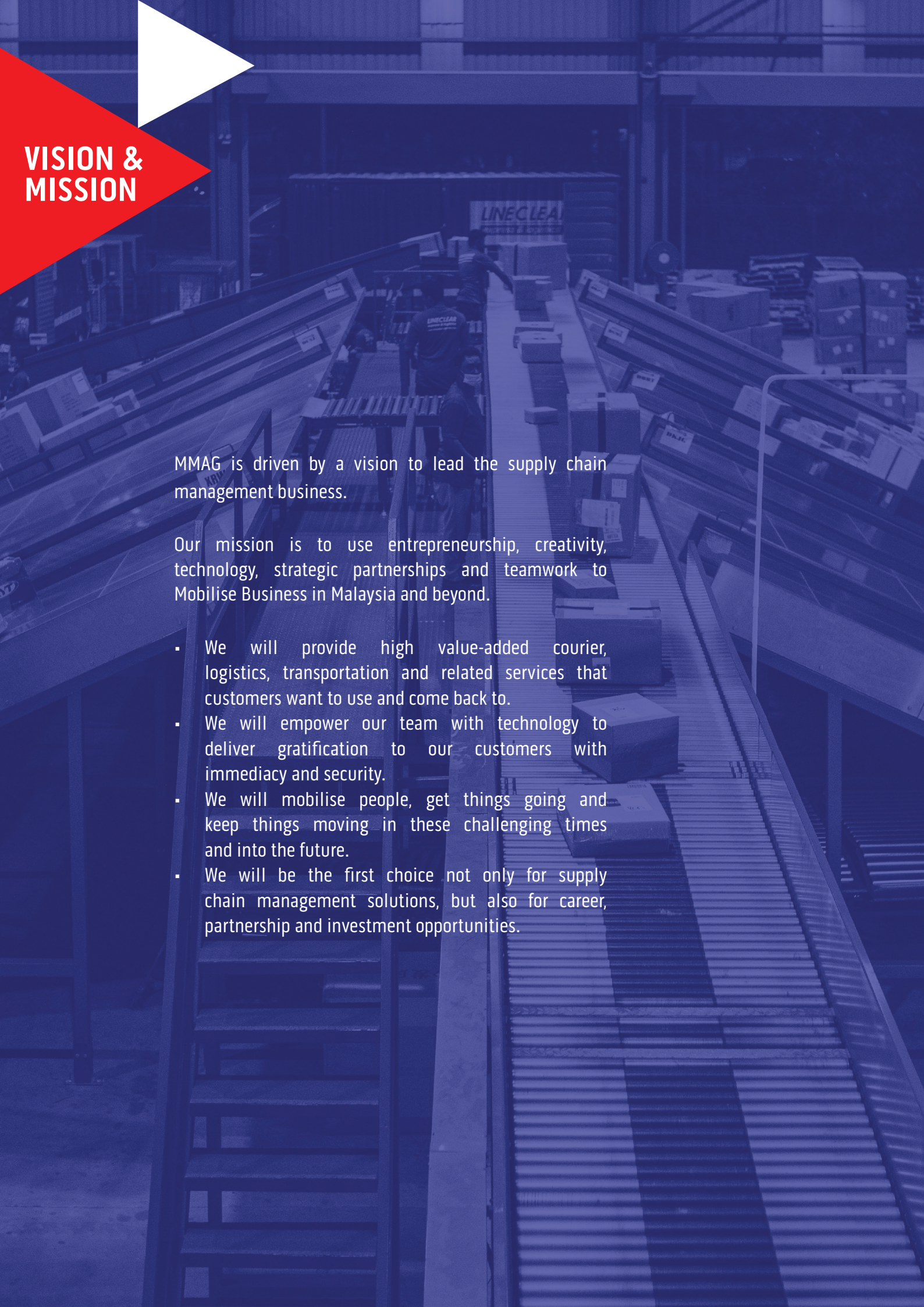




*r**EV**olutionising the supply chain*

ANNUAL
REPORT
2022



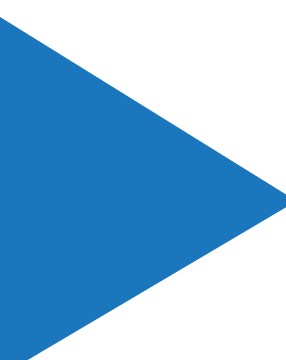


VISION & MISSION

MMAG is driven by a vision to lead the supply chain management business.

Our mission is to use entrepreneurship, creativity, technology, strategic partnerships and teamwork to Mobilise Business in Malaysia and beyond.

- We will provide high value-added courier, logistics, transportation and related services that customers want to use and come back to.
- We will empower our team with technology to deliver gratification to our customers with immediacy and security.
- We will mobilise people, get things going and keep things moving in these challenging times and into the future.
- We will be the first choice not only for supply chain management solutions, but also for career, partnership and investment opportunities.



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CHAIRMAN'S
STATEMENT

TAN SRI DATO' SERI MOHD
KHAIRUL ADIB BIN ABD RAHMAN



SUSTAINABLE MOBILITY

The National Transport Policy 2019-2030 aims to enhance our economic competitiveness, provide strong social impact especially with regard to inclusivity and accessibility, while reducing the negative impact of the transport system on the environment.

This vision for sustainable transport and efficient use of resources is essential with the rising cost of doing business and should be embraced by all stakeholders, be it the Government, Government-linked companies, the private sector or consumers.

MMAG and its subsidiaries – in particular, Line Clear Express and Logistics Sdn. Bhd. – have started Environmental, Social and Governance (“ESG”) initiatives within the organisation to address the impact of our business on the environment we operate in.

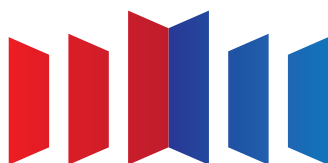
We aim to convert to electric commercial vehicles with low energy consumption, zero carbon emission and high performance. This will help our businesses upgrade their operations, meet their ESG goals and revolutionise the supply chain.

What's good for the environment is good for the people and the companies people do business with. Everyone stands to gain and has a role to play in realising this vision.

Sustainable mobility will enhance MMAG's core business in supply chain management, warehousing, technology solutions and help realise our mission to Mobilise Business in Malaysia and beyond.

LEADERSHIP

BOARD OF DIRECTORS



MMAG



Seated

(From left to right)

HWANG SIEW CHIEN

Independent
Non-Executive Director

YM TENGKU FARITH RITHAUDDEEN

DEPUTY CHAIRMAN
Independent
Non-Executive
Director

TAN SRI DATO' SERI MOHD KHAIRUL ADIB BIN ABD RAHMAN

CHAIRMAN
Independent
Non-Executive
Director

CHAN SWEE YING

Non-Independent
Non-Executive
Director

Standing

(From left to right)

YEAP SAY WOI

Independent
Non-Executive Director

WOO KAM WENG

Independent
Non-Executive Director

CHONG KOON MENG (JEFF)

Executive Director

KENNY KHOW CHUAN WAH

Executive Director

DATO' SOK ONE A/L ESEN

Independent
Non-Executive Director



**Tan Sri Dato'
Seri Mohd
Khairul Adib Bin
Abd Rahman**

CHAIRMAN

Independent
Non-Executive
Director

CHAIRMAN'S PROFILE

Nationality:
Malaysian

Age:
60

Gender:
Male

**Date of Appointment as Director of
MMAG Holdings Berhad:**
7 February 2022

**Length of Service as Independent
Non-Executive Director:**
0 year and 5 months

**Attendance at Board Meeting
during the year:**
Attended 1 of 1 meeting

Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman served as Director-General of the Public Service Department ("PSD") from 1 October 2019 to 16 January 2022. Prior to that, Tan Sri Dato' Seri Mohd Khairul was the Deputy Secretary-General of the Ministry of Transports ("MOT") from August 2017 before promoted to Secretary-General of the MOT in January 2019.

He has served the Ministry of Entrepreneur Development, Ministry of Science, Technology and the Environment ("MOSTE"), Embassy of Malaysia in Japan and the High Commission of Malaysia in London. Upon his return, he served at the Ministry of Science, Technology and Innovation ("MOSTI") followed by the Ministry of Education ("MOE"), as well as the Secretary General of Malaysia National Commission for the United Nations Educational, Scientific and Cultural Organisation ("UNESCO") and the Malaysia National Point of Contact for the Islamic Educational, Scientific and Cultural Organisation ("ISESCO") Malaysia.

Tan Sri Dato' Seri Mohd Khairul Adib also previously served in various Board including Employee Provident Fund, Inland Revenue Board, Kumpulan Wang Persaraan (Diperbadankan), Malaysian Aviation Commission, Malaysia Airports Holding Berhad, Keretapi Tanah Melayu Berhad, Konsortium Pelabuhan Kemaman Sdn. Bhd., Malaysian Maritime Academy Sdn. Bhd., Malaysia Rail Link Sdn. Bhd., MyHSR Corporation Sdn. Bhd., Prasarana Malaysia Berhad, Bintulu Port Authority, Port Klang Authority, Johor Port Authority, Pelabuhan

Tanjung Pelepas Sdn. Bhd., Railway Assets Corporation, Northern Gateway Sdn. Bhd., Razak School of Government and Bukit Kayu Hitam Development Sdn. Bhd.. He is currently the Chairman of Civil Aviation Authority of Malaysia and Malaysian Qualifications Agency.

For his service, he was conferred the Panglima Setia Mahkota award, which carries the title of "Tan Sri" and Panglima Mahkota Wilayah award, which carries the title of "Datuk" in conjunction with the King's official birthday in 2020 and 2019 respectively. In 2021, Tan Sri Dato' Seri Mohd Khairul Adib also received his Panglima Gemilang Darjah Kinabalu award which carries the title of "Datuk" during Yang di-Pertua Negeri Sabah's official birthday celebration as well as the Darjah Seri Setia Negeri Sembilan Yang Amat Cemerlang which carries the title of "Dato' Seri" by the Yang di-Pertuan Besar Negeri Sembilan. He was awarded Universiti Kebangsaan Malaysia's Tokoh Alumni Tersohor for his outstanding achievements in the public service and Universiti Kebangsaan Malaysia ("UKM") in 2021 by the Yang di-Pertuan Besar Negeri Sembilan, Chancellor of UKM.

In January 2022, Tan Sri Dato' Seri Mohd Khairul Adib was conferred the Japanese Decoration, The Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan for his contributions on the Look East Policy through people-to-people exchange and cooperation on the field of transportation between Malaysia and Japan.

Tan Sri Dato' Seri Mohd Khairul Adib graduated with a Bachelor Science with Honours from UKM and has a Postgraduate Diploma in Public Management from Institut Tadbiran Awam Negara ("INTAN"). He also holds a Masters in Public Policy from Saitama University, Japan under Japanese Government Scholarship.

He does not hold any directorships in other public companies or listed companies.

Notes: Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

LEADERSHIP

YM Tengku Farith Rithauddeen

Nationality:
Malaysian

Age:
51

Gender:
Male

DEPUTY CHAIRMAN'S PROFILE

Deputy Chairman

Independent Non-Executive Director

Nomination Committee (Chairman)
Remuneration Committee (Member)
Audit Committee (Member)



Date of Appointment as Director of MMAG Holdings Berhad:
9 March 2021

Length of Service as Independent Non-Executive Director:
1 year and 4 months

Attendance at Board Meeting during the year:
Attended 5 of 5 meetings

YM Tengku Farith Rithauddeen is currently the Group Chief Executive Officer and Co-Founder of SKALI. In 2002, he was selected as one of the 100 Global Leaders for Tomorrow ("GLT") by the World Economic Forum, Davos of Switzerland. In 2004, he was the first recipient of the Young Entrepreneur award by the Malay Chamber of Commerce, Malaysia and in 2006 was awarded the prestigious Eisenhower Fellowship for 2007 by the Eisenhower Foundation, USA. In 2008 he was awarded Most Outstanding Entrepreneur for 2008 by the Asia Pacific Entrepreneurs Award ("APEA") Organization. In March 2012, he was awarded the BMW Stiftung Herbert Quandt Young Leaders. His latest recognition was a nomination by Top 10 of Malaysia Magazine for Top 10 Inspiring Technopreneurs in Malaysia.

His career began with Commerce International Merchant Bankers ("CIMB") in the corporate finance division. He was a key team member in the Corporate Finance and Capital Market divisions. He has in-depth knowledge about corporate restructuring, corporate financing

and financial re-engineering. Throughout his career at CIMB, YM Tengku Farith established relationships with various investment bankers, analysts, researchers, venture capitalists and private investors and was involved in corporate advisory services for Penang Port, agencies under the Ministry of Rural Development and KPJ Healthcare Berhad.

He then moved on to Road Builder (M) Holdings Berhad ("Road Builder") and was responsible for its business development in property and infrastructure projects. At Road Builder, he was instrumental in securing numerous privatisation projects relating to property and infrastructure. He left Road Builder in year 1997.

YM Tengku Farith holds a Degree in Arts and Economics from the Carleton University Ottawa, Canada.

He does not hold any directorships in other public companies or listed companies.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



**Chong Koon Meng
(Jeff)**

**Executive
Director**

**BOARD OF
DIRECTORS'
PROFILE**

Nationality:
Malaysian

Age:
56

Gender:
Male

**Date of Appointment as Director of
MMAG Holdings Berhad:**
15 July 2016

**Length of Service as Executive
Director:**
6 years and 0 month

**Attendance at Board Meeting
during the year:**
Attended 5 of 5 meetings

Jeff Chong joined MMAG in March 2015 and was appointed as an Executive Director on 15 July 2016. He is also the Chief Executive Officer of MMAG Digital Sdn. Bhd., a wholly-owned sub-subsidiary of MMAG since 1 March 2015 and Executive Director of CSH Alliance Berhad (formerly known as KTG Berhad).

Mr. Chong introduced new business strategies and modelling, digital transformation, strategic partnerships, network expansion and brand-building campaigns to transform MMAG into a full-fledged integrated supply chain management company to mobilise business in Malaysia and beyond. He also championed the adoption and distribution of 100% electric commercial vehicles to revolutionise the supply chain and meet ESG goals.

He has over 25 years of corporate experience in the marketing and sales, product and communications fields; specialising in the

telecommunications, device management and automotive sectors. He was the General Manager for the Small & Medium Enterprises business segment at Digi Telecommunications, Vice President of Mobility and International Business and a member of the Senior Leadership Team at Maxis Berhad and Chief Sales and Distribution Officer at Ooredoo Myanmar.

Mr. Chong completed the Executive Programme/ Education at Stanford University, USA and Stockholm School of Economics, Sweden. He holds a Master of Business Administration (MBA) from the Charles Sturt University, Australia and a Bachelor of Economics Degree, majoring in Statistical Economics from the National University of Malaysia ("UKM").

He holds 1,025,000 ordinary shares and 300,000 irredeemable convertible preference shares in the Company as at the date of this report.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

**Kenny Khoo
Chuan Wah**

Nationality:
Malaysian

Age:
47

Gender:
Male

**BOARD OF
DIRECTORS'
PROFILE
(Cont'd)**

**Executive
Director**



**Date of Appointment as Director
of MMAG Holdings Berhad:**
16 November 2020

**Length of Service as Executive
Director:**
1 year and 9 months

**Attendance at Board Meeting
during the year:**
Attended 5 of 5 meetings

Kenny Khoo joined MMAG in October 2012 after working more than 13 years as an auditor with PricewaterhouseCoopers Malaysia, including a two-year secondment to PricewaterhouseCoopers London.

Mr. Khoo has extensive experience in the area of corporate exercises covering initial public offering, demerger of a listed entity, management and integration of two major companies in Malaysia, privatisation of a major listed entity, rights issue, issuance of debt securities, as well as the sale and leaseback of key assets. His other work experience includes financial due diligence, advisory, and numerous cross-border securities offering.

He also sits on the Board of Directors of CSH Alliance Berhad (formerly known as KTG Berhad) and Green Packet Berhad as an Executive Director. As the Executive Director of the companies, in addition to overseeing the groups' financial affairs including accounting, finance, tax and treasury, he also oversees human resources-related matters and other administrative duties.

Mr. Khoo holds a degree in Accounting and Finance (Distinction) from the University of Technology, Sydney. He is a member of the Malaysian Institute of Accountants and a member of the Certified Practising Accountants Australia.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Yeap Say Woi

**Independent
Non-Executive
Director**

Audit Committee
(Chairman)
Nomination Committee
(Member)
Remuneration Committee
(Member)

**BOARD OF
DIRECTORS'
PROFILE
(Cont'd)**

Nationality:
Malaysian

Age:
68

Gender:
Male

**Date of Appointment as Director of
MMAG Holdings Berhad:**
1 November 2018

**Length of Service as Independent
Non-Executive Director:**
3 years and 8 months

**Attendance at Board Meeting
during the year:**
Attended 5 of 5 meetings

Yeap Say Woi worked at the Renong Berhad's group of companies for 12 years. His last position was Head of Finance at Time Dotcom Berhad before retiring to take up the position as a lecturer in a local university. Prior to that, he was a Finance Manager at a public listed company specialising in the manufacturing of cement and building materials. He also has 5 years working experience in an audit firm.

Mr. Yeap holds a Bachelor of Science Degree majoring in Mathematics. He is a Fellow Member of the Chartered Institute of Management Accountants and a member of the Malaysian Institute of Accountants.

He does not hold any directorships in other public companies or listed companies.

Notes:
Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

LEADERSHIP

Hwang Siew Chien

BOARD OF DIRECTORS' PROFILE (Cont'd)

Independent Non-Executive Director

Nationality:
Malaysian

Age:
62

Gender:
Female

Remuneration Committee
(Chairperson)
Audit Committee
(Member)
Nomination Committee
(Member)

Date of Appointment as Director of MMAG Holdings Berhad:
5 April 2019

Length of Service as Independent Non-Executive Director:
3 years and 3 months

Attendance at Board Meeting during the year:
Attended 5 of 5 meetings



Hwang Siew Chien commenced her banking career in 1979 with the former Pacific Bank Berhad (now part of the Malayan Banking Berhad Group) for closed to 22 years and subsequently with Maybank for another 17 years as Vice-President, Product Trade before she opted for early retirement in 2018.

Madam Hwang took charge of Maybank's regional trade business and overseas branches in South-East Asia, London, New York as well as affiliates in Vietnam and Pakistan for 8 years. She was a trade specialist for more than

three decades in financing supply chain and developing cross border trade structure and solutions. Her commercial banking experience ranged from operations to middle office to regional sales.

Madam Hwang holds a Masters Degree in Business Administration from Charles Sturt University, Australia.

She does not hold any directorships in other public companies or listed companies.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Woo Kam Weng

**Independent
Non-Executive
Director**

**BOARD OF
DIRECTORS'
PROFILE
(Cont'd)**

Nationality:
Malaysian

Age:
61

Gender:
Male

**Date of Appointment as Director of
MMAG Holdings Berhad:**
15 March 2021

**Length of Service as Independent
Non-Executive Director:**
1 year and 4 months

**Attendance at Board Meeting
during the year:**
Attended 5 of 5 meetings

With more than 40 years of experience in the aviation ground handling industry, Woo Kam Weng retired from his last position as the Chief Executive Officer ("CEO") of POS Aviation Sdn. Bhd. in January 2021.

As the key management personnel of the aviation company, he played an instrumental role in developing the world's first Digital Free Trade Zone outside China, creating the roadmap for a regional logistics and e-commerce hub.

Mr. Woo led the company through the most successful period in its history, recording 3 highly profitable years as ground handler for 7 of the top 10 airlines in the world. He was the Asia-Pacific representative on the Board of Airport Services Association based in Geneva and headed the setup of Joint Venture companies between POS Aviation and other global players. He was also responsible for the management and operations of the subsidiary, POS Asia Cargo Express.

Prior to his position as the CEO, Mr. Woo served in various capacities which include the Head of Commercial Support, Head of Business Development & Integrated Logistics, and Aircraft & Engineering Manager of the company since 1997.

Mr. Woo holds a Diploma in Management from the Malaysian Institute of Management. He is an Associate Member of the Institute and was awarded the Bank Negara Gold Medal Winner in 1997 for his academic achievements at the Malaysian Institute of Management. In addition, he held a Basic License without Type Rating — Aeroplanes 2 and Jet Turbo Engines from the Malaysian Department of Civil Aviation and United Kingdom Civil Aviation Authority in 1986 and 1984 respectively.

He does not hold any directorships in other public companies or listed companies.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

LEADERSHIP

**Dato' Sok One
A/L Esen**

Nationality:
Malaysian

Age:
64

Gender:
Male

**BOARD OF
DIRECTORS'
PROFILE
(Cont'd)**

**Independent
Non-Executive
Director**



**Date of Appointment as Director
of MMAG Holdings Berhad:**
12 April 2021

**Length of Service as Independent
Non-Executive Director:**
1 year and 3 months

**Attendance at Board Meeting
during the year:**
Attended 4 of 5 meetings

Dato' Sok One A/L Esen started his career as an investigation officer in the Anti-Corruption Agency which is now known as the Malaysian Anti-Corruption Commission ("MACC") in 1981, serving in various capacities and states including Perak, Kelantan and Sarawak.

He was transferred to the Kuala Lumpur Headquarters in 2005 and took on leading roles in the investigation division including Deputy Director of Intelligence Division, Deputy Director of Special Operations Division and Director of MACC in Negeri Sembilan.

Dato' Sok One led numerous investigations and special operations to curb bribery and corruption in both public and private sectors before retiring from the MACC as the Deputy Director of Special Operations with the rank of Deputy Commissioner in 2018.

In his 37-year career with the MACC, Dato' Sok One has worked closely with Independent Commission Against Corruption of Hong Kong ("ICAC"), National Anti-Corruption Commission Thailand ("NACC"), Corrupt Practice Investigation Bureau of Singapore

("CPIB") and KAPIKA Indonesia in financial and money laundering investigation. He was also the pioneer of Anti-Money Laundering Act investigation in MACC and was assigned to Thailand, Sri Lanka, Czech Republic and the United States of America for training.

In recognition of his service to the nation, he was conferred with the honour of Darjah Indera Mahkota Pahang ("DIMP") from the Sultan of Pahang which carries the title of Dato' in 2015. He is now one of the directors of a security company known as Special Skills Security Services Sdn. Bhd. which provides various professional and protective security services. As the director, he is responsible for overseeing the operations and business development of the company.

Dato' Sok One holds a Degree in Social Science from the University Science of Malaysia ("USM") and Degree in Jurisprudence from the University of Malaya ("UM").

He also sits on the Board of Directors of Fitters Diversified Berhad as an Independent Non-Executive Chairman.

Notes:

Other Information

- None of the Directors have any directorship with any public or listed companies, except for Mr. Chong Koon Meng, Mr. Kenny Khoo Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.



Chan Swee Ying

**Non-Independent
Non-Executive
Director**

**BOARD OF
DIRECTORS'
PROFILE
(Cont'd)**

Nationality:
Malaysian

Age:
50

Gender:
Female

**Date of Appointment as Director
of MMAG Holdings Berhad:**
29 November 2017

**Length of Service as Non-Independent
Non-Executive Director:**
4 years and 8 months

**Attendance at Board Meeting
during the year:**
Attended 5 of 5 meetings

Chan Swee Ying joined MMAG in November 2017, bringing with her more than 20 years of working experience and a strong background in the Information Technology ("IT") industry. She started her career with Oracle Malaysia in 1996 before moving on to DHL Asia Pacific IT department in year 2015 managing both local and regional projects.

She is also well experienced in the Human Resources field, having assumed the role of General Manager from 2010 to 2015 at an ICT group of companies. She also assisted in

developing business plans to secure financial support from the banking institutions for the company's growth.

Madam Chan holds a Degree in Computer Science from University Putra Malaysia ("UPM").

She also sits on the Board of Directors of Vortex Consolidated Berhad as an Executive Director.

Madam Chan holds 271,624,800 ordinary shares in the Company as at the date of this report.

Notes:

Other Information

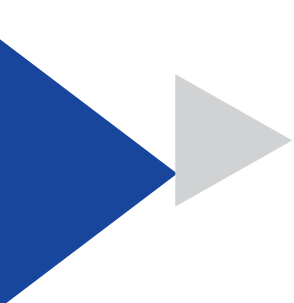
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- None of the Directors have any family relationship with any Directors/or major shareholders of the Company.

Conflict of Interest

- None of the Directors have any conflict of interest with the Company.

Conviction for Offences

- None of the Directors have been convicted of any offences within the past 5 years other than traffic offences, if any.
- None of the Directors have any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

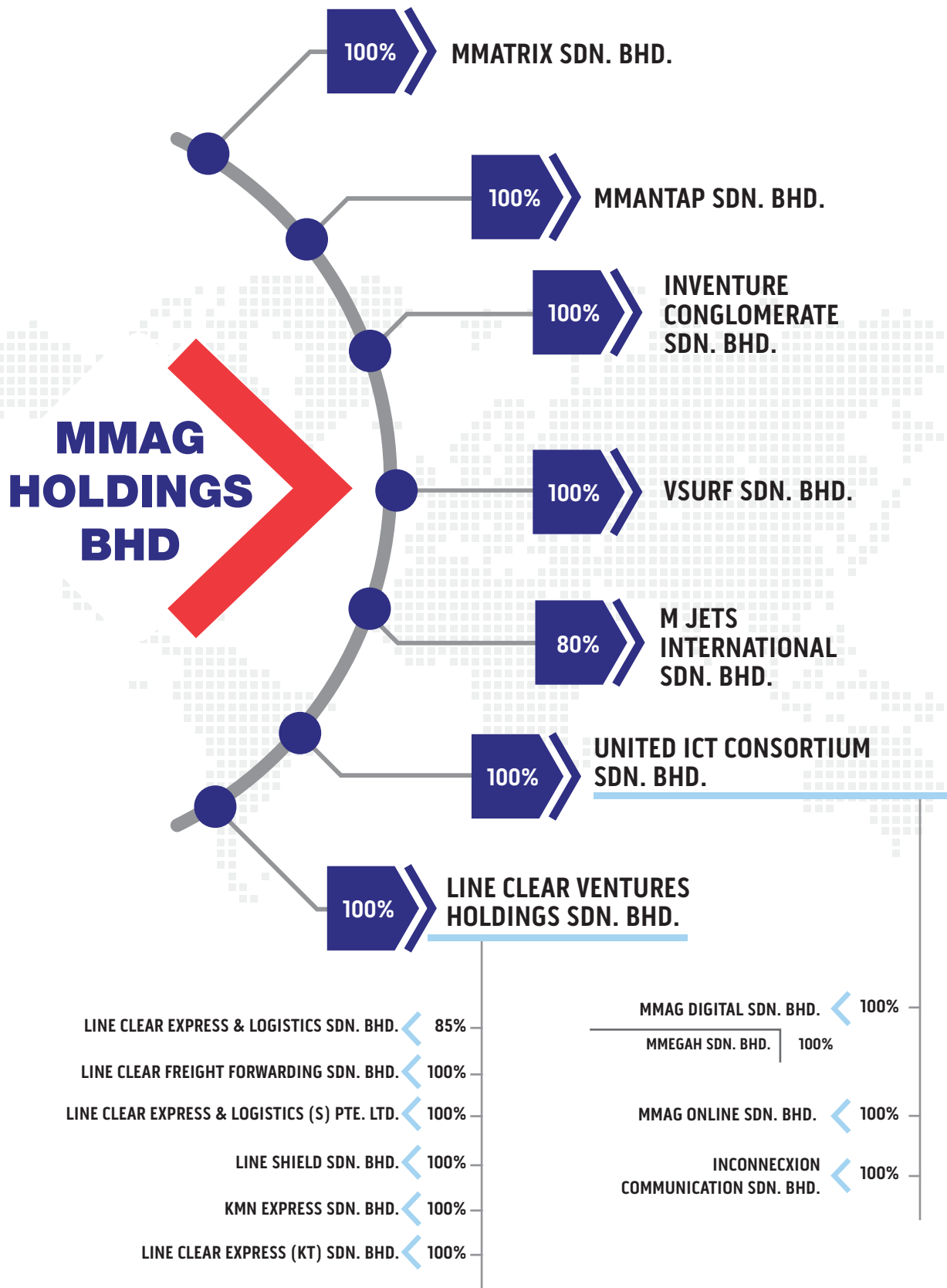


KEY SENIOR MANAGEMENT PERSONNEL'S PROFILE

The Key Senior Management Personnel are as follows:-

1. **Chong Koon Meng (Jeff)**
Executive Director
2. **Kenny Khoo Chuan Wah**
Executive Director

The profile of the key senior management personnel are outlined in their respective profile on pages 7 and 8.



Technology And Sustainability



MMAG has set its sights on adopting tomorrow's technology to revolutionise the supply chain and meet its Environmental, Social and Governance ("ESG") goals.

The Company aims to tap on the huge potential of EVs to drive the nation's logistics industry forward by helping industry players to embrace advanced technologies and adopt zero-emission commercial electric vehicles ("EVs"). This will be implemented in phases.

MMAG's subsidiary, Line Clear Express & Logistics Sdn. Bhd., a logistics and courier company is one of the industry players that will be upgrading its fleet with these EVs to deliver parcels in metropolitan areas such as Klang Valley, Johor Bahru and Penang.

More EVs are coming into the market every year. Advancements in technology have increased battery life and decreased cost. Changing a company's fleet to EVs is one of the most accessible and measurable ways for organisations to achieve their ESG goals over the next 10 to 20 years.

Sustainability is a key business consideration worldwide as it is critical to our future. Organisations have to be forward-thinking and proactive with their ESG plans. The switch to renewable energy is one of the major moves many global organisations are making.

State-Of-The-Art Sorting Solutions

MMAG is further investing RM12 million in a state-of-the-art conveyor belt that can sort between 5,000 and 7,000 parcels per minute. This will be installed at the new Line Clear Express Central Sorting Station in Bukit Beruntung which will serve Line Clear Express's expanding network of 16 Hubs, 30 Depots and 106 Stations across the country.

This fully automated Central Sorting Station is equipped with a double layer conveyor system and scanning capability to increase efficiency and the speed of delivery.



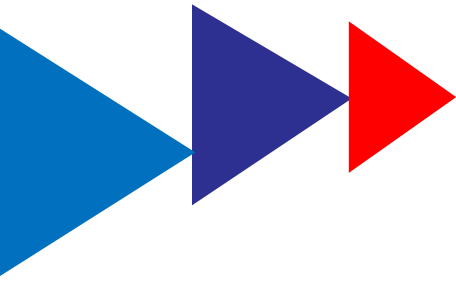
One-Stop Integrated MegaHub At Strategic Ports And Entry Points

MMAG plans to build several MegaHubs to address connectivity issues at strategic ports and entry points.

These MegaHubs will aggregate and optimise the use of truck capacity to streamline delivery to and from ports and entry points. They will reduce congestion, cost and time by offering one-stop integrated logistics solutions that include warehousing, picking and packing, freight forwarding and last-mile delivery.

