



AGX GROUP BERHAD

(Registration No. 201901042663 (1351993-K))
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter 30.06.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2023 ⁽²⁾ RM'000	Unaudited Current Year-to- date 30.06.2024 RM'000	Unaudited Preceding Year-to- date 30.06.2023 ⁽²⁾ RM'000
Revenue	A9	55,797	N/A	105,215	N/A
Cost of sales		(39,856)	N/A	(74,326)	N/A
Gross profit		15,941	N/A	30,889	N/A
Other income		505	N/A	1,067	N/A
Administrative expenses		(12,631)	N/A	(26,899)	N/A
Other expenses		(688)	N/A	(1,464)	N/A
Finance costs		(624)	N/A	(1,028)	N/A
Net impairment losses /(reversal of impairment losses) on financial assets		(77)	N/A	191	N/A
Share of results of associates		1,397	N/A	1,456	N/A
Profit before tax		3,823	N/A	4,212	N/A
Income tax expenses	B5	(855)	N/A	(1,206)	N/A
Profit after tax		2,968	N/A	3,006	N/A
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
- Foreign currency translation differences		(1,249)	N/A	(1,024)	N/A
Total comprehensive income		1,719	N/A	1,982	N/A
Profit after tax attributable to:					
Owners of the Company		3,025	N/A	3,097	N/A
Non-controlling interests		(57)	N/A	(91)	N/A
		2,968	N/A	3,006	N/A

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾ (continued)**

	Note	Individual Quarter		Cumulative Quarter	
		Unaudited Current Year Quarter 30.06.2024 RM'000	Unaudited Preceding Year Corresponding Quarter 30.06.2023 ⁽²⁾ RM'000	Unaudited Current Year-to- date 30.06.2024 RM'000	Unaudited Preceding Year-to-date 30.06.2023 ⁽²⁾ RM'000
Total comprehensive income attributable to:					
Owners of the Company		1,776	N/A	2,073	N/A
Non-controlling interests		(57)	N/A	(91)	N/A
		1,719	N/A	1,982	N/A
Earnings per share ("EPS") (sen)					
- Basic/ Diluted	B12	0.70	N/A	0.72	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 ("FYE") 31 December 2023 as disclosed in the Annual Report of AGX Group Berhad ("AGX" or "Company") issued on **30 April 2024** ("**Annual Report 2024**") and the accompanying explanatory notes attached to this interim financial report.
- (2) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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 SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾ (continued)

- (3) Administrative expenses included one-off expenses of RM0.28 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 30.06.2024 RM'000	Cumulative Quarter Preceding Year-to-date 30.06.2024 RM'000
Profit before tax	3,823	4,212
Add: Listing expenses	281	1,925
Adjusted profit before taxation	<hr/> 4,104	<hr/> 6,137

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

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾**

	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
NON-CURRENT ASSETS		
Investment in associates	5,283	3,827
Equipment	5,489	3,592
Right-of-use assets	19,339	9,502
Intangible assets	1,152	1,166
Deferred tax assets	759	788
	32,022	18,875
CURRENT ASSETS		
Trade receivables	57,227	52,934
Other receivables, deposits and prepayments	16,540	12,675
Contract assets	2,962	1,765
Amount owing by associates	30	30
Tax recoverable	712	190
Fixed deposits with licensed banks	16,768	2,303
Cash and bank balances	9,269	10,263
	103,508	80,160
TOTAL ASSETS	135,530	99,035
EQUITY AND LIABILITIES		
EQUITY		
Share capital	60,075	27,120
Retained profits	24,972	23,823
Reserves	(678)	346
Equity attributable to owners of the Company	84,369	51,289
Non-controlling interests	28	119
TOTAL EQUITY	84,397	51,408

