MMAG

Annual Report 2023

Total Supply Chain Management Company

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.

CONTENT

CHAIRMAN'S STATEMENT

TAN SRI DATO' SERI MOHD KHAIRUL ADIB BIN ABD RAHMAN

EMBRACING TECHNOLOGY

As an ambitious contender, MMAG and its subsidiaries remain diligent in pursuing and incorporating technology-focused initiatives. Our goal is to ensure competitiveness and sustain relevance in this highly saturated market. We are committed to using technology in an accessible, intuitive, and meaningful way for all stakeholders, be they courier drivers, warehouse staff, or office personnel.

Our esteemed corporate and retail clientele will witness this digital transformation through our improved delivery efficiency, enhanced customer interface system, real-time chat solutions, and user-friendly tools to facilitate their interactions with us. In 2022, we initiated a significant upgrade by implementing a two-tier auto-sorting solution across a vast 200,000 sq ft complex. This project accommodates 25 loading bays and 168 outbound bays, allowing trailers across Peninsular Malaysia to load and unload parcels, which are then sorted to the nearest depot for final delivery.

The Bukit Beruntung Hub stands as a testament to our commitment to technological advancements, processing a staggering 24,000 parcels per hour autonomously.

This initiative represents a key part of our journey towards integrating technology into our operations, with further strategic measures in development, ready to be rolled out as we continue to propel MMAG into a future of enhanced efficiency and productivity.

Stay tuned!

BOARD OF DIRECTORS

TAN SRI DATO' SERI MOHD KHAIRUL ADIB BIN ABD RAHMAN
CHAIRMAN
Independent Non-Executive Director

CHONG KOON MENG (JEFF)
Executive Director

KENNY KHOW CHUAN WAH
Executive Director

YEAP SAY WOI
Independent Non-Executive Director

HWANG SIEW CHIEN
Independent Non-Executive Director

DATO' SOK ONE A/L ESEN
Independent Non-Executive Director

HAJI NOORZAINY BIN HAJI MOHD NOOR
Independent Non-Executive Director

CHAN SWEE YING
Non-Independent
Non-Executive Director

CHAIRMAN'S PROFILE

TAN SRI DATO' SERI MOHD KHAIRUL ADIB BIN ABD RAHMAN

Chairman
Independent Non-Executive Director

Nationality: Malaysian
Age: 61
Gender: Male

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

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

Attendance at Board Meeting during the year:
Attended 6 of 7 meetings

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 also sits on the Board of Directors of Westports Holdings Berhad as an Independent Non-Executive Director and Ingeniuer Gudang Berhad (formerly known as Dynaciate Goup 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 Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman, Mr. Chong Koon Meng, Mr. Kenny Khow 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.

BOARD OF DIRECTORS' PROFILE

CHONG KOON MENG (JEFF)

Executive Director

Nationality: Malaysian
Age: 57
Gender: Male

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

Length of Service as Executive Director:
7 years and 0 month

Attendance at Board Meeting during the year:
Attended 7 of 7 meetings

Jeff Chong, who assumed roles as the Chief Executive Officer of MMAG Digital Sdn. Bhd. and an Executive Director at MMAG Holdings Behad has been instrumental in guiding MMAG's growth since March 2015. He is also an Executive Director of CSH Alliance Berhad.

Mr. Chong has championed a transformative leadership approach within his team, fostering an environment that promotes innovation, responsibility, and proactive engagement with the intention of harnessing human capital within the organisation. His objective has been to instil a performance-driven culture, encouraging a commitment to excellence in all team members.

He brings over 30 years of corporate experience to MMAG, primarily in the telecommunication and supply-chain managament sectors. He has held multiple senior leadership roles, including Chief and Distribution Officer (CSDO) at Ooredoo Myanmar, Vice President of Mobility and International Business and a member of the Senior Leadership Team at Maxis Berhad, General Manager, Small and Medium Size Enterprises business segment at Digi Telecommunications Sdn. Bhd.

His academic credentials include Executive Programs from Stanford University, USA and Customised Executive Education with Stockholm School of Economics, Sweden. He holds an MBA from Charles Sturt University, Australia and a Bachelor's in Economics from the National University of Malaysia ("UKM").

Mr. Chong holds 1,100,000 ordinary shares in the company as at the date of this report.

Notes:

Other Information
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Conflict of Interest
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Conviction for Offences
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BOARD OF DIRECTORS' PROFILE (Cont'd)

KENNY KHOW CHUAN WAH

Executive Director

Nationality: Malaysian
Age: 48
Gender: Male

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

Length of Service as Executive Director:
2 years and 9 months

Attendance at Board Meeting during the year:
Attended 7 of 7 meetings

Kenny Khow 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. Khow 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 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. Khow 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
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Conflict of Interest
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Conviction for Offences
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BOARD OF DIRECTORS' PROFILE (Cont'd)

YEAP SAY WOI

Independent Non-Executive Director
Audit Committee (Chairman)
Nomination Committee (Member)
Remuneration Committee (Member)

Nationality: Malaysian
Age: 69
Gender: Male

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

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

Attendance at Board Meeting during the year:
Attended 7 of 7 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 Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman, Mr. Chong Koon Meng, Mr. Kenny Khow 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.

BOARD OF DIRECTORS' PROFILE (Cont'd)

HWANG SIEW CHIEN

Independent Non-Executive Director
Remuneration Committee (Chairperson)
Audit Committee (Member)
Nomination Committee (Member)

Nationality: Malaysian
Age: 63
Gender: Female

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

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

Attendance at Board Meeting during the year:
Attended 7 of 7 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 Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman, Mr. Chong Koon Meng, Mr. Kenny Khow Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).

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

Conviction for Offences
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BOARD OF DIRECTORS' PROFILE (Cont'd)

DATO' SOK ONE A/L ESEN

Independent Non-Executive Director
Nomination Committee (Chairman)
Remuneration Committee (Member)
Audit Committee (Member)

Nationality: Malaysian
Age: 65
Gender: Male

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

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

Attendance at Board Meeting during the year:
Attended 6 of 7 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 Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman, Mr. Chong Koon Meng, Mr. Kenny Khow Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
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BOARD OF DIRECTORS' PROFILE (Cont'd)

HAJI NOORZAINY BIN HAJI MOHD NOOR

Independent Non-Executive Director

Nationality: Malaysian
Age: 60
Gender: Male

Date of Appointment as Director of MMAG Holdings Berhad:
30 June 2023

Length of Service as Independent Non-Executive Director:
0 year and 1 month

Attendance at Board Meeting during the year:
Not applicable

Haji Noorzainy Bin Haji Mohd Noor started his police career with the rank of Inspector on 27 December 1982 and served as a Criminal Investigating Officer at Ibu Pejabat Polis Daerah ("IPD") Klang, Selangor after his training.

In 1992, he was transferred to serve as Lecturer and Sports Training Officer at Kuala Lumpur Police Training Centre ("PULAPOL") with the rank of Chief Inspector of Police.

In 1995, he was transferred to IPD Klang, Selangor as a Traffic Investigating Officer for 3 years. For his excellent performance and commitment, he was promoted to the rank of Assistant Superintendent of Police on 1 January 1998 and served as Traffic Enforcement ASP at Traffic Branch, Selangor Contingent Police Headquarters. With his extensive experience, on 15 March 2004, he was transferred to IPD Shah Alam and served as Head of Public Security Division for 17 months.

Haji Noorzainy was then transferred to IPD Ipoh as Head of District Administration Division. In 2008, he was transferred as Officer in Charge of Troop 4A, Unit 4, Federal Riot Unit, Department of Internal Security and Public Order, Kuala Lumpur and subsequently to IPD Besut, Terengganu as Deputy Officer in Charge of Police District. He also served as Deputy Head of Crime Prevention and Community Security Department (Operations), Terengganu Contingent Police Headquarters and Officer in Charge of Jempol Police District, Negeri Sembilan with the rank of Superintendent of Police and subsequently promoted to the rank of Assistant Commissioner of Police as Officer in Charge of Seberang Perai Utara Police District, Pulau Pinang.

On 20 April 2023, he had officially retired from the Royal Malaysian Police Force as a Senior Assistant Commissioner and Head of Crime Prevention and Community Security Department in Perak Contingent Police Headquarters, a position he has held since August 2021.

Haji Noorzainy holds a Diploma In Law from Universiti Teknologi Mara ("UiTM"), Shah Alam in 1986.

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

Notes:

Other Information
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BOARD OF DIRECTORS' PROFILE (Cont'd)

CHAN SWEE YING

Non-Independent Non-Executive Director

Nationality: Malaysian
Age: 51
Gender: Female

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

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

Attendance at Board Meeting during the year:
Attended 7 of 7 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 Ingenieur Gudang Berhad as an Executive Director.

Madam Chan holds 323,624,800 ordinary 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 Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman, Mr. Chong Koon Meng, Mr. Kenny Khow Chuan Wah, Dato' Sok One A/L Esen and Madam Chan Swee Ying (as disclosed in this Annual Report).
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- 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 Khow Chuan Wah**
   Executive Director

The profile of the key senior management personnel are outlined in their respective profile on pages 6 and 7.

