)	(3,008)
Income tax refunded	57	165
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,419</b>	<b>3,015</b>



**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024<sup>(1)</sup> (continued)**

	<b>Unaudited Current Year-to-date 30.09.2024 RM'000</b>	<b>Unaudited Preceding Year-to-date 30.09.2023 RM'000</b>
<b>CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES</b>		
Acquisition of an associate	(78)	-
Acquisition of a subsidiary, net of cash and cash equivalents acquired, and other	(98)	-
Investment in unquoted shares	(149)	-
Addition to right-of-use assets	(23)	(175)
Changes in amount due from associates	-	3,938
Proceeds from disposal of equipment	111	8
Purchase of equipment	(3,783)	(1,136)
Purchase of intangible assets	(85)	-
Withdrawal of fixed deposits with tenure more than 3 months	-	139
<b>NET CASH (FOR)/FROM INVESTING ACTIVITIES</b>	<b>(4,105)</b>	<b>2,774</b>
<b>CASH FLOW FROM/(FOR) FINANCING ACTIVITIES</b>		
Dividend paid	(1,948)	(3,600)
Drawdown of trade financing	954	3,726
Drawdown of term loans	12,341	-
Interest paid	(1,626)	(1,001)
Proceeds from issuance of shares to non-controlling interest in a subsidiary	228	150
Proceeds from issuance of ordinary shares	32,915	-
Repayment of trade financing	(1,309)	(4,030)
Repayment of lease liabilities	(4,905)	(3,720)
Repayment of term loans	(13,781)	(1,610)
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>22,869</b>	<b>(10,085)</b>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,183	(4,296)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(7,344)	1,139
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	8,460	13,099
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD</b>	<b>21,299</b>	<b>9,942</b>

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- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the FYE 31 December 2023, as disclosed in the Annual Report 2024, and the accompanying explanatory notes attached to this interim financial report.
- (2) Cash and cash equivalents at the end of the financial period consist of:

	<b>Current Year-to-date 30.09.2024 RM'000</b>	<b>Preceding Year Corresponding Year-to-date 30.09.2023 RM'000</b>
Fixed deposits with licensed banks	11,656	1,070
Cash and bank balances	11,799	9,857
	<hr/> 23,455	<hr/> 10,927
Less: Fixed deposits pledged and with tenure of more than 3 months	(2,156)	(985)
	<hr/> 21,299	<hr/> 9,942
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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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**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 Board ("**MASB**") and Rules 9.22 and Appendix 9B of the Listing Requirements.

The interim financial statements should be read in conjunction with the Group's audited financial statements for the financial year ended ("**FYE**") 31 December 2023 as disclosed in the Annual Report issued on 29 April 2024 ("**Annual Report 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 preparation of the Group's audited financial statements for the FYE 31 December 2023, except for the adoption of the following amendments to MFRSs during the financial year.

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

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>	<b>Effective for financial periods beginning on or</b>
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

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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**A2. Significant Accounting Policies (continued)**

**(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:

<b>MFRSs, Amendments to MFRSs and IC Interpretations</b>	<b>Effective for financial periods beginning on or</b>
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 FYE 31 December 2023.

**A4. Seasonal or Cyclical Factors**

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

**A6. Material Changes in Estimates**

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

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**A7. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resales or repayment of debts and equity securities during the current financial quarter under review.

**A8. Dividends Paid**

There were no dividend paid during the current financial quarter under review.

**A9. Segmental Information**

The segmental information based on the business segments and geographical locations is as follows:-

(a) Analysis of revenue by business segments

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current</b>	<b>Preceding</b>	<b>Current</b>	<b>Preceding</b>
	<b>Year</b>	<b>Year</b>	<b>Year-to-</b>	<b>Year-to-</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>date</b>	<b>date</b>
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sea freight forwarding	30,613	14,999	69,637	49,778
Air freight forwarding	13,896	7,653	32,706	23,588
Aerospace logistics	14,788	19,712	47,482	51,672
Warehousing and other 3PL services	3,090	2,936	8,610	8,120
Road freight transportation	4,084	2,001	13,251	5,001
<b>Total</b>	<b>66,471</b>	<b>47,301</b>	<b>171,686</b>	<b>138,159</b>

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**A9. Segmental Information (continued)**

The segmental information based on the business segments and geographical locations is as follows:- (continued)