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024⁽¹⁾ (continued)**

	Note	Unaudited As at 30.06.2024 RM'000	Audited As at 31.12.2023 RM'000
NON-CURRENT LIABILITIES			
Loans and borrowings	B8	14,003	5,205
Retirement liability		1,628	1,502
		<hr/> 15,631	<hr/> 6,707
CURRENT LIABILITIES			
Trade payables		13,468	13,674
Other payables and accruals		6,638	7,421
Amount owing to associate		105	80
Loans and borrowings	B8	14,298	17,879
Current tax liabilities		993	1,866
		<hr/> 35,502	<hr/> 40,920
TOTAL LIABILITIES		<hr/> 51,133	<hr/> 47,627
TOTAL EQUITY AND LIABILITIES		<hr/> 135,530	<hr/> 99,035
Net assets per ordinary share attributable to owners of the Company (RM)⁽²⁾			
		0.19	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 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 SECOND QUARTER ENDED 30 JUNE 2024**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 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	-	-	-	3,097	3,097	(91)	3,006	
Other comprehensive income/(expenses) for the financial period								
- Foreign exchange translation differences	-	(1,025)	1	-	(1,024)	-	(1,024)	
Total comprehensive income/(expenses) for the financial period	-	(1,025)	1	3,097	2,073	(91)	1,982	
Contributions by owners of the Company:								
- Issuance of new shares	33,775	-	-	-	33,775	-	33,775	
- Share issuance expenses	(820)	-	-	-	(820)	-	(820)	
- Dividends	-	-	-	(1,948)	(1,948)	-	(1,948)	
Balance as at 30 June 2024	60,075	(227)	(451)	24,972	84,369	28	84,397	

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 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) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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 SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾

	Unaudited Current Year-to-date 30.06.2024 RM'000	Unaudited Preceding Year-to-date 30.06.2023⁽²⁾ RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before tax	4,212	N/A
Adjustments for:		
Amortisation of intangible asset	77	N/A
Bad debts written off	18	N/A
Depreciation of equipment	698	N/A
Depreciation of right-of-use assets	3,280	N/A
Impairment losses:		
- trade receivables	113	N/A
- other receivables	642	N/A
Provision of retirement benefits	173	N/A
Unrealised gain on foreign exchange	97	N/A
Reversal of impairment losses:		
- trade receivables	(964)	N/A
Share of net profits of equity accounted associates	(1,456)	N/A
Gain on disposal of equipment	(59)	N/A
Interest expenses	507	N/A
Interest expenses on lease liabilities	521	N/A
Interest income	(216)	N/A
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	7,643	N/A
Increase in trade and other receivables	(7,960)	N/A
Increase in contract assets	(1,151)	N/A
Decrease in trade and other payables	(988)	N/A
Increase in amount owing by associate	(7)	N/A
Increase in amount owing to associate	25	N/A
Cash for operations	(2,438)	N/A
Interest paid	(25)	N/A
Interest received	216	N/A
Income tax paid	(2,633)	N/A
NET CASH FOR OPERATING ACTIVITIES	(4,880)	N/A

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2024⁽¹⁾ (continued)

	Unaudited Current Year-to-date 30.06.2024 RM'000	Unaudited Preceding Year-to-date 30.06.2023⁽²⁾ RM'000
CASH FLOWS FOR INVESTING ACTIVITIES		
Addition to right-of-use assets	(24)	N/A
Purchase of intangible asset	(78)	N/A
Proceeds from disposal of equipment	66	N/A
Purchase of equipment	(2,404)	N/A
NET CASH FOR INVESTING ACTIVITIES	(2,440)	N/A
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	(1,948)	N/A
Drawdown of trade financing	954	N/A
Drawdown of term loans	6,102	N/A
Interest paid	(1,003)	N/A
Proceeds from issuance of ordinary shares	32,955	N/A
Repayment of trade financing	(1,309)	N/A
Repayment of lease liabilities	(3,200)	N/A
Repayment of term loans	(8,382)	N/A
NET CASH FROM FINANCING ACTIVITIES	24,169	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,849	N/A
EFFECTS OF FOREIGN EXCHANGE TRANSLATION	(1,540)	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⁾	23,769	N/A

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 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) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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 30.06.2024 RM'000	Preceding Year Corresponding Year-to-date 30.06.2023⁽²⁾ RM'000
Fixed deposits with licensed banks	16,768	N/A
Cash and bank balances	9,269	N/A
	26,037	N/A
Less: Fixed deposits pledged and with tenure of more than 3 months	(2,268)	N/A
	23,769	N/A

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 fourth 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 (“**FYE**”) 31 December 2023 as disclosed in the Annual Report of issued on 30 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 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

	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 SECOND QUARTER ENDED 30 JUNE 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:

MFRSs, Amendments to MFRSs and IC Interpretations	Effective for financial periods beginning on or
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 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 SECOND QUARTER ENDED 30 JUNE 2024

A7. Debt and equity securities

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

A8. Dividends Paid

The 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.