CORPORATE INFORMATION

BOARD OF DIRECTORS

TAN SRI DATO' SERI MOHD KHAIRUL ADIB BIN ABD RAHMAN
CHAIRMAN
Independent Non-Executive Director

CHONG KOON MENG (JEFF)
Executive Director

KENNY KHOW CHUAN WAH
Executive Director

YEAP SAY WOI
Independent Non-Executive Director

HWANG SIEW CHIEN
Independent Non-Executive Director

DATO' SOK ONE A/L ESEN
Independent Non-Executive Director

HAJI NOORZAINY BIN HAJI MOHD NOOR
Independent Non-Executive Director

CHAN SWEE YING
Non-Independent Non-Executive Director

AUDIT COMMITTEE
Chairman
Yeap Say Woi

Member
Hwang Siew Chien
Dato' Sok One A/L Esen

REMUNERATION COMMITTEE
Chairperson
Hwang Siew Chien

Member
Yeap Say Woi
Dato' Sok One A/L Esen

NOMINATION COMMITTEE
Chairman
Dato' Sok One A/L Esen

Member
Yeap Say Woi
Hwang Siew Chien

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

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Email : general@plvg.my

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

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Website : www.megacorp.com.my

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

CORPORATE STRUCTURE

MMAG HOLDINGS BHD

- 100% MMATRIX SDN. BHD.
- 100% MMANTAP SDN. BHD.
- 100% INVENTURE CONGLOMERATE SDN. BHD.
- 100% VSURF SDN. BHD.
- 95% M JETS INTERNATIONAL SDN. BHD.
- 100% UNITED ICT CONSORTIUM SDN. BHD.
  - 100% MMAG DIGITAL SDN. BHD.
    - 100% MMEGAH SDN. BHD.
  - 100% MMAG ONLINE SDN. BHD.
  - 100% INCONNECXION COMMUNICATION SDN. BHD.
- 100% LINE CLEAR VENTURES HOLDINGS SDN. BHD.
  - 80.75% LINE CLEAR EXPRESS & LOGISTICS SDN. BHD.
  - 100% LINE CLEAR FREIGHT FORWARDING SDN. BHD.
  - 100% LINE CLEAR EXPRESS & LOGISTICS (S) PTE. LTD.
  - 100% LINE SHIELD SDN. BHD.
  - 100% LINE CLEAR CHARTER SDN. BHD. (F.K.A KMN EXPRESS SDN. BHD.)
  - 100% LINE CLEAR EXPRESS (KT) SDN. BHD.

INTELLIGENT AUTO-SORTING HUB

Embracing Technology To Be A Techno Courier

Line Clear Express & Logistics Sdn. Bhd. ("Line Clear") has invested a substantial RM18 million in an intelligent auto-sorting hub in Klang Valley. Covering 200,000 sq ft, this cutting-edge facility handles 24,000 parcels per hour and over 300,000 daily – ranking it among the nation's largest and most high-tech sorting hubs.

Powered by a remarkable double-deck cross-belt sorter system, this fully automated hub slashes turnaround time and boasts an impressive 99.9% sorting accuracy. Its multi-sensor setup measures, weighs, photographs, and categorizes parcels all at once, with real-time data for instant feedback and precision sorting of parcels to the right destination.

With 168 outbound bays, this hub's future-ready design signals Line Clear's unwavering commitment to meet the dynamic demands of the courier industry. This bold investment showcases the company's dedication to leading in courier tech and delivering exceptional SLA services to customers.

GROUND HANDLING

MJets Soars to New Heights with Self-Handling & Expanding Cargo Services

In a mere two years, M Jets International Sdn. Bhd. ("MJets") has experienced exponential growth, transitioning from a single aircraft to a formidable fleet of four, including one B737-400BCF and three B737-800BCF freighters with capacities of 18 and 21 tonnes respectively.

The company has reached a momentous milestone by securing the right to self-handle. This milestone certifies the company's compliance with regulations to provide safe and secure ground operations based on the stringent standards set by the International Civil Aviation Organization (ICAO). The company is now all set to provide comprehensive end-to-end third-party ground handling services to other airlines and cargo operators.

MJets' growing service network includes daily scheduled flights to Sabah and Sarawak and the company is now fully prepared to serve destinations in China, Asia Pacific and South Asia.

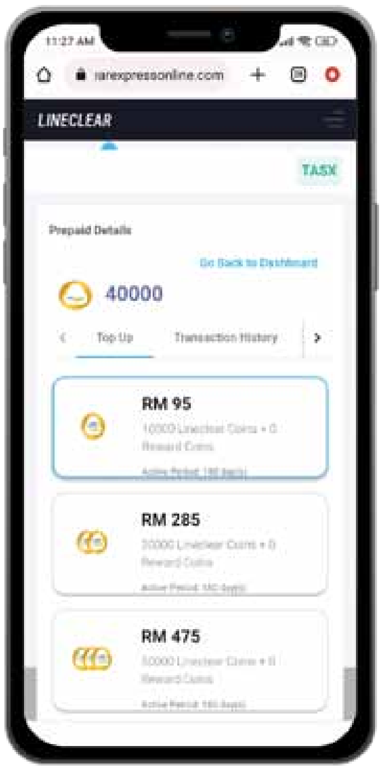
Nestled within the state-of-the-art Cainiao Aeropolis eWTP Hub in KLIA, MJets operates in a 260,000 sq ft bonded facility, offering exceptional import and export warehousing services. Its cargo terminal houses two X-ray machines capable of scanning 400 tonnes of parcels per day, ensuring first-class cargo handling services – from handling and surface transportation to load control services.

LINE CLEAR COINS

Transforming The Way Payments Are Made

Line Clear Express & Logistics Sdn. Bhd. ("Line Clear") has successfully launched Line Clear Coins – a new prepaid payment method that gives our customers full control over their courier expenses. Customers are able to control their courier expenses on a daily basis or even on a per-transaction basis.

Line Clear Coins is a closed-loop payment system that allows users to deposit money into a prepaid account and breeze through shipment payments with the funds available in the account. The system goes beyond simple payment processing and integrates seamlessly with a usage rewards programme that entices customers with irresistible incentives. The more they top up, the more they earn.



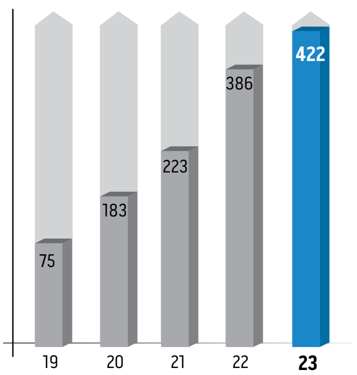
Customers enjoy the flexibility to refill their accounts in various denominations of RM10, RM20, RM50, RM100 and RM300. Fast, easy and secure payments are just a few clicks away with Line Clear Coins.

Putting the customer at the centre of our business is a priority, and this innovative payment solution works to enhance the customer experience while complementing our product range.

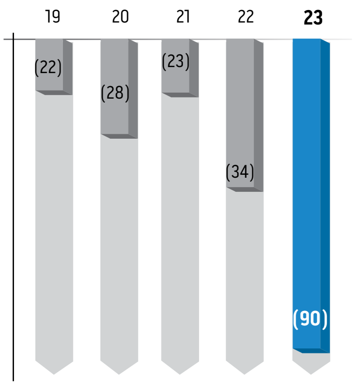
5-YEAR FINANCIAL HIGHLIGHTS

		2019	2020	2021	2022	2023
Results Of Operation						
Revenue	RM'000	75,094	182,541	222,795	385,878	**422,096**
LBITDA/PBITDA ((Loss)/Profit Before Interest, Taxes, Depreciation and Amortisation)	RM'000	(18,649)	(16,512)	(6,876)	5,592	**(11,075)**
Loss Before Taxation	RM'000	(22,283)	(28,072)	(22,904)	(33,654)	**(89,864)**
Loss After Taxation	RM'000	(22,286)	(28,075)	(23,048)	(32,258)	**(89,392)**
Net Loss Attributable To Equity Holders	RM'000	(22,176)	(27,880)	(23,096)	(22,654)	**(73,826)**
Financial Position						
Total Assets	RM'000	165,320	163,398	306,040	803,242	**598,493**
Total Borrowings	RM'000	18,919	36,222	48,731	316,701	**352,365**
Shareholders' Equity	RM'000	121,999	100,765	219,076	376,252	**170,624**
Financial Indicators						
Return On Equity	%	(18.2)	(27.7)	(10.5)	(6.0)	**(43.3)**
Return On Total Assets	%	(13.4)	(17.1)	(7.5)	(2.8)	**(12.3)**
Gearing Ratio	times	0.2	0.4	0.2	0.8	**2.1**
Interest Cover	times	(24.6)	(10.9)	(8.1)	(3.8)	**(4.2)**
Basic Loss Per Share	sen	(3.89)	(3.96)	(2.31)	(1.82)	**(3.84)**
Net Assets Per Share	sen	21.48	14.31	22.56	30.38	**7.71**

