

- FREIGHT FORWARDING AND CUSTOMS BROKERAGE SERVICES AGREEMENT BETWEEN ITS WHOLLY OWNED SUBSIDIARY, AGX LOGISTICS (M) SDN BHD AND ASIA DIGITAL ENGINEERING SDN BHD, A WHOLLY OWNED SUBSIDIARY OF CAPITAL A BERHAD

1. INTRODUCTION

The Board of Directors (“**Board**”) of AGX wishes to announce that AGX Logistics (M) Sdn Bhd (“**AGX Malaysia**”) [Registration No 200401002048 (64551-H)], a wholly-owned subsidiary of AGX, had on 13 November 2024, entered into a Freight Forwarding and Customs Brokerage Services Agreement with Asia Digital Engineering Sdn Bhd (“**ADE**”) [Registration No 202001010462 (1366782-X)] (“**Services Agreement**”).

Pursuant to the Services Agreement, AGX Malaysia is appointed as a Services Provider of ADE to provide freight forwarding services and customs brokerage services intended for the operation of ADE (“**Services**”), for a period of 2 years.

ADE is a private limited company incorporated in Malaysia on 23 April 2020 under the Companies Act 1965, having its registered and business address at REDQ, Jalan Pekeliling 5, Kuala Lumpur International Airport 2, KLIA 2, 64000 Selangor Darul Ehsan. ADE is a wholly-owned subsidiary of Capital A Berhad. ADE is a maintenance, repair and overhaul (“**MRO**”) company and is involved in providing a range of aircraft services for line maintenance, base maintenance, component and warehouse services, and engineering support services.

2. SALIENT TERMS OF THE AGREEMENT

The salient terms of the Agreement include, amongst others, the following:

- (a) AGX Malaysia is responsible to provide the Services at all times (24 hours, 7 days a week) during the term of the Services Agreement for shipments labelled as “Aircraft on Ground” (AOG);
- (b) Upon successful delivery of the Services by AGX Malaysia, ADE shall pay AGX Malaysia based on the rates and fees set out in the Services Agreement, which shall be computed on the basis of the chargeable weight (for air freight) or volume / Cubic Meter (CBM) or (for sea freight) Full Container Load (FCL) of the shipment.

The total value of the Services Agreement is subject to the actual number of shipments, which will be charged according to the rates and fees stated in the Services Agreement;

- (c) After the expiry of the Services Agreement, the Services Agreement may be renewed for 1 year by ADE by providing a written notice to AGX Malaysia for a minimum of 30 days prior to the expiry of the Services Agreement;
- (d) Either Party may terminate this Services Agreement by providing sixty (60) days prior written notice to the other Party without assigning any reason; and
- (e) ADE shall make payment to AGX Malaysia within 60 days, from the date of the invoice issued by AGX Malaysia. In the event the payment due date (i.e., the 60th day) falls on a Saturday, Sunday or on a holiday, the payment due date shall be the next business day following such Saturday, Sunday or on a holiday in the country in which payment is to be processed.

3. RISK FACTORS

There are no foreseeable significant risks other than financial risk and operation risk associated with the Services Agreement during the contract period.

4. APPROVAL REQUIRED

The Services Agreement is not subject to the approval of the shareholders of AGX and/or any regulatory authorities.

5. FINANCIAL EFFECT OF THE SERVICES AGREEMENT

The Services Agreement will not have any material effect on the share capital and substantial shareholders' shareholdings of AGX.

The Services is expected to contribute positively to the earnings per share and net assets per share of the AGX for the duration of the Services Agreement.

6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED

None of the Directors and/or major shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the Services Agreement.

7. DIRECTORS' STATEMENT

The Board of AGX, having taken into consideration all aspects of the Services Agreement, is in the opinion that the Services Agreement is in the best interest of the Company.

This announcement is dated 13 November 2024.