

AGX to raise RM33.78mil from ACE Market IPO

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From left: AGX Group Bhd director and chairperson Datuk Rozalila Abdul Rahman, AGX Malaysia executive director and managing director Jayasielan Gopal, AGX Singapore executive director and managing director Mark Penu, AGX Myanmar executive director and managing director Peter Neo Lip Pheng, AGX Group Bhd executive director and group chief executive officer Datuk Ponnudurai Periasamy, TA Securities Holdings Bhd corporate finance head Ku Mun Fong and operations executive director Tah Heong Beng at the prospectus launch of AGX Group Bhd in conjunction with its listing on the ACE Market of Bursa Malaysia.

KUALA LUMPUR: AGX Group Bhd, which is slated to be listed on the ACE Market of Bursa Malaysia on Feb 7, is expected to raise RM33.78mil from its initial public offering (IPO).

In a statement, AGX said its IPO entails the public issue of 96.5 million new ordinary shares and an offer for sale of 30 million existing ordinary shares priced at 35 sen per share.

AGX said the majority of the proceeds of RM16.44mil will be utilised for working capital and RM8.70mil will be utilised for expanding its business presence 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.

“The remaining proceeds of RM4.14mil and RM4.50mil will be utilised for repayment of bank borrowings and listing expenses respectively. The offer for sale is expected to raise approximately RM10.50mil,” it said.

Based on its enlarged issued share capital of approximately 432.87 million shares and an IPO price of RM0.35 per share, AGX will have a market capitalisation of approximately RM151.5mil upon its listing on Bursa Securities.

The company has also adopted a dividend policy of with a payout ratio of up to 30.0% of its profits to attributable to owners of the company and its listed shares will be Shariah compliant.

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.



Independent non-executive director and chairperson Datuk Rozalila Abdul Rahman said: “We are very proud of our achievement today. In addition to our regional footprint, the company has achieved many key milestones within our logistics business.”

“Some of the notable recent achievements include the joint venture with All-Link China for logistics services in the Southeast Asia region, our Non-vessel Operating Common Carrier (NVOCC) status registration by the Federal Maritime Commission of the US (FMC) and International Air Transport Association (IATA) approved cargo agent status,” she said.

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