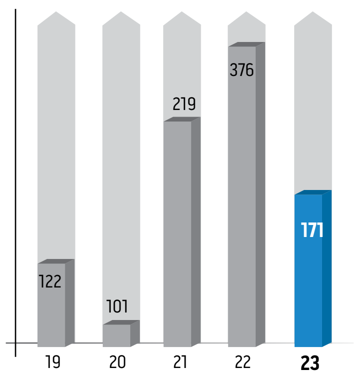
Revenue (RM'million)



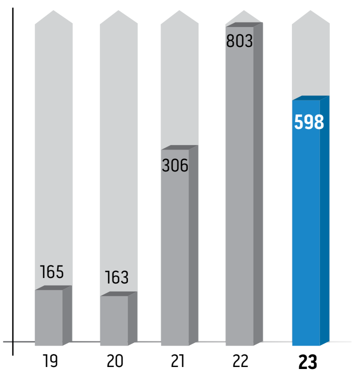
Loss Before Taxation (RM'million)



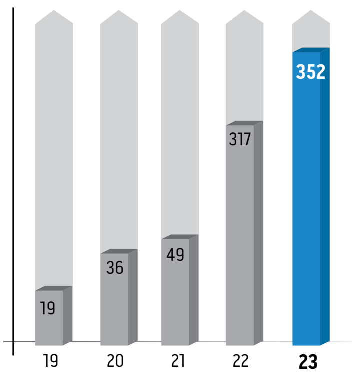
Shareholders' Equity (RM'million)



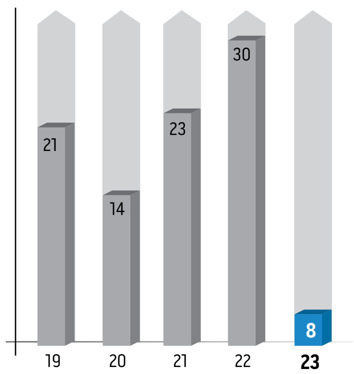
Total Assets (RM'million)



Total Borrowings (RM'million)



Net Assets Per Share (sen)



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 post pandemic period, the Company continued to strengthen the infrastructure and networks by expanding its connectivity points and fleet of vehicles. A state-of-the-art auto sorting system which can sort parcels up to 24,000 per hour has been built at our hub at Bukit Beruntung. With its location just 5 minutes from the exit of the North South highway, it provides convenience and reduce traffic congestion so that parcels will be sent out within a shorter time frame.

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 and currently has a network of 3 warehouses, 51 hubs/depots and more than 80 exclusive partners throughout Malaysia, for 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. In driving customer growth, the company expand into electric and electrical and furniture sectors that form the bulky shipments category. The company has also launched its prepaid products, providing another payment mechanism for customer to choose from. The company will continue to develop more products for different customer needs and requirement.

OVERVIEW OF BUSINESS OPERATIONS (Cont'd)

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 arrangements, the company also cater for chartered flights model within Malaysia and ASEAN/ASIA. The company is also excited on its new venture which is the ground handling business. The Group will commence its self-handling services for customers goods and potentially could handle third party shipment in due course. 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 RM422.10 million for the financial year ended 31 March 2023 ("FYE 2023") as compared to RM385.88 million in the previous financial year ended 31 March 2022 ("FYE 2022") which represents an increase of RM36.22 million (9.39%). Higher revenue was mainly contributed by the Air Freight division, arising from the high demand on the air cargo services. Additionally, Courier & Logistics Services division also contributed to the growth of revenue due to continuously increase in e-commerce transactions which led to higher demand for courier and logistics services and the general recovery of the economy post pandemic.

The Group recorded a loss before tax ("LBT") of RM89.86 million for FYE 2023 as compared to LBT of RM33.65 million in FYE 2022. Depreciation charge and leasing interest of the aircrafts, high operating expenditure and capital expenditure cost of the courier and logistics business, and warehouse rental of the cargo business are the main contributors to the overall LBT. Additionally, higher LBT also caused by the impairment provided on trade and other receivables and impairment on property, plant and equipment in the current financial year.

RESULTS OF OPERATIONS

Revenues are generated through the respective divisions as follows:-

	FYE 2023 Revenue RM'000	FYE 2022 Revenue RM'000
Mobile & Fulfilment	195,688	269,053
Courier & Logistics Services	77,134	63,448
Air Freight	149,048	53,142

The Mobile & Fulfilment division is the largest division of revenue representing 46.36% of the Group's revenue in 2023 (2022: 69.72%). 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 RM2.62 million (2022: RM6.95 million) for FYE 2023. Lower orders recorded in current financial year had attributed to lower revenue and PBT for FYE 2023.

RESULTS OF OPERATIONS (Cont'd)

Air Freight division is the second largest division of revenue contributed 35.31% (2022: 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. The division has increased its aircraft to 4 units for FYE 2023.

Courier & Logistics Services division contributed 18.27% to the Group's revenue (2022: 16.44%). 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 courier business. Courier & Logistics Services division recorded a LBT of RM44.71 million (2022: RM47.80 million). The marginally improvement on LBT was resulted from the rationalisation initiatives taken continuously since previous financial years on the operations of the courier and logistics business.

ASSETS AND LIABILITIES

The Group's total assets have decreased from RM803.24 million in FYE 2022 to RM598.49 million in FYE 2023. The decrease was mainly attributed to the fair value loss recognised on quoted equity securities and disposal of subsidiaries, which had classified as held for sale in FYE 2022.

The Group's total liabilities for FYE 2023 increased to RM450.20 million as compared with RM425.44 million in FYE 2022, the increase mainly due to the leasing of fourth aircraft for Air Freight division, which led to the increase in lease liabilities.

CASH FLOW

For the FYE 2023, the Group's net cash flows status recorded a net cash outflow of RM9.19 million as compared to a net cash inflow of RM0.53 million for the FYE 2022. The deficit of cash flows was mainly due to repayment of other payables, borrowings and lease liabilities; and purchase of property, plant and equipment in relation to the expansion of courier and logistic business.

PROSPECTS AND OUTLOOK

The continuous government initiatives (e.g., implementation of National Policy on Industry 4.0, National eCommerce Strategic Roadmap 2.0, MyDIGITAL (an initiative to transform Malaysia into a digitally-driven economy) and Jalinan Digital Negara (an infrastructure plan aimed at addressing the need and demand for better quality for fixed and mobile broadband coverage) and growth of the e-commerce industry will spur digital usage and drive the country towards a digital economy. Our Board is of the view that the continuous government initiative to spur digital usage and the rollout of 5G which aims to increase the network coverage and quality will require upgraded ICT products for 5G network compatibility and hence, increase the demand for ICT products which in turn, improve the demand for mobile and fulfilment services as well as logistics services of our Group and contribute positively to our Group's earnings and financial performance in the future.

PROSPECTS AND OUTLOOK (Cont'd)

For Courier & Logistics Services division, our Group is in the midst to raise funding via a Proposed Rights Issue to further expand our network of hubs, depots and stations by connecting the primary and secondary towns, develop more comprehensive networks anticipating an influx of e-commerce shipment into Malaysia and South East Asia region and also bridging the connectivity between West Malaysia and East Malaysia. In anticipation of the positive outlook of the transportation, logistics and courier industries in Malaysia, our Board believes that the demand for logistics services would improve.

ANTICIPATED OR KNOWN RISKS

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

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 oversea 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.

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.

ANTICIPATED OR KNOWN RISKS (Cont'd)

Political, Economic and Regulatory Risk

Like all other business entities, the Group remains exposed to external risks brought upon by changes in the economic, political, and regulatory environments. Changes in interest rates, inflation rates, employment regulations, fiscal and monetary policies and regulations relating to taxation, licensing or business permits relating to our Group's business as well as other uncertainties may affect our financial condition and results of operations.

In the past, the COVID-19 pandemic and its resultant impact on the global economy, had temporarily impacted the Group's operations and financial performance.

While we will continue to take measures to undertake careful financial planning and ensure efficient operating procedures, there is no assurance that adverse political and economic conditions will not materially affect our business. However, with our continuous effort to diversify our customer base, we could reduce the susceptibility of our financial performance to any political, economic and regulatory changes.

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.

