



• Air • Sea • Land

AGX GROUP BERHAD

(Registration No. 201901042663 (1351993-K))

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter 31.12.2023 RM'000	Unaudited Preceding Year Corresponding Quarter 31.12.2022 ⁽²⁾ RM'000	Unaudited Current Year-to- date 31.12.2023 RM'000	Audited Preceding Year-to- date 31.12.2022 ⁽²⁾ RM'000
Revenue	A9	48,672	N/A	186,831	N/A
Cost of sales		(32,506)	N/A	(125,723)	N/A
Gross profit		16,166	N/A	61,108	N/A
Other income		260	N/A	897	N/A
Administrative expenses		(11,263)	N/A	(40,425)	N/A
Other expenses		(2,138)	N/A	(7,354)	N/A
Finance costs		(427)	N/A	(1,433)	N/A
Share of results of associates		(214)	N/A	1,902	N/A
Profit before tax		2,384	N/A	14,695	N/A
Income tax expenses	B5	(1,381)	N/A	(4,526)	N/A
Profit after tax		1,003	N/A	10,169	N/A
Other comprehensive (expenses)/income					
Items that will be reclassified subsequently to profit or loss:					
- Foreign currency translation differences		(49)	N/A	693	N/A
- Remeasurement of retirement liability		(233)	N/A	(233)	N/A
Total comprehensive income		721	N/A	10,629	N/A
Profit after tax attributable to:					
Owners of the Company		1,050	N/A	10,210	N/A
Non-controlling interests		(47)	N/A	(41)	N/A
		1,003	N/A	10,169	N/A

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾**
(continued)

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter	Unaudited Preceding Year Corresponding Quarter	Unaudited Current Year-to- date	Audited Preceding Year-to-date
		31.12.2023 RM'000	31.12.2022 ⁽²⁾ RM'000	31.12.2023 RM'000	31.12.2022 ⁽²⁾ RM'000
Total comprehensive income attributable to:					
Owners of the Company		736	N/A	10,670	N/A
Non-controlling interests		(15)	N/A	(41)	N/A
		721	N/A	10,629	N/A
Earnings per share ("EPS") (sen)					
- Basic/ Diluted	B12	0.24	N/A	2.36	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 Accountants' Report dated 2 January 2024 ("**Accountants' Report**") as disclosed in the prospectus of AGX Group Berhad ("**AGX**" or "**Company**") dated 16 January 2024 ("**Prospectus**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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.

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾
(continued)**

- (3) Administrative expenses included one-off expenses of RM0.76 million and RM1.75 million charged out to profit or loss during the current financial quarter and current financial year, respectively. 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 31.12.2023 RM'000	Cumulative Quarter Current Year-to-date 31.12.2023 RM'000
Profit before tax	2,384	14,695
Add: Listing expenses	757	1,747
Adjusted profit before taxation	3,141	16,442

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾

	Unaudited As at 31.12.2023 RM'000	Audited As at 31.12.2022 RM'000
NON-CURRENT ASSETS		
Investment in associates	4,251	2,349
Equipment	2,690	3,318
Right-of-use assets	10,576	6,924
Intangible assets	1,166	1,274
Deferred tax assets	1,056	-
	19,739	13,865
CURRENT ASSETS		
Trade receivables	52,868	38,873
Other receivables, deposits and prepayments	12,945	10,551
Contract assets	1,765	4,974
Amount owing by associates	-	3,941
Amount owing by related parties	30	4
Fixed deposits with licensed banks	1,061	1,205
Cash and bank balances	11,480	13,134
Tax recoverable	232	283
	80,381	72,965
TOTAL ASSETS	100,120	86,830
EQUITY AND LIABILITIES		
EQUITY		
Share capital	27,120	27,120
Retained profits	24,235	17,025
Reserves	347	(113)
Equity attributable to owners of the Company	51,702	44,032
Non-controlling interests	110	1
TOTAL EQUITY	51,812	44,033