MMAG's MegaHubs will help position Malaysia as the regional cargo gateway for ASEAN.





Together For Success

We are bigger than me.

We are better and stronger together.

We look out for each other.

We support one another.

We are there to lend a hand when
one of us falters.

No one can do it all by himself.

None of us is better than all of us.

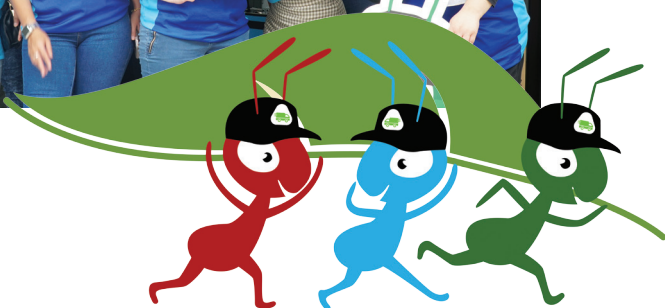
Teamwork beats working alone.

When we work together, we grow together.

Business is all about teamwork.

MMAG is built on teamwork
and togetherness.

This is our culture for success.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman

Chairman
Independent Non-Executive Director

YM Tengku Farith Rithauddeen

Deputy Chairman
Independent Non-Executive Director

Chong Koon Meng (Jeff)

Executive Director

Kenny Khaw Chuan Wah

Executive Director

Yeap Say Woi

Independent Non-Executive Director

Hwang Siew Chien

Independent Non-Executive Director

Woo Kam Weng

Independent Non-Executive Director

Dato' Sok One A/L Esen

Independent Non-Executive Director

Chan Swee Ying

Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

Yeap Say Woi

Member

Hwang Siew Chien

YM Tengku Farith Rithauddeen

REMUNERATION COMMITTEE

Chairperson

Hwang Siew Chien

Member

Yeap Say Woi

YM Tengku Farith Rithauddeen

NOMINATION COMMITTEE

Chairman

YM Tengku Farith Rithauddeen

Member

Yeap Say Woi

Hwang Siew Chien

COMPANY SECRETARY

Lim Seck Wah
(MAICSA 0799845)
(SSM PC No. 202008000054)

PRINCIPAL PLACE OF BUSINESS

No. 3, Jalan TP2
Taman Perindustrian UEP
Subang Jaya
47600 Subang Jaya
Selangor Darul Ehsan

T + (603) 7890 3535
F + (603) 8011 7697
E info@mmag.com.my
W www.mmag.com.my

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Peter Ling & Van Geyzel
Advocates & Solicitors
B-19-4, Tower B
Northpoint Office Suite
Mid Valley City
No. 1 Medan Syed Putra Utara
59200 Kuala Lumpur
T + (603) 2282 3080
F + (603) 2201 9880
E general@plvg.my

AUDITORS

Grant Thornton Malaysia PLT
(201906003682 & AF 0737)
(Member Firm of Grant Thornton International Ltd.)
Chartered Accountants
Level 11, Sheraton Imperial Court
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50250 Kuala Lumpur Malaysia
T + (603) 2692 4022
F + (603) 2732 5119
W www.grantthornton.com.my

BANKER

Ambank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Amanah Malaysia Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Berhad

REGISTERED OFFICE AND SHARE REGISTRAR

Mega Corporate Services Sdn. Bhd.
[198901010682 (187984-H)]
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
T + (603) 2692 4271
F + (603) 2732 5388
E info@megacorp.com.my
W www.megacorp.com.my

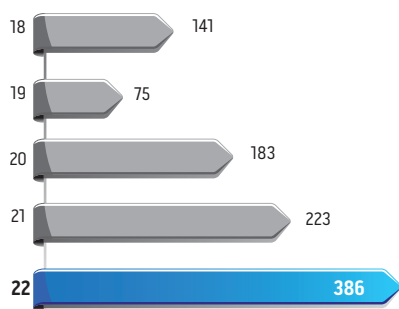
STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock name : MMAG
Stock code : 0034

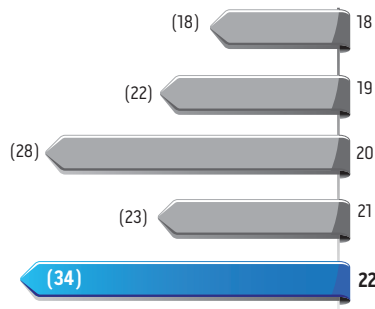
5-YEAR FINANCIAL HIGHLIGHTS

		2018	2019	2020	2021	2022
Results Of Operation						
Revenue	RM'000	141,184	75,094	182,541	222,795	385,878
LBITDA/PBITDA ((Loss)/Profit Before Interest, Taxes, Depreciation and Amortisation)	RM'000	(6,092)	(18,649)	(16,512)	(6,876)	5,592
Loss Before Taxation	RM'000	(17,697)	(22,283)	(28,072)	(22,904)	(33,654)
Loss After Taxation	RM'000	(17,703)	(22,286)	(28,075)	(23,048)	(32,258)
Net Loss Attributable To Equity Holders	RM'000	(18,021)	(22,176)	(27,880)	(23,096)	(22,654)
Financial Position						
Total Assets	RM'000	140,601	165,320	163,398	306,040	803,242
Total Borrowings	RM'000	9,940	18,919	36,222	48,731	316,071
Shareholders' Equity	RM'000	109,628	121,999	100,765	219,076	376,252
Financial Indicators						
Return On Equity	%	(16.4)	(18.2)	(27.7)	(10.5)	(6.0)
Return On Total Assets	%	(12.8)	(13.4)	(17.1)	(7.5)	(2.8)
Gearing Ratio	times	11.0	6.4	2.8	4.5	1.2
Interest Cover	times	(25.8)	(24.6)	(10.9)	(8.1)	(3.8)
Basic Loss Per Share	sen	(5.46)	(3.89)	(3.96)	(2.31)	(1.82)
Net Assets Per Share	sen	33.23	21.48	14.31	22.56	30.38
Share Price As At The Financial Year End	sen	17.00	22.50	19.50	28.00	7.00

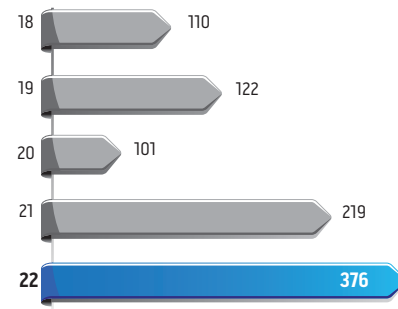
**Revenue
(RM'million)**



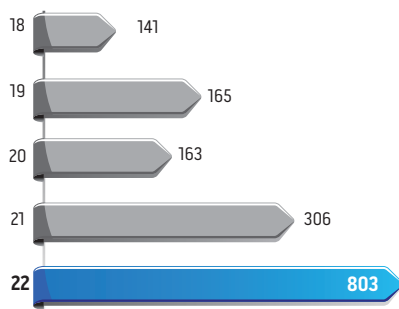
**Loss Before Taxation
(RM'million)**



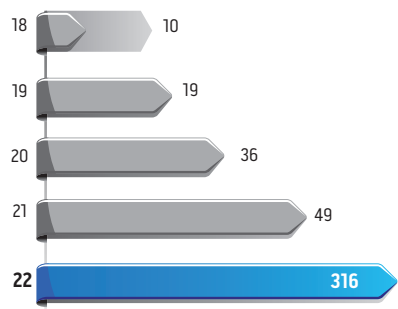
**Shareholders' Equity
(RM'million)**



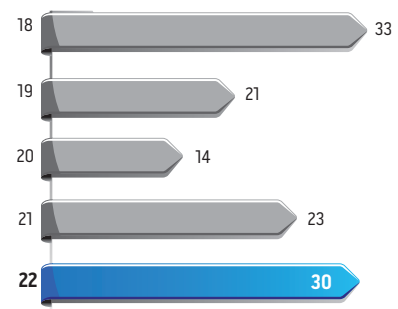
**Total Assets
(RM'million)**



**Total Borrowings
(RM'million)**



**Net Assets Per Share
(sen)**





MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF BUSINESS OPERATIONS

MMAG Holdings Berhad ("MMAG" or the "Company") and its subsidiaries (the "Group") is driven by a vision to lead the supply chain management business in Malaysia. The Company always adopt the state-of-the-art technology solutions and also to encourage entrepreneurship participation to achieve collaborative breakthroughs as the Company believe the sum of partnership is greater than working alone.

MMAG provides a full suite of supply chain management services comprehending the handling of the flow of goods and services from the manufacturing products to the consumption by the consumers, the Group covers all three phases of the logistics ecosystem – the first mile, mid mile and last mile. The Company continues to invest in the business and during the pandemic period, the Company continue to strengthen the infrastructure and networks by expanding its connectivity points and fleet of vehicles.

Line Clear Express & Logistics Sdn. Bhd. ("Line Clear") is the courier and logistics arm of the Group, has expanded its network by boosting further the footprints in the secondary towns such as Temerloh, Teluk Intan, Ayer Itam, Sitiawan, Sungai Petani, Yong Peng, Tangkak, Mersing and Gua Musang to better connectivity across the country. Size does matter, not only in term of number of branches but also the size of each depot. The

company has set the size requirement of each depot to be 5,000 square feet and above in order to cater for multiple products management and warehousing.

Line Clear is a customer centric organisation and all the products that have been developed cater for different customer groups and segments. It ranges from normal delivery to delivery guaranteed services and also from flyers to boxes. In addition, the company customised specific products such as "FreshBox" for farmers/traders, "Jumbo" for manufacturers, "Connect" for IT and telecommunication companies and "Premium" for time sensitive products. The company will continue to develop more products for different customer needs and requirement.

MMAG's subsidiary, M Jets International Sdn. Bhd. ("MJets"), that operates mid mile cargo businesses have designed multiple products and routes to cater for different customer needs. Aside from delivering goods/parcels from KLIA to Kuching and Kota Kinabalu on scheduled flights arrangement and the company also cater for chartered flights model within Malaysia and ASIAN. The mid mile cargo businesses are growing progressively and in-line with Malaysian government aspirations in turning the KLIA to be the cargo gateway for ASEAN.

ANALYSIS OF FINANCIAL RESULTS

The Group recorded revenue of RM385.88 million for the financial year ended 31 March 2022 ("FYE 2022") as compared to RM222.79 million in the previous financial year ended 31 March 2021 ("FYE 2021") which represents an increase of RM163.09 million (73.20%). The surge in revenue mainly contributed by Mobile & Fulfilment division which arising from the high demand for ICT products due to the COVID-19 pandemic which has sped up the shift towards digitalisation. Additionally, Courier & Logistics Services division also contributed to the growth of revenue due to increase in e-commerce transactions which led to higher demand for courier and logistics services. Moreover, MJets commenced its air cargo logistics business in June 2021 and had contributed a revenue of RM53.14 million from its air cargo services.

The Group recorded a loss before tax ("LBT") of RM33.65 million for FYE 2022 as compared to LBT of RM22.90 million in FYE 2021. The increase of LBT was mainly due to costs incurred by the logistics business for the expansion of network, trucks and people resources in order to keeping up with the expansion plan throughout Peninsular Malaysia and start-up costs incurred by the air cargo logistics business such as relocation costs of MJets' corporate office, purchase of cargo management system and fuel costs.

RESULTS OF OPERATIONS

Revenues are generated through the respective divisions as follows:-

	FYE 2022 Revenue RM'000	FYE 2021 Revenue RM'000
Mobile & Fulfilment	269,053	180,372
Courier & Logistics Services	63,448	42,377
Air Freight	53,142	—

The Mobile & Fulfilment division is the largest division of revenue representing 69.72% of the Group's revenue in 2022 (2021: 80.96%). This division is mainly driven by the mobile devices distribution and services rendered as telecommunication operators' value adding partner. Mobile & Fulfilment division recorded a profit before taxation ("PBT") of RM6.95 million (2021: RM3.23 million) for FYE 2022. On top on the upsurge in revenue, the improvement of PBT for current financial year also attributed to the rationalisation measures taken continuously since previous financial years on certain business operations and improvement in operational efficiency have contributed in reduction of administrative and operating expenses for FYE 2022.

RESULTS OF OPERATIONS (CONT'D)

Courier & Logistics Services division contributed 16.44% to the Group's revenue (2021: 19.02%). This division's revenue is mainly derived from but not limited to pick-up documents, parcels and freight from senders' premises, transportation and subsequent delivery to recipients' premises, warehousing and fulfilment services, E-commerce customised services and special/security handling delivery via air, sea and land freight. The booming growth of e-commerce industry since the COVID-19 pandemic had boosted the improvement of the logistics business. Logistics Services division recorded a LBT of RM47.80 million (2021: RM34.30 million). The increase of LBT was mainly due to higher operation expenses incurred for the expansion of new hubs/depot/stations, purchased of trucks and recruitment of additional workforces in line with the expansion of logistics business activities throughout Peninsular Malaysia during the financial year under review.

Upon completion of the acquisition of MJets during the current financial year, Air Freight division is the new income stream for the Group and contributed 13.77% to the Group's revenue. This division is providing cargo freighter business by supplying air cargo space to transport goods for businesses and governments, by utilising its own scheduled wide-body and containerised air cargo.

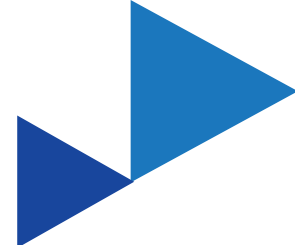
ASSETS AND LIABILITIES

The Group's total assets have increased from RM306.04 million in FYE 2021 to RM803.24 million in FYE 2022. The upsurge was mainly attributed to the increase in right-of-use assets from Air Freight division; goodwill on consolidation derived from the acquisition of MJets; new investment in quoted equity securities as well as the fair value gain recognised on quoted equity securities.

The Group's total liabilities for FYE 2022 increased to RM425.44 million as compared with RM80.64 million in FYE 2021, the increase mainly due to the leasing of aircrafts, warehouse and office space for Air Freight division, which led to the increase in lease liabilities. Additionally, increase in short term borrowings, trade and other payables also being the reason for the upsurge.

CASH FLOW

For the FYE 2022, the Group's net cash flows status recorded a net cash inflow of RM0.53 million as compared to a net cash inflow of RM15.79 million for the FYE 2021. The lower surplus of cash flows was mainly due to the acquisition of MJets, new investment in quoted equity securities and purchase of property, plant and equipment in relation to the expansion of logistics business.



PROSPECTS AND OUTLOOK

The Malaysian freight and logistics market (henceforth, referred to as the market studied) was valued at USD37.60 billion in 2020, and it is expected to reach more than USD55 billion by 2026 at a CAGR of more than 4% during the forecast period. The logistics industry in Malaysia will continue to evolve which supported by strong growth enablers such as better logistics infrastructure, growing freight volumes and a structural growth in eCommerce businesses.

Moving forward, MMAG will further expand our presence in East Malaysia – Sabah and Sarawak, by connecting all the dots in primary and secondary towns and also to develop more warehouses anticipating an influx of ecommerce shipment into this region and also bridging the connectivity between West Malaysia and East Malaysia.

The Company will also actively cultivate or recruit medium to large accounts customers within identified verticals by providing system integration facilities to ensure customers are able to track and trace their parcels at their fingertips. In driving the customer growth, the Company will also expanding into electric & electrical and furniture sectors that form the bulky shipments category.

Going beyond Malaysia, MMAG is also interested to penetrate into China domestic market via MJets by providing air cargo services within China. This is a definite leading business as the population size in selected cities in China is sizable.

The Company will continue to pursue its business in courier, mid mile, air cargo and sea freight businesses by leveraging on technology in complementing each other, leveraging on technology to achieve seamless experience for potential higher margins and revenue growth.

ANTICIPATED OR KNOWN RISKS

The Group's businesses are generally exposed to credit risk, foreign exchange risk, market price risk and competition risks.

Global Pandemic

This unprecedented worldwide outbreak of COVID-19 has caused significant changes in business practices. The Group proactively manage the impact to business and operations arising from COVID-19 pandemic. Safety and health measures implemented, including work-from-home and split team arrangements, maintaining standard operating procedures, sanitisation of offices and warehouses, swab tests for employees, mandatory usage of face masks within the organisation and placing sanitisers in common areas. The Group will continue to adapt to the "new norm" and emphasise safe working conditions for all staff to minimise the exposure.

In order to accelerate the immunisation of the employees and minimise the risk of contracting the COVID-19 virus, the Group encouraged its employees and all other personnel to get vaccinated. As part of the initiatives to support Malaysia Government's COVID-19 National Immunisation Programme, MMAG had offered free vaccination to all the employees and their spouses and had achieved 100% of vaccination rate among the workforce at the end of 2021.

Credit Risk

The uncertain global and modest domestic economies potentially post a challenge to the Group's credit risk in relation to longer collection periods and potentially lead to loss arising from irrecoverable trade receivables. The Group seeks to limit this credit risk through prudent management policies, continuous review and evaluation of the credit status of trade receivables and working closely with the Group's partners.

Foreign Exchange Risk

The Group's Mobile & Fulfilment division and Air Freight division source supplies from overseas suppliers which denominated in USD and this exposes the Group to foreign exchange risk. The measure taken by the Group to mitigate foreign exchange risk is to hedge the transaction amount. By way of hedging, this will minimise the Group's exposure to fluctuation in the foreign exchange rates.

The Group is also exposed to currency translation risk arising from its net investment in a foreign subsidiary, which is in Singapore. This investment is not hedged as currency position in SGD is considered to be long-term in nature.

ANTICIPATED OR KNOWN RISKS (CONT'D)

Market Price Risk

The Group is exposed to market price risk from its investment in quoted equity securities. Market price risk arising from the fluctuation in the fair value or future cash flows of the financial instrument due to changes in market price.

The Group monitors the investments on a portfolio basis while material investments within the portfolio are managed on an individual basis.

Competition Risk

The Mobile & Fulfilment and Courier & Logistics Services industry are highly competitive. The Group is competing with other well-established market players for more business and market share.

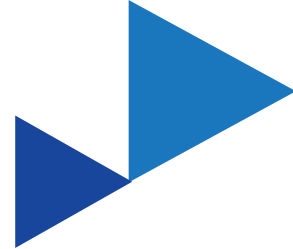
The Group believes that its ability to compete depends upon many factors both within and outside its control, including products and service differentiation, product distribution channels, customer service sales, pricing and marketing efforts.

However, there can be no assurance by adopting the above measures, the Group will be able to response to changing market conditions or to maintain its competitiveness against current and future competition.

Dividend

No dividends have been paid by the Company for the current financial year. Payment of any future dividends is subject to the Company's level of cash, indebtedness, retained earnings, capital expenditure and such other matters as the Board may deem relevant from time to time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



The Corporate Governance Overview Statement in essence highlights the Group's and the Company's commitment towards adopting, upholding and complying with the best practices as set out in the Malaysian Code on Corporate Governance ("MCCG or "the Code") and with its disclosures pursuant to the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements ("AMLR").

The Board of Directors ("the Board") of the Company affirms its commitment in adopting and maintaining a high standard of accountability, responsibility and transparency in the Group's daily business operations and affairs. The Board Committees ensure that the best practices and principles set out in MCCG are adhered to, where possible, towards building and enhancing long term shareholders' relationship and values.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Boards Leadership

- 1.1 The Group is led by an experience and effective Board. All Board members uphold independent judgement to review and deliberate issues of strategy, performance, resources and standards of conduct.

The Board is responsible for the stewardship of the business and affairs of the Group and collectively responsible for delivery of sustainable value to its shareholders. In discharging its fiduciary duties and leadership functions, the Board has governed and set the strategic direction of the Group while exercising oversight on management. The Board ensured that it had set the appropriate tone from the top, providing clear leadership and championing good governance and ethical practices throughout the Group.

Sustainability

The Board regularly reviews the strategic direction of the Group and the progress of the Group's operations, taking into changes in the business and political environment and risk factors such as level of competition.

The Group has expanded and diversified its business activities to logistics and delivery business to tap on the blooming business in online trading.

Directors' Time Commitment

The Directors observe the recommendation of the Code that they are required to notify the Chairman before accepting any new directorship and to indicate the time expected to be spent on the new appointment.

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively, they must not hold directorships for more than five public listed companies and must be able to commit sufficient time to the Company.

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.0 Boards Leadership (Cont'd)

Board Meetings

The Board met five (5) times during the financial year ended 31 March 2022. The attendance of the Board members at the meetings are as follows:-

Board of Directors	No. of meetings attended
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman (Appointed on 7 February 2022)	1/1
YM Tengku Farith Rithauddeen	5/5
Chong Koon Meng	5/5
Kenny Khaw Chuan Wah	5/5
Yeap Say Woi	5/5
Hwang Siew Chien	5/5
Woo Kam Weng	5/5
Dato' Sok One A/L Esen	4/5
Chan Swee Ying	5/5

Directors' Training

In addition to the mandatory programmes as required by Bursa Malaysia Securities Berhad ("Bursa Securities") for newly appointed Director and in line with the constant changes in rules and regulations, information technology and business environment, all Directors are encouraged to attend continuous training conducted by highly competent professionals and which are relevant to the Group's operations and businesses.

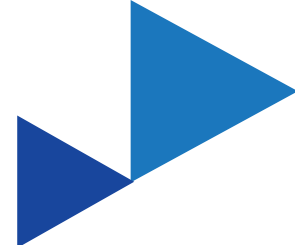
During the financial year, members of the Board have attended training programmes as follows:-

Name of Director	Training Programmes
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	▪ Note 1
YM Tengku Farith Rithauddeen	▪ Post-Budget 2022: Towards Recovery?
Chong Koon Meng	▪ The Unorthodox Sales Personnel
Kenny Khaw Chuan Wah	▪ Post-Budget 2022: Towards Recovery?
Yeap Say Woi	▪ Essentials on Corporate Reporting and Assurance
Hwang Siew Chien	▪ Budget 2022 - Tax Highlights
Woo Kam Weng	▪ Levelling Up the Logistics Strategy for SMEs in Malaysia ▪ Air Transport Decarbonisation
Dato' Sok One A/L Esen	▪ Post-Budget 2022: Towards Recovery?
Chan Swee Ying	▪ Budget 2022 - Tax Highlights

Note:

All the Directors have attended the MAP prescribed by Bursa Securities.

(1) Appointed on 7 February 2022 and attended the MAP subsequent to the financial year ended 31 March 2022



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.0 Boards Leadership (Cont'd)

Directors' Training (Cont'd)

To enable the Board to discharge their responsibilities in meeting the goals and objectives of the Company, the Board has, among others,

- (a) reviewed, challenged and deliberated on management's proposal for the Group and monitor its implementation by Key Senior Management;
- (b) monitored and regular reviewed the strategic direction of the Group and the progress of the Group's operations, taking into changes in the business and political environment, risk factors such as level of competition and to determine the business being properly managed and supports long term value creation;
- (c) ensured there is a sound framework for internal controls and risk management;
- (d) ensured that Key Senior Management has the necessary skills and experience and measures in place to ensure orderly succession planning within the Group;
- (e) ensured the integrity of the financial and non-financial reporting of the Group; and
- (f) ensured that the Company's financial statements are true and fair and conform to the relevant standards, rules and regulations.

1.2 Chairman of the Board

The Chairman responsibilities include:-

- (a) provided overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;
- (b) chaired meetings of the Board in such a manner that will stimulate debate on the issues before the Board and encourage the most effective contribution from each Director. The Chairman should ensure that the agenda and all necessary background paper are given to Directors in sufficient time to able the papers to be adequately considered before the meeting;
- (c) reviewed the minutes of meetings of the Board before meeting, to ensure they accurately reflect the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
- (d) monitored Board performance as a whole;
- (e) ensured membership of the Board is appropriately skilled to meet the needs of the Company;
- (f) assisted in Board discussions to address the key issues facing the Company;
- (g) initiated the establishment of Board Committees and ensuring that they achieve their objectives;
- (h) guided and promoted the ongoing efficacy and development of the Board and its individual Directors; and
- (i) fastened high corporate governance.

- 1.3 The positions of the Chairman and Chief Executive Director ("CEO") will be held by two different individuals. The Chairman is responsible for the achievement of the Group's strategic vision and also for leading the Board in its collective oversight of management while the CEO focuses on the business and day-to-day management of the Group and the implementation of the Board's decisions. The distinct and separate roles of the Chairman and CEO; with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

1.4 Company Secretary

The Board is supported by a Company Secretary with over 30 years' corporate secretarial practice. She is fellow member of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

The Company Secretary is responsible for ensuring the Board procedures are followed and the applicable rules and regulations for the conduct of the affairs at the Board are complied with. The Company Secretary advises the Board on issues relating to the Company's Constitution, corporate governance best practices, and compliance with laws, rules and regulatory requirements.

The Company Secretary is to organise, attend and ensure that all Board meetings are properly convened, and that important issues of deliberation were accurately recorded in the minutes. Records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

1.0 Boards Leadership (Cont'd)

- 1.5 The Board meeting materials are circulated to Directors at least one week prior to each Board meeting to enable Board members to facilitate informed and timely decision making. All Board members reviewed and confirmed the minutes of the meetings to ensure they accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberate on a particular matter.

Board members have full access to the Management and Company Secretary at all times. Management personnel are invited to attend Board meetings and the Board may consult with other employees of the Group and seek additional information, where necessary. Likewise, the Directors also have access to independent professional advice whenever such services are required to assist them in carrying out their duties at the Company's expense.

2.0 Demarcation of Responsibilities of the Board, Board Committees and Management

- 2.1 The Board is guided by the Board Charter, which set out amongst the responsibilities, authorities, procedures, evaluation and structures of the Board and Board Committees as well as the relationship between the Board with its management and shareholders.

The Board Charter was last reviewed on 25 July 2022 and updated on the Company's website at www.mmag.com.my. Notwithstanding that the Board Charter is subject to periodic review to ensure their relevance and compliance.

The Board has delegated specific responsibilities to the following Board Committees and adopted Terms of References ("TORs") setting out the matters relevant to the composition, responsibilities and administration of these Committees:-

- (a) Audit Committee
- (b) Nomination Committee
- (c) Remuneration Committee

The Board receives reports of the proceedings and deliberations of the Board Committees where the Chairman of the Board Committees report to the Board on the key issues deliberated and the outcome of the Board Committee meetings. Minutes of the Board Committees meetings are presented to the Board for notation and endorsement. The TORs of the Board Committees are reviews as and when the need arises. The TORs are published on the Company's website at www.mmag.com.my together with the Board Charter.

Nomination Committee ("NC")

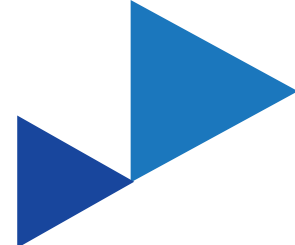
The NC is responsible for ensuring that the Board has the appropriate balance composition and size, the required skills mix, experience, and other core competencies; and is also responsible for considering and recommending new member to the Board. The final decision on the appointment of a candidate recommended by NC rests with the whole Board.

The existing NC comprises three (3) members, all of them are Independent Non-Executive Directors:-

Chairman:	YM Tengku Farith Rithauddeen	(Independent Non-Executive Director)
Members:	Yeap Say Woi	(Independent Non-Executive Director)
	Hwang Siew Chien	(Independent Non-Executive Director)

Whenever there may be vacancy in the Board, be it for replacement or new creation, the NC will source it through their peers, networking and get the recommendation from the management. NC will also utilise independent sources to identify suitably qualified candidates.

The NC assesses the shortlisted candidate for his/her suitability before formally considering and recommending them to the Board and where applicable, to the Committee.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

2.0 Demarcation of Responsibilities of the Board, Board Committees and Management (Cont'd)

The Company has adopted a Directors' Fit and Proper Policy. In reviewing and recommending to the Board any new Director appointment, the NC considers the followings and will not be limited to the Directors' Fit and Proper Policy:-

- (i) Candidate independence for Independent Non-Executive Director;
- (ii) Candidate's age, knowledge and skills, experiences, integrity, professionalism and other relevant factors as may be determined by the NC which would contribute to the Board's collective skills;
- (iii) Ability to fulfil time commitment in particular for Independent Non-Executive Director; and
- (iv) The composition requirements for the Board and Committee.

The NC met three (3) times during the financial year and all Committee members attended the meeting. During the year, NC conducted assessment on the effectiveness of the Board, its committees and the contribution of each Director.

The NC ensures that all appointments of new Directors to the Board are proper and in compliance with the rules of the relevant authorities. Any appointment of additional Director will be made as and when it is deemed necessary by the existing Board with due consideration given to the mix skills, expertise and experience in the respective industry required regardless of gender diversity for an effective Board.

3.0 Good Business Conduct and Healthy Corporate Culture

- 3.1 The Directors are expected to conduct themselves with the highest ethical standards by setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Group. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Group. The Company has adopted the Code of Conduct and Ethics, which can be viewed on the Company's website www.mmag.com.my.

- 3.2 The Company's Whistleblowing Policy encourages its employees to raise genuine concerns about positive improprieties in matters of compliance, suspected violations of the Code of Conduct and Ethics and to disclose any improper conduct or other malpractices within the Group.

The Policy is to provide communication channels for employees of the Group and agents, suppliers, consumers and related third party to raise concerns about the improper conduct within the Group and to offer protection for such persons (including the employees of the Group) who can report such allegations in person to its Human Resource Manager ("HRM") and Executive Director ("ED") or in writing to ED and the Chairman.

The Whistleblowing Policy is published on the Company's website www.mmag.com.my.

The Board Charter, Code of Conduct and Ethics and Whistleblowing Policy were received and updated on 25 July 2022.

- 3.3 Anti-Bribery and Anti-Corruption Policy

The Board has adopted the Anti-Bribery and Anti-Corruption Policy across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020.

The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption, and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every director, employee and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

4.0 Board's Objectivity

- 4.1 The Board currently comprises two (2) Executive Directors, six (6) Independent Non-Executive Directors and one (1) Non-independent Non-Executive Director. Exceed of two-third of the Board of Directors are Independent Directors. In the event of any vacancy in the Board of Directors resulting in non-compliance with Rule 15.02(1) of AMLR, the Company will fill the vacancy within three (3) months.

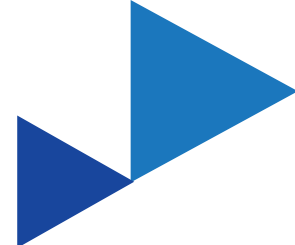
The Board is of the view that having majority of Non-Executive Directors who by virtue of their non-executive status do not involve in the day-to-day management of the Group's businesses, this may provide an effective check and balance in the functioning of the Board.

- 4.2 None of the independent directors is currently serving beyond nine (9) years. However, if the Board intends to retain an independent director who has served beyond nine (9) years, the Board justify and to seek for annual shareholders' approval.
- 4.3 The Board has not adopted a policy which limits the tenure of its independent directors to nine (9) years.
- 4.4 The Board is judicious of the gender diversity recommendation by MCCG in order to bring a variety of diverse opinions, prospective, skills, experiences, backgrounds and orientations to its discussions and its decision-making processes and constructive debates at Key Senior Management level.