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' relationships and values.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1.0 Boards Leadership

1.1 The Group is led by an experienced 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.

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

1.0 Boards Leadership (Cont'd)

Board Meetings

The Board met seven (7) times during the financial year ended 31 March 2023. 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	6/7
YM Tengku Farith Rithauddeen *(resigned on 30 June 2023)*	7/7
Chong Koon Meng	7/7
Kenny Khow Chuan Wah	7/7
Yeap Say Woi	7/7
Hwang Siew Chien	7/7
Dato' Sok One A/L Esen	6/7
Chan Swee Ying	7/7
Woo Kam Weng *(resigned on 21 February 2023)*	5/6
Haji Noorzainy Bin Haji Mohd Noor *(appointed on 30 June 2023)*	*

** Appointed after financial year ended 31 March 2023*

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 Directors	Training programmes
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	▪ Dialogue with Lord Adair Turner, Chairman of Energy Transition Commission
Chong Koon Meng	▪ Fraud Prevention & Detection
Kenny Khow Chuan Wah	▪ Taxation on Foreign Source Income
Yeap Say Woi	▪ AOB Conversation with Audit Committees ▪ Creating Competitive Advantage through Sustainability
Hwang Siew Chien	▪ AOB Conversation with Audit Committees ▪ Creating Competitive Advantage through Sustainability
Dato' Sok One A/L Esen	▪ Budget 2023 - Tax Highlights
Haji Noorzainy Bin Haji Mohd Noor	▪ Refer to Note 1
Chan Swee Ying	▪ Budget 2023 – Tax Highlights

Note 1:
All the Directors have attended the MAP prescribed by Bursa Securities. Save for Haji Noorzainy Bin Haji Mohd Noor, who was appointed on 30 June 2023 and will attend the MAP subsequent to the financial year ended 31 March 2023.

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 regularly 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;
(f) ensured that the Company's financial statements are true and fair and conform to the relevant standards, rules and regulations; and
(g) reviewed and evaluated every business plan and proposal, CAPEX and budget for the financial year.

1.2 Chairman of the Board

The Chairman's responsibilities include but not limited to:-

(a) provide overall leadership to the Board, without limiting the principle of collective responsibility for Board decisions;
(b) chair 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 board paper are given in advance for Directors to study to equip themselves for deliberating at the meeting;
(c) review the minutes of meetings of the Board before meeting, to ensure they accurately record the Board's deliberations, and matters arising from the minutes and on which further action is required have been addressed;
(d) monitor Board performance as a whole;
(e) ensure membership of the Board is appropriately skilled to meet the needs of the Company;
(f) assist in Board discussions to address the key issues of concern;
(g) initiated the establishment of Board Committees and ensuring that they achieve their objectives;
(h) guide and promote the ongoing efficacy and development of the Board and its individual Directors; and
(i) reinforce good corporate governance.

1.3 The positions of the Chairman and Chief Executive Officer ("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.

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

1.0 Boards Leadership (Cont'd)

1.4 Company Secretary

The Board is supported by an experienced Company Secretary with over 30 years of corporate secretarial practice. She is a 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 are accurately recorded in the minutes. Records of the Minutes and resolutions passed are kept at the registered office under the custody of the Company Secretary.

1.5 The Board meeting materials are circulated to Directors at least one week prior to each Board meeting to facilitate Board members to evaluate and make 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 24 July 2023 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 Chairmans of the respective 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 reviewed 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.

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

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

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:	Dato' Sok One A/L Esen *(Appointed on 30 June 2023)*	(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 or 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.

The Company has adopted the Directors' Fit and Proper Policy. In reviewing and recommending to the Board any new Director appointment, the NC considers the following and not be limit to the content and criteria in 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 two (2) 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 conduct themselves ethically and professionally at all times and thereby protect and uphold the reputation and performance of the Group. The Company has adopted the Code of Conduct and Ethics, which is available on the Company's website www.mmag.com.my.

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

3.0 Good Business Conduct and Healthy Corporate Culture (Cont'd)

3.2 The Company's Whistleblowing Policy encourages its employees to raise genuine concerns about possible impropriety of practice and proceeding, 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 the communication channel 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 Directors ("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 reviewed and updated on 24 July 2023.

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.

4.0 Board's Objectivity

4.1 The Board currently comprises two (2) Executive Directors, five (5) Independent Non-Executive Directors and one (1) Non-independent Non-Executive Director. There is more than two-thirds 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, will assure 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 will justify and seek annual shareholders' approval.

4.3 The Board has not adopted a policy that 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, perspectives, 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 cultural background.

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

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

4.0 Board's Objectivity (Cont'd)

4.5 During the financial year ended 31 March 2023, Mr. Woo Kam Weng resigned as Independent Non-Executive Director from the Company on 21 February 2023 and was assigned to a subsidiary of the Company as an interim Executive Officer.

4.6 Subsequent to the financial year ended 31 March 2023, the followings were noted:-

(a) YM Tengku Farith Rithauddeen resigned as Independent Non-Executive Director on 30 June 2023; and
(b) Haji Noorzainy Bin Haji Mohd Noor was appointed as Independent Non-Executive Director on 30 June 2023.

4.7 The NC is currently chaired by the Independent Non-Executive Director, Dato' Sok One A/L Esen after the resignation of YM Tengku Farith Rithauddeen on 30 June 2023. The profile of Dato' Sok One A/L Esen is presented in the Board of Directors' Profile in this Annual Report.

4.8 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.

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 effectiveness. The assessment of individual Director 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 appraises the Board performance evaluation and the 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' remuneration 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.

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 2023 is as follows:-

Company

Category	Salary, bonus and benifit in-kind (RM)	Directors' fee (RM)	Allowances (RM)	Total (RM)
Executive Directors:				
Chong Koon Meng	586,557	6,000	12,000	604,557
Kenny Khow Chuan Wah	356,260	6,000	12,000	374,260
Non-Executive Directors:				
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	–	120,000	–	120,000
YM Tengku Farith Rithauddeen *(resigned on 30 June 2023)*	–	36,000	–	36,000
Yeap Say Woi	–	6,000	17,500	23,500
Hwang Siew Chien	–	6,000	17,000	23,000
Woo Kam Weng *(resigned on 21 February 2023)*	–	5,375	15,250	20,625
Dato' Sok One A/L Esen	–	6,000	17,500	23,500
Chan Swee Ying	–	6,000	17,500	23,500

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 2023 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 the 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 28 August 2023.

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 2023 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 Khow 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 2023.

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 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 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 deviations 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 responses with regard 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 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 coordinate 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 a large company under the MCCG 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 proposed resolutions 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 24 July 2023.

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 2023 is prepared pursuant to Guidance Note 11 of the ACE Market Listing Requirements ("AMLR") of Bursa Securities Malaysia Berhad ("Bursa Securities"). 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 Securities ("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 important 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/reports ▪ Annual report ▪ Company website ▪ General meeting/(s) ▪ Announcements and press releases, 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 virtual/physical (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

STAKEHOLDERS ENGAGEMENT (CONT'D)

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.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

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.

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, by adhering to all health and safety procedures.

MATERIAL SUSTAINABILITY MATTERS (CONT'D)

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.

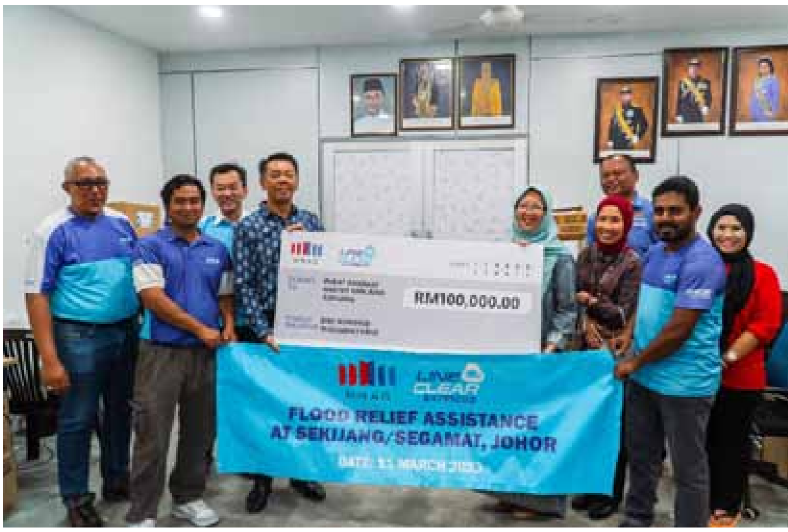
We offer a competitive remuneration package with a wide range of benefits to attract and retain the best talent. In addition to the standard benefits such as annual leave and medical coverage, we also offer career development opportunities for both technical and non-technical staff. This includes employee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

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.

During the financial year under review, Courier & Logistics Services division also contributed to the community via cash donation to flood relief assistance at Sekijang/Segamat, Johor and contribution to students from Madrasah Ashabus Suffah ("ASUH") in the "Program Membeli Pakaian Raya dan Majlis Iftar".



MATERIAL SUSTAINABILITY MATTERS (CONT'D)

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
- Code of Conduct and Ethics
- Board Charter
- Whistleblowing Policy
- Enterprise Risk Management Framework

The Board and Senior Management have taken proactive measures to ensure the Company's adherence with the Malaysian Anti-Corruption Commission Act in relation to the corporate liability 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.

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.

FINANCIAL STATEMENTS

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 2023.