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023⁽¹⁾ (continued)**

	Note	Unaudited 31.12.2023 As At RM'000	Audited 31.12.2022 As At RM'000
NON-CURRENT LIABILITIES			
Deferred tax liabilities		281	261
Loans and borrowings	B8	5,412	3,513
Provisions		1,502	963
		<hr/>	<hr/>
		7,195	4,737
CURRENT LIABILITIES			
Trade payables		13,736	15,143
Other payables and accruals		7,510	10,156
Amount owing to associate		82	3
Loans and borrowings	B8	17,834	12,407
Current tax liabilities		1,951	351
		<hr/>	<hr/>
		41,113	38,060
TOTAL LIABILITIES		<hr/>	<hr/>
		48,308	42,797
TOTAL EQUITY AND LIABILITIES		<hr/>	<hr/>
		100,120	86,830
Net assets per ordinary share attributable to owners of the Company (RM)⁽²⁾			
		0.12	0.10

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 Accountants' Report as disclosed in the Prospectus dated 16 January 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾**
⁽²⁾

	<--Non-distributable-->			Distributable	Attributable to Owners of the Company	Non-Controlling Interests	Total Equity
	Share Capital	Foreign Exchange Translation Reserve	Remeasurement of Retirement Liability	Retained Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	27,120	118	(231)	17,025	44,032	1	44,033
Profit after taxation for the financial year	-	-	-	10,210	10,210	(41)	10,169
Other comprehensive income/(expenses) for the financial period							
- Foreign exchange translation differences	-	693	-	-	693	-	693
- Remeasurement of retirement liability	-	-	(233)	-	(233)	-	(233)
Total comprehensive income/(expenses) for the financial year	-	693	(233)	10,210	10,670	(41)	10,629
Issuance of shares to non-controlling interests in a subsidiary	-	-	-	-	-	150	150
Dividends	-	-	-	(3,000)	(3,000)	-	(3,000)
Balance as at 31 December 2023	27,120	811	(464)	24,235	51,702	110	51,812

AGX GROUP BERHAD

Registration No: 201901042663 (1351993-K)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 Accountants' Report as disclosed in the Prospectus dated 16 January 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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 REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾

	Unaudited Current Year-to-date 31.12.2023 RM'000	Audited Preceding Year-to-date 31.12.2022⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	14,695	N/A
Adjustments for:		
Amortisation of intangible asset	145	N/A
Bad debts written off	305	N/A
Depreciation of equipment	1,209	N/A
Depreciation of right-of-use assets	4,190	N/A
Equipment written off	10	N/A
Impairment losses:		N/A
- trade receivables	884	N/A
- other receivables	170	N/A
- equipment	140	N/A
Retirement expenses	270	N/A
Unrealised gain on foreign exchange	71	N/A
Gain on modification of leases	(5)	N/A
Reversal of impairment losses:		N/A
- trade receivables	(42)	N/A
- other receivables	(73)	N/A
Share of net profits of equity accounted associates	(1,902)	N/A
Gain on disposal of equipment	(59)	N/A
Interest expenses	815	N/A
Interest expenses on lease liabilities	618	N/A
Interest income	(71)	N/A
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	21,370	N/A
Increase in trade and other receivables	(17,633)	N/A
Decrease in contract assets	3,209	N/A
Increase in trade and other payables	82	N/A
Decrease in amount owing by associate	2	N/A
Increase in amount owing to associate	79	N/A
Increase in amount owing by related parties	(26)	N/A
Cash from operations	7,083	N/A
Interest paid	(9)	N/A
Interest received	71	N/A
Income tax paid	(4,138)	N/A
Income tax refunded	226	N/A
NET CASH FROM OPERATING ACTIVITIES	3,233	N/A

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023⁽¹⁾ (continued)

