



NSX code: AGS

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QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2023

The Directors of Agri Skylight Ltd ("**AGS**" or the "**Company**") are pleased to provide the following report for the quarter ended 31 December 2023.

The Company's major activities during the December quarter are summarised below:

Acquisition of Ferlab Sdn Bhd

The Company worked towards finalisation of its acquisition of 49% of Ferlab Sdn Bhd. (Registration No 201601041729) ("**Ferlab**"), a business incorporated in Malaysia which conducts agricultural manufacture, processing, wholesale and retail business operations based in Malaysia.

Ferlab is principally focused on:

- the manufacturing and supply of fertilizer products, equipment, accessories and other related products, carried out by Ferlab under the name "GT Tiger";
- the operation of self-owned and third party franchised food convenience retail outlets under the name "V-Agromart" (of which Ferlab holds the franchise license in Malaysia).

The acquisition of Ferlab was determined by NSX to represent a significant change to the nature and scale of the Company's activities. During the quarter, the Company worked towards satisfying re-compliance with the requirements of Chapter 4 of the Listing Rules as if applying for a listing on the NSX.

The successful acquisition of Ferlab is expected to deliver significant growth to the Company, particularly with regard to generating revenue for the Company in the form of future distributions of profit from Ferlab.

Quarterly Cashflow and Working Capital Improvements

The balance sheet of the Company was strengthened through the issuance of new equity, with ratification and approval of share placements by shareholders at an Extraordinary General Meeting (**EGM**) held on 22 November 2023.

The placements approved at the EGM ameliorated the Company's financial position as follows:

- Completion of \$140,000 raising in additional funds, being the First and Second Tranche Shares with respect to a share placement announced by the Company on 18

September 2023 (being the issue of 1,118,654 shares and 881,346 ordinary shares to Zulkifli Bin Mohd Sharif at \$0.07 per share respectively).

- issuance of promoter shares to Zakiyuddin Bin Abdul Azih in satisfaction of services rendered to the Company (comprised of \$17,600 for the issue of 251,429 fully paid ordinary shares at a price of \$0.07 per share).

Moreover, the Company has an improved working capital position as a result of significant portions of debt being forgiven or otherwise converted into equity. Specifically:

- the Company owed \$197,991 to Executive Director and Chief Executive Officer, Dr Koon Lip Choo, who has forgiven the debt owed by the Company to him.
- Convertible notes issued to a professional and sophisticated investor as outlined in the Company's announcement dated 11 January 2023 will convert to equity, reducing the Company's debt by \$300,000.

The above debt forgiveness and conversions of debt to equity will result in a reduction of the Company's overall debt position by close to \$500,000. This represents a significant improvement in the financial position of the Company, enabling the Company to be more financially agile and to focus on future strategic acquisitions.

Pursuing New Business Opportunities

The Company's primary aim is to generate revenue through the acquisition of strategic business opportunities in the agriculture, fertilizer and related import/export trading industries that are both cashflow generating and value accretive. The Company's broader ambitions are to acquire and consolidate complimentary businesses in the Asia Pacific region, with a view to maximising synergies and identifying possibilities for integration in order to become a regional agricultural supply chain and ecosystem.

In this regard, the Company is actively pursuing new business opportunities in line with its strategy. The Company expects to provide a further update on these opportunities in its next quarterly update, subject to finalisation of the commercial terms.

This announcement has been approved for release by the Board of Agri Skylight.

For further information please contact:

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