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 for the financial year	89,392,204	193,161,587
Attributable to:-		
Owners of the Company	73,825,560	
Non-controlling interests	15,566,644	
	89,392,204	

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
Chong Koon Meng*
Kenny Khow Chuan Wah*
Yeap Say Woi
Hwang Siew Chien
Chan Swee Ying

DIRECTORS (CONT'D)

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

Dato' Sok One A/L Esen
Haji Noorzainy Bin Haji Mohd Noor (appointed 30.6.2023)
Woo Kam Weng (resigned on 21.2.2023)
YM Tengku Farith Rithauddeen (resigned on 30.6.2023)

* *Director of the Company and its 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
Saysu A/L Michael (appointed on 17.3.2023)
Shanmugananthan A/L Ratnam (appointed on 17.3.2023)
Anton Alex Schubert (appointed on 17.3.2023, alternate for Shanmugananthan A/L Ratnam)
Azman Bin Kassim (appointed on 2.5.2023)
Woo Kam Weng (appointed on 2.5.2023)

DIRECTORS' BENEFITS

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

	Group and Company RM
Directors' fee	197,375
Directors' remuneration	1,051,568
	1,248,943

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 Notes 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:-

	Number of ordinary shares			
	At 1.4.2022	**Bought**	**Sold**	**At 31.3.2023**
Direct interests				
Chong Koon Meng	1,025,000	75,000	–	1,100,000
Chan Swee Ying	271,624,800	–	–	271,624,800

	Number of irredeemable convertible preference shares			
	At 1.4.2022	**Bought**	**Conversion**	**At 31.3.2023**
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:-

(a) 681,269,200 new ordinary shares at issue price of RM0.02 for a total cash consideration of RM13,625,384 pursuant to private placement;
(b) 34,503,500 new ordinary shares for total cash consideration of RM6,900,700 pursuant to the exercise of 34,503,500 Warrants at an exercise price of RM0.20 each;
(c) 373,827,157 new ordinary shares is issued at an issue of RM0.061 each pursuant to settlement of amount owing to certain creditors of the Company and its subsidiaries;
(d) 15,573,770 new ordinary shares is issued at issue price of RM0.061 each pursuant settlement of amount owing to a Director of the Company;
(e) 1,302,300 new ordinary shares for a total cash consideration of RM195,344 pursuant to conversion of 1,302,300 Irredeemable Convertible Preference Shares ("ICPS") by the way of conversion of 1 ICPS at conversion price of RM0.15 each; and
(f) 3,445,725 new ordinary shares pursuant to mandatory conversion of all remaining ICPS at the conversion ratio of 4 ICPS into 1 new ordinary shares.

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 2017/2023

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, 34,503,500 warrants had been exercised. As at 27 November 2022, there were 162,703,991 warrants unexercised and lapsed.

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 had been written off and 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.

OTHER STATUTORY INFORMATION (CONT'D)

In the opinion of the Directors:-

(a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

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.

AUDITORS

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

The amount of audit and other fees paid to or payable to the Auditors by the Group and the Company for the financial year ended 31 March 2023 amounted to RM232,000 and RM50,000 respectively. Further details are disclosed in Note 26 to the Financial Statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent permissible under the provisions of the Companies Act, 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year.

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

....)
CHONG KOON MENG)
)
) DIRECTORS
)
)
....)
KENNY KHOW CHUAN WAH

Kuala Lumpur
31 July 2023

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 57 to 151 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 2023 and of their financial performance and cash flows for the financial year then ended.

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

....	....
CHONG KOON MENG	**KENNY KHOW CHUAN WAH**

Kuala Lumpur
31 July 2023

STATUTORY DECLARATION

I, **Kenny Khow 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 57 to 151 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)
31 July 2023)
)

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

Before me:

Commissioner for Oaths
RAMATHILAGAM A/P RAMASAMY (W671)

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 2023, 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 57 to 151.

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 2023, 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.

Material uncertainty related to going concern

We draw attention to Note 2 to the Financial Statements which indicates that the Group incurred a net loss of RM89,392,204 during the financial year and as at 31 March 2023, the total current liabilities of the Group exceeded its total current assets by RM56,863,285. These events or conditions indicate the existence of a material uncertainty which may cast doubt about the Group's ability to continue as going concern. The ability of the Group to continue as a going concern is dependent on (i) the attaining future profitable operations of the Group; (ii) the utilisation of proceeds upon completion of proposed right issue of new shares; and (iii) the unutilised credit facilities provided by non-trade payables. If these are not forthcoming, the Group may be unable to realise their assets and discharge their liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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

Key Audit Matters (Cont'd)

Group

Goodwill on consolidation

The risk – 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 Note 12 to the Financial Statements.

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

The risk – 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

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.

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 (Cont'd)

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

- 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; and
- 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.

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.

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 (Cont'd)

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.

Company

Investment in subsidiaries and amount due from subsidiaries

The risk – Significant judgements are required by the Directors in assessing the impairment and the recoverability of the investment in subsidiaries and amount due from 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.

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

Key Audit Matters (Cont'd)

Company (Cont'd)

Investment in subsidiaries and amount due from subsidiaries (Cont'd)

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 and amount due from subsidiaries are included in Notes 8.1 and 8.2 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.

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

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.

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.

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

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

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: 03539/12/2024 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
31 July 2023

STATEMENTS OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	44,906,311	36,264,847	3	3
Right-of-use assets	6	339,940,191	308,035,928	–	–
Investment properties	7	3,978,083	23,300,530	–	–
Investment in subsidiaries	8	–	–	35,544,573	121,787,830
Other investments	9	59,370,869	251,436,725	59,370,869	251,436,725
Intangible assets	10	120,000	120,000	–	–
Deferred tax assets	11	1,600,000	1,600,000	–	–
Goodwill on consolidation	12	37,225,864	37,225,864	–	–
Amount due from subsidiaries	8	–	–	66,638,287	–
Fixed deposits with licensed banks		6,022,584	2,835,000	–	–
Total non-current assets		493,163,902	660,818,894	161,553,732	373,224,558
Current assets					
Inventories	13	8,275,146	10,536,168	–	–
Contract assets	14	3,418,413	2,900,716	–	–
Trade receivables	15	42,369,345	29,771,104	–	–
Other receivables	16	38,194,572	35,136,200	10,164,691	22,834
Amount due from subsidiaries	8	–	–	37,916,544	160,340,516
Tax recoverable		40,588	30,164	–	–
Fixed deposits with licensed banks		1,705,000	9,705,000	–	–
Cash and bank balances		11,325,644	12,839,890	1,633,455	129,658
		105,328,708	100,919,242	49,714,690	160,493,008
Assets of disposal group/non-current asset held for sale	17	–	41,504,257	–	17,830,000
Total current assets		105,328,708	142,423,499	49,714,690	178,323,008
Total assets		598,492,610	803,242,393	211,268,422	551,547,566
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to the owners of the Company:-					
Share capital	18	340,920,568	270,547,467	340,920,568	270,547,467
Irredeemable convertible preference shares	19	–	754,261	–	754,261
Reserves	20	(170,296,428)	104,950,414	(151,973,586)	245,565,005
		170,624,140	376,252,142	188,946,982	516,866,733
Non-controlling interests	8	(22,327,619)	1,550,615	–	–
Total equity		148,296,521	377,802,757	188,946,982	516,866,733

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
LIABILITIES					
Non-current liabilities					
Borrowings	21	–	2,805,555	–	–
Lease liabilities	6	288,004,096	252,079,287	–	–
Deferred tax liabilities	11	–	960,885	–	–
Total non-current liabilities		288,004,096	255,845,727	–	–
Current liabilities					
Trade payables	22	27,982,898	28,724,501	–	–
Other payables	23	69,519,624	65,672,529	5,364,502	13,002,960
Contract liabilities	14	325,000	9,440,288	–	–
Amount due to subsidiaries	8	–	–	1,532,431	1,537,188
Borrowings	21	15,424,507	20,549,136	15,424,507	20,140,685
Lease liabilities	6	48,936,627	40,637,041	–	–
Tax payable		3,337	22,830	–	–
		162,191,993	165,046,325	22,321,440	34,680,833
Liabilities directly associated with disposal group classified as held for sale	17	–	4,547,584	–	–
Total current liabilites		162,191,993	169,593,909	22,321,440	34,680,833
Total liabilities		450,196,089	425,439,636	22,321,440	34,680,833
Total equity and liabilities		598,492,610	803,242,393	211,268,422	551,547,566