	Unaudited Current Year-to-date 31.12.2023 RM'000	Audited Preceding Year-to-date 31.12.2022⁽²⁾ RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition to right-of-use assets	(133)	N/A
Changes in amount due from associates	3,938	N/A
Purchase of intangible asset	(9)	N/A
Proceeds from disposal of equipment	185	N/A
Purchase of equipment	(1,237)	N/A
Withdrawal of fixed deposits with tenure more than 3 months	149	N/A
NET CASH FROM INVESTING ACTIVITIES	2,893	N/A
CASH FLOW FOR FINANCING ACTIVITIES		
Dividend paid	(6,600)	N/A
Drawdown of trade financing	4,693	N/A
Drawdown of term loans	4,512	N/A
Interest paid	(1,424)	N/A
Proceeds from issuance of shares to non-controlling interest in a subsidiary	150	N/A
Repayment of trade financing	(4,953)	N/A
Repayment of lease liabilities	(5,073)	N/A
Repayment of term loans	(1,841)	N/A
NET CASH FOR FINANCING ACTIVITIES	(10,536)	N/A
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,410)	N/A
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	1,073	N/A
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	13,099	N/A
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR⁽²⁾	9,762	N/A

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 Accountants' Report as disclosed in the Prospectus dated 16 January 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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 year consist of:

	Current Year-to-date 31.12.2023 RM'000	Preceding Year Corresponding Year-to-date 31.12.2022⁽²⁾ RM'000
Fixed deposits with licensed banks	1,061	N/A
Cash and bank balances	11,480	N/A
Bank overdrafts	(1,804)	N/A
	<u>10,737</u>	<u>N/A</u>
Less: Fixed deposits pledged and with tenure of more than 3 months	(975)	N/A
	<u>9,762</u>	<u>N/A</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES PURUANT 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 second 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 Accountants' Report as disclosed in the Prospectus dated 16 January 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 preparation of the Accountants' Report as disclosed in the Prospectus dated 16 January 2024 except for the following new MFRSs and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board ("**MASB**").

(a) MFRSs, Amendments to MFRSs and Interpretations adopted

For the preparation of the financial statements, the following accounting standards and amendments of the MFRS framework issued by the MASB are mandatory for the first time for the current financial period:

	Effective for financial periods beginning on or
MFRSs, Amendments to MFRSs and IC Interpretations	
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for financial periods beginning on or
Amendments to MFRS 7: Financial Instruments; Disclosures	1 January 2024
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
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 to the consolidated 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 Company and its subsidiaries for the financial year ended 31 December 2022.

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.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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.

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:

On 28 November 2023, the Company had completed the share split exercise which involved subdivision of every 4 existing Shares into 5 subdivided Shares. Arising from this, the issued share capital of the Company has increased from 269,092,900 Shares to 336,366,125 Shares. The purpose of the share split is to enhance the liquidity of the Company's Shares in conjunction with the Company's Listing, further details of which is stated in Note A11 herein.

A8. Dividends Paid

Save as disclosed below, the Company did not pay any other dividend for the current quarter under review and year-to-date

On 31 October 2023, the Company has declared and paid a single tier interim dividend of RM0.011 per ordinary share amounting to RM3,000,000 for the financial year ended 31 December 2023.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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 Year Quarter	Preceding Year Quarter	Current Year-to-date	Preceding Year-to-date
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Sea freight forwarding	14,661	N/A	64,439	N/A
Air freight forwarding	9,430	N/A	33,018	N/A
Aerospace logistics	19,199	N/A	70,871	N/A
Warehousing and other 3PL services	2,358	N/A	10,478	N/A
Road freight transportation	3,024	N/A	8,025	N/A
Total	48,672	N/A	186,831	N/A

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Quarter	Current Year-to-date	Preceding Year-to-date
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysia	11,286	N/A	42,528	N/A
Singapore	5,084	N/A	20,888	N/A
Philippines	25,090	N/A	94,881	N/A
Korea	3,459	N/A	16,828	N/A
Myanmar	3,753	N/A	11,706	N/A
Total	48,672	N/A	186,831	N/A

Notes:

N/A – Not applicable

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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 FOURTH QUARTER ENDED 31 DECEMBER 2023

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

Save for the corporate proposals disclosed below, there were no other material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

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.

