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AGX Group opens at 41 sen for 17% premium in debut

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KUALA LUMPUR: AGX Group Bhd made its debut on the ACE Market of Bursa Malaysia Securities yesterday, opening at 41 sen per share, representing a premium of six sen or 17.14% above its initial public offering (IPO) price issue of 35 sen.

At the opening bell, the counter saw 6.87 million shares changing hands. It closed at 36 sen on volume of 55.39 million shares.

The group is a third party logistics solutions provider, offering services encompassing sea and air freight forwarding, aerospace logistics, warehousing and road freight transport.

It raised RM33.78 million from the public issue of 96.5 million new ordinary shares.

Of the proceeds raised, it has allocated RM16.44 million or 48.7% for working capital, RM8.70 million or 25.8% for business expansion in Malaysia and South Korea via setting up new warehouses and offices in Penang and Johor Bahru as well as a new office in Busan, South Korea.

Meanwhile, RM4.5 million or 13.3% will be used to defray listing expenses and RM4.14 million or 12.2% is reserved for repayment of bank borrowings.

Executive director and group CEO Datuk Ponnudurai Periasamy disclosed that the group plans to set up a warehouse at Port of Tanjung



From left: TA Securities Holdings Bhd head of corporate finance Ku Mun Fong and (dealings, institutional sales) executive director Datuk Hamzah Mohd Tahir, AGX Group directors Mark Penu and Jayasielan Gopal, Ponnudurai, chairperson Datuk Rozalila Abdul Rahman, directors Peter Neo Lip Pheng, Datuk George Alfonso Miranda, Aida Mosira Mokhtar and Ong Teng Yan, during the listing ceremony.

Pelepas, situated about 21km from its Singapore warehouse.

"There's an MoU (memorandum of understanding) between Singapore and Johor for a special economic zone. So for us to have a warehouse there, will complement our Singapore operations," he told reporters after its listing ceremony.

At the same time, the group plans to set up a warehouse in Penang.

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

and a presence in northern Malaysia, so opening up in Penang is part of our plans.

"Finally, we also want to open up in Busan, South Korea. Right now, our South Korean office is very sea freight-based. Busan is a seaport, so for us to open up in Busan will help us be much closer to our customers and this will help us get new customers as well," he added.

Touching on target markets, Ponnudurai said it has existing presence in five markets in Asean –

Malaysia, Singapore, the Philippines, Myanmar and Cambodia.

"It's always been our ambition to be one of Southeast Asia's largest regional players. Indonesia, Thailand, Vietnam are large countries with large populations ... it will be something that we cannot afford to ignore. While we may not have immediate future plans, (albeit) we certainly have an eye on them," he said.

TA Securities is the underwriter, principal adviser, sponsor and placement agent for AGX's IPO.