The Group gives equal opportunity to all employees. The appointment of Board members and employees are based on objective criteria, merit, experience and credibility on a continuing basis and, may not limit to gender, age, ethnicity and culture background.

The Board views that the workplace and Board diversity is important to facilitate the decision-making process by harnessing different insights and perspectives.

- 4.5 During the financial year ended 31 March 2022, the following were noted:-
- (a) Dato' Sok One A/L Esen was appointed as Independent Non-Executive Director on 12 April 2021;
 - (b) YM Tengku Farith Rithauddeen was redesignated as Deputy Chairman, Independent Non-Executive Director on 8 June 2021;
 - (c) Dato' Mohammad Hamiddan Bin Maryani was appointed as Independent Non-Executive Chairman on 8 June 2021 and resigned on 25 November 2021;
 - (d) Mr. Goh Eugene resigned as Executive Director on 15 June 2021; and
 - (e) Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman was appointed as Independent Non-Executive Chairman on 7 February 2022.
- 4.6 The NC is chaired by YM Tengku Farith Rithauddeen, an Independent Non-Executive Director. The profile of YM Tengku Farith Rithauddeen is presented in the Board of Directors' Profile in this Annual Report.
- 4.7 Pursuant to the Company's Constitution, one-third (1/3) of the Directors, shall retire from office, and provided that all Directors shall retire at least once every three (3) years, but shall be eligible for re-election. Directors who were appointed during the financial year are subject to re-election by shareholders at the next Annual General Meeting held following their appointment.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

5.0 Overall Effectiveness of the Board and Individual Director

Activities carried out by NC during the financial year:-

The members of NC reviewed the mix of skills, experience and competency of the Board composition.

The NC has assessed each individual director, the Board and Board Committee as a whole and the Audit Committee for their performance and the effectiveness. The assessment of individual Directors was through the Director Evaluation Form under the criteria of integrity and ethics, governance, strategic perspective, adding value, judgment and decision-making, teamwork, communication and commitment. The assessment of the Board is based on specific criteria, covering areas such as the Board structure, Board operations, roles and responsibilities of the Board, the Board Committee and the Chairman's role and responsibilities. The respective Director has abstained from evaluating their own performance. The NC appraise the Board performance evaluation and rating is based on the consensus amongst the NC.

6.0 Level and Composition of Remuneration

- 6.1 The Remuneration Committee ("RC") has been entrusted by the Board to determine that the level of remuneration is sufficient to attract and retain Directors of quality required to manage the business of the Group. The RC is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of Executive Directors. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. In all instances, the deliberations are conducted, with the Directors concerned abstaining from discussions on their individual remuneration.
- 6.2 The RC carried out an annual review of the Directors' remunerations packages with regards to each Director's role, responsibilities, and expertise, taking into consideration of the Company's business performance of the Group whereupon recommendations are submitted to the Board for approval. Such annual reviews shall ensure that the remuneration package of the Directors remains sufficiently attractive to attract and retain Directors of such caliber to provide the necessary skills and expertise to drive the Group's long-term objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

7.0 Remuneration of Directors and Key Senior Management

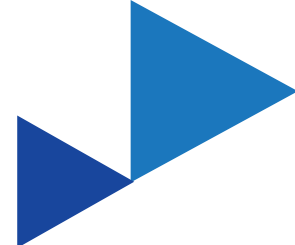
7.1 The Directors' remuneration for the financial year ended 31 March 2022 is as follows:-

Company

Category	Salary, bonus and benefit in-kind (RM)	Directors' Fee (RM)	Allowances (RM)	Total (RM)
Executive Directors:				
Chong Koon Meng	567,152	6,000	12,000	585,152
Kenny Khaw Chuan Wah	337,523	6,000	12,000	355,523
Goh Eugene (resigned on 15.6.2021)	—	1,000	2,000	3,000
Non-Executive Directors:				
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman (appointed on 7 February 2022)	—	17,500	—	17,500
YM Tengku Farith Rithauddeen	—	36,500	—	36,500
Yeap Say Woi	—	6,000	17,000	23,000
Hwang Siew Chien	—	6,000	17,000	23,000
Woo Kam Weng	—	6,000	17,000	23,000
Dato' Sok One A/L Esen (appointed on 12 April 2021)	—	5,750	16,500	22,250
Chan Swee Ying	—	6,000	17,000	23,000
Dato' Mohammad Hamiddan Bin Maryani (appointed on 8 June 2021 and resigned on 25 November 2021)	—	30,000	—	30,000

7.2 Remuneration to Key Senior Management

Details of the remunerations of the Key Senior Management on a named basis for the financial year ended 31 March 2022 are disclosed in page 32 of this annual report.



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1.0 Effective and Independent Audit Committee ("AC")

- 1.1 The AC was established to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board independently in discharging its responsibilities of reviewing and monitoring the Group's financial process, audit process, statutory and regulatory compliance, code of business conduct, and other matters that the Board or the relevant authorities may specially delegate to the AC.

The Chairman of the AC is Mr. Yeap Say Woi, an Independent Non-Executive Director.

- 1.2 The AC conducts an annual assessment to review the suitability, objectivity, capability and independence of the audit firm based on the followings:-

- (i) Independence, objectivity and professional skepticism;
- (ii) Communication and interaction; and
- (iii) Quality of skills, capabilities of audit team and sufficiency of resources.

Based on the results of the evaluation, the AC is satisfied with the performance of the external auditors and thus, recommended to the Board the re-appointment of the external auditors at the forthcoming AGM on 30 August 2022.

Grant Thornton Malaysia PLT has in their report on audit planning memorandum provided written assurance that they are independent throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements.

- 1.3 The AC comprises all Independent Non-Executive Directors and is in compliance with the AMLR.
- 1.4 The members of AC collectively are financially literate and have the necessary skills and experience and able to understand Company's business and matter under the purview of the AC including the financial reporting process. They have continuously applied a critical and probing view on the Company's financial reporting process, transactions and other financial information, and effectively challenged management's assertions on the Company's financials to ensure the Quarterly Report and the Annual Audited Financial Statements give a true and fair view of the Company's financial position.

As stated in the Directors' training of boards leadership on objectives and goals of the Company, all the AC members have undertaken continuous professional development to keep themselves abreast with the latest development and changes to the regulatory requirements and practices to discharge their duties effectively.

- 1.5 None of the AC members is former key audit partner.

- 1.6 Statement of Directors' Responsibility for Preparing Financial Statements

The AC, having better understanding of financial regulations and requirements, is empowered by the Board to review the Group's financial statements to ensure conformance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

The Board is collectively responsible to ensure that the financial statements, the results and cash flows will give a comprehensive and fair view of the Group's financial position at the end of the relevant financial year.

The Directors are responsible for ensuring that proper accounting records are kept with reasonable accuracy, the disclosure of financial position of the Group, and the financial statements are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors also have overall responsibilities for taking such reasonable steps to safeguard the assets of the Group and to take measures to prevent and detect frauds and other irregularities.

The Board believes they have applied all appropriate accounting policies on a consistent and prudent basis, and made reasonable and necessary judgments and estimates to ensure that the financial statements for the financial year ended 31 March 2022 provide a true and fair view of the Company's financial position and affairs.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

2.0 Risk Management and Internal Control

- 2.1 The Risk Management Committee at the Management level ("RMC") is established to assist the Board in identifying the risk registers, assessing the risk profile and risk appetite and managing the risks in areas that are applicable to the Company's business and ensure that the risk management process is in place and functioning effectively to mitigate the risk management.

The RMC comprises two (2) members:-

Chairperson :	Hwang Siew Chien	(Independent Non-Executive Director)
Member:	Kenny Khoo Chuan Wah	(Executive Director) - Risk Manager

The AC may provide an objective view on the effectiveness of the enterprise risk management and internal control framework as a whole to the Board.

- 2.2 An Enterprise Risk Management Framework has been established to provide the overall guidelines and approach to the Group's risk management. The RMC is working closely with all heads of department to ensure the identification of emerging risks resulting from changing business environment and/or initiatives being implemented as well as evaluation of the effectiveness of controls and risk management plans.

Further details on the features of the risk management and internal control framework are disclosed in the Statement on Risk Management and Internal Control of the Annual Report 2022.

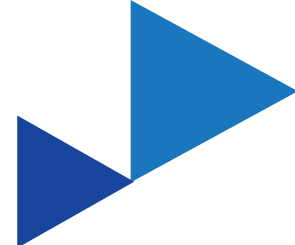
- 2.3 The Risk Manager will meet all the heads of department to collate their feedback and risk concern with the appropriate risk management actions to address the issue.
- 2.4 The Risk Manager will compile the records, after getting feedback from the respective heads of department and the appropriate recommended measures and report to the RMC.
- 2.5 The RMC will report to the Board as their findings and appropriate measures to address in mitigating the risks registered.
- 2.6 The internal auditors will refer to the RMC reports as part of their duties before drafting out the proper internal audit plan for the year.

3.0 Effective Governance, Risk Management and Internal Control Framework

- 3.1 The establishment of the Internal Audit Function provides the Directors and the AC with an independent assessment and appraisal/review of the effectiveness and reliability of the Group's internal controls and information system.

The internal audit function includes the review, assessment and provision of reasonable assurance that the Group's internal controls are functioning as planned and able to highlight all material deviation or findings to the AC immediately. To maintain impartiality and independence, the Internal Auditors report directly to the AC on the overall assessment of the Group's internal control mechanism.

Internal Audit reports were issued to the AC to be tabled at the AC meetings. The reports are also issued to the respective operations management, incorporating audit recommendations and Management response with regards to any audit findings on the weaknesses in the systems and controls of the operations. The Internal Auditors will also follow up with Management on the implementation of the agreed audit recommendations.



PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

3.0 Effective Governance, Risk Management and Internal Control Framework (Cont'd)

- 3.2 The Group outsourced its Internal Audit Function to an independent professional internal audit service provider. The role of the internal audit function, which reports directly to the AC, is to support the AC by providing it with independent and objective reports on the adequacy and effectiveness of the system of the internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the AC and Key Senior Management of the Group.

The Internal Audit adopts a COSO Framework and risk-based approach with focus on effective risk management practices and is guided under the International Professional Practice Framework.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1.0 Effective Communication with Stakeholders

- 1.1 The Board recognises the importance of effective communication with its investors and shareholders as a key component to uphold the principles and best practices of corporate governance for the Group. As such, the need to establish corporate disclosure policies and procedures between the Company and the regulators, shareholders and stakeholders is important to build the trust and understanding between the Company and the stakeholders.

On this basis, the Board exercises close monitoring of all price sensitive information potentially required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner as requested. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as practicable through Bursa Securities, the media and the Company's website.

The Board has authorised the Executive Directors to co-ordinate with the Company Secretary to verify and approve all announcements before releasing to the public.

The following communication channels are mainly used by the Company to disseminate information on a timely basis to the shareholders and the investing public:-

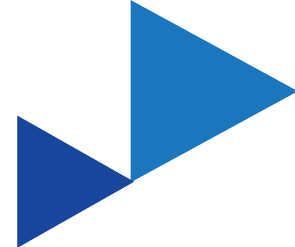
- (a) Group's corporate proposals, quarterly and annual financial results and other required announcements are available on website at www.mmag.com.my and www.bursamalaysia.com;
 - (b) Press release provide up-to-date information on the Group's key corporate initiatives and investments if any; and
 - (c) Annual General Meeting ("AGM") provides a forum to engage with Directors and Key Senior Management to share viewpoints and acquire information on issues relevant to the Group.
- 1.2 The Company is not categorised as large company under the MCGG and has not adopted the integrated reporting based on a globally recognised framework.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

2.0 Conduct of General Meetings

- 2.1 The Notice of AGM is circulated at least 21 days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. All Board members will ensure their attendance in the general meetings and the respective chairmen of the Board Committees, Senior Management and the Group's External Auditors as well as the Company's advisers shall attend to respond to shareholders' questions during the general meetings of the Company as the case may be.
- 2.2 Explanation for each proposed resolution is set out in the notice of general meetings to assist shareholders in making their decisions and exercising their voting rights. In line with Rule 8.31A of the AMLR, all resolutions set out in the notice of general meetings will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meetings. The outcome of the general meetings will then be announced to Bursa Securities on the same meeting day while the summary of key matters, if any, discussed during the general meetings will be posted on the Company's website.
- 2.3 The Company held its general meetings at the time and venue which were convenient and easily accessible to all shareholders. General meetings of the Company remain important avenues for the Board and Management to have better engagement with the shareholders present.
- 2.4 Only shareholders whose names appear in the Record of Depositors as at the date determined are entitled to attend and vote at the General Meetings. Shareholders are encouraged to attend general meetings of the Company. Shareholders who are unable to attend the general meetings are advised that they can appoint proxy(ies) to attend and vote on their behalf.

This Statement is made in accordance with the resolution of the Board dated 25 July 2022.



SUSTAINABILITY STATEMENT

The Board and the Management of MMAG Holdings Berhad ("MMAG" or the "Company") are committed to update the sustainability progress and engage openly with the Company and its subsidiaries (the "Group") stakeholders through transparent sustainability reporting.

In the midst of a challenging business and operating landscape, we realised our strategies towards identifying and managing long-term risks and opportunities, with near-term as well as long-term approaches and strategies. We will focus on building a sustainable and responsible business, which will create value for all our stakeholders. We endeavour to improve the stakeholders' experiences and our strategic response to meet their needs and expectations.

This Sustainability Statement for the financial year ended 31 March 2022 is prepared pursuant to Guidance Note 11 of the ACE Market Listing Requirements ("AMLR") of Bursa Securities Malaysia Berhad ("Bursa Malaysia"). In particular, MMAG is to disclose the management of material sustainability matters in accordance with Guidance Note 11 of AMLR and Sustainability Reporting Guide issued by Bursa Malaysia ("the Guide") on the content of the Sustainability Statement.

Our Sustainability Policy established is guided by the 17 Sustainable Development Goals ("SDGs") developed by the United Nations to address a range of social and economic development issues such as poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, environment and social justice.

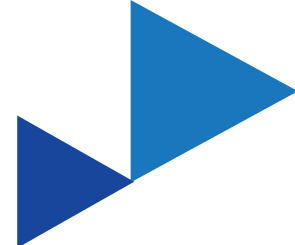


STAKEHOLDERS ENGAGEMENT

We believe that continual engagement with our stakeholders is crucial in making our sustainability focus known. We recognised the importance of identifying and addressing sustainability issues with our stakeholders and making well-informed decisions to achieve our sustainability goals. The needs and expectations of our stakeholders can be met through open two-way communication, which subsequently enhances trust from our stakeholders and promotes Group's accountability.

The table below lists the stakeholders that influence our business operations, followed by their respective areas of interests and the engagement methods undertaken by the Group to address these interests.

Stakeholder Groups	Areas Of Interest	Engagement Methods
Investors	- Business outlook and corporate strategy - Transparent reporting with credible data - Innovative supply chain solutions	- Quarterly financial results /report - Annual report - Company website - Full virtual General meeting/(s) - Announcements and advertisement, if any
Customers	- Reliable service and on-time delivery - Customer convenience - Competitive pricing - Operational efficiency	- Customer feedback and surveys conducted annually - Market research - E-fulfillment of transportation and storage transactions - Sales and customer visits/virtual meeting/conference calls
Employees	- Competitive pay and benefits - Clear communication - Work-life balance - Career growth and opportunities - Efficient health and safety management to conceive safe and conducive working condition - Awareness on COVID-19 measures	- Full virtual training programs and workshops - Town hall meetings conducted by fully virtual (department-wise) - Company intranet (disseminating department meeting updates and memos)
Suppliers	- Timely pay-outs - Procurement practices - Supplier Code of Conduct - Licensing and certification - Business opportunities - Mitigation of business risks - Sustainability of the Company's operations - Shared growth through partnerships - Impact of COVID-19 pandemic	- Supplier assessment conducted annually - Supplier registration - Virtual meetings - Email correspondences
Communities	- Impact of operations on surrounding environment - Economic opportunities - Corporate social responsibility activities and involvement	- Community engagement programs - Public safety and security - Safety and security of operations - Employment and business opportunities - Infrastructure development - Social and welfare contributions



Stakeholder Groups	Areas Of Interest	Engagement Methods
Business Partners	- Financial stability - Service coverage and capability - Reputation	- Written communication - Business exchange - Meeting visits
Regulatory Authorities and Statutory Bodies	- Regulatory compliance - Corporate governance - Standards and certifications - Risk management	- Collaborative partnerships - Regular audits and inspections - Updates on regulations and meetings - Compliance and certification exercises

MATERIAL SUSTAINABILITY MATTERS

As part of ensuring sustainable business operations, our Group remains committed to balance profitability with the protection of the environment and all stakeholders by creating positive impact and mitigating any negative impact arising from its activities from the economic, environment and social aspects. Sustainable business practices have formed an integral part of the Group's day-to-day operation and it is one of the keys to ensure the Group's long-term goals and continuity are achievable. The governance structure in relation to the Group's sustainability business practice is guided by the Guide and Toolkit: Governance issued by Bursa Securities with necessary adaption based on the nature and scale of the businesses of the Group.

During the financial year under review and up to the date of this Statement, the Group had performed the activities in relation to the identification, management and reporting of sustainability matters and performances. The degree of significance of the sustainable matters to influence on the assessment and decision by internal and external stakeholders were performed by using informal stakeholders' engagement through direct communication with relevant internal and external stakeholders by Head of Departments/Divisions and Executive Directors.

ECONOMIC

The Group recognises that its businesses have direct and indirect impact on the communities in which we operate. The Group has always believed in having a long-term business relationship with suppliers and customers. As such, economic sustainability is embedded in our business culture. Wherever possible, the Group uses local suppliers and contractors to carry out jobs. The Company has also made community investments through donations and reduced cost supplies to non-profits.

With the goal of making a positive impact in the lives of the communities in which we operate in, our people at MMAG are actively engaged in activities to address appropriately the needs of our local communities.

The Group firmly believes in impacting and investing back in the local community, especially among the poor and marginalised. The Group focused on underprivileged children and contributed through donation to provide them with basic necessities such as food, clothes and daily needed.

All MMAG employees are encouraged to participate in a variety of local charity events. Activities range from donation drives to visiting charity homes, COVID-19 victims and flood victims.

We see this as an important aspect of our work and will continue to provide the platform, support and encouragement to impact the local community as an organisation.

ENVIRONMENT

In preserving the environment, MMAG placed emphasis on addressing its direct operational impacts on the environment. We raised awareness and encouraged all employees to practices the "Reduce, Reuse and Recycle" - 3R, the policy in the office. Recycling bins were also placed in our cafeteria to encourage this habit as well as surrounding of our warehouse and office premises.

The Group has a policy to reduce electricity and water usage across all hubs, depots and stations, thus reducing its environmental footprint while reducing operation costs. The Company is also monitoring the use of vehicles to optimise fuel consumption and replace older vehicles to reduce consumption of carbon dioxide. We monitor the usage of paper products which helps the environment and also reduces wastage and keeps our work environment tidy and safe for employees. All the employees are encouraged to copy or print documents on double sided, reuse and recycle of A4 paper which helps to reduce greenhouse gas emission.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SAFETY & HEALTH

MMAG is attentive towards Safety and Health management, while considering the growing prevalence of health and safety impact on our economic landscape. Our commitment is to strengthen our management to safeguard the health, safety as well as the well-being of all parties in our premises at all time.

While the world continues to adjust and navigate a post-pandemic situation and Malaysia Government navigates our transition into endemicity as a result of high vaccination rate, we strive to maintain the key Standard Operating Procedures ("SOPs") that had been introduced since beginning of the pandemic as a measure to prevent and control the spread of COVID-19.

The Group ensures that risks to health and safety from work activities are properly controlled and the efforts to do the same are beyond regulatory compliance. The Group continues to apply the following measures in accordance with the government's order during the year:-

- (i) Sanitisation services for all warehouse, hubs, depots and stations;
- (ii) Automated thermal scanner system at our building entry point;
- (iii) Work-from-home ("WFH") and virtual meeting with any parties and online documentation system in communicating with customers and suppliers;
- (iv) SOPs and/or alternative business arrangements with customers, contractors or suppliers to ensure smooth continuity of the business and operations;
- (v) Providing face masks to all employees and
- (vi) Providing antigen test kits to all employees for weekly testing.

The Group places high priority to ensure a safe and healthy working environment, besides educating our employees on the importance of vaccination for COVID-19, we had taken further step by offered free vaccination to all the employees and their spouses and had achieved 100% of vaccination rate among the workforce at the end of 2021.

SOCIAL

COVID-19 pandemic had amplified and accelerated the social sustainability needs, which had demanded a rethinking of the workplace and adapting to the new normal in our business operations. SOPs had been implemented in order to support the welfare of our employees. MMAG recognises the importance to uphold the social value along with its value chain to cater for the needs of stakeholders it is affecting through its activities undertaken. The employees are recognised as an important and valuable resource for the Group to support the continued growth and expansion of the Group. The Group believes that employees' proactive participations are vital to the success of the Group. Hence, providing a safe and sustainable working environment and assist the employees to further develop their skills, knowledge and competencies. The initiatives on fair and inclusive workplace are headed by the Human Resources Department.

The Group has a preference for recruiting local talent wherever possible, thus benefiting the local community and reducing employee turnover. The employee's social club has been set up to engage and promote employee bonding through events such as birthday celebrations, privileges such as preferred rates at F&B outlets, and other similar activities and advantages. The Company periodically holds local events for current and potential customers, to find ways to improve our service.

We offer a competitive remuneration package with a wide range of benefits to attract and retain the best talent. In addition to the standard benefits such as annual leave and medical coverage, we also offer career development opportunities for both technical and non-technical staff. This includes employee recognition and mentoring programs.

The Group strives to motivate and retain the best employees by providing activities such as in-house training programs, external training programs as well as team building excursions to upgrade their knowledge and skills within their job scope either by way of conducting fully virtual or physical events in compliance with SOPs set. At the same time, the Group believes that good relationships can be fostered through sports and other activities.

We also continually seek ways to engage with our employees to foster a strong sense of purpose and belonging. The Group employs an open-door policy and every employee is empowered to provide suggestions or feedback on any subject matter, regardless of position or length of employment.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

SOCIAL (CONT'D)

The management of human resources are embodied in the Employee Handbook and human resource related policies and procedures established by the Senior Management for group-wide execution, whereby minimum requirements of fair treatment of legitimate employees are specified for strict compliance. The Group prohibits all forms of discrimination in the work place, such as race, religion, nationality, gender, age, marital/pregnancy and disable status, whereby every individual has an equal right and voice to make a difference. The Group also observes strict enforcement of no illegal employment in the work place, including the contractors and subcontractors.

In December 2021, Klang Valley was badly hit by flood as a result of torrential downpours for three days. Some of our employees and their families were also victims of the flood. The Group had contributed financially to employees who were affected by the flood.

During the financial year under review, Courier and Logistics Services division also contributed to the community via providing free transportation services for flood victims where individuals/donors/charitable organisations and non-profit-organisations may walk in to our nearest hubs and depots to lodge in donation items for both Mentakab and Selangor areas.



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CORPORATE GOVERNANCE PRACTICES

The Group is led by an effective board which assumes responsibility for its leadership and control and is collectively responsible for promoting its success by directing and supervising its affairs. The Directors take decisions objectively in the best interests of the Group through good Corporate Governance practices.

The Group has ensured that the Policies and Procedures are in place to strengthen its corporate governance drive as well as being an effective tool to guide the Management and all its stakeholders relating to the following areas:-

- Anti-Bribery and Anti-Corruption Policy ("ABC Policy")
- Code of Conduct and Ethics
- Board Charter
- Whistleblowing Procedures
- Risk Management

The Board and Senior Management have taken proactive measures to ensure the Company's adherence with the Malaysian Anti-Corruption Commission's ("MACC") corporate liability law which came into force on 1 June 2020. The Group is committed to fighting corruption, enhancing integrity, and implementing good governance in its organisation by taking appropriate and consistent steps to ensure that the Company does not engage in corrupt activities.

Apart from the above-mentioned, specific grievance procedure is established by the Management to enable the employees to voice their grievances through multiple communication channels to the appropriate level of authority. This is part of the Group's efforts to establish and uphold impartiality in the work place.

Privacy Policy is put in place by the Group to collect and manage the confidential personal data collected from employees in compliance with Personal Data Protection Act.

There was no major legal action taken against the Group nor any fine or monetary sanction imposed related to social aspects during the financial year under review.

MOVING FORWARD

We vow to continue embracing and prioritising our sustainability efforts across all our business segments to ensure a sustainable development of our business through the importance we have placed particularly in our material matters that shape the Group's sustainability efforts in managing the long-term value creation for our stakeholders, while bringing wider benefits to the environment we operate in.



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DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the Financial Statements.

There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net(loss)/profit for the financial year	(32,258,239)	12,354,101
Attributable to:-		
Owners of the Company	(22,654,116)	
Non-controlling interests	(9,604,123)	
	(32,258,239)	

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are as disclosed in the financial statements.

DIVIDENDS

There were no dividends proposed, declared or paid by the Company during the financial year.

DIRECTORS

The Directors who held office during the financial year and up to the date of this report are:-

Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman (appointed on 7.2.2022)

YM Tengku Farith Rithauddeen

Chong Koon Meng*

Kenny Khaw Chuan Wah*

Yeap Say Woi

Hwang Siew Chien

DIRECTORS' REPORT (Cont'd)

DIRECTORS (CONT'D)

The Directors who held office during the financial year and up to the date of this report are (Cont'd):-

Woo Kam Weng
Dato' Sok One A/L Esen (appointed on 12.4.2021)
Chan Swee Ying
Dato' Mohammad Hamiddan Bin Maryani (appointed on 8.6.2021, resigned on 25.11.2021)
Goh Eugene (resigned on 15.6.2021)

* *Director of the Company and subsidiaries*

The list of Directors of the subsidiaries are as follows:-

Lim Sook Hui
Sin Chin Chai
Yap Yee Siew Audrey
Chin Boon Kim
Huang Kangwei
Philip Phang Kin Ming
Gunasekar A/L Mariappan

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than as shown in Note 26 and 30 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company or a related corporation of which the Director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	At 1.4.2021	Number of ordinary shares		At 31.3.2022
		Bought	Sold	
Direct interests				
Chong Koon Meng	475,000	550,000	—	1,025,000
Chan Swee Ying	271,624,800	—	—	271,624,800
Kenny Khaw Chuan Wah	39,969,400	—	(39,969,400)	—
Indirect interests				
Chong Koon Meng*	71,208,500	—	(71,208,500)	—
Kenny Khaw Chuan Wah*	71,208,500	—	(71,208,500)	—

* *Indirect interest by virtue of their shareholdings in Marina Teguh Sdn. Bhd.*



DIRECTORS' INTERESTS (CONT'D)

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows (Cont'd):-

	At 1.4.2021	Number of Warrants 2017/2022		At 31.3.2022
		Bought	Sold	
Kenny Khoo Chuan Wah	9,182,500	—	(9,182,500)	—

	At 1.4.2021	Number of irredeemable convertible preference shares		At 31.3.2022
		Bought	Sold	
Chong Koon Meng	300,000	—	—	300,000

Other than those disclosed above, none of the other Directors in office at the end of the financial year had any interests in the shares of the Company or its related corporations during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued the ordinary shares pursuant to the following:-

- 162,517,400 new ordinary shares at issue prices range from RM0.122 to RM0.136 for total cash consideration of RM20,313,837 pursuant to private placement;
- 3,386,700 new ordinary shares for total cash consideration of RM677,340 pursuant to the exercise of 3,386,700 Warrants at an exercise price of RM0.20 each; and
- 13,971,000 new ordinary shares for a total cash consideration of RM2,095,650 pursuant to the conversion of 13,971,000 Irredeemable Convertible Preference Shares ("ICPS") by the way of conversion of 1 ICPS at conversion price of RM0.15 each.

There were no debentures issued by the Company during the financial year.

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

The terms of the ICPS are disclosed in Note 19 to the Financial Statements.

WARRANTS 2017/2022

The Company had on 20 November 2017 allotted and issued 151,834,154 ordinary shares pursuant to rights issue ("rights shares") together with 227,751,203 warrants at an issue price of RM0.25 each on the basis of 3 warrants for every 2 right shares subscribed each warrant. Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 28 November 2017 to 27 November 2022, at an exercise price of RM0.20 in accordance with a deed poll. Any warrant not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

The ordinary shares issued from the exercise of warrants shall rank *pari passu* in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of warrants.

During the financial year, 3,386,700 warrants had been exercised. As at 31 March 2022, there are 197,207,491 warrants remained not exercised.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts and satisfied themselves that all known bad debts written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:-

- (a) which would render it amount written off bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- ## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

The significant events during the financial year and after the reporting date are disclosed in Note 36 to the Financial Statements.

Details of auditors' remuneration are set in Note 26 to the Financial Statements.

The Company has agreed to indemnify the auditors, Grant Thornton Malaysia PLT as permitted under Section 289 of the Companies Act, 2016. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 March 2022.

The auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

[illegible]

DIRECTORS

KENNY KHOW CHUAN WAH

Kuala Lumpur
28 July 2022



STATEMENT BY DIRECTORS

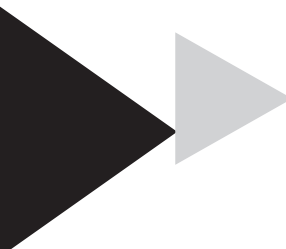
In the opinion of the Directors, the financial statements set out on pages 56 to 139 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Directors in accordance with a resolution of the Directors,

CHONG KOON MENG

KENNY KHOW CHUAN WAH

Kuala Lumpur
28 July 2022



STATUTORY DECLARATION

I, **Kenny Khaw Chuan Wah**, being the Director primarily responsible for the financial management of **MMAG Holdings Berhad**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 56 to 139 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in
the Federal Territory this day of
28 July 2022

)
)
)
)
)

KENNY KHOW CHUAN WAH
(MIA NO. 31967)
CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths
MUHAMMAD FAIZ DHARMENDRA BIN ABDULLAH (W737)



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MMAG HOLDINGS BERHAD

(INCORPORATED IN MALAYSIA) REGISTRATION NO: 200301007003 (609423-V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MMAG Holdings Berhad, which comprise the statements of financial position as at 31 March 2022, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 56 to 139.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group

Goodwill on consolidation

The risk — In May 2021, the Group completed the acquisition of M Jets International Sdn. Bhd. ("MJets"). MFRS 3 Business Combinations requires the Group to recognise the identifiable assets, liabilities and contingent liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over the identified fair values recognised as goodwill. This requires a significant amount of management estimation. The goodwill recognised amounted to RM27.8 million. Besides, the Group is required to test annually the amount of goodwill for impairment. The impairment testing relies on estimates of value-in-use based on estimated future cash flows.