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 30.06.2024 RM'000	Preceding Year Quarter 30.06.2023 ⁽¹⁾ RM'000	Current Year-to-date 30.06.2024 RM'000	Preceding Year-to-date 30.06.2023 ⁽¹⁾ RM'000
Sea freight forwarding	19,675	N/A	39,024	N/A
Air freight forwarding	10,180	N/A	18,810	N/A
Aerospace logistics	17,991	N/A	32,694	N/A
Warehousing and other 3PL services	2,807	N/A	5,520	N/A
Road freight transportation	5,144	N/A	9,167	N/A
Total	55,797	N/A	105,215	N/A

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

A9. Segmental information (continued)

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

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

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding	Current	Preceding
	Quarter	Year Quarter	Year-to-date	Year-to-date
	30.06.2024	30.06.2023⁽¹⁾	30.06.2024	30.06.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Malaysia	12,518	N/A	22,113	N/A
Singapore	4,126	N/A	7,960	N/A
Philippines	24,943	N/A	48,553	N/A
Korea	7,018	N/A	13,493	N/A
Myanmar	7,192	N/A	13,096	N/A
Total	55,797	N/A	105,215	N/A

Notes:

N/A – Not applicable

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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.

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 SECOND QUARTER ENDED 30 JUNE 2024

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

Save as disclosed below, there were no material events subsequent to the end of the current financial quarter under review.

- (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 RM77,000). 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.

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.

Contracted but not provided for:
- motor vehicles

RM'000

3,531

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30.06.2024 RM'000	Preceding Year Quarter 30.06.2023⁽¹⁾ RM'000	Current Year-to-date 30.06.2024 RM'000	Preceding Year-to-date 30.06.2023⁽¹⁾ RM'000
<u>Transactions with Associates</u>				
- Rendering of services	60	N/A	121	N/A
- Purchase of services	4	N/A	4	N/A

Note:

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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 SECOND QUARTER ENDED 30 JUNE 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
	30.06.2024	30.06.2023 ⁽¹⁾	30.06.2024	30.06.2023 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	55,797	N/A	105,215	N/A
Gross profit ("GP")	15,941	N/A	30,889	N/A
Profit before tax	3,823	N/A	4,212	N/A
Profit after tax	2,968	N/A	3,006	N/A

Notes:

N/A – Not applicable

(1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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 RM55.80 million and RM105.22 million for the current financial quarter and year-to-date ended 30 June 2024 respectively.

The Group's revenue was mainly derived from the sea freight forwarding and aerospace logistics segments which consists of approximately 35.26% and 32.24% respectively of the total revenue for the current financial quarter ended 30 June 2024 and approximately 37.09% and 31.07% respectively of the total revenue for year-to-date ended 30 June 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 RM16.37 million or 41.07% respectively of the total cost of sales of RM39.86 million for the current financial quarter under review and RM30.68 million or 41.28% respectively of the total cost of sales of RM74.33 million for the financial year-to-date ended 30 June 2024.

The Group recorded a GP of RM15.94 million (GP margin of 28.57%) and RM30.89 million (GP margin of 29.36%), respectively, for the current quarter and year-to-date ended 30 June 2024.

Further, the Group recorded a profit before tax of RM3.82 million for the current quarter ended 30 June 2024. The Group's profit before tax was mainly contributed by a higher share of results of associates for RM1.40 million and lower administrative expenses of RM12.63 million. The administrative expenses mainly consist of staff costs of RM8.93 million.

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B1. Review of performance (continued)

This is the fourth 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 30.06.2024 RM'000	Preceding Quarter 31.03.2024 RM'000
Revenue	55,797	49,418
Gross profit	15,941	14,948
Profit before tax	3,823	389

The Group registered a higher revenue of RM55.80 million for the current quarter as compared to RM49.42 million in the preceding quarter, mainly contributed to the increased in order from customers.

The Group recorded a profit before tax of RM3.82 million as compared to a profit before tax of RM0.39 million in the preceding quarter. The higher profit before tax for the current quarter was mainly attributed to the higher gross profit generated from the air freight forwarding and aerospace logistics segments, as well as lower listing expenses.

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 is expected to start in 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, estimated at 3.2% in 2023, is projected to continue at the same pace in 2024 and 2025. The forecast for 2024 is revised up by 0.1 percentage point from the January 2024 World Economic Outlook (WEO) Update, and by 0.3 percentage point from the October 2023 WEO. The pace of expansion is low by historical standards, owing to both near-term factors, such as still-high borrowing costs and withdrawal of fiscal support, and longer-term effects from the COVID-19 pandemic and Russia's invasion of Ukraine; weak growth in productivity; and increasing geoeconomic fragmentation. Global headline inflation is expected to fall from an annual average of 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies.