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year-to-date</b>	<b>Preceding Year-to-date</b>
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	13,937	9,821	36,050	31,242
Singapore	3,811	5,293	11,771	15,804
Philippines	26,676	25,580	75,229	69,791
Korea	11,763	3,843	25,256	13,369
Myanmar	6,490	2,764	19,586	7,953
Vietnam	3,794	-	3,794	-
<b>Total</b>	<b>66,471</b>	<b>47,301</b>	<b>171,686</b>	<b>138,159</b>

**A10. Valuation of Property, Plant and Equipment**

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

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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**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 the current financial quarter under review, save as below:

- (i) On 3 July 2024, the Company entered into a shareholders' agreement with Dang Huynh Ba Thanh and Lam Minh Tu for the subscription of 180,000 shares representing 60% equity interest in AGX Logistics (Viet Nam) Co., Ltd ("**AGX Vietnam**") for a total cash consideration of VND1,800,000,000 (approximately equivalent to RM334,000). The shareholders' agreement entails the shareholders' rights and obligations, management, operation of the business, and board reserved matters.

The subscription was completed in July 2024 and AGX Vietnam has become a subsidiary of the Company.

- (ii) On 16 July 2024, the Company entered into a shareholders' agreement with Kongsak Chakornviroj and Phetdavanh Phatsalouphon for the acquisition of 6,000 shares representing 30% equity interest in AGX Logistics (Thailand) Co., Ltd. (Formerly known as JK Freight Global Co., Ltd.) ("**AGX Thailand**") for a total cash consideration of THB600,000 (approximately equivalent to RM78,000). The shareholders' agreement sets out the financial, managerial, administrative and other arrangements agreed between the parties in relation to their participation in AGX Thailand and the manner in which the affairs of AGX Thailand will be regulated.

The acquisition was completed in July 2024 and AGX Thailand has become an associate of the Company.

- (iii) On 26 August 2024, the Company entered into a shareholders' agreement for the acquisition of 5% equity interest in AGX International Logistics (Shanghai) Ltd. ("**AGX Shanghai**") for a total cash consideration of RMB250,000 (approximately equivalent to RM149,000). The shareholders' agreement sets out the financial, managerial, administrative and other arrangements agreed between the parties in relation to their participation in AGX Shanghai and the manner in which the affairs of AGX Shanghai will be regulated.

The acquisition was completed in August 2024.

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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**A13. Contingent Liabilities or Contingent Assets**

There were no contingent liabilities or 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 of the date of this interim financial report.

	<b>RM'000</b>
Contracted but not provided for:	
- motor vehicles	3,317
	<hr/>

**A15. Related Party Transactions**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 30.09.2024 RM'000</b>	<b>Preceding Year Quarter 30.09.2023 RM'000</b>	<b>Current Year-to- date 30.09.2024 RM'000</b>	<b>Preceding Year-to- date 30.09.2023 RM'000</b>
Rendering of services to related parties	81	44	202	132
Purchase of services from related parties	58	1	62	2
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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	66,471	47,301	171,686	138,159
Gross profit ("GP")	15,392	13,898	46,281	41,885
Profit before taxation	3,056	4,058	7,268	12,311
Profit after taxation	2,301	2,997	5,307	9,166

The Group recorded revenue of RM66.47 million and RM171.69 million for the current financial quarter and year-to-date ended 30 September 2024 respectively.

The Group's revenue was mainly derived from the sea freight forwarding, aerospace logistics and air freight forwarding segments which consists of approximately 46.05%, 22.25% and 20.91% respectively of the total revenue for the current financial quarter ended 30 September 2024 and approximately 40.56%, 27.66% and 19.05% respectively of the total revenue for year-to-date ended 30 September 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 RM26.55 million or 51.98% respectively of the total cost of sales of RM51.08 million for the current financial quarter under review and RM57.23 million or 45.63% respectively of the total cost of sales of RM125.41 million for the financial year-to-date ended 30 September 2024.

The Group recorded a GP of RM15.39 million (GP margin of 23.16%) and RM46.28 million (GP margin of 26.96%), respectively, for the current financial quarter and year-to-date ended 30 September 2024.

The Group recorded a profit before taxation of RM3.06 million for the financial quarter ended 30 September 2024. The lower profit before taxation was primarily due to higher administrative expenses of RM10.94 million, mainly comprising the increase of staff costs of RM2.14 million and unrealised foreign exchange loss of RM2.00 million. However, the impact of these expenses was partially offset by a higher share of results of associates amounting to RM2.42 million.

