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Rozaila (left) alongside other directors from AGX, AGX Singapore, AGX Myanmar and TA Securities during the prospectus launch yesterday.

AGX launches prospectus in line with coming listing on ACE Market

KUALA LUMPUR: AGX Group Berhad (AGX), launched its Initial Public Offering (IPO) prospectus yesterday in conjunction with its listing on the ACE Market of Bursa Malaysia.

The IPO entails a public issue of 96.5 million new ordinary shares and an offer for sale of 30 million existing ordinary shares priced at RM0.35 per ordinary share of AGX.

The company is expected to raise approximately RM33.78 million from the issuance of public issue shares, of which the majority of proceeds of RM16.44 million will be utilised for working capital and RM8.70 million will be utilised 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 RM4.14 million and RM4.50 million will be utilised for repayment of bank borrowings and listing expenses respectively. The offer for sale is expected to raise approximately RM10.50 million.

Based on its enlarged issued share capital of approximately

432.87 million Shares and IPO price of RM0.35 per Share, AGX will have a market capitalisation of approximately RM151.50 million upon its listing on Bursa.

The company has also adopted a dividend policy of with a payout ratio of up to 30 per cent of its profits to attributable to owners of the company (to be approved by the board of directors of AGX at each of the financial year) and its listed shares will be shariah compliant.

Datuk Rozaila Abdul Rahman, AGX's independent non-executive director and chairperson, 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."

AGX is principally involved

in the activities of holding companies. Through the 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 provides services to assist senders or receivers to transport their goods from the point of origin to their final destinations.

The group is regional player with operations spanned across six countries, namely Malaysia, the Philippines, Korea, Myanmar, Singapore and Cambodia (via associate) with its majority of its earnings derived from overseas.

Pursuant to the launch of AGX's prospectus, applications for the Public Issue Shares are open from today and will close on January 23, 2024 at 5pm. AGX is scheduled to be listed on the ACE Market of Bursa Securities on February 7, 2024.

TA Securities, besides being the Underwriter of AGX's IPO, is also the principal adviser, sponsor and Placement agent for this exercise.