The annual impairment test of goodwill is significant to our audit because the assessment process used in preparing the estimated future cash flows is complex and highly judgmental and is based on assumptions that are affected by expected future market or economic conditions.

Our response — Our audit procedures included, amongst others, evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted revenue growth, expenses and profit margins. We have checked for additional impairment triggers by reading Board's minutes' holdings regular discussions with management and examining the performance of each cash generating unit.

When evaluating and challenging the key assumptions used by management in conducting the impairment review, we using our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate and long-term growth rate, and comparing the independent expectations to those used by management; challenging the cash flow forecasts used; with comparison to recent performance, trend analysis and market expectations; and by reference to prior years' forecasts, where relevant, assessing whether the Group has achieved them.

We also focused on adequacy of the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

The Group's disclosures about goodwill are included in Notes 8 and 12 to the Financial Statements.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Assessing impairment of property, plant and equipment and right-of-use assets

The risk – In view of the depressed economic conditions during the pandemic COVID-19, the carrying amount of the Group's property, plant and equipment and right-of-use assets might exceed their recoverable amounts and therefore the carrying amount had to be impaired.

We identified the aforesaid carrying amount of the property, plant and equipment and right-of-use assets as a key audit matter because of the significance of the carrying amount of such assets to the consolidated financial statements and because the fair value provided by external valuer and/or discounted cash flow projections used for the purpose of impairment assessments involves identifying assets which are unlikely to be deployed in economic service in the future, and estimating future cash flows, growth rates and discount rates, which are subject to a significant degree of judgement and could be subject to management bias.

Our response – Our audit procedures to assess the impairment of property, plant and equipment and right-of-use assets included the following:-

- meeting with management and reviewed board minutes and other papers to understand the impact of COVID-19 on the Group, the mitigation strategies adopted by the Group;
- discussed indicators of impairment of property, plant and equipment and right-of-use assets with management, and for Cash Generating Units ("CGUs") where such indicators were identified and CGUs with goodwill, assessed whether management had performed impairment testing in accordance with the requirements of the prevailing accounting standards;
- involved our internal valuation specialists to assess the methodology and significant assumptions including discount rates adopted by management in its impairment assessments;
- evaluated the external valuer on his competence, capabilities and objectivity and obtained an understanding of the valuation model used;
- evaluated the assumptions adopted in the preparation of the discounted cash flow forecasts, including projected future growth rates for income and expenses and discount rates with reference to our understanding of the business, historical trends and available industry information and market data;
- performed sensitivity analyses on the key assumptions, including projected profitability, expected growth rates and discount rates adopted in the discounted cash flow forecasts and assessed whether there were any indicators of management bias in the selection of these assumptions.

The Group's disclosures about property, plant and equipment and right-of-use assets are included in Notes 5 and 6 to the Financial Statements.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Group (Cont'd)

Impairment loss of trade and other receivables

The risk – In accordance with the impairment requirements under MFRS 9, the management is required to apply forward-looking approach in assessing the impairment of trade and other receivables. Broader range of information is considered including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cashflows of trade and other receivables are applied to calculate the expected credit losses using a provision matrix.

We identified impairment of trade and other receivables as a significant risk requiring special audit consideration. This is because the Group's trade and other receivables are material to the financial statements.

Our response – In addressing this area of focus, we assessed the validity of material receivables by obtaining third-party confirmations of amounts owing. We also considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances. To address the risk of management bias, we evaluated the results of our procedures against audit procedures on other key balances to assess whether or not there was an indication of bias.

The assessment of the appropriateness of the provision for trade receivables comprised a variety of audit procedures across the Group including:-

- Challenging the appropriateness and reasonableness of the assumptions applied in the assessment of the receivables allowance;
- Consideration and concurrence of the agreed payment terms;
- Verification of receipts from trade receivables subsequent to year-end; and
- Considered the completeness and accuracy of the disclosures.

The Group's disclosures regarding impairment of trade and other receivables are included in Notes 4.7.1, 15, 16 and 33 to the Financial Statements.

Right-of-use assets and lease liabilities

The risk – Due to the nature in courier, air cargo and logistic business, the Group has numerous of lease contracts, right-of-use assets and lease liabilities have been identified and recognised in the financial statements. MFRS 16 Leases is regarded as key audit matter because it involved large volume of data in preparing the leases schedule by the management and also required significant estimations and judgements made by the management which includes determination of lease term, discount rate, lease options and others measurement principles.

Our response – In addressing this area of focus, we have obtained an understanding and reviewed the process of preparation of the leases schedule with recalculation performed to ensure mechanical accuracy of leases schedule provided. We also tested the accuracy of the information stated in leases schedule by sighting to lease contracts and assessed the accounting treatment to ensure the compliance with the requirements of MFRS 16 including the appropriateness of the estimations and judgements made by the management.

The Group's disclosures about right-of-use assets and lease liabilities are included in Note 6 to the Financial Statements.



REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

Company

Investment in subsidiaries

The risk — Significant judgements are required by the Directors in assessing the impairment and the recoverability of the investment in subsidiaries. This is based on the value-in-use, using cash flow projections, covering a five-year period for each CGU. The assumptions with the most significant judgement on the cash flow projections are growth rates and profit margins.

Our response — In addition to other procedures, we considered it necessary to test the design and implementation of the key controls around the impairment review process. We have performed substantive procedures and challenged the key assumptions include future growth rates and the profit margins applied. In addition, we have tested the reasonably possible changes in the key assumptions on which management has based its determination of the CGUs recoverable amount that may cause the CGUs carrying amount exceed its recoverable amount. We also compared projected cash flow against historical performance to test the reasonableness of the projections.

The Company's disclosures about investment in subsidiaries are included in Note 8.1 to the Financial Statements.

Information other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

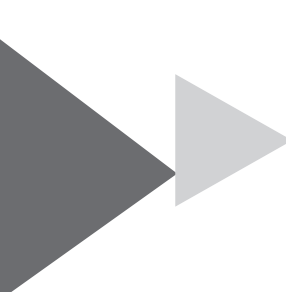
Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that a subsidiary of which we have not acted as auditors is disclosed in Note 8 to the Financial Statements.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LEE SHEAU WEI
(NO: 03539/12/2022 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
28 July 2022

STATEMENTS OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	36,264,847	50,588,844	3	3
Right-of-use assets	6	308,035,928	61,307,098	—	—
Investment properties	7	23,300,530	24,031,111	—	—
Investment in subsidiaries	8	—	—	121,787,830	95,336,574
Other investments	9	251,436,725	66,217,978	251,436,725	64,917,978
Intangible assets	10	120,000	120,000	—	—
Deferred tax assets	11	1,600,000	—	—	—
Goodwill on consolidation	12	37,225,864	10,383,310	—	—
Fixed deposits with licensed banks		2,835,000	880,000	—	—
Total non-current assets		660,818,894	213,528,341	373,224,558	160,254,555
Current assets					
Inventories	13	10,536,168	2,881,280	—	—
Contract assets	14	2,900,716	1,967,734	—	—
Trade receivables	15	29,771,104	26,632,562	—	—
Other receivables	16	35,136,200	37,075,097	22,834	19,403,316
Amount due from subsidiaries	8	—	—	160,340,516	169,064,912
Tax recoverable		30,164	47,624	—	14,956
Fixed deposits with licensed banks		9,705,000	4,780,441	—	1,080,441
Cash and bank balances		12,839,890	17,127,276	129,658	1,394,048
		100,919,242	90,512,014	160,493,008	190,957,673
Assets of disposal group/non-current asset held for sale	17	41,504,257	2,000,000	17,830,000	—
Total current assets		142,423,499	92,512,014	178,323,008	190,957,673
Total assets		803,242,393	306,040,355	551,547,566	351,212,228
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company:-					
Share capital	18	270,547,467	246,330,286	270,547,467	246,330,286
Irredeemable convertible preference shares	19	754,261	1,452,811	754,261	1,452,811
Reserves	20	104,950,414	(28,706,660)	245,565,005	97,019,483
		376,252,142	219,076,437	516,866,733	344,802,580
Non-controlling interests	8	1,550,615	6,324,322	—	—
Total equity		377,802,757	225,400,759	516,866,733	344,802,580

STATEMENTS OF FINANCIAL POSITION (Cont'd)



	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
LIABILITIES					
Non-current liabilities					
Borrowings	21	2,805,555	3,234,107	—	—
Lease liabilities	6	252,079,287	30,907,603	—	—
Deferred tax liabilities	11	960,885	1,392,578	—	—
Total non-current liabilities		255,845,727	35,534,288	—	—
Current liabilities					
Trade payables	22	28,724,501	9,137,007	—	—
Other payables	23	65,672,529	21,378,547	13,002,960	1,357,894
Contract liability	14	9,440,288	—	—	—
Amount due to subsidiaries	8	—	—	1,537,188	1,537,188
Borrowings	21	20,549,136	3,899,435	20,140,685	3,514,566
Lease liabilities	6	40,637,041	10,690,319	—	—
Tax payable		22,830	—	—	—
		165,046,325	45,105,308	34,680,833	6,409,648
Liabilities directly associated with disposal group classified as held for sale	17	4,547,584	—	—	—
Total current liabilities		169,593,909	45,105,308	34,680,833	6,409,648
Total liabilities		425,439,636	80,639,596	34,680,833	6,409,648
Total equity and liabilities		803,242,393	306,040,355	551,547,566	351,212,228

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Note	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
Revenue	24	385,877,852	222,794,954	—	—
Cost of sales		(397,859,175)	(222,973,269)	—	—
Gross loss		(11,981,323)	(178,315)	—	—
Other income	25	34,312,190	15,728,082	29,136,773	11,504,430
Finance income		44,409	105,167	5,282	78,021
Net impairment loss on financial assets		(1,062,000)	(3,706,837)	(13,556,757)	(867,967)
Selling and distribution expenses		(2,414,897)	(3,951,408)	—	—
Administration expenses		(41,992,363)	(28,055,532)	(2,510,049)	(3,550,892)
Other expenses		(3,598,972)	(822,524)	(379,817)	(339,256)
Finance costs		(6,960,672)	(2,503,411)	(341,331)	(718,113)
Share of gain in an associate		—	480,851	—	—
(Loss)/profit before tax	26	(33,653,628)	(22,903,927)	12,354,101	6,106,223
Tax income/(expenses)	27	1,395,389	(143,885)	—	—
Net (loss)/profit for the financial year		(32,258,239)	(23,047,812)	12,354,101	6,106,223
Other comprehensive (loss)/income:-					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation difference arising from a foreign subsidiary		(4,061)	10,105	—	—
Share of foreign currency translation reserve in an associate		—	261,522	—	—
Items that will not be reclassified subsequently to profit or loss					
Fair value gain on other investment		136,623,225	55,148,176	136,623,225	55,148,176
Deferred tax relating to revaluation of freehold land and buildings		—	510,225	—	—
Total comprehensive income for the financial year		104,360,925	32,882,216	148,977,326	61,254,399

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)



	Note	Group 2022 RM	2021 RM	Company 2022 RM	2021 RM
(Loss)/profit for the financial year attributable to:-					
Owners of the Company		(22,654,116)	(23,095,992)	12,354,101	6,106,223
Non-controlling interests		(9,604,123)	48,180	—	—
		(32,258,239)	(23,047,812)	12,354,101	6,106,223
Total comprehensive income attributable to:-					
Owners of the Company		113,964,609	32,829,994	148,977,326	61,254,399
Non-controlling interests		(9,603,684)	52,222	—	—
		104,360,925	32,882,216	148,977,326	61,254,399
Loss per share					
- Basic (sen)	28	(1.82)	(2.31)		
- Diluted (sen)	28	*	*		

* anti-dilutive in nature

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Attributable to equity holders of the Company										
	Non-distributable										
Group	Share capital RM	Irredeemable convertible preference shares RM	Revaluation reserve RM	Fair value reserve RM	Warrant reserve RM	Merger deficit RM	Exchange translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
At 1 April 2020	141,773,872	17,252,756	9,365,180	–	28,965,858	(7,900,000)	(240,472)	(88,452,559)	100,764,635	119,471	100,884,106
Transactions with owners:-											
Changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	115,438	115,438	6,144,562	6,260,000
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	8,067	8,067
Private placements	32,648,733	–	–	–	–	–	–	–	32,648,733	–	32,648,733
Conversion of warrants	8,707,901	–	–	–	(3,390,099)	–	–	–	5,317,802	–	5,317,802
Conversion of irredeemable convertible preference shares	63,199,780	(15,799,945)	–	–	–	–	–	–	47,399,835	–	47,399,835
Total transactions with owners	104,556,414	(15,799,945)	–	–	(3,390,099)	–	–	115,438	85,481,808	6,152,629	91,634,437
Net (loss)/income for the financial year	–	–	–	–	–	–	–	(23,095,992)	(23,095,992)	48,180	(23,047,812)
Other comprehensive income for the financial year	–	–	–	510,225	55,148,176	–	–	267,585	–	55,925,986	55,930,028
Total comprehensive income/(loss) for the financial year	–	–	510,225	55,148,176	–	–	267,585	(23,095,992)	32,829,994	52,222	32,882,216
At 31 March 2021	246,330,286	1,452,811	9,875,405	55,148,176	25,575,759	(7,900,000)	27,113	(111,433,113)	219,076,437	6,324,322	225,400,759
Transactions with owners:-											
Changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	–	20,124,269	20,124,269	24,424,100
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	530,146	530,146
Private placements	20,313,837	–	–	–	–	–	–	–	20,313,837	–	20,313,837
Conversion of warrants	1,109,144	–	–	–	(431,804)	–	–	–	677,340	–	677,340
Conversion of irredeemable convertible preference shares	2,794,200	(698,550)	–	–	–	–	–	–	2,095,650	–	2,095,650
Total transactions with owners	24,217,181	(698,550)	–	–	(431,804)	–	–	20,124,269	43,211,096	4,829,977	48,041,073
Realisation of fair value upon disposal	–	–	–	(26,425,150)	–	–	–	26,425,150	–	–	–
Net loss for the financial year	–	–	–	–	–	–	–	(22,654,116)	(22,654,116)	(9,604,123)	(32,258,239)
Other comprehensive income for the financial year	–	–	–	136,623,225	–	–	(4,500)	–	136,618,725	439	136,619,164
Total comprehensive income/(loss) for the financial year	–	–	–	110,198,075	–	–	(4,500)	3,771,034	113,964,609	(9,603,684)	104,360,925
At 31 March 2022	270,547,467	754,261	9,875,405	165,346,251	25,143,955	(7,900,000)	22,613	(87,537,810)	376,252,142	1,550,615	377,802,757

STATEMENTS OF CHANGES IN EQUITY (Cont'd)



	Share capital RM	Irredeemable preference shares RM	Fair value reserve RM	Warrant reserve RM	Retained earnings RM	Total RM
Company						
At 1 April 2020	141,773,872	17,252,756	—	28,965,858	10,189,325	198,181,811
Transactions with owners:-						
Private placements	32,648,733	—	—	—	—	32,648,733
Conversion of warrants	8,707,901	—	—	(3,390,099)	—	5,317,802
Conversion of irredeemable convertible preference shares	63,199,780	(15,799,945)	—	—	—	47,399,835
Total transactions with owners	104,556,414	(15,799,945)	—	(3,390,099)	—	85,366,370
Net profit for the financial year	—	—	—	—	6,106,223	6,106,223
Other comprehensive income for the financial year	—	—	55,148,176	—	—	55,148,176
Total comprehensive income for the financial year	—	—	55,148,176	—	6,106,223	61,254,399
At 31 March 2021	246,330,286	1,452,811	55,148,176	25,575,759	16,295,548	344,802,580
Transactions with owners:-						
Private placements	20,313,837	—	—	—	—	20,313,837
Conversion of warrants	1,109,144	—	—	(431,804)	—	677,340
Conversion of irredeemable convertible preference shares	2,794,200	(698,550)	—	—	—	2,095,650
Total transactions with owners	24,217,181	(698,550)	—	(431,804)	—	23,086,827
Realisation of fair value reserve upon disposal of shares	—	—	(26,425,150)	—	26,425,150	—
Net profit for the financial year	—	—	—	—	12,354,101	12,354,101
Other comprehensive income for the financial year	—	—	136,623,225	—	—	136,623,225
Total comprehensive income for the financial year	—	—	110,198,075	—	38,779,251	148,977,326
At 31 March 2022	270,547,467	754,261	165,346,251	25,143,955	55,074,799	516,866,733

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022 RM	Group 2021 RM	2022 RM	Company 2021 RM
OPERATING ACTIVITIES				
(Loss)/profit before tax	(33,653,628)	(22,903,927)	12,354,101	6,106,223
Adjustments for:-				
Bad debt written off	943	—	—	—
Depreciation of property, plant and equipment	6,523,987	3,971,759	—	—
Depreciation of investment properties	730,581	106,914	—	—
Depreciation of right-of-use assets	25,074,812	9,560,584	—	—
Fair value gain on other investment	(23,350,103)	—	(23,350,103)	—
Gain on disposal of property, plant and equipment	(18,637)	(112,417)	—	—
Gain on disposal of subsidiaries	—	(2,397,725)	—	—
Gain on disposal of an associate	—	(10,363,827)	—	(10,844,678)
Gain on disposal of other investments	(5,783,959)	—	(5,783,959)	—
Gain on disposal of assets held for sale	(1,197,500)	—	—	—
Gain on lease modification/termination	(14,243)	(63,233)	—	—
Gain on disposal of right-of-use assets	(17,412)	(27,113)	—	—
Loss on disposal of an investment property	—	162,698	—	—
Impairment loss on property, plant and equipment upon transfer to assets held for sale	534,346	—	—	—
Impairment loss on investment in subsidiaries	—	—	379,817	339,256
Impairment loss on other investments	1,300,000	—	—	—
Impairment loss on intangible assets	—	602,070	—	—
Impairment loss on goodwill	995,820	—	—	—
Interest expenses	6,960,672	2,503,411	341,331	718,113
Interest income	(44,409)	(105,167)	(5,282)	(78,021)
Inventories written off	—	24,194	—	—
Net impairment loss on financial assets	1,062,000	4,186,754	13,556,757	867,967
Property, plant and equipment written off	2,284	1,376	—	—
Rental rebates	(362,000)	(67,720)	—	—
Reversal of slow moving inventories no longer required	(115,605)	—	—	—
Right-of-use assets written off	110,933	—	—	—
Share of gain in an associate company	—	(480,851)	—	—
Unrealised loss on foreign exchanges	45,626	—	—	—
Operating loss before working capital changes	(21,215,492)	(15,402,220)	(2,507,338)	(2,891,140)
Changes in working capital:-				
Inventories	(7,449,243)	595,258	—	—
Contract customers	8,507,306	(1,967,734)	—	—
Receivables	(7,266,840)	(33,656,693)	19,380,482	(19,315,547)
Payables	39,081,497	18,740,509	(25,141)	366,845
Cash generated/(used in) from operations	11,657,228	(31,690,880)	16,848,003	(21,839,842)
Tax paid	(159,876)	(49,445)	—	—
Tax refunded	37,615	22,771	14,956	—
Interest received	44,409	105,167	5,282	78,021
Net cash from/(used in) operating activities	11,579,376	(31,612,387)	16,868,241	(21,761,821)

STATEMENTS OF CASH FLOWS (Cont'd)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
INVESTING ACTIVITIES					
Acquisition of subsidiaries	8	(29,012,147)	(532,068)	—	—
Acquisition of non-controlling interest		(779,669)	(240,000)	—	—
Net advances to subsidiaries		—	—	(4,832,361)	(6,062,087)
Net cash inflows from disposal of subsidiaries	8	—	3,087,140	—	—
Purchase of property, plant and equipment		(22,584,579)	(33,376,116)	—	—
Purchase of right-of-use assets	A	(1,447,203)	(2,911,172)	—	—
Purchase of other investments		(55,964,997)	(9,469,802)	(55,964,997)	(8,169,802)
Purchase of intangible assets		—	(145,177)	—	—
Proceeds from disposal of property, plant and equipment		141,987	1,346,115	—	—
Proceeds from disposal of partial stake to non-controlling interests		22,000,000	—	—	—
Proceeds from disposal of investment in an associate	B	—	29,411,398	—	29,411,398
Proceeds from disposal of right-of-use assets		17,412	64,165	—	—
Proceeds from disposal of other investments		35,203,537	—	35,203,537	—
Proceeds from disposal of non-current assets held for sales		3,197,500	—	—	—
Subscription of shares in subsidiaries		—	—	(44,661,073)	(52,999,902)
Subscription of shares by non-controlling interests		3,203,769	6,500,000	—	—
Net cash used in investing activities		(46,024,390)	(6,265,517)	(70,254,894)	(37,820,393)
FINANCING ACTIVITIES					
Advances from/(repayment to) other payables		25,784,207	(12,072,382)	11,670,207	(12,368,537)
Drawdown of borrowings		50,227,247	8,169,803	50,227,247	8,169,803
Repayment of borrowings		(34,006,098)	(19,192,698)	(33,601,128)	(19,058,868)
Placement of non-current/pledged fixed deposits with licensed banks		(2,160,000)	(300,000)	—	—
Repayment of lease liabilities		(21,001,485)	(5,797,894)	—	—
Interest paid		(6,960,672)	(2,503,411)	(341,331)	(718,113)
Proceeds from issuance of shares		23,086,827	85,366,370	23,086,827	85,366,370
Net cash from financing activities	C	34,970,026	53,669,788	51,041,822	61,390,655
CASH AND CASH EQUIVALENTS					
Net changes		525,012	15,791,884	(2,344,831)	1,808,441
Effect of foreign currency translation differences on cash and cash equivalents		(43,370)	31,101	—	—
At beginning of financial year		21,907,717	6,084,732	2,474,489	666,048
At end of financial year	D	22,389,359	21,907,717	129,658	2,474,489

STATEMENTS OF CASH FLOWS (Cont'd)

NOTES TO THE STATEMENTS OF CASH FLOWS:-

A. PURCHASE OF RIGHT-OF-USE ASSETS

The Group acquired right-of-use assets with aggregate costs of RM243,513,569 (2021: RM33,627,143) of which RM242,066,366 (2021: RM30,715,971) were acquired by means of lease arrangements. Cash payments of RM1,447,203 (2021: RM2,911,172) were made to purchase such right-of-use assets.

B. DISPOSAL OF AN ASSOCIATE

On 27 April 2020, the Company disposed partial of the equity interest in Hong Seng Consolidated Berhad ("HSCB") comprising 2,848,700 ordinary shares for a consideration of RM373,892. On 5 August 2020, the Company had entered into another Shares Sale Agreement ("SSA") with a third party to dispose 95,207,300 ordinary shares in HSCB for a cash consideration of RM18,089,387 and a SSA with another third party to dispose 75,168,000 warrants in HSCB for a cash consideration of RM751,680. The Company also disposed 170,000,000 ICPS of HSCB for a cash consideration of RM10,196,439.

C. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	At beginning of financial year RM	Others RM	Cash flows RM	At end of financial year RM
Group				
2022				
Other payables (Advances)	1,142,303	—	25,784,207	26,926,510
Borrowings (Net)	7,133,542	—	16,221,149	23,354,691
Lease liabilities	41,597,922	272,119,891 *	(21,001,485)	292,716,328
2021				
Other payables (Advances)	13,214,685	—	(12,072,382)	1,142,303
Borrowings (Net)	18,156,437	—	(11,022,895)	7,133,542
Lease liabilities	18,065,129	29,330,687 *	(5,797,894)	41,597,922
Company				
2022				
Other payables (Advances)	846,148	—	11,670,207	12,516,355
Borrowings (Net)	3,514,566	—	16,626,119	20,140,685
2021				
Other payables (Advances)	13,214,685	—	(12,368,537)	846,148
Borrowings (Net)	14,403,631	—	(10,889,065)	3,514,566

* Being additions, acquisition of subsidiaries, lease modification, lease termination, rental rebates and translation differences of lease liabilities as disclosed in Note 6 to the Financial Statements

STATEMENTS OF CASH FLOWS (Cont'd)



D. CASH AND CASH EQUIVALENTS

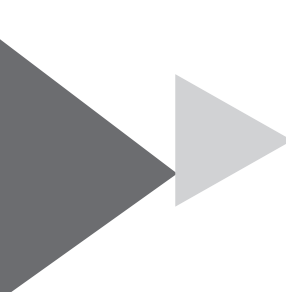
	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	12,839,890	17,127,276	129,658	1,394,048
Fixed deposits with licensed banks	12,540,000	5,660,441	—	1,080,441
	25,379,890	22,787,717	129,658	2,474,489
Less:-				
Fixed deposits pledged to licensed banks	(3,040,000)	(880,000)	—	—
Add:-				
Assets of disposal group	49,469	—	—	—
	22,389,359	21,907,717	129,658	2,474,489

Fixed deposits with licensed banks of the Group and of the Company bear interest at rates ranging from 1.05% to 1.85% (2021: 1.35% to 2.10%) and 1.05% (2021: 1.35% to 2.10%) per annum respectively.

Fixed deposits of the Group amounting to RM3,040,000 (2021: RM880,000) are pledged to licensed banks for banking facilities granted to the subsidiaries.

Included in fixed deposits with licensed banks of the Group is RM2,235,000 (2021: RM280,000) which are held in trust by a Director of the Group and of the Company.

The accompanying notes form an integral part of the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur. The principal place of business of the Company is located at No. 3, Jalan TP2, Taman Perindustrian UEP Subang Jaya, 47600 Subang Jaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are disclosed in Note 8 to the Financial Statements. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Directors in accordance with a resolution of the Directors on 28 July 2022.

2. GOING CONCERN

The Group had incurred a net loss of RM32,258,239 during the financial year and as at 31 March 2022, the Group's total current liabilities exceeded its total current assets by RM27,170,410.

The Directors are of the opinion that the ability of the Group to continue as a going concern will be dependent on the following:-

- the utilisation of proceeds from the completion of disposal of subsidiaries as detailed in Note 36(b) to the Financial Statements;
- the completion of debt settlement as detailed in Note 36(d) to the Financial Statements;
- the utilisation of proceeds from the completion of proposed private placement as detailed in Note 36(e) to the Financial Statements; and
- the continued successful operation of the mobile and fulfilment business and courier and logistics business (including air cargo logistics services) in line with management expectation. If these are not forthcoming, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Company be not appropriate.



3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

3.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

3.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting year.

The Group has established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and reports directly to the Board of Directors. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

3.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency and all values are rounded to the nearest RM, except when otherwise stated.

3.4 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Company have applied the accounting policies set out in Note 4 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the current financial year.

Initial application of the new standards/amendments/improvements to the MFRSs did not have a material impact on the financial statements of the Group and of the Company.

3.5 Standards issued but not yet effective

The Group and the Company plan to apply the below amendments where applicable, in the respective financial years when they become effective:-

Effective for financial periods beginning on or after 1 January 2022:-

Amendments to MFRS 3*	Business Combination-Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds before Intended Use
Amendments to MFRS 137	Provision, Contingent Liabilities and Contingent Assets-Onerous Contracts-Cost of Fulfilling a Contract
Annual Impairments to MFRS Standards 2018-2020	

Effective for financial periods beginning on or after 1 January 2023:-

Amendments to MFRS 4*#	Insurance Contracts-Extension of the Temporary Exemption from Applying MFRS 9
MFRS 17*# and amendments to MFRS 17*#	Insurance Contracts
Amendment to MFRS 17*	Initial Application of MFRS 17 and 9-Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements-Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Presentation of Financial Statements-Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors-Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes-Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Deferred to a date to be determined by MASB:-

Amendments to MFRS 10 and 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Company's operation

Not applicable to the Group's operations

The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective in the respective financial year. The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current year and prior years' financial statements of the Group and of the Company upon their first adoption.



3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

3.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management and will seldom equal the estimated results.

3.6.1 Estimation uncertainty

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

Revaluation of property, plant and equipment

The Group measures its land and buildings at revalued amount with changes in the fair values being recognised in other comprehensive income. Significant judgement is required in the determination of fair value which may be derived based on different valuation method. The Group engages independent valuation specialists to determine the fair values.

Useful lives of depreciable assets

Management estimates the useful lives of the depreciable assets to be within 2 to 50 years and reviews the useful lives of the depreciable assets at each reporting date. As at 31 March 2022, management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's assets.

Management expects that the expected useful lives of the property, plant and equipment and investment properties would not have material difference from the management's estimates and hence it would not result in material variance in the Group's net loss for the financial year.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each asset and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

3.6 Significant accounting estimates and judgements (Cont'd)

3.6.1 Estimation uncertainty (Cont'd)

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below (Cont'd):-

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix and credit rating assessment to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the relevant sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

Income taxes and deferred tax

Significant judgement is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.



3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

3.6 Significant accounting estimates and judgements (Cont'd)

3.6.1 Estimation uncertainty (Cont'd)

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below (Cont'd):-

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling price to change rapidly and the Group's results to change.

The management reviews inventories to identify damaged, obsolete and slow-moving inventories which require judgement and changes in such estimates could result in revision to the valuation of inventories.

Fair values of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the notes regarding financial assets and financial liabilities. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting year.

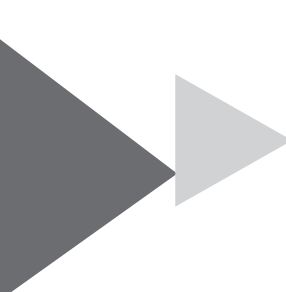
3.6.2 Significant management judgements

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

3.6 Significant accounting estimates and judgements (Cont'd)

3.6.2 Significant management judgements (Cont'd)

Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has various lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group generally exercises its option to renew for those leases with renewal option.

4. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all years presented in the financial statements.

4.1 Consolidation

4.1.1 Subsidiaries

Subsidiaries are entities, including structured entities controlled by the Company. Control exists when the Company is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. Besides, the Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is stated at cost less any impairment losses in the Company's statement of financial position, unless the investment is held for sale or distribution.

Upon the disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of the subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Consolidation (Cont'd)

4.1.2 Basis of consolidation (Cont'd)

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Changes in the ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves. Merger deficit represents the excess arising from the nominal value of the shares issued over the nominal value of shares acquired.

4.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Consolidation (Cont'd)

4.1.3 Business combinations and goodwill (Cont'd)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

4.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as a financial asset depending on the level of influence retained.

4.1.5 Non-controlling interests

Non-controlling interests at the end of the reporting year being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

4.2 Foreign currency translation

4.2.1 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences are taken to the profit or loss with the exception of all monetary items that forms part of a net investment in a foreign operation. These are recognised in other comprehensive income until the disposal of the net investment, at which time they are reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency translation (Cont'd)

4.2.2 Foreign operations

The assets and liabilities of operations denominated in functional currencies other than RM are translated to RM at exchange rates at the reporting date. The income and expenses of foreign operations are translated to RM at exchange rates at the date of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the exchange translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the exchange translation reserve related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income presented in exchange translation reserve in equity.