Asian Development Bank's Asian Development Outlook: Growth in developing Asia accelerated in the first quarter of 2024 on resilient domestic demand and strong export growth, particularly in electronics. The region's growth forecast for 2024 is increased slightly to 5.0%, while the 2025 projection is maintained at 4.9%.

The growth forecast for South Asia remains steady at 6.3% for 2024, with the 2025 projection down marginally to 6.5%.

Headline inflation in developing Asia is now forecast to ease further from 3.3% last year to 2.9% this year, stabilizing at 3.0% in 2025.

International Air Transport Association (IATA): Global air cargo capacity, measured in Available Cargo Tonne Kilometres (ACTKs), recovered to just above 2019 levels in 2023 as China's borders reopening led to returning passenger aircraft belly-hold capacity on international routes, so that the global share of air cargo transported on dedicated freighters is inching closer to its pre-pandemic level. This normalization of the ratio between dedicated freighters and passenger belly can be expected to continue in 2024. And with blossoming demand, global air cargo capacity can be expected to continue to expand in 2024, albeit at a slower rate than in 2023.

The return of air cargo capacity post-Covid led to a decrease in the industry-wide Cargo Load Factor (CLF) in 2022 and 2023. The industry-wide CLF is likely to decrease further in 2024 due to the growth in capacity outpacing demand.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B3. Prospects of the Group (continued)

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.

B5. Tax expense

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2024 RM'000	Preceding Year Quarter 30.06.2023 ⁽¹⁾ RM'000	Current Year-to-date 30.06.2024 RM'000	Preceding Year-to-date 30.06.2023 ⁽¹⁾ RM'000
Current tax expense	855	N/A	1,206	N/A
Effective tax rate ⁽²⁾ (%)	22.36	N/A	28.63	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

Notes:

N/A – Not applicable

(1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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) The Group's effective tax rate is higher than the statutory income tax rate of Malaysia of 24.00%. For the year ended 30 June 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 but not completed as of the date of this report.

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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:-

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	1,457	7,243
Repayment of bank borrowings	Within 3 months	4,953	4,953	-
Working capital	Within 24 months	15,622	8,330	7,292
Estimated listing expenses	Within 3 months	4,500	4,500	-
Total		33,775	19,240	14,535

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 SECOND QUARTER ENDED 30 JUNE 2024

B8. Loans and borrowings

The Group's loans and borrowings were as follows:

	Unaudited As at 30.06.2024			
	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>				
Term loans	47	-	-	-
Trade financing	-	-	-	-
<u>Denominated in PHP</u>				
Lease liabilities	-	238	-	146
Term loans	-	8,812	-	-
<u>Unsecured and unguaranteed</u>				
<u>Denominated in RM</u>				
Lease liabilities	1,818	-	7,963	-
<u>Denominated in PHP</u>				
Lease liabilities	-	2,328	-	5,611
<u>Denominated in SGD</u>				
Lease liabilities	-	980	-	30
<u>Denominated in KRW</u>				
Lease liabilities	-	75	-	253
Total	1,865	12,433	7,963	6,040
Grand Total	14,298		14,003	

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

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 30.06.2024	Preceding Year Quarter 30.06.2023⁽¹⁾	Current Year-to-date 30.06.2024	Preceding Year-to-date 30.06.2023⁽¹⁾
Profit attributable to owners of the Company (RM'000)	3,025	N/A	3,097	N/A
Number of ordinary shares ('000)	432,866	N/A	432,866	N/A
Basic earnings per share (sen) ⁽²⁾	0.70	N/A	0.72	N/A
Diluted earnings per share (sen) ⁽³⁾	0.70	N/A	0.72	N/A

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

B12. Earnings per share (continued)

Notes:

N/A – Not applicable

- (1) This is the fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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 issued share capital of 432,866,125 Shares.
- (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
	30.06.2024	30.06.2023⁽¹⁾	30.06.2024	30.06.2023⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
After charging/(crediting):				
Finance costs	624	N/A	1,028	N/A
Amortisation of intangible asset and depreciation of equipment and right-of-use assets	2,316	N/A	4,055	N/A
Net foreign exchange gain	(199)	N/A	(179)	N/A
Net impairment loss/(reversal of impairment losses) on receivables and bad debts written off	77	N/A	(191)	N/A
Interest income	(123)	N/A	(216)	N/A
Rental income	(51)	N/A	(102)	N/A
Management fee income	(37)	N/A	(74)	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 fourth interim financial report on the Company's unaudited condensed consolidated financial results for the second (2nd) quarter ended 30 June 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 August 2024