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 2023

		Group		Company	
	Note	**2023 RM**	**2022 RM**	**2023 RM**	**2022 RM**
Revenue	24	422,095,703	385,877,852	–	–
Cost of sales		(427,684,908)	(397,859,175)	–	–
Gross loss		(5,589,205)	(11,981,323)	–	–
Other income	25	12,776,058	34,312,190	2,756,447	29,136,773
Finance income		207,719	44,409	–	5,282
Net impairment loss on financial assets		(7,775,476)	(1,062,000)	(93,879,274)	(13,556,757)
Impairment loss on non-financial assets		(5,687,280)	(534,346)	(85,472,002)	(379,817)
Selling and distribution expenses		(1,959,053)	(2,414,897)	–	–
Administration expenses		(55,248,412)	(41,992,363)	(2,957,640)	(2,510,049)
Other expenses		(9,229,701)	(3,064,626)	(4,954,712)	–
Finance costs		(17,358,784)	(6,960,672)	(8,654,406)	(341,331)
(Loss)/profit before tax	26	(89,864,134)	(33,653,628)	(193,161,587)	12,354,101
Tax income	27	471,930	1,395,389	–	–
Net (loss)/profit for the financial year		(89,392,204)	(32,258,239)	(193,161,587)	12,354,101
Other comprehensive (loss)/income:-					
Item that will be reclassified subsequently to profit or loss					
Foreign currency translation difference arising from a foreign subsidiary		(168,579)	(4,061)	–	–
Item that will not be reclassified subsequently to profit or loss					
Fair value (loss)/gain on other investment		(179,233,049)	136,623,225	(179,233,049)	136,623,225
Total comprehensive (loss)/income for the financial year		(268,793,832)	104,360,925	(372,394,636)	148,977,326

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

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
(Loss)/profit for the financial year attributable to:-					
Owners of the Company		(73,825,560)	(22,654,116)	(193,161,587)	12,354,101
Non-controlling interests		(15,566,644)	(9,604,123)	–	–
		(89,392,204)	(32,258,239)	(193,161,587)	12,354,101
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(253,227,188)	113,964,609	(372,394,636)	148,977,326
Non-controlling interests		(15,566,644)	(9,603,684)	–	–
		(268,793,832)	104,360,925	(372,394,636)	148,977,326
Loss per share					
Basic/diluted loss per share attributable to owners of the Company (sen)	28	(3.84)	(1.82)		

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

	Attributable to equity holders of the Company										
		Non-distributable									
	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
Group											
At 1 April 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	4,299,831	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 reserve 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	–	–	–	136,623,225	–	–	(4,500)	(22,654,116)	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**

	Attributable to equity holders of the Company										
		Non-distributable									
	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
Group (Cont'd)											
Transactions with owners:-											
Disposal of subsidiaries	–	–	(1,319,225)	–	–	7,900,000	–	(6,580,775)	–	(6,187,289)	(6,187,289)
Changes in ownership interests in subsidiaries	–	–	–	–	–	–	–	3,124,301	3,124,301	(2,124,301)	1,000,000
Settlement to certain creditors and a Director via allotment of shares	23,753,457	–	–	–	–	–	–	–	23,753,457	–	23,753,457
Private placements	13,625,384	–	–	–	–	–	–	–	13,625,384	–	13,625,384
Conversion of warrants	11,299,896	–	–	–	(4,399,196)	–	–	–	6,900,700	–	6,900,700
Conversion of irredeemable convertible preference shares	949,605	(754,261)	–	–	–	–	–	–	195,344	–	195,344
Warrant expired	20,744,759	–	–	–	(20,744,759)	–	–	–	–	–	–
Total transactions with owners	70,373,101	(754,261)	(1,319,225)	–	(25,143,955)	7,900,000	–	(3,456,474)	47,599,186	(8,311,590)	39,287,596
Realisation of fair value reserve upon disposal	–	–	–	(16,428,427)	–	–	–	16,428,427	–	–	–
Reversal of revaluation reserve upon disposal	–	–	(8,556,180)	–	–	–	–	8,556,180	–	–	–
Net loss for the financial year	–	–	–	–	–	–	–	(73,825,560)	(73,825,560)	(15,566,644)	(89,392,204)
Other comprehensive loss for the financial year	–	–	–	(179,233,049)	–	–	(168,579)	–	(179,401,628)	–	(179,401,628)
Total comprehensive loss for the financial year	–	–	–	(179,233,049)	–	–	(168,579)	(73,825,560)	(253,227,188)	(15,566,644)	(268,793,832)
At 31 March 2023	**340,920,568**	–	–	**(30,315,225)**	–	–	**(145,966)**	**(139,835,237)**	**170,624,140**	**(22,327,619)**	**148,296,521**

	Share capital RM	Irredeemable convertible preference shares RM (Non-distributable)	Fair value reserve RM (Non-distributable)	Warrant reserve RM (Non-distributable)	Retained earnings/ (accumulated losses) RM	Total RM
Company						
At 1 April 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	–	–	136,623,225	–	12,354,101	148,977,326
At 31 March 2022	**270,547,467**	**754,261**	**165,346,251**	**25,143,955**	**55,074,799**	**516,866,733**

		← Non-distributable		→		
	Share capital RM	Irredeemable convertible preference shares RM	Fair value reserve RM	Warrant reserve RM	Retained earnings/ (accumulated losses) RM	Total RM
Company (Cont'd)						
Transactions with owners:-						
Settlement to certain creditors and a Director via allotment of shares	23,753,457	–	–	–	–	23,753,457
Private placements	13,625,384	–	–	–	–	13,625,384
Conversion of warrants	11,299,896	–	–	(4,399,196)	–	6,900,700
Conversion of irredeemable convertible preference shares	949,605	(754,261)	–	–	–	195,344
Warrant expired	20,744,759	–	–	(20,744,759)	–	–
Total transactions with owners	70,373,101	(754,261)	–	(25,143,955)	–	44,474,885
Realisation of fair value reserve upon disposal of shares	–	–	(16,428,427)	–	16,428,427	–
Net loss for the financial year	–	–	–	–	(193,161,587)	(193,161,587)
Other comprehensive loss for the financial year	–	–	(179,233,049)	–	–	(179,233,049)
Total comprehensive loss for the financial year	–	–	(179,233,049)	–	(193,161,587)	(372,394,636)
At 31 March 2023	**340,920,568**	–	**(30,315,225)**	–	**(121,658,361)**	**188,946,982**

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
OPERATING ACTIVITIES				
(Loss)/profit before tax	(89,864,134)	(33,653,628)	(193,161,587)	12,354,101
Adjustments for:-				
Bad debt written off	578,414	943	–	–
Deposits written off	48,066	–	–	–
Depreciation of property, plant and equipment	9,050,463	6,523,987	–	–
Depreciation of investment properties	487,465	730,581	–	–
Depreciation of right-of-use assets	52,100,103	25,074,812	–	–
Fair value loss/(gain) on other investment	4,003,300	(23,350,103)	4,003,300	(23,350,103)
Gain on disposal of investment property	(1,321,021)	–	–	–
Gain on disposal of other investments	(2,752,361)	(5,783,959)	(2,752,361)	(5,783,959)
Gain on lease modification/termination	(207,541)	(14,243)	–	–
Gain on disposal of right-of-use assets	(71,000)	(17,412)	–	–
Impairment loss on investment in subsidiaries	–	–	85,472,002	379,817
Impairment loss on property, plant and equipment	5,331,580	–	–	–
Impairment loss on property, plant and equipment upon transfer to assets held for sale	–	534,346	–	–
Impairment loss on right-of-use assets	355,700	–	–	–
Impairment loss on other investments	–	1,300,000	–	–
Impairment loss on goodwill	–	995,820	–	–
Investment in subsidiaries written off	–	–	771,255	–
Interest expenses	17,358,784	6,960,672	8,654,406	341,331
Interest income	(207,719)	(44,409)	–	(5,282)
Inventories written off	3,364	–	–	–
Loss/(gain) on disposal of assets held for sale	91,324	(1,197,500)	180,157	–
Loss/(gain) on disposal of property, plant and equipment	58,048	(18,637)	–	–
Net impairment loss on financial assets	7,775,476	1,062,000	93,879,274	13,556,757
Property, plant and equipment written off	38,475	2,284	–	–
Rental rebates	(3,000)	(362,000)	–	–
Reversal of slow moving inventories no longer required	–	(115,605)	–	–
Right-of-use assets written off	–	110,933	–	–
Unrealised loss on foreign exchanges	4,390,558	45,626	–	–
Operating profit/(loss) before working capital changes	7,244,344	(21,215,492)	(2,953,554)	(2,507,338)
Changes in working capital:-				
Inventories	2,257,658	(7,449,243)	–	–
Contract customers	(9,632,985)	8,507,306	–	–
Receivables	(15,275,009)	(7,266,840)	(10,141,857)	19,380,482
Payables	22,621,190	39,081,497	(8,126)	(25,141)
Cash generated from/(used in) operations	7,215,198	11,657,228	(13,103,537)	16,848,003
Tax paid	(518,872)	(159,876)	–	–
Tax refunded	–	37,615	–	14,956
Interest received	207,719	44,409	–	5,282
Net cash flows from/(used in) operating activities	6,904,045	11,579,376	(13,103,537)	16,868,241