A12. Changes in the composition of the Group

Save for the incorporation of a new subsidiary as disclosed below, there were no material changes to the composition of the Group during the current financial quarter under review.

On 7 December 2023, AGX Express Philis. Inc. (a 99.99% owned subsidiary of AGX) incorporated a 99.99% owned subsidiary namely, AGX Warehouse Solutions Inc.. The intended principal activities are warehousing and other 3PL services.

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.

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

A14. Capital commitments

There were no other material capital commitments of the Group as at 31 December 2023.

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	Preceding	Current	Preceding
	Year	Year	Year-to-	Year-to-date
	Quarter	Quarter	date	date
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
<u>Transactions with Related Parties</u>				
- Rendering of services	4	N/A	15	N/A
- Purchase of services	-	N/A	1	N/A
<hr/>				
<u>Transactions with Associates</u>				
- Rendering of services	35	N/A	156	N/A
- Purchase of services	-	N/A	1	N/A
<hr/>				

Note:

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**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
	31.12.2023	31.12.2022 ⁽¹⁾	31.12.2023	31.12.2022 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	48,672	N/A	186,831	N/A
Gross profit ("GP")	16,166	N/A	61,108	N/A
Profit before tax	2,384	N/A	14,695	N/A
Profit after tax	1,003	N/A	10,169	N/A

Note:

N/A – Not applicable

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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 RM48.67 million and RM186.31 million for the current financial quarter and year-to-date ended 31 December 2023 respectively.

The Group's revenue was mainly derived from the aerospace logistics and sea freight forwarding consists of approximately 39.44% and 30.12% of the total revenue for the current financial quarter ended 31 December 2023 and approximately 37.93% and 34.49% of the total revenue for year-to-date ended 31 December 2023.

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 RM12.98 million or 39.94% of the total cost of sales of RM32.51 million for the current financial quarter under review and RM55.47 million or 44.12% of the total cost of sales of RM125.72 million for the financial year-to-date ended 31 December 2023.

The Group recorded a GP of RM16.17 million (GP margin of 33.21%) and RM61.11 million (GP margin of 32.71%), respectively, for the current quarter and year-to-date ended 31 December 2023.

Further, the Group recorded a profit before tax of RM2.38 million and RM14.70 million, respectively, for the current quarter and year-to-date ended 31 December 2023 after deducting administrative expenses of RM11.27 million for the current financial quarter and RM40.43 million for the financial year-to-date under review. The administrative expenses mainly consist of staff costs.

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**B1. Review of performance (continued)**

This is the second 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 31.12.2023 RM'000	Preceding Quarter 30.09.2023 RM'000
Revenue	48,672	47,301
Gross profit	16,166	14,820
Profit before tax	2,384	4,058

The Group registered a higher revenue of RM48.67 million for the current quarter as compared to RM47.30 million in the preceding quarter. The Group recorded a lower profit before tax of RM2.38 million as compared to RM4.06 million in the preceding quarter. The lower profit before tax of for the current quarter was mainly due to bonus payout of RM0.95 million and expensing off professional fee in relation to the IPO of RM0.74 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.
- (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.
- (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.

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**B3. Prospects of the Group (continued)**

Based on the above, the Board of Directors (“**Board**”) is optimistic of the Group’s future prospects and expects the Group’s expansion plans to contribute positively to its financial performance in the 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.

B5. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2023 RM’000	Preceding Year Quarter 31.12.2022 ⁽¹⁾ RM’000	Current Year-to- date 31.12.2023 RM’000	Preceding Year-to-date 31.12.2022 RM’000
Current tax expense	1,381	N/A	4,526	N/A
Effective tax rate ⁽²⁾ (%)	57.93	N/A	30.80	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable

- (1) This is the second interim financial report on the Company’s unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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) The Group’s effective tax rate is higher than the statutory income tax rate of Malaysia of 24.00%. For the year ended 31 December 2023, this was mainly attributable to add back of expenses not deductible for tax purpose, withholding tax on dividends paid by our foreign subsidiaries to the Company, under provision of the previous year’s current taxation, deferred tax assets not recognised and a subsidiary is being taxed at 25% tax rate which is higher than the statutory tax rate.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B6. Status of corporate proposals

Save for the IPO as disclosed in A11 above, there are no other corporate proposals announced by the Company but not completed as of the date of this report.