4.3 Property, plant and equipment

All property, plant and equipment except for land and buildings are measured at cost less accumulated depreciation and impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the asset, and the present value of the expected cost for the decommissioning of the asset after its use. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are initially measured at cost and subsequently measured at fair value less accumulated depreciation on buildings and impairment losses, if any, after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amounts does not differ materially from the land and buildings at the reporting date.

Buildings under construction consist of warehouse and garbage room under construction for their intended use as storage and administrative purposes and are not depreciated until they are completed and ready for their intended use.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings is recognised in other comprehensive income and credited to the "revaluation reserve" in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Property, plant and equipment (Cont'd)

Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Buildings	2%
Computer and office equipment	10% - 33%
Furniture, fittings, signboard and office renovation	10% - 20%
Motor vehicles	20%
Cargo handling equipment	20%

The residual values, useful lives and depreciation method are reviewed at least annually to ensure that the amount, method and rates of depreciation are consistent with the previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the differences between the disposal proceeds and the carrying amounts of the assets and are recognised in profit or loss.

4.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. Subsequently, investment properties are measured at cost less accumulated depreciation and impairment losses, if any.

Depreciation is recognised on the straight-line method in order to write off the cost over its estimated useful life. Investment properties are depreciated based on the estimated useful lives of the assets as follows:-

Freehold buildings	2%
Renovation	10%

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

4.5.1 As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

4.5.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:-

Office and warehouse	5 to 50 years
Leasehold land	3.75 years
Outlet premises	2 to 6 years
Motor vehicles	5 years
Aircraft	6 to 10 years

If ownership of the lease asset transfers to the Group at the end of the lease term or cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment as detailed in Note 4.8 to the Financial Statements.

4.5.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments included fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Leases (Cont'd)

4.5.1 As lessee (Cont'd)

4.5.1.3 Short-term leases and leases of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases. It also applies the leases of low-value assets recognition exemption to leases of that are considered to be of low-value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

4.5.1.4 COVID-19-related rent concessions

MASB has issued COVID-19-related rent concessions - amendments to MFRS 16 Leases. The amendments provide relief to lessees from applying MFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic.

If a rent concession results from a lease modification, the Company accounts for the rent concession as either a new lease or as a remeasurement of an existing lease liability.

If a rent concession does not result from a lease modification, the Company recognises the rent concession as rental rebates in the period in which the event or condition that triggers the reduced payment occurs.

The Group elects to account for a COVID-19-related rent concession that meets all of the following conditions in the same way as they would if they were not lease modification:-

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the change;
- (ii) any reduction in lease payments affects only payments due on or before 30 June 2022; and
- (iii) there is no substantive change to other terms and conditions of the lease. The Group accounts for such COVID-19-related rent concession as rental rebates in which the event or condition that triggers the reduced payment occurs. The Group presents the impacts of rent concessions within other income.

4.5.2 As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue and other income in the statement of profit or loss due to its operating nature. Contingent rents are recognised as other income in the year in which they are earned.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment loss.

The useful life of intangible assets is assessed to be either finite or indefinite. Intangible assets with finite life are amortised on straight-line basis over the estimated economic useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful life is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful life are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the differences between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

The useful lives of the intangible assets are as follow:-

E-commerce & mobile apps	5 years
Customer list and relationship	Indefinite

4.7 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.7.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

4.7.1 Financial assets (Cont'd)

Initial recognition and measurement (Cont'd)

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets are classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:-

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

At the reporting date, the Group and the Company carry financial assets measured at amortised costs, financial assets at fair value through profit or loss and financial assets at fair value through OCI on their statements of financial position.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's and the Company's trade and other receivables, amount due from subsidiaries, fixed deposits with licensed banks and cash and bank balances fall into this category of financial instruments.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group or the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its non-listed equity investments and listed ordinary shares and ICPS under this category.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

4.7.1 Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes listed warrants which the Group had not irrevocably elected to classify at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:-

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a "pass-through" arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost. Expected credit losses are a probability weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

4.7.1 Financial assets (Cont'd)

Impairment (Cont'd)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

4.7.2 Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:-

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

At the reporting date, the Group and the Company carry only financial liabilities at amortised cost on their statements of financial position.

Financial liabilities at amortised cost

After initial recognition, carrying amounts are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

The Group's and the Company's financial liabilities include trade and other payables, amount due to subsidiaries and borrowings.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

4.7.2 Financial liabilities (Cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification are treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the profit or loss.

4.7.3 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.8 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss, except where the revaluation was taken to other comprehensive income previously. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as revaluation increase.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Inventories

Inventories consist of trading goods and consumables that are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes all expenses incurred in bringing the inventories to their present location and condition which consist of the cost of purchase and transportation cost.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances, short term demand deposits, fixed deposits, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current assets.

4.11 Non-current asset (or disposal group) classified as held for sale

Non-current asset (or disposal group) classified as held for sale comprising asset that is expected to be recovered primarily through sale rather than through continuing use.

Classification of the asset (or disposal group) as held for sale occurs only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary and the sale must be highly probable. Management must be committed to a plan to sell the asset (or disposal group) which is expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or the plan will be withdrawn.

Immediately before classification as held for sale, the asset (or disposal group) is remeasured in accordance with the Company's accounting policies, thereafter generally the asset (or disposal group) is measured at the lower of its carrying amount and fair value less costs to sell.

Liabilities are classified as held for sale and presented as such in the statement of financial position if they are directly associated with disposal group.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Equity instruments and reserves

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

The revaluation reserve within equity represents surplus arising from the revaluation of property, plant and equipment, net of deferred tax.

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Accumulated losses include all current year's loss and prior years' accumulated losses.

All transactions with the owners of the Company are recorded separately within equity.

4.13 Borrowing costs

All borrowing costs are expensed in the year in which they are incurred. Borrowing costs consist of interest and other costs that the Group or the Company incurred in connection with the borrowing of funds.

4.14 Revenue

4.14.1 Revenue from contract with customer

Revenue is recognised as and when a performance obligation in the contract with customer is satisfied, i.e when the "control" of the goods or services underlying the particular performance obligation is transferred to customer.

The Group recognises the revenue arising from services at a point in time unless one of the following overtime criteria is met:-

- (a) The customer simultaneously receives and consumes the benefits provided;
- (b) The Group's performance creates or enhances an asset that the customer control as the assets is created or enhanced; or
- (c) The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

The Group is in the business of distribution of information communication technology and providing courier and logistic services. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

Sales of goods

Revenue from sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Courier and delivery services income

Courier and delivery services income is recognised in the reporting year in which the services are rendered and the Group has a present right to payment for the services.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Revenue (Cont'd)

4.14.1 Revenue from contract with customer (Cont'd)

Cargo charter services income

Cargo charter services income is recognised in the reporting year in which the services are rendered and the Group has a present right to payment for the services.

Commission income

Commission income is generated from provision of insurance agency services during the financial year. Revenue is recognised at a point in time when policyholders pay premium amount to the insurer.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pay consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to performs services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group performs services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

4.14.2 Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial assets.

4.14.3 Rental income

Rental income is accounted for on a straight-line basis over the lease terms. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as revenue.

4.15 Employees benefits

4.15.1 Short-term employees benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by the employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave is recognised when services are rendered by the employees that increase their entitlement to future compensated absences, short term non-accumulating compensated absences such as sick leave are recognised when the absences occurred.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Employees benefits (Cont'd)

4.15.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employees benefits relating to employee's services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

4.16 Tax expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

4.16.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the reporting date and any adjustment to tax payable in respect of previous years.

4.16.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Segmental reporting

4.17.1 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available.

4.17.2 Intersegment transfer

Segment revenues, expenses and result include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity in negotiated term. These transfers are eliminated on consolidation.

4.18 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4.19 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.20 Earnings per share ("EPS")

The Group presents basic and dilute earnings per share data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the periods, adjusted for own shares held.

Diluted EPS adjusts the figures used in the determination of basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.



5. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation		At cost					Total RM
	Freehold land and buildings RM	Computer and office equipment RM	Furniture, fittings, signboard and office renovation RM	Motor vehicles RM	Cargo handling equipment RM	Buildings under construction RM		
Valuation/Cost								
At 1 April 2020	34,660,000	5,386,344	11,883,931	2,429,182	—	—	54,359,457	
Additions	12,084,607	6,400,243	5,883,775	6,992,354	—	2,015,137	33,376,116	
Disposals	—	(857)	—	(505,952)	—	—	(506,809)	
Written off	—	(22,961)	—	—	—	—	(22,961)	
Transfer to investment properties	(19,210,000)	—	(4,990,678)	—	—	—	(24,200,678)	
Transfer to asset held for sale	(2,000,000)	—	—	—	—	—	(2,000,000)	
Transfer from right-of-use assets	—	—	—	489,655	—	—	489,655	
Acquisition of new subsidiaries	—	7,990	—	89,487	—	—	97,477	
Translation reserve	—	683	1,697	—	—	—	2,380	
At 31 March 2021	25,534,607	11,771,442	12,778,725	9,494,726	—	2,015,137	61,594,637	
Additions	222,080	8,161,780	3,526,942	2,932,160	817,854	6,923,763	22,584,579	
Disposals	—	(6,069)	(26,604)	(462,334)	—	—	(495,007)	
Written off	—	(61,709)	(46,939)	—	—	—	(108,648)	
Transfer from right-of-use assets	—	—	—	3,437,101	—	—	3,437,101	
Transfer to assets held for sale	(25,756,687)	—	(118,795)	(30,000)	—	(8,145,864)	(34,051,346)	
Acquisition of a new subsidiary	—	889,139	616,141	58,820	558,886	—	2,122,986	
Translation reserve	—	430	955	193	—	—	1,578	
At 31 March 2022	—	20,755,013	16,730,425	15,430,666	1,376,740	793,036	55,085,880	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group (Cont'd)	At valuation		At cost					Total RM
	Freehold land and buildings RM	Computer and office equipment RM	Furniture, fittings, signboard and office renovation RM	Motor vehicles RM	Cargo handling equipment RM	Buildings under construction RM		
Accumulated depreciation and impairment loss								
At 1 April 2020	402,586	4,302,228	5,161,498	1,416,743	—	—	—	11,283,055
Charge for financial year	263,779	984,453	1,670,649	1,052,878	—	—	—	3,971,759
Disposals	—	(856)	—	(392,255)	—	—	—	(393,111)
Written off	—	(21,585)	—	—	—	—	—	(21,585)
Transfer to investment properties	(410,232)	—	(3,891,228)	—	—	—	—	(4,301,460)
Transfer from right-of-use assets	—	—	—	399,373	—	—	—	399,373
Acquisition of new subsidiaries	—	3,613	—	62,640	—	—	—	66,253
Translation reserve	—	434	1,075	—	—	—	—	1,509
At 31 March 2021	256,133	5,268,287	2,941,994	2,539,379	—	—	—	11,005,793
Charge for financial year	138,800	2,320,734	2,058,780	1,912,216	93,457	—	—	6,523,987
Impairment loss recognised	534,346	—	—	—	—	—	—	534,346
Disposals	—	(1,839)	(5,510)	(364,308)	—	—	—	(371,657)
Written off	—	(61,700)	(44,664)	—	—	—	—	(106,364)
Transfer from right-of-use assets	—	—	—	1,744,295	—	—	—	1,744,295
Transfer to assets held for sale	(929,279)	—	(69,799)	(17,500)	—	—	—	(1,016,578)
Acquisition of a new subsidiary	—	407,817	38,695	3,915	56,056	—	—	506,483
Translation reserve	—	334	375	19	—	—	—	728
At 31 March 2022	—	7,933,633	4,919,871	5,818,016	149,513	—	—	18,821,033
Net carrying amount								
At 31 March 2022	—	12,821,380	11,810,554	9,612,650	1,227,227	793,036	—	36,264,847
At 31 March 2021	25,278,474	6,503,155	9,836,731	6,955,347	—	2,015,137	—	50,588,844



5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Freehold land and buildings with net carrying amount of RM11,670,000 (2021: RM11,780,000) are pledged to a licensed bank for a banking facility granted to a subsidiary. The aforesaid assets have been transferred to assets held for sale during the financial year.

Analysis of land and buildings of the Group are as follows:-

	Freehold land RM	Freehold buildings RM	Total RM
Valuation			
At 1 April 2020	21,804,400	12,855,600	34,660,000
Additions	11,084,607	1,000,000	12,084,607
Transfer to investment properties	(12,294,400)	(6,915,600)	(19,210,000)
Transfer to asset held for sale	(2,000,000)	—	(2,000,000)
At 31 March 2021	18,594,607	6,940,000	25,534,607
Additions	—	222,080	222,080
Transfer to assets held for sale	(18,594,607)	(7,162,080)	(25,756,687)
At 31 March 2022	—	—	—
Accumulated depreciation and impairment loss			
At 1 April 2020	—	402,586	402,586
Charge for the financial year	—	263,779	263,779
Transfer to investment properties	—	(410,232)	(410,232)
At 31 March 2021	—	256,133	256,133
Charge for the financial year	—	138,800	138,800
Impairment loss recognised	—	534,346	534,346
Transfer to assets held for sale	—	(929,279)	(929,279)
At 31 March 2022	—	—	—
Net carrying amount			
31 March 2022	—	—	—
31 March 2021	18,594,607	6,683,867	25,278,474

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation of land and buildings

The Group's land and buildings are stated at their revalued amounts, being the fair values at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses.

Fair value measurements of the land and buildings of the Group are categorised as follows:-

	2022 RM	2021 RM
Level 2		
Freehold land	—	18,594,607
Freehold buildings	—	6,683,867

There were no transfers between Level 1 and Level 2 during the financial year.

Level 2 fair values of freehold land and buildings have been derived using the comparison method of valuation. The comparison method of valuation entails comparing the sales price of the properties in close proximity and is adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

External, independent and qualified valuers were appointed to determine the fair values of the land and buildings. The revaluation surplus net of applicable deferred tax is credited to other comprehensive income and is shown in "revaluation reserve" under the equity as disclosed in Note 20 to the Financial Statements.

If land and buildings are measured using the historical cost model, the carrying amounts would be as follows:-

	2022 RM	Group 2021 RM
Freehold land	—	17,523,204
Freehold buildings	—	5,851,632
Total net carrying amounts	—	23,374,836

	Company Office equipment RM
Cost	
At 1 April 2020/31 March 2021/31 March 2022	3,019
Accumulated depreciation	
At 1 April 2020/31 March 2021/31 March 2022	3,016
Net carrying amount	
At 31 March 2021/31 March 2022	3

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for leasehold land, office and warehouse, outlet premises, motor vehicles and aircraft used for its operations purposes. These leases are generally having lease terms of 2 to 50 years. There are several lease contracts that include extension options which are further discussed below.

The Group also has certain leases of premises and equipment with short-term leases. The Group applies "short-term leases" recognition exemption for such leases.

Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:-

Group	Leasehold land RM	Office and warehouse RM	Outlet premises RM	Motor vehicles RM	Aircraft RM	Total RM
Cost						
At 1 April 2020	2,877,135	20,262,090	4,258,769	23,336,538	—	50,734,532
Additions	—	260,000	13,655,712	19,711,431	—	33,627,143
Transferred to property, plant and equipment	—	—	—	(489,655)	—	(489,655)
Lease modification	—	—	(608,356)	—	—	(608,356)
Lease termination	—	—	(1,822,988)	—	—	(1,822,988)
Disposal	—	—	—	(259,395)	—	(259,395)
Translation reserve	—	—	9,956	11,652	—	21,608
At 31 March 2021	2,877,135	20,522,090	15,493,093	42,310,571	—	81,202,889
Additions	—	53,746,784	11,800,294	2,949,818	175,016,673	243,513,569
Transferred to property, plant and equipment	—	—	—	(3,437,101)	—	(3,437,101)
Transfer to assets held for sale	(390,000)	(460,000)	—	—	—	(850,000)
Acquisition of a new subsidiary	—	—	—	—	33,160,203	33,160,203
Lease modification	—	—	(305,414)	—	—	(305,414)
Lease termination	—	—	(795,627)	—	—	(795,627)
Disposal	—	—	—	(101,839)	—	(101,839)
Written off	—	—	—	(256,000)	—	(256,000)
Translation reserve	—	—	1,811	1,909	—	3,720
At 31 March 2022	2,487,135	73,808,874	26,194,157	41,467,358	208,176,876	352,134,400

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Right-of-use assets (Cont'd)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:-
(Cont'd)

Group (Cont'd)	Leasehold land RM	Office and warehouse RM	Outlet premises RM	Motor vehicles RM	Aircraft RM	Total RM
Accumulated depreciation						
At 1 April 2020	672,545	435,747	1,375,099	9,622,116	—	12,105,507
Charge for the financial year	669,115	408,177	2,477,731	6,005,561	—	9,560,584
Transferred to property, plant and equipment	—	—	—	(399,373)	—	(399,373)
Lease modification	—	—	(252,246)	—	—	(252,246)
Lease termination	—	—	(904,434)	—	—	(904,434)
Disposal	—	—	—	(222,343)	—	(222,343)
Translation reserve	—	—	2,868	5,228	—	8,096
At 31 March 2021	1,341,660	843,924	2,699,018	15,011,189	—	19,895,791
Charge for the financial year	669,115	2,647,626	4,452,567	7,628,822	9,676,682	25,074,812
Transferred to property, plant and equipment	—	—	—	(1,744,295)	—	(1,744,295)
Transfer to assets held for sale	(21,067)	(24,850)	—	—	—	(45,917)
Acquisition of a new subsidiary	—	—	—	—	1,867,117	1,867,117
Lease modification	—	—	(165,434)	—	—	(165,434)
Lease termination	—	—	(538,044)	—	—	(538,044)
Disposal	—	—	—	(101,839)	—	(101,839)
Written off	—	—	—	(145,067)	—	(145,067)
Translation reserve	—	—	573	775	—	1,348
At 31 March 2022	1,989,708	3,466,700	6,448,680	20,649,585	11,543,799	44,098,472
Net carrying amount						
At 31 March 2022	497,427	70,342,174	19,745,477	20,817,773	196,633,077	308,035,928
At 31 March 2021	1,535,475	19,678,166	12,794,075	27,299,382	—	61,307,098



6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities

	2022 RM	Group 2021 RM
<u>Current</u>		
- within 1 year	40,637,041	10,690,319
<u>Non-current</u>		
- more than 1 year but less than 5 years	119,847,112	30,690,796
- more than 5 years	132,232,175	216,807
	252,079,287	30,907,603
	292,716,328	41,597,922

The lease liabilities bear interest at rates ranging from 2.04% to 4.35% (2021: 2.39% to 4.35%) per annum. The lease liabilities of RM219,419,893 (2021: RM31,770,868) of the Group are secured by the corporate guarantee of the Company.

Set out below are the movements of the lease liabilities during the financial year:-

	2022 RM	Group 2021 RM
At 1 April	41,597,922	18,065,129
Additions	242,066,366	30,715,971
Addition upon acquisition of subsidiary	30,824,869	6,476
Accretion of interest	6,392,611	1,339,882
Payments		
- Principal	(21,001,485)	(5,797,894)
- Interest	(6,392,611)	(1,339,882)
Rental rebates	(362,000)	(67,720)
Lease modification	(143,277)	(371,565)
Lease termination	(268,529)	(966,332)
Translation reserve	2,462	13,857
At 31 March	292,716,328	41,597,922

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

Lease liabilities (Cont'd)

The following are the amounts relating to right-to-use assets and lease liabilities recognised in profit or loss or cash flows:-

	2022 RM	Group 2021 RM
Depreciation of right-of-use assets	25,074,812	9,560,584
Interest expense on lease liabilities	6,392,611	1,339,882
Payments/expenses related to short-term leases:-		
- outlet premises	969,416	478,473
- accommodation	244,100	—
- equipment	661,358	609,411

Extension options

The Group has certain contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether the extension options are reasonably certain to be exercised. The Group's management holds on the decision to take up the following option for renewal and assessment is prepared without taking in the option period.

	Within 5 years RM
Extension option not reasonably certain to be exercised	
- 2022	2,160,000
- 2021	2,160,000



7. INVESTMENT PROPERTIES

The details of investment properties are as follows:-

	Freehold land RM	Freehold buildings and renovation RM	Total RM
Group			
Cost			
At 1 April 2020	—	6,031,370	6,031,370
Transfer from property, plant and equipment	12,294,400	11,906,278	24,200,678
Disposal	—	(1,371,340)	(1,371,340)
At 31 March 2021/31 March 2022	12,294,400	16,566,308	28,860,708
Accumulated depreciation			
At 1 April 2020	—	509,865	509,865
Charge for the financial year	—	106,914	106,914
Transfer from property, plant and equipment	—	4,301,460	4,301,460
Disposal	—	(88,642)	(88,642)
At 31 March 2021	—	4,829,597	4,829,597
Charge for the financial year	—	730,581	730,581
At 31 March 2022	—	5,560,178	5,560,178
Net carrying amount			
31 March 2022	12,294,400	11,006,130	23,300,530
31 March 2021	12,294,400	11,736,711	24,031,111
Fair values of investment properties			
- 2022	12,850,000	11,170,000	24,020,000
- 2021	12,295,000	11,737,000	24,032,000

The market values at the reporting date were estimated based on valuations performed by independent and external professional valuers, using the comparison and cost methods.

The title deeds of freehold buildings with net carrying amount of RM4,038,692 (2021: RM4,131,893) have yet to be obtained by the Group at the reporting date and are in the process of being transferred to the Group.

Freehold land and building with net carrying amount of RM19,261,838 (2021: RM19,899,218) which are pledged to a licensed bank for banking facilities granted to the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. SUBSIDIARIES

8.1 Investment in subsidiaries

	2022 RM	Company 2021 RM
At cost		
Unquoted shares	123,535,851	105,003,523
Less: Accumulated impairment loss		
At 1 April	(9,666,949)	(9,327,693)
Recognised	(379,817)	(339,256)
Transfer to assets held for sale	8,298,745	—
At 31 March	(1,748,021)	(9,666,949)
	121,787,830	95,336,574

At the reporting date, the net assets of the subsidiaries were lower than the Company's cost of investment which resulted in an impairment loss recognised accordingly.

Details of the subsidiaries are as follows:-

Name of company	Effective interest		Principal activities	Principal place of business
	2022 %	2021 %		
MGudang Sdn. Bhd. ("MGSB") *	74.51	74.51	Investment holding	Malaysia
MMatrix Sdn. Bhd.	100	100	Provisions of courier and delivery services	Malaysia
United ICT Consortium Sdn. Bhd.	100	100	Investment holding	Malaysia
Line Clear Ventures Holdings Sdn. Bhd. ("LCVH")	100	100	Investment holding	Malaysia
Inventure Conglomerate Sdn. Bhd.	100	100	Distribution of telecommunication products, services, accessories and devices and other multimedia hardware and software.	Malaysia
VSurf Sdn. Bhd. ("VSURF")	100	100	Provision of electronic commerce services related.	Malaysia
MMantap Sdn. Bhd.	100	100	Dormant	Malaysia
M Jets International Sdn. Bhd. ("MJets")	80	—	Provision of airline charter flight and providing all kinds of aviation facilities, products and services	Malaysia



8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

Name of company	Effective interest		Principal activities	Principal place of business
	2022 %	2021 %		
Held under LCVH				
Line Clear Express & Logistics Sdn. Bhd. ("LCEL")	85	100	Provisions of courier and delivery services	Malaysia
Line Clear Express & Logistics (S) Pte. Ltd. ("LCELS")*	100	60	Provisions of courier and delivery services	Singapore
Line Clear Freight Forwarding Sdn. Bhd.	100	100	Dormant	Malaysia
Line Shield Sdn. Bhd.	100	100	Insurance agent	Malaysia
KMN Express Sdn. Bhd. ("KMN")	100	100	Provision of courier and delivery services	Malaysia
Line Clear Express (KT) Sdn. Bhd. ("LCKT")	100	100	Dormant	Malaysia
Held under United ICT Consortium Sdn. Bhd.				
MMAG Digital Sdn. Bhd.	100	100	Investment holding and distributor of information technology products	Malaysia
Inconnexion Communication Sdn. Bhd.	100	100	Dormant	Malaysia
MMAG Online Sdn. Bhd.	100	100	Dormant	Malaysia
Held under MMAG Digital Sdn. Bhd.				
MMegah Sdn. Bhd.	100	100	Temporarily ceased business	Malaysia
Held under MGSB				
H&H Ecowood Products Sdn. Bhd.	100	100	Property investment	Malaysia
Active Trio Deluxe Sdn. Bhd. ("ATD")	100	100	Dormant	Malaysia

* Audited by a firm other than Grant Thornton Malaysia PLT

The investment has been transferred to non-current asset held for sale, as detailed in Note 17 to financial statements

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

Incorporation, acquisition, subscription of shares of subsidiaries

2022

- (a) On 22 June 2021, LCVH subscribed further 99,998 ordinary shares of Line Shield Sdn. Bhd. ("LSSB") for total cash consideration of RM99,998 during the financial year.
- (b) On 16 November 2020, the Company entered into a Shares Sale Agreement ("SSA") with a third party to acquire 80% of total issued and paid-up share capital of MJets. The purchase consideration for the acquisition consists of:-
- (a) Cash consideration of RM19,315,049; and
 - (b) Capitalisation of RM14,439,073 owing from MJets to the Company (in which RM10,643,911 owing from MJets prior to acquisition date).

The acquisition was deemed completed on 26 May 2021. Subsequently, the Company has further subscribed 10,906,951 ordinary shares of MJets for RM10,906,951 by way of cash consideration and the non-controlling interest has further subscribed 7,777,778 ordinary shares of the Company for RM5,507,322 by way of capitalised the amount owing from MJets to it (in which RM2,303,560 owing from MJets prior to acquisition date).

The fair values of the assets and liabilities acquired and the goodwill arising are as follows:-

	MJets RM
Property, plant and equipment	1,616,503
Right-of-use assets	31,293,086
Inventories	90,040
Receivables	2,589,242
Cash and bank balances	946,813
Lease liabilities	(30,824,869)
Payables	(3,060,083)
Total identifiable assets	2,650,732
Non-controlling interest	(530,146)
Goodwill recognised at date of acquisition	27,838,374
Fair value of consideration transferred	29,958,960
Less: Cash and bank balances acquired	(946,813)
Net cash outflow arising from acquisition of a subsidiary during the year	29,012,147

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business's work force and the synergies expected to be achieved from integrating the subsidiaries into the Group's existing business.

The Group incurred acquisition-related costs of RM128,024 related to external legal fees and due diligence costs. The expenses have been included in administration expenses in the profit or loss.

From the date of acquisition, acquired subsidiary has contributed RM61,108,703 and RM18,463,237 to the Group's revenue and loss for the financial year respectively. If the combination had taken place at the beginning of the financial year, the Group's revenue and loss for the financial year from its continuing operations would have been RM61,108,703 and RM20,719,809 respectively.



8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

Incorporation, acquisition, subscription of shares of subsidiaries (Cont'd)

2021

- (a) On 5 May 2020, the Company subscribed further 99,900 ordinary shares in VSURF by way of capitalisation of amount due by VSURF amounting to RM99,900.
- (b) On 28 May 2020, the Company subscribed further 35,000,000 ordinary shares in LCEL by way of capitalisation of amount due by LCEL amounting to RM35,000,000.
- (c) On 2 July 2020, the Company incorporated a wholly-owned subsidiary, LCVH with a paid-up capital of RM2. Subsequently, the Company subscribed further 55,000,000 new ordinary shares for a total consideration of RM55,000,000 by way of capitalisation of amount due from subsidiaries.
- (d) On 15 July 2020, the Company subscribed further 17,900,000 ordinary shares in MGSB by way of capitalisation of amount due by MGSB amounting to RM17,900,000.
- (e) On 10 August 2020, LCVH entered into SSA with a third party to acquire 60,000 ordinary shares representing 60% of the total issued and paid-up share capital in KMN for a total consideration of RM550,000. The acquired subsidiary had generated a net loss of RM11,090 during the last financial year.
- (f) On 14 August 2020, LCVH subscribed 60% of a newly incorporated subsidiary, LCKT with a cash subscription of RM6. The intended business activity of such subsidiary is provision of courier services.
- (g) On 11 September 2020, the Company entered into a SSA with a third party to acquire entire equity interest in Maasdots Sdn. Bhd. ("Maasdots") for a total consideration of RM100,000. The acquired subsidiary had generated a net loss of RM231,701 during the last financial year.

The fair values of the assets and liabilities acquired and the goodwill arising are as follows:-

	Maasdots RM	KMN RM	Total RM
Property, plant and equipment	—	31,224	31,224
Receivables	14,000	532,378	546,378
Cash and bank balances	100	117,832	117,932
Deferred tax liabilities	—	(2,553)	(2,553)
Payables	(124,524)	(652,238)	(776,762)
Lease liabilities	—	(6,476)	(6,476)
Total identifiable (liabilities) and assets	(110,424)	20,167	(90,257)
Non-controlling interest	—	(8,067)	(8,067)
Goodwill recognised at date of acquisition	210,424	537,900	748,324
Fair value of consideration transferred	100,000	550,000	650,000
Less: Cash and bank balances acquired	(100)	(117,832)	(117,932)
Net cash outflow arising from acquisition of subsidiaries during the year	99,900	432,168	532,068

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

Disposal of subsidiaries

2021

- (a) On 31 December 2020, the Company entered into a SSA with a third party to dispose of its 100% equity interest in Maasdots for a total cash consideration of RM100,000.
- (b) On 18 March 2021, LCVH entered into a SSA with a third party to dispose of its 100% equity interest in Line Haul for a total cash consideration of RM3,000,000.

In previous financial year, the effects of the disposal of Maasdots and Line Haul on the financial position of the Group as at the date of disposal are as follows:-

	Maasdots RM	Line Haul RM	Total RM
Receivables	14,000	1,895,274	1,909,274
Cash and bank balances	3,218	9,642	12,860
Payables	(359,343)	(961,940)	(1,321,283)
Tax payable	—	(109,000)	(109,000)
Total net (liabilities)/assets upon disposal	(342,125)	833,976	491,851
Goodwill derecognised	210,424	—	210,424
Gain on disposal of subsidiaries	231,701	2,166,024	2,397,725
Proceeds consideration	100,000	3,000,000	3,100,000
Less: Cash and bank balances disposed	(3,218)	(9,642)	(12,860)
Net cash inflow arising from disposal of subsidiaries during the year	96,782	2,990,358	3,087,140

Changes in ownership interests in subsidiaries

2022

- (a) On 22 March 2021, LCVH entered into a SSA with a third party to dispose 14,400,000 ordinary shares representing 15% of the total issued and paid-up share capital in LCEL for a total cash consideration of RM22,000,000. This transaction is completed during the financial year. The Group recognised an increase in non-controlling interest of RM644,251 and decrease of accumulated losses of RM21,355,749.
- (b) On 28 April 2021, LCVH entered into a SSA with a third party to acquire 30,000 ordinary shares representing 40% of the total issued and paid-up share capital in LCELS for a total cash consideration of RM779,670. This transaction has increased its ownership from 60% to 100% during the financial year. As a result, the Group recognised a decrease in non-controlling interest of RM74,398 and increase of accumulated losses of RM854,068.