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
INVESTING ACTIVITIES					
Acquisition of subsidiaries	8	–	(29,012,147)	–	–
Acquisition of non-controlling interest		–	(779,669)	–	–
Net advances to subsidiaries		–	–	(30,443,589)	(4,832,361)
Net cash inflows from disposal of subsidiaries	8	485,431	–	534,900	–
Purchase of investment property		(38,493)	–	–	–
Purchase of property, plant and equipment		(23,571,316)	(22,584,579)	–	–
Purchase of right-of-use assets	A	(447,753)	(1,447,203)	–	–
Purchase of other investments		(6,020,570)	(55,964,997)	(6,020,570)	(55,964,997)
Proceeds from disposal of investment property		20,194,496	–	–	–
Proceeds from disposal of property, plant and equipment		841,544	141,987	–	–
Proceeds from disposal of partial stake to non-controlling interests		–	22,000,000	–	–
Proceeds from disposal of right-of-use assets		71,000	17,412	–	–
Proceeds from disposal of other investments		39,217,381	35,203,537	39,217,381	35,203,537
Proceeds from disposal of non-current assets held for sales		–	3,197,500	–	–
Subscription of shares in subsidiaries		–	–	–	(44,661,073)
Subscription of shares by non-controlling interests		1,000,000	3,203,769	–	–
Net cash flows from/(used in) investing activities		31,731,720	(46,024,390)	3,288,122	(70,254,894)
FINANCING ACTIVITIES					
Advances from other payables		4,209,060	25,784,207	3,973,125	11,670,207
Drawdown of borrowings		34,898,867	50,227,247	34,898,867	50,227,247
Repayment of borrowings		(42,829,051)	(34,006,098)	(39,615,045)	(33,601,128)
Placement of non-current/pledged fixed deposits with licensed banks		(2,982,584)	(2,160,000)	–	–
Repayment of lease liabilities		(44,480,773)	(21,001,485)	–	–
Repayment to a subsidiary		–	–	(4,757)	–
Interest paid		(17,358,784)	(6,960,672)	(8,654,406)	(341,331)
Proceeds from issuance of shares		20,721,428	23,086,827	20,721,428	23,086,827
Net cash (used in)/flows from financing activities	B	(47,821,837)	34,970,026	11,319,212	51,041,822
CASH AND CASH EQUIVALENTS					
Net changes		(9,186,072)	525,012	1,503,797	(2,344,831)
Effect of foreign currency translation differences on cash and cash equivalents		(172,643)	(43,370)	–	–
At beginning of financial year		22,389,359	21,907,717	129,658	2,474,489
At end of financial year	C	13,030,644	22,389,359	1,633,455	129,658

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 RM79,356,519 (2022: RM243,513,569) of which RM78,908,766 (2022: RM242,066,366) were acquired by means of lease arrangements. Cash payments of RM447,753 (2022: RM1,447,203) were made to purchase such right-of-use assets.

B. 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					
2023					
Other payables (Advances)	26,926,510	(23,753,457)	#	4,209,060	7,382,113
Borrowings (Net)	23,354,691	–		(7,930,184)	15,424,507
Lease liabilities	292,716,328	88,705,168	*	(44,480,773)	336,940,723
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
Company					
2023					
Other payables (Advances)	12,516,355	(11,603,457)	#	3,973,125	4,886,023
Borrowings (Net)	20,140,685	–		(4,716,178)	15,424,507
2022					
Other payables (Advances)	846,148	–		11,670,207	12,516,355
Borrowings (Net)	3,514,566	–		16,626,119	20,140,685

* 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.

Being settled pursuant to issuance of share capital.

NOTES TO THE STATEMENTS OF CASH FLOWS:- (CONT'D)

C. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	11,325,644	12,839,890	1,633,455	129,658
Fixed deposits with licensed banks	7,727,584	12,540,000	–	–
	19,053,228	25,379,890	1,633,455	129,658
Less:-				
Fixed deposits pledged to licensed banks	(6,022,584)	(3,040,000)	–	–
Add:-				
Assets of disposal group	–	49,469	–	–
	13,030,644	22,389,359	1,633,455	129,658

Fixed deposits with licensed banks of the Group and of the Company bear interest at rates ranging from 2.30% to 2.85% (2022: 1.05% to 1.85%) and Nil (2022: 1.05%) per annum respectively.

Fixed deposits of the Group amounting to RM6,022,584 (2022: RM3,040,000) are pledged to licensed banks for banking facilities granted to the subsidiaries.

Included in fixed deposits with licensed banks of the Group is RM2,255,000 (2022: RM2,535,000) 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.

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 31 July 2023.

2. GOING CONCERN

The Group had incurred a net loss of RM89,392,204 during the financial year and as at 31 March 2023, the total current liabilities of the Group exceeded its total current assets by RM56,863,285. These events or conditions indicate material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern.

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

- the utilisation of proceeds upon completion of proposed right issue of up to 1,453,434,942 new shares at an issue price of RM0.10 per right shares, together with up to 726,717,471 free detachable warrants in the Company on the basis of 1 warrant for every 2 Right shares subscribed;
- the unutilised credit facilities provided by non-trade payables; 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.

The validity of the Group's going concern assumption is dependent on the ability of the Group to rationalise the plans above. 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. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

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.

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 2023:-

MFRS 17*# and amendments to MFRS 17*#	Insurance Contracts
Amendments to MFRS 17*	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
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
Amendments to MFRS 112*#	Income Taxes - International Tax Reform: Pillar Two Model Rules

Effective for financial periods beginning on or after 1 January 2024:-

Amendments to MFRS 16*	Leases – Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements – Non-Current Liabilities with Covenants
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

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

* Not applicable to the Company's operation
\# Not applicable to the Group's operations

The Group and the Company intend to adopt these standards and amended standards, if applicable, when they become effective. The initial application of the above standards and amendments are not expected to have any material financial impact to the financial statements of the Group and of the Company.

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 2023, 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

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit ("CGU") being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

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 receivables and contract assets

The Group uses a provision matrix and credit rating assessment to calculate ECLs for trade receivables and contract assets. 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. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

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.

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):-

Income taxes and deferred tax (Cont'd)

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 recognised. 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.

The Group has RM168,661,000 (2022: RM118,434,000) of tax losses carried forward. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

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

3.6 Significant accounting estimates and judgements (Cont'd)

3.6.2 Significant management judgements

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Consolidation (Cont'd)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Consolidation (Cont'd)

4.1.3 Business combinations and goodwill (Cont'd)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.2.2 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Property, plant and equipment (Cont'd)

Capital under construction consist of buildings under construction and installation of plant and machinery for their intended use as station hub and self-handling services for cargo and aircraft ground handling. Assets under construction 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.

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, warehouse 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 in the financial year in which the asset is derecognised.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Investment properties (Cont'd)

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 recognised 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.

4.5 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 22 years
Leasehold land	22 years
Outlet premises	2 to 10 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Leases (Cont'd)

4.5.1 As lessee (Cont'd)

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.

4.5.1.3 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

In prior year, 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.

Gain 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.

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)

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.

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 recognised, 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.

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 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.

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 recognised 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

4.7.1 Financial assets (Cont'd)

Derecognition (Cont'd)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Financial instruments (Cont'd)

4.7.1 Financial assets (Cont'd)

Impairment (Cont'd)

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.

<u>Financial liabilities at amortised cost</u>

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 recognised 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 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 properties, which previously classified as 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 Revenue (Cont'd)

4.14.1 Revenue from contract with customer (Cont'd)

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.

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/liabilities

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.15.2 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

	At valuation	At cost					
	Freehold land and buildings RM	Computer and office equipment RM	Furniture, fittings, signboard and office renovation RM	Motor vehicles RM	Cargo handling equipment RM	Capital under construction RM	Total RM
Group							
Valuation/Cost							
At 1 April 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
Additions	–	9,061,360	677,228	3,394,481	1,927,149	8,511,098	23,571,316
Disposals	–	(6,514)	(517,675)	(964,997)	–	–	(1,489,186)
Written off	–	(105,075)	–	(46,960)	–	–	(152,035)
Transfer from/(to)	–	–	1,507,372	–	–	(1,507,372)	–
Transfer from right-of-use assets	–	–	–	2,798,465	–	–	2,798,465
Translation reserve	–	5,898	14,333	3,902	–	–	24,133
At 31 March 2023	–	29,710,682	18,411,683	20,615,557	3,303,889	7,796,762	79,838,573

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

	At valuation	At cost					
	Freehold land and buildings RM	Computer and office equipment RM	Furniture, fittings, signboard and office renovation RM	Motor vehicles RM	Cargo handling equipment RM	Capital under construction RM	Total RM
Group (Cont'd)							
Accumulated depreciation							
At 1 April 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
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	(394,933)	–	(69,799)	(17,500)	–	–	(482,232)
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
Charge for financial year	–	3,087,169	2,275,808	3,050,354	637,132	–	9,050,463
Disposals	–	(4,996)	(225,308)	(359,290)	–	–	(589,594)
Written off	–	(101,037)	–	(12,523)	–	–	(113,560)
Transfer from right-of-use assets	–	–	–	2,417,410	–	–	2,417,410
Translation reserve	–	5,200	8,000	1,730	–	–	14,930
At 31 March 2023	–	10,919,969	6,978,371	10,915,697	786,645	–	29,600,682