B7. Utilisation of proceeds

The gross proceeds to be raised from the IPO amounting to RM33.78 million is intended to be utilised in the following manner:-

Details of use of proceeds	RM'000	%	Estimated timeframe for utilisation from the date of listing
Business expansion	8,700	25.8	Within 12 months
Repayment of bank borrowings	4,139	12.2	Within 3 months
Working capital	16,436	48.7	Within 24 months
Estimated listing expenses	4,500	13.3	Within 3 months
Total	33,775	100.0	

Note:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company. The IPO proposal was completed on 7 February 2024 and the actual utilisation of proceeds will be disclosed in the next quarter.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023**B8. Loans and borrowings**

The Group's loans and borrowings were as follows:

	Unaudited			
	As at 31.12.2023			
	Current		Non-current	
	RM	Foreign	RM	Foreign
	Denomination	Denomination	Denomination	Denomination
	RM'000	RM'000	RM'000	RM'000
<u>Secured and guaranteed</u>				
<u>Denominated in RM</u>				
Bank overdrafts	1,804	-	-	-
Term loans	82	-	-	-
Trade financing	355	-	-	-
<u>Denominated in PHP</u>				
Lease liabilities	-	250	-	195
Term loans	-	11,300	-	-
<u>Unsecured and unguaranteed</u>				
<u>Denominated in RM</u>				
Lease liabilities	1,188	-	4,294	-
<u>Denominated in PHP</u>				
Lease liabilities	-	1,254	-	540
<u>Denominated in SGD</u>				
Lease liabilities	-	1,525	-	78
<u>Denominated in KRW</u>				
Lease liabilities	-	76	-	305
Total	3,429	14,405	4,294	1,118
Grand Total	17,834		5,412	

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

Save for the Dividends Paid as disclosed in A8 above, there are no other dividend has been proposed or declared by the Board of the Company during the current financial quarter and year-to-date under review.

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 31.12.2023	Preceding Year Quarter 31.12.2022⁽¹⁾	Current Year-to-date 31.12.2023	Preceding Year-to-date 31.12.2022⁽¹⁾
Profit attributable to owners of the Company (RM'000)	1,050	N/A	10,210	N/A
Number of ordinary shares ('000)	432,866	N/A	432,866	N/A
Basic earnings per share (sen) ⁽²⁾	0.24	N/A	2.36	N/A
Diluted earnings per share (sen) ⁽³⁾	0.24	N/A	2.36	N/A

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

B12. Earnings per share (continued)

Notes:

N/A – Not applicable

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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 enlarged issued share capital of 432,866,125 Shares upon the Company's listing 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	Preceding Year Quarter	Current Year-to-date	Preceding Year-to-date
	31.12.2023	31.12.2022⁽¹⁾	31.12.2023	31.12.2022⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
After charging/(crediting):				
Finance costs	427	N/A	1,433	N/A
Amortisation of intangible asset and depreciation of equipment and right-of-use assets	810	N/A	5,544	N/A
Net foreign exchange loss	386	N/A	291	N/A
Net impairment losses on receivables and bad debts written off	791	N/A	1,244	N/A
Impairment loss on equipment	140	N/A	140	N/A
Interest income	(37)	N/A	(71)	N/A
Rental income	(50)	N/A	(202)	N/A
Management fee income	(36)	N/A	(143)	N/A

AGX GROUP BERHAD

Registration No: 201901042663 (1351993-K)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2023

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

Notes:

N/A – Not applicable

- (1) This is the second interim financial report on the Company's unaudited condensed consolidated financial results for the fourth (4th) quarter ended 31 December 2023 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
28 February 2024