8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

Changes in ownership interests in subsidiaries (Cont'd)

2021

- (a) On 3 August 2020, MGSB entered into a subscription agreement with a third party for the issuance and allotment of 2,500,000 new ordinary shares (representing 11.63% of the enlarged total number of issued shares) for a cash subscription price of RM2,500,000.

On 24 February 2021, MGSB entered into another subscription agreement with another third party for the issuance and allotment of 4,000,000 new ordinary shares (representing 15.69% of the enlarged total number of issued shares) for a total cash subscription of RM4,000,000. As a result, the Company's effective equity interest in MGSB has diluted from 100% to 74.51%. The Group recognised an increase in non-controlling interests of RM6,152,629 and a decrease in accumulated losses of RM347,371.

- (b) On 31 December 2020, LCVH acquired the remaining 40% equity interest in KMN for RM240,000 in cash, increasing its ownership from 60% to 100%. The Group recognised a decrease in non-controlling interests of RM8,067 and an increase in accumulated losses of RM231,933.

- (c) On 31 December 2020, LCVH acquired the remaining 40% equity interest in LCKT for RM4 in cash, increasing its ownership from 60% to 100%.

8.2 Amounts due from/(to) subsidiaries

Amounts due from/(to) subsidiaries are non-trade in nature, unsecured, bear no interest and repayable on demand.

	Company	
	2022 RM	2021 RM
Amount due from subsidiaries	182,157,731	177,325,370
Less: Allowance for expected credit losses		
At 1 April	(8,260,458)	(7,392,491)
Recognised	(13,556,757)	(867,967)
At 31 March	(21,817,215)	(8,260,458)
	160,340,516	169,064,912
Amount due to subsidiaries	(1,537,188)	(1,537,188)

At the reporting date, there is indication that the amount due from subsidiaries were not recoverable which resulted in an impairment loss recognised accordingly.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. SUBSIDIARIES (CONT'D)

8.3 Non-controlling interests ("NCI")

The Group's subsidiaries that have material NCI are as follows:-

	MGSB	MJets	LCELSB	LCELS	Total
2022					
Percentage of ownership interest and voting interest held by NCI as at the end of financial year (%)	25.49%	20%	15%	—*	
Carrying amount of NCI (RM)	6,187,282	418,681	(5,055,348)	—	1,550,615
Net profit/(loss) allocated to NCI (RM)	118,366	(3,692,647)	(5,699,599)	(330,243)	(9,604,123)
Total comprehensive profit/(loss) allocated to NCI (RM)	118,366	(3,692,647)	(5,699,599)	(329,804)	(9,603,684)
			MGSB	LCELS	Total
2021					
Percentage of ownership interest and voting interest held by NCI as at the end of financial year (%)			25.49%	40%	
Carrying amount of NCI (RM)			6,068,916	255,406	6,324,322
Net (loss)/profit allocated to NCI (RM)			(83,713)	131,893	48,180
Total comprehensive (loss)/profit allocated to NCI (RM)			(83,713)	135,935	52,222

- * On 28 April 2021, LCVH entered into a SSA with a third party to acquire 30,000 ordinary shares of representing 40% of the total issued and paid-up share capital in LCELS for a total cash consideration of RM779,670. This transaction has increased its ownership from 60% to 100% during the financial year.



8. SUBSIDIARIES (CONT'D)

8.3 Non-controlling interests ("NCI") (Cont'd)

The summary of financial information before intra-group elimination of the Group's subsidiaries that has NCI are as below:-

	MGSB RM	MJets RM	LCELSB RM
Financial position as at 31 March 2022			
Non-current assets	34,542,065	251,594,064	67,083,051
Current assets	7,665,406	40,276,286	25,059,404
Non-current liabilities	(431,693)	(222,296,916)	(29,257,543)
Current liabilities	(17,144,108)	(67,480,063)	(96,587,232)
Net assets	24,631,670	2,093,371	(33,702,320)

Summary of financial performance for the financial year ended 31 March 2022

Net profit/(loss) for the financial year	464,363	(18,463,237)	(45,415,442)
Total comprehensive profit/(loss) for the financial year	464,363	(18,463,237)	(45,415,442)

Summary of cash flows for the financial year ended 31 March 2022

Net cash from/(used in) operating activities	1,629,693	1,360,626	(5,135,629)
Net cash used in investing activities	(3,155,307)	(2,417,151)	(13,645,973)
Net cash from financing activities	401,500	2,863,955	21,026,110
Net changes in cash and cash equivalents	(1,124,114)	1,807,430	2,244,508

	MGSB RM	LCELS RM
Financial position as at 31 March 2021		
Non-current assets	28,201,763	481,257
Current assets	10,153,832	1,037,108
Non-current liabilities	(431,693)	(252,949)
Current liabilities	(14,114,895)	(626,901)
Net assets	23,809,007	638,515

Summary of financial performance for the financial year ended 31 March 2021

Net (loss)/profit for the financial year	(328,415)	329,733
Total comprehensive (loss)/profit for the financial year	(328,415)	339,838

Summary of cash flows for the financial year ended 31 March 2021

Net cash (used in)/from operating activities	(2,520,349)	487,425
Net cash (used in)/from investing activities	(14,049,699)	2,562
Net cash from/(used in) financing activities	16,590,034	(520,011)
Net changes in cash and cash equivalents	19,986	(30,024)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

9. OTHER INVESTMENTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current				
Equity instruments designated at fair value through OCI:-				
Unquoted in Malaysia				
- ordinary shares	1,300,000	1,300,000	—	—
Less: Allowance for impairment loss				
At 1 April	—	—	—	—
Recognised	(1,300,000)	—	—	—
At 31 March	(1,300,000)	—	—	—
	—	1,300,000	—	—
Quoted in Malaysia				
- ordinary shares	230,240,350	6,917,978	230,240,350	6,917,978
- irredeemable convertible preference shares	—	58,000,000	—	58,000,000
	230,240,350	66,217,978	230,240,350	64,917,978
Equity instruments designated at fair value through profit or loss:-				
- warrants (quoted in Malaysia)	21,196,375	—	21,196,375	—
	251,436,725	66,217,978	251,436,725	64,917,978

Equity instruments designated at fair value through OCI include investments in ordinary shares or irredeemable convertible preference shares of listed and non-listed companies. The Group holds non-controlling interests (between 2.87% to 16.61%) in these companies. These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature.

Financial assets at fair value through profit or loss include investments in listed warrants. Fair values of these warrants are determined by reference to published price quotations in an active market.

The quoted ordinary shares and warrants are pledged for a banking facility of the Group and of the Company.



10. INTANGIBLE ASSETS

	E-commerce & mobile apps RM	Customer list and relationship RM	Total RM
Group			
Cost			
At 1 April 2020	11,401,893	—	11,401,893
Additions	25,177	120,000	145,177
At 31 March 2021/31 March 2022	11,427,070	120,000	11,547,070
Accumulated amortisation			
At 1 April 2019/31 March 2021/ 31 March 2022	10,825,000	—	10,825,000
Accumulated impairment			
At 1 April 2020	—	—	—
Impairment for the financial year	602,070	—	602,070
At 31 March 2021/31 March 2022	602,070	—	602,070
Net carrying amount			
At 31 March 2021/31 March 2022	—	120,000	120,000

At the reporting date, the recoverable amount were lower than the carrying amount of E-commerce & mobile apps which resulted in an impairment loss recognised accordingly.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

11. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets

	2022 RM	Group 2021 RM
At beginning of financial year	—	—
Recognised in profit or loss/At 31 March	1,600,000	—

The deferred tax assets are made up of tax impact on temporary differences arising from:-

	2022 RM	Group 2021 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(458,000)	—
Unabsorbed business losses	959,000	—
Others (Trade receivables, inventories and etc)	1,099,000	—
	1,600,000	—

Deferred tax liabilities

	2022 RM	Group 2021 RM
At 1 April	1,392,578	1,900,250
Additions through acquisition of a subsidiary (Note 8.1)	—	2,553
Decrease in deferred tax liabilities due to change in tax rate as a result of transfer of revalued freehold land and building from property, plant and equipment to investment properties	—	(510,225)
Transfer to assets held for sale	(431,693)	—
At 31 March	960,885	1,392,578

The deferred tax liabilities as at the end of the reporting year are made up of tax effects on temporary differences arising from:-

	2022 RM	Group 2021 RM
Carrying amounts of property, plant and equipment in excess of their tax bases	10,198	10,198
Revaluation surplus of property, plant and equipment	950,687	1,382,380
	960,885	1,392,578



12. GOODWILL ON CONSOLIDATION

	2022 RM	Group 2021 RM
At 1 April	10,383,310	9,845,410
Arising from acquisition of a subsidiary	27,838,374	537,900
Impairment loss recognised during the year	(995,820)	—
At 31 March	37,225,864	10,383,310

At the reporting date, the net assets of the subsidiaries were lower than goodwill on consolidation which resulted in an impairment loss is recognised accordingly.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:-

	2022 RM	Group 2021 RM
Mobile and fulfilments	9,387,490	9,412,918
Courier and logistic services	—	801,524
Air freight	27,838,374	—
Others	—	168,868
	37,225,864	10,383,310

The recoverable amount for the above is based on its value in use and is determined by discounting the future cash flows generated from the continuing use of those units based on the following key assumptions:-

- (i) cash flows are projected based on actual operating results and a 5(2021: 5) years business plan;
- (ii) revenue is projected at anticipated annual revenue growth rate of 5% (2021: 5%) per annum;
- (iii) expenses are projected increase at an annual rate ranging from 2% to 10% (2021: 2%) per annum; and
- (iv) a pre-tax discount rate ranging from 7.6% to 9.25% (2021: 5.4%) is applied in determining the recoverable amount of the units.

With regards to the assessments of value-in-use, management believes that no reasonably possible changes in any of the key assumptions would cause the carrying values of these units to differ materially from their recoverable amounts except for the changes in prevailing operating environment which is not ascertainable.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. INVENTORIES

	2022 RM	Group 2021 RM
Goods in transit	7,462,655	—
Trading goods	4,368,594	4,291,966
Less: Allowance for slow moving inventories		
At 1 April	(1,410,686)	(1,410,686)
Reversal	115,605	—
At 31 March	(1,295,081)	(1,410,686)
	10,536,168	2,881,280
<u>Recognised in profit or loss:-</u>		
Inventories recognised as cost of sales	237,201,837	162,669,283
Inventories written off recognised as other expenses	—	24,194

Reversal of allowance for slow moving inventories due to these inventories were sold during the financial year.

14. CONTRACT ASSETS/CONTRACT LIABILITY

	2022 RM	Group 2021 RM
Revenue recognised to-date	17,972,377	6,523,371
Invoices issued to-date	(15,071,661)	(4,555,637)
Contract assets	2,900,716	1,967,734
Contract liability – current	9,440,288	—

Contract assets are initially recognised for revenue earned from electronic delivery tracking system which indicated of the completed delivery. Upon the completion of delivery and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables. The significant increase in contract assets resulting from significant increase in sales generated from one of its customers during the financial year.

Contract liability related to deposits made by customers for the goods or services which yet to be performed by the Group as at the reporting date. The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



15. TRADE RECEIVABLES

	Group	
	2022 RM	2021 RM
Trade receivables	38,949,210	35,378,668
Less: Allowance for expected credit losses		
At 1 April	(8,746,106)	(7,039,269)
Recognised	(782,000)	(2,186,754)
Recovered	—	479,917
Written off	350,000	—
At 31 March	(9,178,106)	(8,746,106)
	29,771,104	26,632,562

The normal trade credit terms granted by the Group to the trade receivables ranging from 1 to 90 days (2021: 1 to 90 days) and are non-interest bearing.

16. OTHER RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-trade receivables	11,799,184	17,438,083	—	8,703,000
Less: Allowance for expected credit losses				
At 1 April	(2,000,000)	—	—	—
Recognised	(280,000)	(2,000,000)	—	—
At 31 March	(2,280,000)	(2,000,000)	—	—
	9,519,184	15,438,083	—	8,703,000
Deposits	17,989,621	19,435,131	3,000	10,681,500
Prepayments	7,428,694	2,041,230	19,834	18,816
GST receivable	198,701	160,653	—	—
	35,136,200	37,075,097	22,834	19,403,316

In prior year, included in deposits of the Group was an amount of RM6,282,118 of earnest deposits paid in regards to conditional sale and purchase agreements ("SPA") entered for the proposed acquisition of freehold land and buildings. The deposit of RM450,000 has been refunded from vendor and remaining amount has been transferred to assets held for sale.

In prior year, included in deposits of the Group and the Company was an amount of RM10,678,500 paid in relation for the acquisition of 80% equity interest in MJets. The transaction was completed during the financial year and the amount has been transferred to investment in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17. ASSETS OF DISPOSAL GROUP/NON-CURRENT ASSETS HELD FOR SALE

17.1 Assets of disposal group and liabilities directly associated with disposal group

On 4 May 2021, the Group announced the decision to dispose of MGSB and its subsidiaries for consideration of RM17,830,000. As at 31 March 2022, the disposal is pending completion as certain conditions imposed by the authorities, were beyond the control and anticipation of the Group and the buyers. Both parties remain committed to the disposal plans and are taking the necessary actions to address these conditions and this transaction is completed subsequent to the financial year end.

Details of assets and liabilities classified as disposal groups and assets held for sale:-

Group

	MGSB 2022 RM
Assets:-	
Property, plant and equipment	33,034,768
Right-of-use assets	804,083
Other receivables	7,607,447
Tax recoverable	8,490
Cash and bank balances	49,469
Assets of disposal group	41,504,257
Liabilities:-	
Deferred taxation	431,693
Other payables	4,065,341
Tax payables	50,550
Liabilities directly associated with disposal groups classified as held for sale	4,547,584
Amount due from MGSB and its subsidiaries to the Group	13,028,217

17.2 Non-current assets held for sale

The non-current asset held for sale is as follows:-

	Group		Company
	2022 RM	2021 RM	2022 RM
Freehold land	—	2,000,000	—
Investment in a subsidiary	—	—	17,830,000
	—	2,000,000	17,830,000

In prior year, the Group has entered into a SPA to dispose 2 pieces of freehold land and this transaction has completed in current year. During the financial year, the Company has announced the decision to dispose of MGSB and its subsidiaries as detailed in Note 17.1 to the Financial Statements. Hence, the carrying amount of the investment in this subsidiary has also been presented as a non-current asset held for sale on the Company's statement of financial position as at 31 March 2022.



18. SHARE CAPITAL

	Group and Company		Amount	
	Number of shares 2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid up:-				
Ordinary shares with no par value				
At 1 April	1,132,594,825	718,312,213	246,330,286	141,773,872
Issuance of shares	179,875,100	414,282,612	24,217,181	104,556,414
At 31 March	1,312,469,925	1,132,594,825	270,547,467	246,330,286

The holders of ordinary shares are entitled to receive dividends as and when declare by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

19. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

	Group and Company		Amount	
	Number of shares 2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid up:-				
At 1 April	29,056,218	345,055,118	1,452,811	17,252,756
Conversion of shares	(13,971,000)	(315,998,900)	(698,550)	(15,799,945)
At 31 March	15,085,218	29,056,218	754,261	1,452,811

The salient terms of the ICPS are as follows:-

- (a) The shares were issued at RM0.05 each and are convertible within 5 years commencing from the issuance of the ICPS with conversion ratio and the conversion price is determined as follows:-
 - (i) The conversion price for the ICPS to be converted into 1 new ordinary share of the Company at RM0.20 based on the conversion ratio; and
 - (ii) The conversion ratio of the ICPS for 1 new ordinary share of the Company is either by 4 ICPS to be converted into 1 ordinary share or a combination of 1 ICPS and RM0.15 in cash for 1 ordinary share.
- (b) Any remaining ICPS that are not converted within 5 years commencing from the issuance of the ICPS shall be automatically converted into ordinary shares of the Company at the conversion ratio of 4 ICPS to be converted into 1 ordinary share.
- (c) The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be in priority over the ordinary shares of the Company.
- (d) The ICPS holders are not entitled to any voting right until and unless such holders convert their ICPS into ordinary shares except for the following circumstances:-
 - (i) when the dividend or part of dividend on the ICPS is in arrears for more than 6 months; or
 - (ii) on a proposal to reduce the capital of the Company's shares; or
 - (iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking; or
 - (iv) on a proposal that directly affects the rights and privileges attached to the ICPS; or
 - (v) on a proposal to wind-up the Company; or
 - (vi) during the winding-up of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. RESERVES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-distributable:-				
<u>Revaluation reserve</u>				
At 1 April	9,875,405	9,365,180	—	—
Change in tax rate	—	510,225	—	—
At 31 March	9,875,405	9,875,405	—	—
<u>Warrant reserve</u>				
At 1 April	25,575,759	28,965,858	25,575,759	28,965,858
Conversion of shares	(431,804)	(3,390,099)	(431,804)	(3,390,099)
At 31 March	25,143,955	25,575,759	25,143,955	25,575,759
<u>Merger deficit</u>				
At 1 April/31 March	(7,900,000)	(7,900,000)	—	—
<u>Exchange translation reserve</u>				
At 1 April	27,113	(240,472)	—	—
Recognised in other comprehensive income	(4,500)	267,585	—	—
At 31 March	22,613	27,113	—	—
<u>Fair value reserve</u>				
At 1 April	55,148,176	—	55,148,176	—
Fair value gain on remeasurement of financial assets	136,623,225	55,148,176	136,623,225	55,148,176
Realisation of fair value reserve upon disposal	(26,425,150)	—	(26,425,150)	—
At 31 March	165,346,251	55,148,176	165,346,251	55,148,176
Total non-distributable reserves	192,488,224	82,726,453	190,490,206	80,723,935
Distributable:-				
(Accumulated losses)/retained earnings	(87,537,810)	(111,433,113)	55,074,799	16,295,548
Total reserves	104,950,414	(28,706,660)	245,565,005	97,019,483



20. RESERVES (CONT'D)

Warrants 2017/2022

The Company had on 20 November 2017 allotted and issued 151,834,154 ordinary shares pursuant to rights issue ("rights shares") together with 227,751,203 warrants at an issue price of RM0.25 each on the basis of 3 warrants for every 2 right shares subscribed each warrant. Each warrant entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 28 November 2017 to 27 November 2022, at an exercise price of RM0.20 in accordance with a deed poll. Any warrant not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of warrants.

During the financial year, 3,386,700 warrants had been exercised. As at 31 March 2022, there are 197,207,491 warrants remained not exercised.

21. BORROWINGS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Secured				
Term loans:-				
- Current	20,549,136	3,899,435	20,140,685	3,514,566
- Non-current	2,805,555	3,234,107	—	—
	23,354,691	7,133,542	20,140,685	3,514,566
Repayment terms:-				
- not later than 1 year	20,549,136	3,899,435	20,140,685	3,514,566
- between 1 to 2 years	423,162	399,951	—	—
- between 2 to 5 years	1,365,440	1,296,091	—	—
- later than 5 years	1,016,953	1,538,065	—	—
	23,354,691	7,133,542	20,140,685	3,514,566

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

21. BORROWINGS (CONT'D)

The particulars of term loans are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Term loans				
(a) A term loan of RM5,529,000 which is repayable over 180 monthly installments of RM43,126 upon full drawdown	3,214,006	3,618,976	—	—
(b) A term loan of RM25,000,000 (2021: RM14,500,000) which is repayable within 3 months after the drawdown and roll forward option is available subsequently with no conversion fee	20,140,685	3,514,566	20,140,685	3,514,566
	23,354,691	7,133,542	20,140,685	3,514,566

The term loan (a) is secured by:-

- (a) First party legal charge over the freehold land and buildings of the Group;
- (b) Corporate guarantee by the Company;
- (c) Personal guarantee by a former Director of the Company;
- (d) Pledge of fixed deposits with licensed banks; and
- (e) Deed of assignment of benefits of contracts.

The term loan (b) is secured by:-

- (a) Signed Margin Financing Agreement;
- (b) Personal guarantee by a Director; and
- (c) Certain shares quoted on Bursa Malaysia Securities Berhad held by the Directors and other investments as disclosed in Note 9 to the Financial Statements.

The term loans bear interest at rates ranging from 3.60% to 6.75% (2021: 3.60% to 8.50%) per annum.

22. TRADE PAYABLES

Group

The normal trade credit terms granted by the trade payables ranging from 30 to 45 days (2021: 30 to 45 days) and are non-interest bearing.

Included in trade payables is RM15,703,524 (2021: RM1,969,448) due to a company in which a Director of the subsidiaries has interest.



23. OTHER PAYABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-trade payables				
- Sundry	14,598,014	13,341,425	431,783	461,924
- Existing Directors	3,117,580	25,080	60,000	1,500
- Former Directors	1,005,465	1,117,215	852,890	844,640
- Advances from third parties	22,803,465	8	11,603,465	8
Accruals	13,150,901	2,450,381	53,200	48,200
Advances received from customers	8,222,662	739,150	—	—
Deposits received	1,684,533	2,872,203	—	—
SST/GST payables	1,089,909	833,085	1,622	1,622
	65,672,529	21,378,547	13,002,960	1,357,894

In prior year, included in deposits of the Group were an amount of RM2,200,000 deposit received from a third party for the disposal of partial interest of a subsidiary and an amount of RM319,750 earnest deposits received in relation to conditional SPA entered for disposal of freehold land as disclosed in Note 17 to the Financial Statements.

24. REVENUE

24.1 Disaggregated revenue information

	2022 RM	2021 RM
Group		
Revenue from contracts with customers		
- Sales of goods	269,053,018	180,371,940
- Courier and delivery charges	63,448,213	42,377,151
- Cargo charter services income	53,142,091	—
- Commission income	82,715	12,193
	385,726,037	222,761,284
Revenue from other sources		
- Rental income	151,815	33,670
	385,877,852	222,794,954
Timing of revenue recognition		
- Recognised at a point in time	385,726,037	222,761,284

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

24. REVENUE (CONT'D)

24.2 Performance obligations

The performance obligation for the sale of information technology products is satisfied upon delivery of goods and services rendered to customers. The performance obligation for courier and logistic services are satisfied upon services are rendered and has present right to the payments for the services. None of the following is applicable for the revenue from contract with customers:-

- variable consideration;
- obligation for returns or refund; and
- warranty.

25. OTHER INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fair value gain on other investment	23,350,103	—	23,350,103	—
Gain on disposal of subsidiaries	—	2,397,725	—	—
Gain on disposal of an associate	—	10,363,827	—	10,844,678
Gain in disposal of other investment	5,783,959	—	5,783,959	—
Gain on disposal of property, plant and equipment	18,637	112,417	—	—
Gain on disposal of right-of-use assets	17,412	27,113	—	—
Gain on disposal of assets held for sale	1,197,500	—	—	—
Gain on lease modification/termination	14,243	63,233	—	—
Franchise fee	607,378	629,500	—	—
Rental income	637,323	936,557	—	—
Rental rebates	362,000	67,720	—	—
Reversal of slow moving inventories no longer required	115,605	—	—	—
Others	2,208,030	1,129,990	2,711	659,752
	34,312,190	15,728,082	29,136,773	11,504,430

26. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been determined after charging amongst others, the following items:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration				
- statutory audit fee	232,000	188,000	50,000	45,000
- others	6,000	16,000	6,000	6,000
- other external auditor:				
statutory audit fee	11,763	11,610	—	—
Realised loss on foreign exchange	625,024	31,736	—	—
Unrealised loss on foreign exchange	45,626	—	—	—

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)



26. (LOSS)/PROFIT BEFORE TAX (CONT'D)

The details of the remuneration received/receivable by the Directors of the Group and of the Company during the financial year are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors:-				
<u>Directors of the Company</u>				
Salaries and other emoluments	834,126	912,591	834,126	672,591
Defined contribution plan	96,549	102,222	96,549	77,670
Fees	13,000	18,000	13,000	18,000
	943,675	1,032,813	943,675	768,261
<u>Directors of the subsidiaries</u>				
Salaries and other emoluments	877,328	339,986	—	175,000
Defined contribution plan	116,392	49,048	—	21,000
	993,720	389,034	—	196,000
	1,937,395	1,421,847	943,675	964,261
Non-executive Directors:-				
<u>Directors of the Company</u>				
Salaries and other emoluments	113,750	70,500	113,750	70,500
Fees	84,500	28,500	84,500	28,500
	198,250	99,000	198,250	99,000
Total Directors' remuneration	2,135,645	1,520,847	1,141,925	1,063,261

27. TAX (INCOME)/EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current tax:-				
- current year	143,280	116,880	—	—
- prior year	61,331	27,005	—	—
Deferred tax:-				
- prior year	(1,600,000)	—	—	—
	(1,395,389)	143,885	—	—

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. TAX (INCOME)/EXPENSE (CONT'D)

Malaysian income tax is calculated at the statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

A reconciliation of income tax expense on (loss)/profit before tax with the applicable statutory income tax rate is as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/profit before tax	(33,653,628)	(22,903,927)	12,354,101	6,106,223
Income tax at rate of 24% (2021: 24%)	(8,076,871)	(5,496,942)	2,964,984	1,465,494
Tax effect in respect of:-				
Expenses not deductible for tax purposes	11,138,181	2,814,773	4,027,842	1,295,569
Income not subject to tax	(10,948,269)	(3,526,951)	(6,992,826)	(2,761,063)
Movement of deferred tax assets not recognised	10,483,560	6,326,000	—	—
Utilisation of deferred tax assets previously not taken up	(2,453,321)	—	—	—
Underprovision in prior year	(1,538,669)	27,005	—	—
	(1,395,389)	143,885	—	—

As at the reporting date, the temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group	
	2022 RM	2021 RM
Carrying amounts of property, plant and equipment in excess of their tax bases	8,887,000	6,532,000
Right-of-use assets	(9,412,000)	(4,945,000)
Unutilised capital allowances	(34,734,000)	(23,800,000)
Unabsorbed tax losses	(101,729,000)	(84,842,000)
Others (trade receivables, inventories and etc)	(4,667,000)	(7,899,000)
	(141,655,000)	(114,954,000)

The potential deferred tax assets are not recognised in the financial statements as the Directors opined that such amounts will not be able to be utilised in the near future.

The above unutilised capital allowances and unabsorbed tax losses of the Group can be carried forward to offset against future taxable profits of the Group.



27. TAX (INCOME)/EXPENSE (CONT'D)

As announced in Annual Budget 2020, the expiry terms of the unabsorbed tax losses of the Group as of 31 December 2019 and thereafter has been extended from 7 years to 10 years, the unabsorbed tax losses will now available for carry forward for a period of 10 (2021: 7) consecutive years. Upon expiry of 10 (2021: 7) years, the unabsorbed tax losses will be disregarded.

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unabsorbed tax losses can only be carried forward until the following years of assessment:-

	Group	
	2022 RM	2021 RM
Year of assessment 2025	—	33,907,000
Year of assessment 2026	—	10,522,000
Year of assessment 2027	—	15,477,000
Year of assessment 2028	20,449,000	24,936,000
Year of assessment 2029	9,763,000	—
Year of assessment 2030	15,477,000	—
Year of assessment 2031	24,936,000	—
Year of assessment 2032	31,104,000	—
	101,729,000	84,842,000

28. LOSS PER SHARE

Basic loss per share

Basic loss per share is calculated by dividing net loss for the financial year attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the financial year as follows:-

	Group	
	2022 RM	2021 RM
Net loss for the financial year attributable to owners of the Company	(22,654,116)	(23,095,992)
Weighted average number of ordinary shares in issue	1,243,480,058	999,222,628
Basic loss per share (sen)	(1.82)	(2.31)

Diluted loss per share

No diluted loss per share is presented as the effect is anti-dilutive.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Salaries and allowances	50,234,472	32,732,735	162,273	463,863
Defined contribution plan	4,192,102	2,918,786	25,770	73,863
Social security contributions	740,618	384,852	6,826	5,605
Other staff related expenses	5,403,248	4,630,603	182,362	120,543
	60,570,440	40,666,976	377,231	663,874

30. SIGNIFICANT RELATED PARTY DISCLOSURES

- (a) The transaction of the Group with related parties which were entered into on a negotiated basis are as follows:-

	Group	
	2022 RM	2021 RM
Courier services charged by a company in which a Director of the subsidiaries have interests	15,821,079	3,011,057

- (b) The remuneration of key management personnel is the same with Directors' remuneration as disclosed in Note 26 to the Financial Statements.
- (c) The outstanding balances and the details of the terms and conditions arising from related party transactions as at the reporting date are disclosed in Notes 8, 22 and 23 to the Financial Statements.

31. COMMITMENTS

	Group	
	2022 RM	2021 RM
Capital expenditure		
<u>Conditional contracted for:-</u>		
- Acquisition of property, plant and equipment	2,420,000	50,673,802
<u>Authorised and contracted for:-</u>		
- Construction of buildings	503,231	6,538,066
<u>Authorised but not contracted for:-</u>		
- Office and warehouse equipment	—	2,459,600



31. COMMITMENTS (CONT'D)

The Group had various leases contracts that have not yet commenced as at 31 March 2022. The future lease payments for these non-cancellable lease contracts shown as follow:-

	2022 RM	Group 2021 RM
Lease of aircraft		
- Within one year	9,691,000	—
- Within 2 to 5 years	38,762,000	—
- More than 5 years	29,072,000	—
	77,525,000	—

32. OPERATING SEGMENT

Business segments

Management identifies the mobile and fulfilments, couriers and logistics and air freight as operating segments. These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. The following summary describes the operations in each of the Group's reportable segments:-

Mobile and fulfilments	- Mobile operators' 3PL and 4PL contracts, fulfilment business and physical and online sale of smart devices.
Courier and logistic services	- Express delivery or last mile delivery services business to business (B2B), business to customers (B2C) and customers to customers (C2C), warehousing, customised solutions, freight forwarding and customs clearance services.
Air freight	- Provision of air cargo services.
Others	- Investment holding and dormant.

The Group has aggregated certain operating segments to form a reportable segment due to the similar nature and operational characteristics of the products.

