

AGX inks IPO underwriting deal with TA Securities

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From left: AGX chief financial officer Chang Poh Sheng, executive director Jayasielan Gopal, executive director and group CEO Datuk Ponnudurai A/L Periasamy, TA Securities executive director of operations Tah Heong Beng and head of corporate finance Ku Mun Fong

KUALA LUMPUR: AGX Group Bhd has entered into an underwriting agreement with TA Securities Holdings Bhd for the company's initial public offering (IPO) on the ACE Market of Bursa Malaysia.

In a statement, the company said the IPO comprises a total public issue of 96.5 million new shares and an offer for sale of 30 million existing shares.

AGX said TA Securities will underwrite a total of 21.65 million public issue shares that have been made available to the Malaysian public via balloting.

Of the remaining public issue shares, a further 6.32 million shares will be allocated to the eligible directors and employees of AGB and its subsidiaries while 68.53 million shares will be allocated by way of private placement to selected investors.

Through its subsidiaries, the AGX Group is primarily a third-party logistics (3PL) service provider where its services comprise sea and air freight forwarding, aerospace logistics, warehousing and other 3PL, and road freight transportation services.

The AGX Group provides services to assist senders or receivers to transport their goods from the point of origin to their final destinations. The Group has physical presence in Malaysia, the Philippines, Korea, Myanmar, Singapore and Cambodia (via associate).

According to AGX, proceeds from the IPO will be utilised for business expansion locally and abroad in the form of setting up new warehouses and offices in Penang and Johor Bahru as well as setting up a new office in Busan, South Korea, in order to expand its presence in the country.

Part of the proceeds from the IPO have also been earmarked to fund working capital, repayment of bank borrowings as well as for listing expenses.

"We hope that our future listing status will further strengthen our regional presence whilst providing even further credibility to the services we provide such as our aerospace logistics services whereby our existing and target customers are airlines within the region," said AGB group CEO Datuk Ponnudurai Periasamy.

TA Securities, besides being the sole underwriter of AGB's IPO, is also the principal adviser, sponsor and placement agent for this exercise.