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**B2. Comparison with Immediate Preceding Quarter's Results**

	<b>Current Year Quarter 30.09.2024 RM'000</b>	<b>Preceding Quarter 30.06.2024 RM'000</b>
Revenue	66,471	55,797
Gross profit	15,392	15,941
Profit before taxation	3,056	3,823

The Group registered a higher revenue of RM66.47 million for the current financial quarter as compared to RM55.80 million in the preceding quarter. The increase was mainly attributed to higher volumes handled and higher average price for sea and air freight forwarding, driven by rising freight charges from carriers for these services.

The Group recorded a profit before taxation of RM3.06 million, compared to RM3.82 million in the preceding quarter. The lower profit before taxation for the current financial quarter was primarily due to a higher unrealised foreign exchange loss of RM2.00 million and lower gross profit of RM0.55 million, which offset the benefits of lower administrative expenses and a higher share of results of associates.

**B3. Prospects of the Group**

As disclosed in the Company's Prospectus dated 16 January 2024 issued in conjunction with its initial public offering ("**IPO**"), 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 has started in 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. While we are still searching for the right location to set up the Penang Warehouse, as of the date of this interim report, we have leased an office in Butterworth, Penang, and the freight forwarding operation has started in September 2024.

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### INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024

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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 to be in line with the April 2024 World Economic Outlook (WEO) forecast, at 3.2 percent in 2024 and 3.3 percent in 2025. Services inflation is holding up progress on disinflation, which is complicating monetary policy normalization. Upside risks to inflation have thus increased, raising the prospect of higher for even longer interest rates, in the context of escalating trade tensions and increased policy uncertainty. The policy mix should thus be sequenced carefully to achieve price stability and replenish diminished buffers.

**Asian Development Bank's Asian Development Outlook:** Growth in developing Asia and the Pacific remained strong during the first half of 2024, supported by domestic demand and a continued recovery in exports. High-income technology exporters benefited from rising global semiconductor sales driven by strong demand for artificial intelligence products. Meanwhile, inflation continued to decline, driven by the lagged effects of tight monetary policy and easing global food prices. The growth outlook for developing Asia and the Pacific has been raised to 5.0% for 2024 from 4.9% in April. The 2025 growth projection remains at 4.9%. Inflation in the region is forecast at 2.8% for 2024, down from 3.2% in April, due to currency appreciation in the Caucasus and Central Asia and a slower-than-expected bottoming out of food prices in the People's Republic of China (PRC). The inflation forecast for 2025 is revised down to 2.9% from an April forecast of 3.0%.

**International Air Transport Association (IATA):** The International Air Transport Association (IATA) released data for September 2024 global air cargo markets showing continuing strong annual growth in demand.

Total demand, measured in cargo tonne-kilometres (CTKs\*), rose by 9.4% compared to September 2023 levels (10.5% for international operations) for a 14<sup>th</sup> consecutive month of growth.

Capacity, measured in available cargo tonne-kilometres (ACTKs), increased by 6.4% compared to September 2023 (8.1% for international operations). This continued to be largely related to the growth in international belly capacity, which rose 10.3% extending the trend of double-digit annual capacity growth to 41 consecutive months.

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.

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**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.

**B5. Tax Expense**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2024 RM'000	Preceding Year Quarter 30.09.2023 RM'000	Current Year-to- date 30.09.2024 RM'000	Preceding Year-to- date 30.09.2023 RM'000
Current tax expense	755	1,061	1,961	3,145
Effective tax rate <sup>(1)</sup> (%)	24.71	26.15	26.98	25.55
Statutory tax rate (%)	24.00	24.00	24.00	24.00

**Note:**

- (1) The Group's effective tax rate is higher than the statutory income tax rate of Malaysia of 24%. For the period ended 30 September 2024, this was mainly attributable to add back of expenses not deductible for tax purpose and a subsidiary's income tax incurred at a rate of 25% which is higher than the statutory tax rate.