Management monitors the operating results of its business units separately for the purpose of decisions making about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer pricing between operating segments is on a negotiated basis.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. OPERATING SEGMENT (CONT'D)

	Notes	Mobile and fulfilments RM	Courier and logistic services RM	Air freight RM	Others RM	Adjustments and eliminations RM	Consolidated RM
2022							
Revenue:-							
External customers		269,053,018	63,448,213	53,142,091	234,530	—	385,877,852
Inter-segment sales		160,827	7,355,198	7,966,612	302,796	(15,785,433)	—
Total sales		269,213,845	70,803,411	61,108,703	537,326	(15,785,433)	385,877,852
Results:-							
Interest income		39,098	—	—	5,311	—	44,409
Interest expenses		(287,362)	(2,322,198)	(4,009,781)	(341,331)	—	(6,960,672)
Depreciation of property, plant and equipment		(1,101,716)	(4,887,180)	(357,693)	(177,398)	—	(6,523,987)
Depreciation of investment properties		(730,581)	—	—	—	—	(730,581)
Depreciation of right-of-use assets		(1,247,989)	(11,660,037)	(12,153,972)	(12,814)	—	(25,074,812)
Tax income/ (expense)		1,499,277	7,983	—	(111,871)	—	1,395,389
Other non-cash (expenses)/income	i	(1,295,328)	(1,865,808)	—	22,620,518	—	19,459,382
Segment profit/(loss)		6,954,010	(47,802,533)	(18,463,237)	15,980,965	9,677,167	(33,653,628)
Assets:-							
Additions to non-current assets	ii	1,581,090	26,947,016	231,217,235	6,352,807	—	266,098,148
Segment assets		93,854,126	92,683,040	288,432,949	349,218,888	(20,946,610)	803,242,393
Liabilities:-							
Segment liabilities		14,643,594	85,726,888	288,436,171	39,436,389	(2,803,406)	425,439,636
2021							
Revenue:-							
External customers		180,371,940	42,377,151	—	45,863	—	222,794,954
Inter-segment sales		188,006	2,583,539	—	87,830	(2,859,375)	—
Total sales		180,559,946	44,960,690	—	133,693	(2,859,375)	222,794,954
Results:-							
Interest income		24,059	903	—	80,205	—	105,167
Interest expenses		(537,733)	(1,245,266)	—	(720,412)	—	(2,503,411)
Depreciation of property, plant and equipment		(1,534,345)	(2,267,640)	—	(169,774)	—	(3,971,759)
Depreciation of investment properties		(106,914)	—	—	—	—	(106,914)
Depreciation of right-of-use assets		(1,402,115)	(8,077,080)	—	(81,389)	—	(9,560,584)
Tax expense		(27,005)	(116,880)	—	—	—	(143,885)
Other non-cash expenses	i	(2,013,154)	(2,186,754)	—	(614,486)	—	(4,814,394)
Segment profit/(loss)		3,227,152	(34,301,643)	—	7,124,455	1,046,109	(22,903,927)
Assets:-							
Additions to non-current assets	ii	3,600,064	49,422,451	—	14,125,921	—	67,148,436
Segment assets		90,033,926	74,898,207	—	141,108,222	—	306,040,355
Liabilities:-							
Segment liabilities		15,919,057	53,835,502	—	10,939,996	(54,959)	80,639,596



32. OPERATING SEGMENT (CONT'D)

Business segments (Cont'd)

Notes to the nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-

- i. Other material non-cash income/(expenses) consist of the following items:-

	2022 RM	2021 RM
Net impairment loss on financial assets	(1,062,000)	(4,186,754)
Impairment loss on other investment	(1,300,000)	—
Bad debt written off	(943)	—
Reversal of slow-moving inventories no longer required	115,605	—
Fair value gain on other investment	23,350,103	—
Impairment loss on intangible assets	—	(602,070)
Impairment of goodwill	(995,820)	—
Impairment loss on property, plant and equipment upon transfer to assets held for sale	(534,346)	—
Inventories written off	—	(24,194)
Property, plant and equipment written off	(2,284)	(1,376)
Right-of-use assets written off	(110,933)	—
	19,459,382	(4,814,394)

- ii. Additions to non-current assets (excluded financial instruments) consist of:-

	2022 RM	2021 RM
Right-of-use assets	243,513,569	33,627,143
Property, plant and equipment	22,584,579	33,376,116
Intangible assets	—	145,177
	266,098,148	67,148,436

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follow:-

	Revenue		Non-current assets	
Country	2022 RM	2021 RM	2022 RM	2021 RM
- Malaysia	350,548,645	218,455,612	367,167,149	135,565,796
- Singapore	3,435,481	4,339,342	554,156	481,257
- Macao	21,070,234	—	—	—
- Hong Kong	10,823,492	—	—	—
	385,877,852	222,794,954	367,721,305	136,047,053

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. OPERATING SEGMENT (CONT'D)

Business segments (Cont'd)

Non-current assets (excluded financial instruments) information presentation above consists of the following items as presented in the consolidated statement of financial position:-

	2022 RM	Group 2021 RM
Property, plant and equipment	36,264,847	50,588,844
Right-of-use assets	308,035,928	61,307,098
Investment properties	23,300,530	24,031,111
Intangible assets	120,000	120,000
	367,721,305	136,047,053

Major customers

The following are the major customers with revenue equal or more than 10% of the Group's revenue:-

	Revenue		Segment
	2022 RM	2021 RM	
Customer A	190,969,347	104,477,654	Mobile and fulfilments
Customer B	—	31,053,059	Mobile and fulfilments
Customer C	59,477,446	—	Mobile and fulfilments



33. FINANCIAL INSTRUMENTS

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- (i) Fair value through other comprehensive income ("FVOCI");
- (ii) Amortised cost ("AC"); and
- (iii) Fair value through profit or loss ("FVTPL")

Group	Carrying amount RM	FVOCI RM	AC RM	FVTPL RM
2022				
<u>Financial assets</u>				
Other investments	251,436,725	230,240,350	—	21,196,375
Trade receivables	29,771,104	—	29,771,104	—
Other receivables	27,508,805	—	27,508,805	—
Fixed deposits with licensed banks	12,540,000	—	12,540,000	—
Cash and bank balances	12,839,890	—	12,839,890	—
	334,096,524	230,240,350	82,659,799	21,196,375
<u>Financial liabilities</u>				
Trade payables	28,724,501	—	28,724,501	—
Other payables	64,582,620	—	64,582,620	—
Borrowings	23,354,691	—	23,354,691	—
	116,661,812	—	116,661,812	—
2021				
<u>Financial assets</u>				
Other investments	66,217,978	66,217,978	—	—
Trade receivables	26,632,562	—	26,632,562	—
Other receivables	34,873,214	—	34,873,214	—
Fixed deposits with licensed banks	5,660,441	—	5,660,441	—
Cash and bank balances	17,127,276	—	17,127,276	—
	150,511,471	66,217,978	84,293,493	—
<u>Financial liabilities</u>				
Trade payables	9,137,007	—	9,137,007	—
Other payables	20,545,462	—	20,545,462	—
Borrowings	7,133,542	—	7,133,542	—
	36,816,011	—	36,816,011	—

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.1 Categories of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised as follows (Cont'd):-

Company	Carrying amount RM	FVOCI RM	AC RM	FVTPL RM
2022				
<u>Financial assets</u>				
Other investments	251,436,725	230,240,350	—	21,196,375
Other receivables	3,000	—	3,000	—
Amount due from subsidiaries	160,340,516	—	160,340,516	—
Cash and bank balances	129,658	—	129,658	—
	411,909,899	230,240,350	160,473,174	21,196,375
<u>Financial liabilities</u>				
Other payables	13,001,338	—	13,001,338	—
Amount due to subsidiaries	1,537,188	—	1,537,188	—
Borrowings	20,140,685	—	20,140,685	—
	34,679,211	—	34,679,211	—
2021				
<u>Financial assets</u>				
Other investments	64,917,978	64,917,978	—	—
Other receivables	19,384,500	—	19,384,500	—
Amount due from subsidiaries	169,064,912	—	169,064,912	—
Fixed deposits with licensed banks	1,080,441	—	1,080,441	—
Cash and bank balances	1,394,048	—	1,394,048	—
	255,841,879	64,917,978	190,923,901	—
<u>Financial liabilities</u>				
Other payables	1,356,272	—	1,356,272	—
Amount due to subsidiaries	1,537,188	—	1,537,188	—
Borrowings	3,514,566	—	3,514,566	—
	6,408,026	—	6,408,026	—



33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Net gains arising from financial instruments

	Group and Company	
	2022	2021
	RM	RM
Net gain on:-		
Financial assets at fair value through profit or loss		
- Recognised in profit or loss	23,350,103	—
Equity instruments designated at fair value through other comprehensive income		
- Recognised in other comprehensive income	136,623,225	55,148,176
	159,973,328	55,148,176

33.3 Financial risk management

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

33.3.1 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises primarily from receivables. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, products and geographical lines, transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The following are areas where the Group and the Company exposed to credit risk:-

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sales limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.3.1 Credit risk (Cont'd)

The following are areas where the Group and the Company exposed to credit risk (Cont'd):-

Trade receivables and contract assets (Cont'd)

Most of the Group's customers have been transacting with the Group over the years and none of these customer's balances have been written off or are credit-impaired at the reporting date. In monitoring customer credit risk, customers are grouped according to their characteristics, including whether are an individual or a legal entity, whether they are wholesale, retail or end-user customers, their geographical location, industry, trading history with the Group and existence of previous financial difficulties.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar pattern. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about the past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk arising from trade receivable is limited to the carrying amounts as stated in the statements of financial position.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:-

	Expected credit loss rate %	Total gross carrying amount RM	Expected credit loss RM	Net RM
<u>2022</u>				
Not past due	2	20,874,021	(413,398)	20,460,623
Past due for 1 to 30 days	2	3,302,147	(66,178)	3,235,969
Past due for 31 to 60 days	6	2,402,061	(153,244)	2,248,817
Past due more than 60 days	69	12,370,981	(8,545,286)	3,825,695
		38,949,210	(9,178,106)	29,771,104
Contract assets		2,900,716	—	2,900,716



33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.3.1 Credit risk (Cont'd)

The following are areas where the Group and the Company exposed to credit risk (Cont'd):-

Trade receivables and contract assets (Cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix (Cont'd):-

	Expected credit loss rate %	Total gross carrying amount RM	Expected credit loss RM	Net RM
<u>2021</u>				
Not past due	1	19,568,979	(176,766)	19,392,213
Past due for 1 to 30 days	3	3,670,350	(124,924)	3,545,426
Past due for 31 to 60 days	13	1,325,718	(174,152)	1,151,566
Past due more than 60 days	76	10,813,621	(8,270,264)	2,543,357
		35,378,668	(8,746,106)	26,632,562
Contract assets		1,967,734	—	1,967,734

Other receivables

Credit risks on other receivables are mainly arising from advanced payments and deposits in relation to the Group's normal course of business. Other than those provided for impairment, the Group considers the advanced payments and the deposits to have low credit risk.

As at the end of the reporting date, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Intercompanies balances

The Company provides unsecured advances to subsidiaries and monitors the results of subsidiaries regularly. As at the end of the reporting year, there was no indication that advances to subsidiaries are not recoverable except for those disclosed in Note 8.2 to the Financial Statements. The maximum exposure to credit risk is represented by their net carrying amounts in the statement of financial position.

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

Financial guarantees

The maximum exposure to credit risk is RM29,952,687 (2021: RM30,728,826) in respect of financial guarantees given to financial institutions of subsidiaries as at the end of the reporting year. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting year, there was no indication that the subsidiaries would default on repayment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.3.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing their exposures to liquidity risk that arises principally from their various payables, loans and borrowings, the Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible that they will have sufficient liquidity to meet their liabilities as and when they fall due.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow:-

	Carrying amount RM	Contractual cash flows RM	← Maturity → Less than 1 year RM	Between 1 to 5 years RM	Later than 5 years RM
Group					
<u>2022</u>					
Secured:-					
Borrowings	23,354,691	25,144,182	22,017,693	2,070,048	1,056,441
Lease liabilities	292,716,328	346,354,607	53,408,135	145,820,202	147,126,270
	316,071,019	371,498,789	75,425,828	147,890,250	148,182,711
Unsecured:-					
Trade payables	28,724,501	28,724,501	28,724,501	—	—
Other payables	64,582,620	64,582,620	64,582,620	—	—
	93,307,121	93,307,121	93,307,121	—	—
	409,378,140	464,805,910	168,732,949	147,890,250	148,182,711
<u>2021</u>					
Secured:-					
Borrowings	7,133,542	7,984,887	4,278,098	2,070,048	1,636,741
Lease liabilities	41,597,922	46,817,751	12,983,563	33,611,904	222,284
	48,731,464	54,802,638	17,261,661	35,681,952	1,859,025
Unsecured:-					
Trade payables	9,137,007	9,137,007	9,137,007	—	—
Other payables	20,545,462	20,545,462	20,545,462	—	—
	29,682,469	29,682,469	29,682,469	—	—
	78,413,933	84,485,107	46,944,130	35,681,952	1,859,025



33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.3.2 Liquidity risk (Cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follow (Cont'd):-

	Carrying amount amount RM	Contractual cash flows RM	Maturity Less than 1 year RM
Company			
<u>2022</u>			
Secured:-			
Borrowings	20,140,685	21,500,181	21,500,181
Unsecured:-			
Other payables	13,001,338	13,001,338	13,001,338
Amount due to subsidiaries	1,537,188	1,537,188	1,537,188
	14,538,526	14,538,526	14,538,526
	34,679,211	36,038,707	36,038,707
Financial guarantees	—	29,952,687	29,952,687
<u>2021</u>			
Secured:-			
Borrowings	3,514,566	3,760,586	3,760,586
Unsecured:-			
Other payables	1,356,272	1,356,272	1,356,272
Amount due to subsidiaries	1,537,188	1,537,188	1,537,188
	2,893,460	2,893,460	2,893,460
	6,408,026	6,654,046	6,654,046
Financial guarantees	—	30,728,826	30,728,826

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.3.3 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group and the Company target a mix of fixed and floating debts based on assessment of their existing exposure and desired interest rate profile.

The interest rate profiles of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting year are as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate instruments				
Fixed deposits with licensed banks	12,540,000	5,660,441	—	1,080,441
Lease liabilities	(292,716,328)	(41,597,922)	—	—
	(280,176,328)	(35,937,481)	—	1,080,441
Floating rate instrument				
Term loans	(23,354,691)	(7,133,542)	(20,140,685)	(3,514,566)

Fair values sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss. Therefore, a change in interest rates as at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The following table illustrates the sensitivity of profit/loss and equity to a reasonable possible change in interest rates of +/- 0.5%. These changes are considered to be reasonable possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each year and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.



33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.3.3 Interest rate risk (Cont'd)

Cash flow sensitivity analysis for variable rate instruments (Cont'd)

	Group		Company	
	Increase/(decrease)		Increase/(decrease)	
	Net loss and equity for the year		Net profit and equity for the year	
	RM +0.5%	RM -0.5%	RM +0.5%	RM -0.5%
Floating rate instrument				
2022	116,773	(116,773)	(100,703)	100,703
2021	35,668	(35,668)	(17,573)	17,573

33.3.4 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group. The currency giving rise to this is primarily United States Dollar ("USD").

Carrying amounts of the Group's exposure to foreign currency risk are as follows:-

	2022 RM	2021 RM
<i>Denominated in USD</i>		
Cash and bank balances	2,148,893	—
Trade receivables	3,807,287	—
Other receivables	2,237,592	—
Trade payables	(730,993)	—
Other payables	(1,920,483)	—
	5,542,296	—

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (Cont'd):-

33.3.4 Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis-

The following table demonstrates the sensitivity of the Group's net loss/equity for the financial year to a reasonably possible change in the USD against the functional currency of the Group, with all other variables held constant:-

	Group Increase/(decrease) Net loss and equity for the financial year	
	RM +0.5%	RM -0.5%
USD/RM		
2022	(27,711)	27,711
2021	—	—

33.3.5 Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices (other than exchange or interest rates). Market price risk arises from the Group's and the Company's investments in quoted equity securities.

Management of the Group and of the Company monitors the investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis.

The carrying amounts of the Group's and of the Company's financial assets that are subject to market risk are as follows:-

	Group and Company	
	2022 RM	2021 RM
Quoted shares	251,436,725	64,917,978



33. FINANCIAL INSTRUMENTS (CONT'D)

33.3 Financial risk management (Cont'd)

33.3.5 Market price risk (Cont'd)

Market price risk sensitivity analysis:-

A change in 0.5% in the market price at the end of the reporting year would have increased/(decreased) the net (loss)/profit and equity for the financial year by the amount shown below. This analysis assumes that other variables, remain constant.

	Group		Company	
	Increase/(decrease)		Increase/(decrease)	
	Net loss and equity for the year		Net profit and equity for the year	
	RM +0.5%	RM -0.5%	RM +0.5%	RM -0.5%
Floating rate instruments				
2022	(1,257,184)	1,257,184	1,257,184	(1,257,184)
2021	(324,590)	324,590	324,590	(324,590)

33.4 Fair values of financial instruments

The carrying amounts of financial assets and financial liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date or immaterial discounting impact.

33.5 Fair values hierarchy

The table below analyses the level of financial instruments carried at fair values, together with their carrying amounts shown in the statements of financial position.

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
<u>Other investments</u>				
2022	251,436,725	—	—	251,436,725
2021	64,917,978	—	1,300,000	66,217,978
Company				
<u>Other investments</u>				
2022	251,436,725	—	—	251,436,725
2021	64,917,978	—	—	64,917,978

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33. FINANCIAL INSTRUMENTS (CONT'D)

33.5 Fair values hierarchy (Cont'd)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, group into Level 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include input for asset or liability that are not based on observable market data (unobservable inputs).

There has been no transfer between Level 1 and Level 3 fair value during the financial year.

34. CAPITAL MANAGEMENT

The Group's objective when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group sets the amounts of capital in proportion to its overall financing structure, that is, equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new share or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the financial year.

35. MATERIAL LITIGATION

- (a) On 18 April 2022, one of the subsidiaries, MJets have been served a Writ and Statement of Claim dated 13 April 2022 by Comone International Logistics Co Limited ("Plaintiff").

The claimed against MJets is due to the cancellation of the proposed joint venture agreement by the previous management in year 2020 before MJets was the subsidiary of MMAG. On 25 May 2022, this dispute has been amicably settled out of court and accordingly, a Notice of Discontinuance was filed by the plaintiffs solicitors to the Shah Alam High Court. The suit is not expected to have any material operational impact on the Group for the current financial year ended 31 March 2022. If the claim is allowed, there is no material financial impact as the amount had already been fully provided in the accounts except for any additional cost or interest granted, if any.

- (b) On 24 May 2022, the Company and MJets ("Defendants") have been served with Originating Summons dated 19 May 2022 ("Originating Summons") from the solicitors acting for JT Aerotech Solutions Sdn. Bhd. ("JT Aerotech") (shareholders of MJets). The High Court have scheduled the Originating Summons to be heard on 5 August 2022 and gave further directions for filing of affidavits and submissions.

The financial impact of the legal suit, if any, can only be ascertained pending the legal review by the defendants' solicitors. There is no operational impact of the legal suit on the Group and MJets.



36. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING DATE

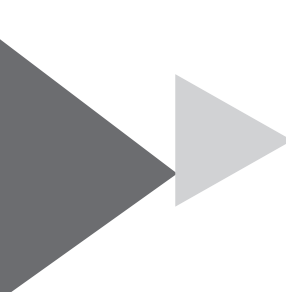
- (a) The details of incorporation, acquisition, subscription of shares and disposal of significant subsidiaries are disclosed in Note 8 to the Financial Statements.
- (b) On 4 May 2021, the Company proposed to dispose the entire 74.51% equity interest in MGSB, comprising 19,000,000 ordinary shares to Dynaciate Group Berhad ("DGB") for a total consideration of RM17,830,000 by way of combination of cash of RM534,900 and issuance of 180,157,290 new ordinary shares in DGB at an issue price of RM0.096 per share. Also, the Company proposed to settle an amount owing by MGSB to the Group of RM4,500,000 by way of issuance of 46,875,000 new ordinary shares in DGB at an issue price of RM0.096 per share upon completion of proposal disposal of MGSB. Both proposals have been completed on 4 April 2022.
- (c) On 20 January 2022, the Company has subscribed 35,000,000 new ordinary shares in CSH Alliance Berhad (formerly known as KTG Berhad) ("CSH") on the basis of 1 right share for every 1 existing CSH shares held of its entitled right shares and 159,500,000 excess shares of CSH at an issue price of RM0.15 each for a total cash consideration of RM29,175,000 arising from the right issue with warrant of CSH together with 194,500,000 free detachable warrants on the basis of 1 Warrant for every 1 right issue subscribed.
- (d) On 10 May 2022, the Company has proposed debts settlement of amounts owing to certain creditors of the Group and of the Company and a Director, Kenny Khoo Chuan Wah of RM22,803,456.71 and RM950,000.00 respectively by way of issuance of new ordinary shares in the Company at an issue price of RM0.061 each. The transactions are completed on 22 June 2022.
- (e) On 10 May 2022, the Company has announced to undertake a proposed private placement of up to 765,665,400 new ordinary shares in the Company. The transaction is yet to complete as at the date of this report.
- (f) On 12 May 2022, the Company has issued 1,302,200 new ordinary shares pursuant to the conversion of 1,302,200 ICPS by way of conversion of 1 unit ICPS with exercise price of RM0.15 each.
- (g) On 5 July 2022, a wholly-owned sub-subsidiary, MMAG Digital Sdn. Bhd. entered into a sale and purchase agreement ("SPA") for the disposal of freehold land for a total consideration of RM20,200,000. This transaction is yet to complete as at the date of this report.
- (h) The World Health Organisation declared the COVID-19 outbreak as a pandemic on 11 March 2020. The Government of Malaysia imposed a Movement Control Order ("MCO") on 18 March 2020 and subsequently imposed various phases of the MCO and total lockdowns with recovery phases.

Consequently, the COVID-19 outbreak had resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operate as well as may cause impact to the Group's revenue, earnings, cash flows and financial condition.

The COVID-19 outbreak has adversely impacted performance causing temporary disruption of the Group's certain business operation. The disruption of its operations during the financial year due to MCO and the relevant financial impact has been taken into account in the financial results of the Group.

During the financial year, the Group has issued new shares pursuant to private placement and entered into separate loan agreements with a Director and third parties for total loan amounted to RM22.8 million, to weather through this current challenging time.

Despite headwinds from uncertain economic environment, the Directors will be prudent and cautious in drawing up the Group's business plans for the financial year ending 31 March 2023. Nevertheless, the Directors will closely monitor the Group's operations and take the necessary steps to navigate its post-pandemic recovery to improve the performance of its operations.



AUDIT COMMITTEE REPORT

The Audit Committee was established to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board independently in discharging its responsibilities of reviewing and monitoring the Group's financial process, audit process, statutory and regulatory compliance, code of business conduct, and other matters that the Board or the relevant authorities may specially delegate to the Audit Committee.

The Audit Committee Report spells out the Audit Committee composition, terms of reference, summary of activities and/or any material findings that may have affected the Group's performance, controls and operations during the year in review.

MEMBERSHIP & COMPOSITION

The Audit Committee members are appointed by the Board amongst the Board members. The Chairman of the Audit Committee shall be elected among its members who shall be an Independent Director. Alternate Directors shall not be members of the Audit Committee.

In accordance with Rule 15.09 of the ACE Market Listing Requirement ("AMLR"), the Audit Committee shall consist of a minimum of three (3) members, all of whom must be Non-Executive Directors, with majority of them being Independent Directors and at least one (1) member of the Committee fulfilling the following conditions:-

- (a) Must be a member of the Malaysian Institute of Accountants; or
- (b) If he is not a member of the Malaysian Institute of Accountant, he must have at least three (3) years working experience in the accounting field, and
 - (i) Must have passed the examination specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (ii) He must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
- (c) Fulfills such other requirements as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").

The current composition of Audit Committee is as follow:-

Chairman	:	Yeap Say Woi	(Independent Non-Executive Director)
Members	:	Hwang Siew Chien	(Independent Non-Executive Director)
		YM Tengku Farith Rithauddeen	(Independent Non-Executive Director)

If the event of any vacancy in the Audit Committee resulting in the non-compliance of Rules 15.09(1) and 15.10 of AMLR, the Company will fill the vacancy within three (3) months.

MEETINGS AND ATTENDANCES

The Committee is scheduled to meet at least four (4) times in each financial year with at least two (2) members present and the Company Secretary as the secretary of the Committee. The Committee may invite designated Directors, Key Senior Management and the auditors (internal and external) to be present during the Audit Committee meetings. The minutes of each Audit Committee meeting will be circulated to all Board members at the subsequent Board meeting.

MEETINGS AND ATTENDANCES (CONT'D)

During the financial year, there were five (5) Audit Committee meetings held and were duly attended by the members as shown below:-

Audit Committee members	Attendance
Yeap Say Woi	5/5
Hwang Siew Chien	5/5
YM Tengku Farith Rithauddeen	5/5

SUMMARY OF ACTIVITIES

Activities carried out by the Audit Committee during the financial year ended 31 March 2022 include the followings:-

(i) Financial Reporting

- Review the four (4) quarters' financial statements and financial year end unaudited financial results of the Group before tabling to the Board for consideration and approval.
- Review the audited financial statements of the Company and the Group together with external auditors prior tabling to the Board for approval. The review was inter alia, to ensure compliance with:-
 - Compliance with existing and new accounting standards, policies and practices.
 - Highlight any significant adjustments or usual events.
 - Compliance with Listing Requirements of Bursa Securities, the requirements of the Companies Act 2016 in Malaysia and other regulatory requirements.

In the review of the financial year end audited financial statements, the Audit Committee discussed with Management and the external auditors the accounting principles applied and accounting standards that were applied and their judgement of the items that may affect the financial statements as well as issues and reservations arising from the statutory audits.

(ii) Internal Audit

- Review and approved the annual Internal Audit Plan proposed by the Internal Auditor to ensure the adequacy of the scope and coverage of work.
- Review internal audit reports which highlighted the audit issues, recommendations and the Management's responses and remedies actions to be taken by the Management to rectify and improve the system of internal control.
- Monitor the implementation programme recommended by the Internal Auditor arising from the audit in order to obtain assurance that all key risks and controls been fully dealt with.
- Undertook assessment of the performance of the Internal Audit function and reviewing its effectiveness of the audit process and assessed the performance of the overall Internal Audit.

SUMMARY OF ACTIVITIES (CONT'D)

(iii) External Audit

- Reviewed the External Auditors' scope of work and audit plan for the year and made recommendations to the Board on their appointment and remuneration.
- Discussed and deliberated on the External Auditors' report and recommendations regarding opportunities for improvement to the significant risk areas, internal control and financial matters based on the observations made in the course of interim and final audit.
- Discussed on the significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.
- Undertook an annual assessment on the suitability and independence of the External Auditors.
- Held one (1) private session with External Auditors without the presence of the Executive Directors and Management.
- Reviewed the evaluation on the performance and effectiveness of the External Auditors which was coordinated by the Company Secretary. The annual assessment was conducted with feedback obtained from the Audit Committee and Management. The areas under the assessment were:-
 - (i) Independence, objectivity and professional skepticism.
 - (ii) Communication and interaction.
 - (iii) Quality of skills, capabilities of audit team and sufficiency of resources.

Based on the results of the evaluation, the Audit Committee is satisfied with the performance of the External Auditors and thus, recommended to the Board the re-appointment of the External Auditors at the forthcoming AGM 2022.

- Reviewed the written confirmation of independent from the External Auditors in accordance with the applicable Malaysian regulatory and professional requirements. In respect of financial year ended 31 March 2022, Grant Thornton Malaysia PLT has re-affirmed their independence to act as Company's External Auditors in accordance with the relevant professional and regulatory requirements.

(iv) Annual Reporting

Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement to ensure adherence to legal and regulatory reporting requirements and accounting matters requiring significant judgement.

(v) Related Party Transactions

Reviewed if there is any related party transaction that is required to be transacted at an arm's length basis and is not detrimental to the interest of minority interest.

(vi) Anti-Bribery and Anti-Corruption Policy

Reviewed the Anti-Bribery and Anti-Corruption Policy to ensure parameters are available to prevent the occurrence of bribery and corrupt practices in relation to the business of the Group. The review was inter alia, to ensure compliance with adherence to Malaysian Anti-Corruption Commission Act 2009 and its 2018 amendments ("MACC") and the Guidelines of Adequate Procedures by the Prime Minister's Office.

This Policy was adopted and applied to all companies within MMAG Group. This includes all individual workings at all levels and grades.

(vii) Others

Consider and discussed any other matters arising for Board's approval.

INTERNAL AUDIT FUNCTION

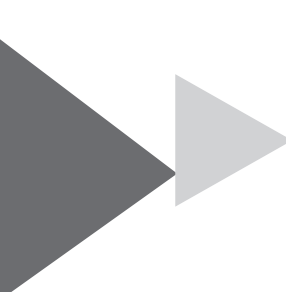
The establishment of the Internal Audit Function provides the Directors and the Audit Committee with an independent assessment and appraisal/review of the effectiveness and reliability of the Group's internal controls and information system.

The Internal Audit Function includes the review, assessment and provision of reasonable assurance that the Group's internal controls are functioning as planned and able to highlight all material deviation or findings to the Audit Committee immediately. To maintain impartiality and independence, the Internal Auditors report directly to the Audit Committee on the overall assessment of the Group's internal control mechanism.

To further discharge its duties and responsibilities effectively, the Internal Auditors can obtain the assistance of the Group's Key Senior Management and staff in providing all the necessary information as and when required.

During the financial year ended 31 March 2022, the area audited was human resources management covering subsidiaries from Courier and Logistics Service division within the Group. Internal Audit reports were issued to the Audit Committee at least one (1) within a year to be tabled at the Audit Committee meetings. The reports are also issued to the respective operations management, incorporating audit recommendations and Management response with regards to any audit findings on the weaknesses in the systems and controls of the operations. The Internal Auditors will also follow up with Management on the implementation of the agreed audit recommendations.

The Group's internal audit was carried out by an independent professional internal audit service provider appointed by the Board with the recommendation of the Audit Committee. The cost incurred for the Internal Audit Function for the financial year ended 31 March 2022 was RM10,000 (2021: RM10,000).



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to provide the following Statement on Risk Management and Internal Control for the financial year ended 31 March 2022. This statement is made in compliance with Rule 15.26(b) of the Bursa Malaysia Securities Berhad's ACE Market Listing Requirements and the Malaysian Code on Corporate Governance ("MCCG").

BOARD'S RESPONSIBILITY

MCCG prescribes as a principle of Corporate Governance that the Board of Directors should establish a sound risk management framework and system of internal control to safeguard shareholders' investment and the Company's assets.

The Board recognises the importance of sound internal controls and risk management practices to ensure good corporate governance. The related principal responsibilities of the Board in relation to internal controls are set out below:-

- Identifying principal risks and ensuring the implementation of appropriate control systems to manage these risks; and
- Reviewing the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board affirms that its overall responsibility is maintaining and implementing an adequate and effective internal control system on an ongoing basis to identify, evaluate, monitor and manage significant business risks or internal control failures. The Board wishes to highlight that in any internal control system (which covers not only financial but operational and compliance controls as well), it does have inherent limitations; and the internal control system can only provide reasonable and not absolute assurance against all business and financial risk, human error or deliberate circumvention of the controls that were put in place.

