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AGX makes ACE Market debut at 17% premium

KUALA LUMPUR: AGX Group Bhd made its debut on Bursa Malaysia's ACE Market at 41 sen, notching up a six sen or 17.14% premium over its initial public offering (IPO) price of 35 sen.

At the opening bell, the counter saw 6.87 million shares changing hands.

On Jan 26, the freight forwarding and aerospace logistics provider reported that its shares available for application by the Malaysian public had been oversubscribed by 15.43 times.

Of the expected gross proceeds of RM33.78mil raised through its IPO exercise, it plans to use RM16.44mil for working capital and RM8.70mil for business expansion in Malaysia and South Korea by setting up new warehouses and offices in Penang and Johor Bahru as well as a new office in Busan, South Korea.

It has allocated RM4.14mil for repayment of bank borrowings and RM4.50mil for listing expenses.

Executive director and group chief executive officer Datuk Ponnudurai Periasamy said the group planned to set up a warehouse at the Port of Tanjung Pelepas, which is about 21 kms from its Singapore warehouse.

"I think it is a good move for us strategically because the Johor Bahru-Singapore Rapid Transit System Link is 65% completed. There's a memorandum of understanding between Singapore and Johor for (the development of) a special economic zone. So, for us to have warehouse there will complement our Singapore operations," he told a press conference after the listing ceremony yesterday.

In addition, Ponnudurai said, AGX aimed to open a warehouse in Penang given the state's vibrant airports, seaports, semiconductor industry and manufacturing industry.

"We have customers there but are not able to fully service them because we don't

have an office and presence in the northern region, so setting up operations in Penang is part of our plans.

"Finally, we will set up our operations warehouse in Busan, South Korea. Currently, our South Korean office is for sea freight forwarding (support). As Busan has a seaport, it will let us be much closer to our customers and help us get new customers as well," he said.

In terms of its target market, he said AGX had already entered several Asean markets, including Singapore, Malaysia, the Philippines, Myanmar and Cambodia.

He added that the group planned to expand its footprint to Indonesia, Thailand and Vietnam given these countries' large populations and markets.

AGX is primarily a third-party logistics service provider, and its services comprise sea and air freight forwarding, aerospace logistics, warehousing and road freight transportation services. — Bernama