**B6. Status of Corporate Proposals**

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

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**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: -

<b>Details of use of proceeds</b>	<b>Estimated timeframe for utilisation from the date of listing<sup>(1)</sup></b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance to be utilised RM'000</b>
Business expansion	Within 12 months	8,700	1,769	6,931
Repayment of bank borrowings	Within 3 months	4,953	4,953	-
Working capital	Within 24 months	15,622	8,883	6,739
Estimated listing expenses	Within 3 months	4,500	4,500	-
<b>Total</b>		<b>33,775</b>	<b>20,105</b>	<b>13,670</b>

**Note:**

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

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**B8. Loans and Borrowings**

The Group's loans and borrowings were as follows:

	<b>Unaudited As at 30.09.2024</b>			
	<b>Current RM Denomination RM'000</b>	<b>Foreign Denomination RM'000</b>	<b>Non-current RM Denomination RM'000</b>	<b>Foreign Denomination RM'000</b>
<b><u>Secured and guaranteed</u></b>				
<u>Denominated in RM</u>				
Term loans	29	-	-	-
Trade financing	-	-	-	-
<u>Denominated in PHP</u>				
Lease liabilities	-	240	-	204
Term loans	-	7,764	-	-
<u>Denominated in KRW</u>				
Term loans	-	1,021	-	-
<b><u>Unsecured and unguaranteed</u></b>				
<u>Denominated in RM</u>				
Lease liabilities	1,846	-	7,681	-
<u>Denominated in PHP</u>				
Lease liabilities	-	1,463	-	7,680
<u>Denominated in SGD</u>				
Lease liabilities	-	837	-	5,210
<u>Denominated in KRW</u>				
Lease liabilities	-	72	-	215
<u>Denominated in VND</u>				
Lease liabilities	-	86	-	123
<b>Total</b>	<b>1,875</b>	<b>11,483</b>	<b>7,681</b>	<b>13,432</b>
<b>Grand Total</b>	<b>13,358</b>		<b>21,113</b>	

**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

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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 of the date of this report, the Group is not involved in any material litigation 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. Dividend Proposed**

No dividend has been proposed or declared for payment by the Board of the Company during the current financial quarter and year-to-date under review, save as below:

A final single-tier dividend of 0.45 sen per ordinary share on 432,866,125 ordinary shares amounting to RM1.95 million in respect of the FYE 31 December 2023 was approved by the shareholders during the Annual General Meeting on 30 May 2024 and was paid on 28 June 2024.

**B12. Earnings Per Share**

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b>	<b>Preceding Year</b>	<b>Current Year-to-date</b>	<b>Preceding Year-to-date</b>
	<b>Quarter</b>	<b>Quarter</b>	<b>date</b>	<b>date</b>
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
Profit attributable to owners of the Company (RM'000)	2,389	2,995	5,486	9,160
Number of ordinary shares ('000)	432,866	432,866	432,866	432,866
Basic earnings per share (sen) <sup>(1)</sup>	0.55	0.69	1.27	2.12
Diluted earnings per share (sen) <sup>(2)</sup>	0.55	0.69	1.27	2.12

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**B12. Earnings Per Share (continued)**

**Notes:**

- (1) Basic EPS is calculated based on the profits attributable to the owners of the Company divided by the Company's issued share capital of 432,866,125 Shares.
- (2) The diluted EPS of the Company is equivalent to the basic EPS as the Company does not have any dilutive instruments as of 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:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter</b>	<b>Preceding Year Quarter</b>	<b>Current Year-to-date</b>	<b>Preceding Year-to-date</b>
	<b>30.09.2024</b>	<b>30.09.2023</b>	<b>30.09.2024</b>	<b>30.09.2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
After charging/(crediting):				
Finance costs	623	331	1,651	1,006
Amortisation of intangible asset and depreciation of equipment and right-of-use	2,468	1,757	6,523	4,734
Net foreign exchange loss/(gain)	2,489	395	2,310	(95)
Net impairment loss/(income) on receivables and bad debts	73	650	(118)	453
Interest income	(91)	(1)	(307)	(34)
Rental income	(50)	(51)	(152)	(151)
Management fee income	(35)	(36)	(109)	(106)

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

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**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

**B14. Comparative Figures**

The following figures have been reclassified to conform with the presentation of the preceding year corresponding quarter and preceding year corresponding year-to-date ended 30 September 2024.

	<b>Preceding Year Corresponding Quarter 30.09.2023</b>		<b>Preceding Year Corresponding Year-to- date 30.09.2023</b>	
	<b>As Previously Reported RM'000</b>	<b>As Restated RM'000</b>	<b>As Previously Reported RM'000</b>	<b>As Restated RM'000</b>
	Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract):			
Cost of sales	(32,481)	(33,403)	(93,217)	(96,274)
Other income	973	129	2,482	608
Other expenses	(3,646)	(1,230)	(7,061)	(1,677)
Net impairment (loss) on financial assets	-	(650)	-	(453)

**BY ORDER OF THE BOARD OF AGX GROUP BERHAD**  
**28 November 2024**