The Board is assisted by the Management in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring suitable internal controls to mitigate and control these risks.

The Group has segregated the overview of the Internal Control assessment into following components:-

1. Risk Management

The members of the Risk Management Committee at the management level ("RMC") comprise of:-

- (i) Hwang Siew Chien
- (ii) Kenny Khoo Chuan Wah

The Risk Management Framework which encompasses:-

- (a) Aligning risk appetite and strategy – Management considers the entity's risk appetite in evaluating strategic alternatives; setting related objectives; and developing mechanisms to manage related risks.
- (b) Enhancing risk response decisions – Enterprise risk management provides the rigor to identify and select among alternative risk responses i.e. risk avoidance, reduction, sharing and acceptance.
- (c) Reducing operational surprises and losses – Entities gain enhanced capability to identify potential events and establish responses, reducing surprises and associated costs or losses.
- (d) Identifying and managing multiple and cross-enterprise risks – Every enterprise faces a myriad of risks affecting different parts of the organisation, and enterprise risk management facilitates effective response to the interrelated impacts, and integrated responses to multiple risks.
- (e) Seizing opportunities – By considering a full range of potential events, Management is positioned to identify and proactively realise opportunities.
- (f) Improving deployment of capital – Obtaining robust risk information allows Management to effectively assess overall capital needs and enhance capital allocation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)



BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

1. Risk Management (Cont'd)

All risks were individually ranked as either high, significant, moderate or low, having regard to the following:-

- The consequence of the identified risk;
- The likelihood of the risk occurring; and
- The effectiveness of the controls currently in place to mitigate and manage the risk.

Certain risks are inherently high and therefore may not be capable of being managed to relatively lower levels but nevertheless such risk will be monitored regularly.

The risk profile will enable the Group makes conscious decisions to manage those risks. Some of the options available to Management after the risk profile has been completed are as follows:-

- Terminate the activity;
- Reduce the potential consequences or likelihood by modifying/strengthening the control environment;
- Accept the level of risk as being acceptable considering the risk/control philosophy of the organisation i.e. the adequacy of the existing control environment and the cost of strengthening the control environment; and
- Pass on the risk associated to the activities (usually through outsourcing or insurance).

The Board has established a Risk Management Committee at Management level ("RMC") and the Board opined that Risk Management Committee at Board level will not be established for the time being. RMC will work closely with all departments to ensure effective implementation of the risk management. Heads of Business Unit/Division to review and update their risk profile as the need arises. The review and update of the risk profile includes identification of emerging risks resulting from changing business environment and/or initiatives being implemented as well as on evaluation of the effectiveness of controls and risk management plans.

Subsequently, the business units risk will be consolidated into the Group risk register which provides an overview of the Group risk profile (as detailed in the Risk Factors and Mitigation Strategies disclosed below). The Group risk profile along with any significant changes thereto and that the required actions to manage risks are timely addressed.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

1. Risk Management (Cont'd)

Risks Factors and Mitigation Strategies

Risks Factors	Description	Mitigation Strategies
Environmental and Business Continuity Risk	This risk relates to external forces that may impact on the business such as fire, flooding, other acts of God and changes in local Government and/or international legislation and the disruption of the supply chain due to international events.	- Established maintenance contracts to ensure the regular maintenance of the fire fighting equipment; - Enforced a strict "No Smoking" policy on the premises; - Established a partial business continuity plan; - Established a Human Resource department and a conducive work environment; and - Established good supplier partnerships.
Deliveries Risk	This risk relates to the inability to meet the delivery of clients' orders in particular to the quantity and timeliness of deliveries as per customer's requirements.	- Established proper sales order processing and delivery scheduling processes; - Established customer service processes; - Conduct regular sales and management meetings for effective communication; - Ensure sufficient insurance coverage for delivery of products; - Preventive maintenance plans for vehicles are implemented; - Most delivery vehicles have been purchased new; and - In-house mechanic to provide on the spot repairs of vehicles.
Loss of Good Reputation Risk	The Group has a current reputation of providing good customer service and technical support, purchasing products and treating suppliers fairly. The Group has also been very innovative in its processes and product range offered.	- Developed an efficient product delivery team; - Implemented a proper recruitment process; - Employed multi-skilled and good quality staff members; - Established an orientation and training programme; - Has in place an effective MIS system i.e. ERP; and - Established and communicated the vision, mission and values of the Company.
Financial Risk	The Group is subject to the fluctuation in foreign currency exchange. This risk relates to changes in exchange rates affecting the costs of products or services that are denominated in foreign currency. The Group offers customers payment terms to assist their purchase of the Group's products. If the Group customers are unable to make payment on time or have defaulted in payment, the Group's financial position could be adversely affected.	Management has identified and implemented the key controls to manage the risk by putting in a policy of hedging the Company's foreign denominated purchases to mitigate the effects of the depreciating Malaysia Ringgit. - Constant review on bad payment master list; - Slow paymasters and dealers with over limit position will be put on credit hold until payment is received; - Credit limit for slow paymasters will be reduced in order to have more manageable Account Receivable ("AR") accounts; - More regular sales meetings with Sales Team with focus on managing AR accounts with slow payment track records; - Credit approval for new AR accounts will also be assessed more stringently before any approval; and - To impose interest on overdue accounts so that debtors will see more urgency to pay up on time.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)



BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

1. Risk Management (Cont'd)

Risks Factors and Mitigation Strategies (Cont'd)

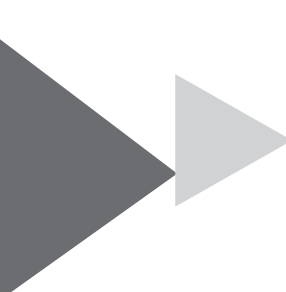
Risks Factors	Description	Mitigation Strategies
Inventory Management Risk	This risk relates to purchasing and the availability of inventory to efficiently meet the Group's customer requirements and maintain appropriate inventory levels.	• Ensure effective product planning through sales forecasts; • Established proper warehouse storage conditions; • Trained warehouse staff members in place; • Review of customer history for product planning; • Regular review of inventory levels; • Timely follow-up of deliveries from suppliers; and • Implemented approved suppliers list and regular supplier performance evaluation.
New Product Risk	This risk relates to the unsuccessful launch of new products in the market due to inappropriate marketing strategy, which is mostly developed by the Principals and executed by the Group, and lack of brand development and promotions. A new product, which could be a product-line extension or enhancement, or a different product previously not available in the market, may fail if it is not accepted by the consumers or a competitor reaches the market first. Notwithstanding, a new product may be introduced into the local market based on its success in another market, but may not be eventually successful in the Malaysian market.	• Entered into agreement with Principals for launching of new products including product launching strategy, marketing strategy, provision of promotional budgets, listing fees, consumer sampling, etc.; • Good support staff employed; • Point of Sales materials available prior to launch; and • Good relationship with vendors and customers.

2. Information and Communication

The Board continuously emphasises communication with all employee in carrying out the internal control responsibilities to support the achievement of the Group's business objectives. The Board has taken following steps to enable sharing of information throughout the organisation.

• Documentation and Procedures

To ensure subsidiaries, business units, divisions and employees are working coherently to achieve the Group's overall business objectives, corporate policies and procedures of the Group are clearly documented and disseminated through internal memorandums, staff briefings and operational meetings.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

2. Information and Communication (Cont'd)

- **Whistleblowing**

The Group has established a Whistleblowing Policy whereby employees to raise concern, in confidence, about misconduct, malpractice or irregularity in any matters related to the Company. All reports and complaints received will be assessed and the whistleblower identities are protected in confidence to the extent reasonably practical and the Company will endeavor to advise the whistleblower in advance if his or her identity may become apparent or need to be disclosed. All disclosures received, investigation findings and recommendations are reported to Chief Executive Officer ("CEO") and/or Chairman of the Company. The Audit Committee ("AC") has been delegated overall responsibilities for implementation, monitoring and periodic review of the policy and any matter raised to put forward to the Board for approval.

3. Control Environment and Activities

- **Organisational Structure**

The organisational structure ensures that the roles and responsibilities of the Board and the Management are clearly defined in ensuring effective discharge of roles and responsibilities that will provide authority limits, terms of reference and functions with clear hierarchical reporting procedures within the Group. The CEO and Executive Directors ("EDs") lead all board papers presentation with the support from the respective heads of divisions and reports to the Board on all pertinent issues that may affect the Group's business and operations.

- **Management, Audit, Nomination and Remuneration Committees**

Management meetings are held and attended by key personnel to address operational issues, performance, budgets, business review/planning and control management. Key personnel will be invited from the respective subsidiaries and divisions to provide reports to the Management on their performance, compliance, strategic plans and highlight major issues that need attention.

The CEO and EDs will report material findings and/or variances at the Audit Committee meeting and thereafter tabled to their Board, and the Board will review its implication to the Group and provide recommended strategies to address them.

The Nomination Committee ("NC") and Remuneration Committee ("RC"), whose majority members consist of Independent Directors, were established to maintain a higher level of Corporate Governance and exercise independence judgment and decision in discharging the duties of nominating and remunerating Directors, and Key Senior Management based on performance, skills and experience.

- **Reporting**

Monthly financial and operations reports will be provided to the Key Senior Management to perform the assessment and review and unaudited financial results is public disclosed on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)



BOARD'S RESPONSIBILITY (CONT'D)

The Group has segregated the overview of the Internal Control assessment into following components (Cont'd):-

4. Monitoring Activities

In the year under review, the Board and Key Senior Management have performed the following activities to provide assurance on the effectiveness of risk management and internal control.

- (a) The Board and Key Senior Management continue to take measures to strengthen the risk and control environment and monitor the risk and internal control framework;
- (b) The AC and Key Senior Management report to the Board on a quarterly basis on the progress of action plans to manage the operational risks and its mitigation strategies;
- (c) The internal auditors report to the AC on a yearly basis on the process and compliance exceptions during the internal audit review. The control measures or action plans for exceptions noted and agreed with the status implementation action plans reported to AC on yearly basis; and
- (d) The Board also received assurance from the CEO and the ED that the Group's risk management and internal controls system are operating adequately and effectively.

INTERNAL AUDIT FUNCTION

The Group outsourced its Internal Audit Function to an independent professional internal audit service provider at a cost of RM10,000 for the year 2021/2022. The role of the internal audit function, which reports directly to the AC, is to support the AC by providing it with independent and objective reports on the adequacy and effectiveness of the system of internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the AC and Key Senior Management of the Group.

The internal audit adopts a COSO Framework and risk-based approach with focus on effective risk management practices and is guided under International Professional Practice Framework.

CONCLUSION

The Board has reviewed the risk management and internal controls system and of the view that the system of internal controls and risk management in place for the year under review are adequate and effective to safeguard the shareholders' interests and assets of the Group.

This statement was approved by the Board of Directors on 25 July 2022.

LIST OF PROPERTIES

No.	Location	Tenure	Existing use	Date of acquisition/ *revaluation	Description	Approximate age of building (Years)	Net book value as at 31.3.2022 (RM'000)
1	No. 6, Jalan Pemaju U1/15, Hicom Glenmarie Industrial Park Seksyen U1, 40150 Shah Alam Selangor Darul Ehsan	Freehold	Renting out	*30.6.2022	Land area Approximately 51,419 sq ft	17	18,661
2.	No. 10, Persiaran Seputeh, 58000 Kuala Lumpur	Freehold	Vacant	*2.6.2022	7,987 sq ft	12	2,602
3.	A-5-02, Residence 8, Jalan Sri Jati Off Jalan Klang Lama 58200 Kuala Lumpur	Freehold	Vacant	*2.6.2022	1,299 sq ft	8	781
4.	B-23A-05, Residence 8, Jalan Sri Jati Off Jalan Klang Lama 58200 Kuala Lumpur	Freehold	Vacant	*2.6.2022	1,362 sq ft	8	656
5.	No. 3, Jalan TP2 Taman Perindustrian UEP 47600 Subang Jaya Selangor Darul Ehsan	Leasehold	Office cum warehouse	1.3.2019	203,694 sq ft	3	18,835
6.	No. 3, Jalan Melur 1 Taman Melur, Bandar Segamat 85000 Segamat Johor Darul Tak'zim	Leasehold	Office cum warehouse	*15.1.2022	1,959 sq ft	37	804
7.	No. 36-2, Jalan Genuang Bandar Segamat 85000 Segamat Johor Darul Tak'zim	Freehold	Vacant	*15.1.2022	1,600 sq ft	47	706
8.	No. 36-3, Jalan Genuang Bandar Segamat 85000 Segamat Johor Darul Tak'zim	Freehold	Vacant	*15.1.2022	1,600 sq ft	47	706
9.	No. 18, Jalan Empayar 4 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Office cum warehouse	*15.1.2022	11,178 sq ft	4	2,428
10.	No. 20, Jalan Empayar 4 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Tak'zim	Freehold	Office cum warehouse	*15.1.2022	11,178 sq ft	4	2,428

LIST OF PROPERTIES (Cont'd)

No.	Location	Tenure	Existing use	Date of acquisition/ *revaluation	Description	Approximate age of building (Years)	Net book value as at 31.3.2022 (RM'000)
11.	No. 10, Jalan Empayar 2 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Takzim	Freehold	Vacant	*15.1.2022	18,090 sq ft	4	3,407
12.	No. 12, Jalan Empayar 2 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Takzim	Freehold	Vacant	*15.1.2022	18,090 sq ft	4	3,407
13.	No. 21, Jalan Empayar 3 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Takzim	Freehold	Vacant	*15.1.2022	52,777 sq ft	N/A	4,119
14.	No. 14, Jalan Empayar 2 Taman Perindustrian Empayar 81550 Gelang Patah Johor Darul Takzim	Freehold	Vacant	*15.1.2022	72,360 sq ft	N/A	5,640
15.	JM YP 37 Jalan Muar Kampung Parit Awang 83700 Yong Peng Johor	Freehold	Vacant	*15.1.2022	62,495 sq ft	N/A	2,521
GRAND TOTAL							67,701

ANALYSIS OF SHAREHOLDINGS – ORDINARY SHARES AS PER RECORD OF DEPOSITORS AS AT 26 JULY 2022

Total Number of Issued Shares : 1,703,173,052 ordinary shares
Voting Rights : One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS (ORDINARY SHARES)

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	HOLDINGS	%
Less than 100 Shares	297	12,466	Negligible
100 to 1,000 Shares	646	384,232	0.02
1,001 to 10,000 Shares	2,865	17,656,172	1.04
10,001 to 100,000 Shares	4,670	201,585,129	11.83
100,001 to less than 5% of issued Shares	1,829	1,211,910,253	71.16
5% and above of issued Shares	1	271,624,800	15.95
Total	10,308	1,703,173,052	100.00

SUBSTANTIAL SHAREHOLDERS (ORDINARY SHARES)

Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Chan Swee Ying	271,624,800	15.95	—	—

DIRECTORS' SHAREHOLDINGS (ORDINARY SHARES)

Director	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	—	—	—	—
YM Tengku Farith Rithauddeen	—	—	—	—
Chong Koon Meng	1,025,000	0.06	—	—
Kenny Khow Chuan Wah	—	—	—	—
Yeap Say Woi	—	—	—	—
Hwang Siew Chien	—	—	—	—
Woo Kam Weng	—	—	—	—
Dato' Sok One A/L Esen	—	—	—	—
Chan Swee Ying	271,624,800	15.95	—	—

ANALYSIS OF SHAREHOLDINGS – ORDINARY SHARES (Cont'd)



THIRTY (30) LARGEST SHAREHOLDERS (ORDINARY SHARES)

No	Shareholders	No. of Shares	%
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHAN SWEE YING</i>	271,624,800	15.95
2.	HONG SENG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TWINSTAR CENTURY SDN BHD</i>	80,000,000	4.70
3.	HONG SENG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LEE HEEN MING</i>	78,089,453	4.58
4.	HONG SENG CAPITAL SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR HALLMARK PIXEL SDN BHD</i>	18,218,200	1.07
5.	TANG SOO CHING	17,003,900	1.00
6.	NG CHEE MOY	12,500,000	0.73
7.	TIO WEE	12,000,000	0.70
8.	KOK WENG KONG	12,000,000	0.70
9.	WONG HENG MOON	12,000,000	0.70
10.	CHOW CHEE KEONG	10,000,000	0.59
11.	KHOR SHU LIN	10,000,000	0.59
12.	WONG CHUN MIN	9,500,000	0.56
13.	YUNG MOOI HEONG	9,300,000	0.55
14.	CHEAH HON KEONG	9,120,000	0.54
15.	TOH BOK PIEW	8,100,000	0.48
16.	LIEW CHEE HENG	8,000,000	0.47
17.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)</i>	7,975,000	0.47
18.	CHEN, XIAODONG	7,500,000	0.44
19.	CHOO AH NGO	7,000,000	0.41
20.	WANG LEE NGIAP	7,000,000	0.41
21.	KOK KWANG LIM	6,987,000	0.41
22.	OOI HAN EWE	6,800,000	0.40
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR OH GUAN SENG</i>	6,562,000	0.39
24.	LAM FOOK WENG	6,400,000	0.38
25.	TAN LOON TOW	6,000,000	0.35
26.	OOI HAN EWE	5,595,000	0.33
27.	HENG KENT HIM	5,500,000	0.32
28.	WONG TEIK POH	5,029,100	0.30
29.	BEH CHIN JOO	5,000,000	0.29
30.	CHAN FOOK CHIN	5,000,000	0.29

ANALYSIS OF SHAREHOLDINGS — IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES AS PER RECORD OF DEPOSITORS AS AT 26 JULY 2022

Total Number of Shares Issued : 13,783,018 ICPS 2017/2022

DISTRIBUTION OF SHAREHOLDINGS (ICPS)

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	HOLDINGS	%
Less than 100 ICPS	6	232	Negligible
100 to 1,000 ICPS	23	9,427	0.07
1,001 to 10,000 ICPS	63	340,409	2.47
10,001 to 100,000 ICPS	79	3,250,250	23.58
100,001 to less than 5% of issued ICPS	15	3,954,900	28.70
5% and above of issued ICPS	4	6,227,800	45.18
Total	190	13,783,018	100.00

SHAREHOLDERS HOLDING 5% OR MORE OF THE TOTAL NUMBER OF ICPS ISSUED

Shareholders	Direct Interest		Indirect Interest	
	No. of ICPS	%	No. of ICPS	%
TAI KIM CHUAN	1,800,000	13.06	—	—
HSBC NOMINEES (ASING) SDN BHD				
EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	1,750,000	12.70	—	—
TAI HONG CHUAN	1,677,800	12.17	—	—
TAI SHU BING	1,000,000	7.26	—	—

DIRECTORS' SHAREHOLDINGS (ICPS)

Director	Direct Interest		Indirect Interest	
	No. of ICPS	%	No. of ICPS	%
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	—	—	—	—
YM Tengku Farith Rithauddeen	—	—	—	—
Chong Koon Meng	300,000	2.18	—	—
Kenny Khaw Chuan Wah	—	—	—	—
Yeap Say Woi	—	—	—	—
Hwang Siew Chien	—	—	—	—
Woo Kam Weng	—	—	—	—
Dato' Sok One A/L Esen	—	—	—	—
Chan Swee Ying	—	—	—	—

ANALYSIS OF SHAREHOLDINGS – IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (Cont'd)



THIRTY (30) LARGEST SHAREHOLDERS (ICPS)

No.	Shareholders	No. of Shares	%
1.	TAI KIM CHUAN	1,800,000	13.06
2.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)</i>	1,750,000	12.70
3.	TAI HONG CHUAN	1,677,800	12.17
4.	TAI SHU BING	1,000,000	7.26
5.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT (8083338)</i>	500,000	3.63
6.	TAN THIAM HOK	500,000	3.63
7.	LOH CHUN SEAN	460,000	3.34
8.	CHONG KOON MENG	300,000	2.18
9.	TAN BEE LAY	300,000	2.18
10.	LIM JIT HAI	289,600	2.10
11.	GAN TIAN SWEE	260,000	1.89
12.	LEE BAH	250,000	1.81
13.	LEE KAR LEONG	226,600	1.64
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR THAM WAI CHEE</i>	200,600	1.46
15.	CHEW SWEE GHEE	200,000	1.45
16.	CHAU WONG BOOK	125,000	0.91
17.	CHUA KAU @ CHUA KIM YAN	120,000	0.87
18.	LEE KEAT LIH	114,000	0.83
19.	NG WOOL YING	109,100	0.79
20.	ENG AH BAH @ OOI HUN LIM	100,000	0.73
21.	LIEW LEE KHOON	100,000	0.73
22.	LKS M&E SDN BHD	100,000	0.73
23.	TAI HENG KEONG	100,000	0.73
24.	TAN TECK CON	100,000	0.73
25.	TEO AH TEE @ TEO HIOCK CHENG	100,000	0.73
26.	LIM SUEY HOCK	97,000	0.70
27.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. <i>PHILLIP SECURITIES PTE LTD FOR TAN CHIN LEONG</i>	90,000	0.65
28.	CHONG KHENG CHEONG	90,000	0.65
29.	LIM KANG CHUAN	85,000	0.62
30.	CHONG WAH CHAI	80,000	0.58

ANALYSIS OF WARRANTHOLDINGS AS PER RECORD OF DEPOSITORS AS AT 26 JULY 2022

Total Number of Warrants Issued : 197,207,491 Warrants 2017/2022

DISTRIBUTION OF WARRANTHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	HOLDINGS	%
Less than 100 Warrants	116	5,174	Negligible
100 to 1,000 Warrants	102	60,566	0.03
1,001 to 10,000 Warrants	440	2,951,578	1.50
10,001 to 100,000 Warrants	861	38,287,424	19.41
100,001 to less than 5% of issued Warrants	311	144,154,049	73.10
5% and above of issued Warrants	1	11,748,700	5.96
Total	1,831	197,207,491	100.00

WARRANTHOLDERS HOLDING 5% OR MORE OF THE TOTAL NUMBER OF WARRANTS ISSUED

Warrantholders	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
KOH KIM BOON	11,748,700	5.96	—	—

DIRECTORS' WARRANTHOLDINGS

Director	Direct Interest		Indirect Interest	
	No. of Warrants	%	No. of Warrants	%
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	—	—	—	—
YM Tengku Farith Rithauddeen	—	—	—	—
Chong Koon Meng	—	—	—	—
Kenny Khoo Chuan Wah	—	—	—	—
Yeap Say Woi	—	—	—	—
Hwang Siew Chien	—	—	—	—
Woo Kam Weng	—	—	—	—
Dato' Sok One A/L Esen	—	—	—	—
Chan Swee Ying	—	—	—	—



THIRTY (30) LARGEST WARRANTHOLDERS

No.	Warrantholders	No. of Warrants	%
1.	KOH KIM BOON	11,748,700	5.96
2.	TANG SOO CHING	9,544,700	4.84
3.	LEONG SENG WUI	7,500,000	3.80
4.	OOI HAN EWE	6,252,800	3.17
5.	CHENG LEH THENG	4,000,000	2.03
6.	MUHAMMAD HANIF BIN YUSOFF	2,500,000	1.27
7.	LEE BEE GEOK	2,300,000	1.17
8.	LOOI TEONG HOO	2,100,000	1.06
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)</i>	2,039,400	1.03
10.	LAW POH SENG	2,000,000	1.01
11.	CHOO WING SING	1,948,100	0.99
12.	LOW MOEY CHOO	1,600,000	0.81
13.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG HOCK LONG (E-KLG/SJM)</i>	1,595,000	0.81
14.	ONG AH HUA	1,521,800	0.77
15.	LEAW HOCK SENG	1,500,000	0.76
16.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SOO SIEW SENG (CEB)</i>	1,500,000	0.76
17.	SITI MUNAJAT BINTI MD GHAZALI	1,500,000	0.76
18.	EINSTEIN TAY	1,453,800	0.74
19.	NG WOOI YING	1,412,050	0.72
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN CHUAN DYI (6000364)</i>	1,400,000	0.71
21.	LIEW LEE LEONG	1,300,000	0.66
22.	ANUAR BIN MD JUNUS	1,200,000	0.61
23.	MUHD ABD MUIZ AL-AMIN BIN MUHAMMAD FIRDAUS	1,155,500	0.59
24.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WONG HEE SIEN @ CHONG</i>	1,130,500	0.57
25.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEE KIM HEW (E-KLG/BTG)</i>	1,080,000	0.55
26.	TOH BOK PIEW	1,000,000	0.51
27.	TAI SHU BING	1,000,000	0.51
28.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR NG TIEN CHU (E-BPJ)</i>	1,000,000	0.51
29.	SOU KUAN YIN	965,000	0.49
30.	LU HOCK SOON	963,500	0.49

ADDITIONAL COMPLIANCE INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

(i) Utilisation of proceeds from corporate exercises

- (a) Proceeds raised from corporate proposals (Private Placement I) had been fully utilised as at 30 September 2021.
- (b) Status of utilisation of proceeds raised from corporate proposals (Private Placement II):-

	Proposed Utilisation RM'000	Actual Utilisation as at 31 March 2022 RM'000	Intended time frame for utilisation
Setting-up and expansion of air cargo logistic business	7,593	7,593	Fully utilised
Working capital for air cargo logistic business	7,885	7,885	Fully utilised
Future acquisition	—	—	Fully utilised
Estimated expenses for the Private Placement II	108	108	Fully utilised
Total	15,586	15,586	

(ii) Audit fees and non-audit fees

The amount of audit and non-audit fees incurred for the services rendered by external auditors of the Group for the financial year ended 31 March 2022 were as follows:-

	Group RM	Company RM
Audit fees	232,000	50,000
Non-audit fees	16,000	6,000

(iii) Material Contract

For the financial year ended 31 March 2022, there were no material contracts entered into by the Company and its subsidiaries, which involved Directors' or major shareholders' interests.

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Nineteenth Annual General Meeting ("AGM") of the Company will be held at Ballroom V, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 30th day of August 2022 at 10:30 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' fees and benefits up to RM350,000 from 1 September 2022 until the next AGM of the Company. **(Ordinary Resolution 1)**
3. To re-elect the following Directors retiring in accordance with the Company's Constitution and being eligible, have offered themselves for re-election:-
 - (i) Chong Koon Meng [Clause 78] **(Ordinary Resolution 2)**
 - (ii) Yeap Say Woi [Clause 78] **(Ordinary Resolution 3)**
 - (iii) Chan Swee Ying [Clause 78] **(Ordinary Resolution 4)**
 - (iv) Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman [Clause 79] **(Ordinary Resolution 5)**
4. To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolution:-

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **(Ordinary Resolution 7)**

"THAT, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Companies Act 2016, to allot shares in the Company from time to time at such price and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors be hereby empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued."
6. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board

LIM SECK WAH

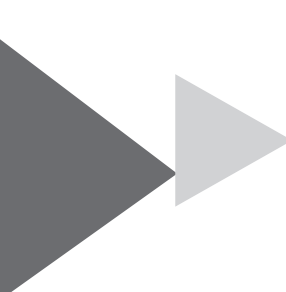
(Company Secretary)

Membership No. MAICSA 0799845

SSM Practicing Certificate No. 202008000054

Dated this 29th day of July 2022

Kuala Lumpur



NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 23 August 2022. Only a depositor whose name appears on the Record of Depositors as at 23 August 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.
2. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. All voting will be conducted by way of poll.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. If the appointer is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its attorney duly authorised.
6. The Proxy Form must be deposited at the Company's Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or via electronic means through email to mega-sharereg@megacorp.com.my or via facsimile at 03-2732 5388 not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.
7. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the meeting and any adjournment thereof.
8. Explanatory note on Special Business

8.1 Ordinary Resolution 7 - Authority under Sections 75 and 76 of the Companies Act 2016

The Company wishes to renew the mandate on the authority to allot shares pursuant to Sections 75 and 76 of the Companies Act 2016 at the 19th AGM of the Company. Up to the date of this Notice, 127,752,100 new ordinary shares were issued by way of private placement ("Private Placement") pursuant to the mandate granted to the Directors at the 18th AGM held on 30 August 2021. Total proceeds of RM15,585,756.20 which was raised from the Private Placement have been fully utilised as at the date of this Notice.

The purpose to seek the general mandate is to enable the Directors of the Company to allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next Annual General Meeting. The proposed general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, business expansion, working capital and/or acquisitions.



MMAG
MMAG HOLDINGS BERHAD

[Registration No. 200301007003 (609423-V)]
Incorporated in Malaysia

PROXY FORM

(Before completing this form, please refer to the notes below)

CDS Account No. :

No. of shares held :

I/We _____ NRIC No./Passport No./Company No. _____
(Full name in Block Letters)

of _____
(Address)

with email address _____ mobile phone no. _____

being a member/members* of **MMAG HOLDINGS BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (%)
Address		
Email Address	Mobile Phone No.	

and/or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings (%)
Address		
Email Address	Mobile Phone No.	

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on my/our behalf at the **Nineteenth Annual General Meeting** of the Company to be held at Ballroom V, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 30th day of August 2022 at 10:30 a.m.** and at every adjournment thereof to vote as indicated below:-

		FIRST PROXY		SECOND PROXY	
ORDINARY RESOLUTION		FOR	AGAINST	FOR	AGAINST
1.	To approve the payment of Directors' fees and benefits up to RM350,000 from 1 September 2022 until the next AGM of the Company				
2.	To re-elect the director, Chong Koon Meng				
3.	To re-elect the director, Yeap Say Woi				
4.	To re-elect the director, Chan Swee Ying				
5.	To re-elect the director, Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman				
6.	To re-appoint the retiring auditors, Messrs. Grant Thornton Malaysia PLT				
7.	Authority to Allot Shares				

Please indicate with an "x" in the appropriate space above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.

Dated this _____ 2022

Signature of Member(s)/Common Seal

* **Strike out whichever is not desired.**



Fold this flap for sealing

Notes:

1. *For the purpose of determining a member who shall be entitled to attend, speak and vote at the Annual General Meeting, the Company shall be requesting the Record of Depositors as at 23 August 2022. Only a depositor whose name appears on the Record of Depositors as at 23 August 2022 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her stead.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies he shall specify the proportion of his shareholdings to be represented by each proxy. All voting will be conducted by way of poll.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
4. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *If the appointer is a corporation, the Proxy Form must be executed under its Common Seal or under the hand of its attorney duly authorised.*
6. *The Proxy Form must be deposited at the Company's Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or via electronic means through email to mega-sharereg@megacorp.com.my or via facsimile at 03-2732 5388, not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.*
7. *By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the meeting and any adjournment thereof.*

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AFFIX
POSTAGE
STAMP

The Company Secretary
MMAG HOLDINGS BERHAD
(Registration No.: 200301007003 (609423-V))
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

1st fold here



MMAG HOLDINGS BERHAD
200301007003 (609423-V)

No. 3, Jalan TP2,
Taman Perindustrian UEP,
47600 Subang Jaya,
Selangor Darul Ehsan.

Email: info@mmag.com.my