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

	At valuation	At cost					
	Freehold land and buildings RM	Computer and office equipment RM	Furniture, fittings, signboard and office renovation RM	Motor vehicles RM	Cargo handling equipment RM	Capital under construction RM	Total RM
Group (Cont'd)							
Accumulated impairment							
At 1 April 2021	–	–	–	–	–	–	–
Impairment loss recognised	534,346	–	–	–	–	–	534,346
Transfer to assets held for sale	(534,346)	–	–	–	–	–	(534,346)
At 31 March 2022	–	–	–	–	–	–	–
Impairment loss recognised	–	805,246	3,230,876	1,295,458	–	–	5,331,580
At 31 March 2023	–	805,246	3,230,876	1,295,458	–	–	5,331,580
Net carrying amount							
At 31 March 2023	–	17,985,467	8,202,436	8,404,402	2,517,244	7,796,762	44,906,311
At 31 March 2022	–	12,821,380	11,810,554	9,612,650	1,227,227	793,036	36,264,847

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

In 2023, the impairment loss of RM5,331,580 represented the write-down of certain property, plant and equipment in the logistics segments to the recoverable amounts as a result of slowing growth than expected and this was recognised in the statement of profit or loss as impairment of non-financial assets. The recoverable amount was based on the value in use ("VIU") and was determined at the level of CGU. In determining VIU for CGU, the cash flows were discounted at a rate of 8.56% on a pre-tax basis.

In 2022, the Group has remeasured its disposal group held for sale immediately before classification as held for sale, at the lower of its carrying amount and fair value less costs, hence recognised an impairment loss of RM534,346 in the statement of profit or loss.

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.

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.

The aforesaid assets have been transferred to investment properties in the previous financial year.

	Company Office equipment RM
Cost	
At 1 April 2021/31 March 2022/31 March 2023	3,019
Accumulated depreciation	
At 1 April 2021/31 March 2022/31 March 2023	3,016
Net carrying amount	
At 31 March 2022/31 March 2023	3

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

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 22 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.

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

	Leasehold land RM	Office and warehouse RM	Outlet premises RM	Motor vehicles RM	Aircraft RM	Total RM
Group						
Cost						
At 1 April 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
Additions	–	–	5,058,129	1,678,123	72,620,267	79,356,519
Transferred to property, plant and equipment	–	–	–	(2,798,465)	–	(2,798,465)
Lease modification	9,683,907	–	(777,776)	–	–	8,906,131
Lease termination	–	–	(6,841,618)	–	–	(6,841,618)
Disposal	–	–	–	(308,076)	–	(308,076)
Translation reserve	–	–	19,899	18,527	–	38,426
At 31 March 2023	12,171,042	73,808,874	23,652,791	40,057,467	280,797,143	430,487,317

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):-

	Leasehold land RM	Office and warehouse RM	Outlet premises RM	Motor vehicles RM	Aircraft RM	Total RM
Group (Cont'd)						
Accumulated depreciation						
At 1 April 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
Charge for the financial year	612,712	10,184,213	5,942,942	7,837,835	27,522,401	52,100,103
Transferred to property, plant and equipment	–	–	–	(2,417,410)	–	(2,417,410)
Lease termination	–	–	(3,305,369)	–	–	(3,305,369)
Disposal	–	–	–	(308,076)	–	(308,076)
Translation reserve	–	–	12,210	11,496	–	23,706
At 31 March 2023	2,602,420	13,650,913	9,098,463	25,773,430	39,066,200	90,191,426
Accumulated impairment						
At 1 April 2021/31 March 2022	–	–	–	–	–	–
Impairment loss recognised	–	–	185,871	169,829	–	355,700
At 31 March 2023	–	–	185,871	169,829	–	355,700
Net carrying amount						
At 31 March 2023	9,568,622	60,157,961	14,368,457	14,114,208	241,730,943	339,940,191
At 31 March 2022	497,427	70,342,174	19,745,477	20,817,773	196,633,077	308,035,928

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

Lease liabilities

	Group	
	2023	**2022**
	RM	**RM**
Current		
- within 1 year	48,936,627	40,637,041
Non-current		
- more than 1 year but less than 5 years	143,646,678	119,847,112
- more than 5 years	144,357,418	132,232,175
	288,004,096	252,079,287
	336,940,723	292,716,328

The lease liabilities bear interest at rates ranging from 2.04% to 4.85% (2022: 2.04% to 4.85%) per annum. The lease liabilities of RM266,647,302 (2022: RM219,419,893) 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:-

	Group	
	2023	**2022**
	RM	**RM**
At 1 April	292,716,328	41,597,922
Additions	78,908,766	242,066,366
Addition upon acquisition of subsidiary	–	30,824,869
Accretion of interest	15,526,442	6,392,611
Payments		
- Principal	(44,480,773)	(21,001,485)
- Interest	(15,526,442)	(6,392,611)
Rental rebates	(3,000)	(362,000)
Lease modification	8,906,131	(143,277)
Lease termination	(3,743,790)	(268,529)
Unrealised loss on foreign exchange	4,612,182	–
Translation reserve	24,879	2,462
At 31 March	336,940,723	292,716,328

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

Lease liabilities (Cont'd)

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

	Group	
	2023	**2022**
	RM	**RM**
Depreciation of right-of-use assets	52,100,103	25,074,812
Interest expense on lease liabilities	15,526,442	6,392,611
Expenses related to short-term leases:-		
- outlet premises	555,150	969,416
- accommodation	3,430	244,100
- equipment	560,499	661,358
Total recognised in profit or loss	68,745,624	33,342,297

The Group had total cash outflow for leases of RM61,126,294 (2022: RM29,268,970). The Group also had non-cash additions to right-of-use assets and lease liabilities of RM78,908,766 (2022: RM242,066,366).

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	
- 2023	–
- 2022	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 2021/31 March 2022	12,294,400	16,566,308	28,860,708
Additions	–	38,493	38,493
Disposal	(12,294,400)	(11,906,278)	(24,200,678)
At 31 March 2023	–	4,698,523	4,698,523
Accumulated depreciation			
At 1 April 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
Charge for the financial year	–	487,465	487,465
Disposal	–	(5,327,203)	(5,327,203)
At 31 March 2023	–	720,440	720,440
Net carrying amount			
31 March 2023	–	3,978,083	3,978,083
31 March 2022	12,294,400	11,006,130	23,300,530
Fair values of investment properties			
- 2023	–	4,500,000	4,500,000
- 2022	12,850,000	11,170,000	24,020,000

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.

In the previous financial year, the title deeds of freehold buildings with net carrying amount of RM4,038,692 have yet to be obtained by the Group at the reporting date and are in the process of being transferred to the Group. However, it has obtained during the financial year.

Further, freehold land and building with net carrying amount of RM19,261,838 were pledged to a licensed bank for banking facilities granted to the Company. However, it had been released from charges upon disposal during the year.

8. SUBSIDIARIES

8.1 Investment in subsidiaries

	Company 2023 RM	Company 2022 RM
At cost		
Unquoted shares	122,764,596	123,535,851
Less: Accumulated impairment loss		
At 1 April	(1,748,021)	(9,666,949)
Recognised	(85,472,002)	(379,817)
Transfer to assets held for sale	–	8,298,745
At 31 March	(87,220,023)	(1,748,021)
	35,544,573	121,787,830

An impairment assessment on the carrying amounts of investments in subsidiaries at the reporting date was undertaken based on higher of the fair value less costs of disposal and the value in use for those subsidiaries with indicators of impairment.

The recoverable amount was determined based on the VIU calculation using cash flow projections based on the financial budget approved by the management covering a five-year period. In determining VIU, the cash flows were discounted at a range of rates between 7.4% to 11.13% (2022: 8.8%) on a pre-tax basis.

Details of the subsidiaries are as follows:-

Name of company	Effective interest 2023 %	Effective interest 2022 %	Principal activities	Principal place of business
Inventure Conglomerate Sdn. Bhd.	100	100	Distribution of telecommunication products, services, accessories and devices and other multimedia hardware and software.	Malaysia
Line Clear Ventures Holdings Sdn. Bhd. ("LCVH")	100	100	Investment holding	Malaysia
MGudang Sdn. Bhd. ("MGSB") #	–	74.51	Investment holding	Malaysia
M Jets International Sdn. Bhd. ("MJets")	80	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)

Details of the subsidiaries are as follows (Cont'd):-

Name of company	Effective interest 2023 %	Effective interest 2022 %	Principal activities	Principal place of business
MMantap Sdn. Bhd.	100	100	Dormant	Malaysia
MMatrix Sdn. Bhd.	100	100	Provisions of courier and delivery services	Malaysia
United ICT Consortium Sdn. Bhd.	100	100	Investment holding	Malaysia
VSurf Sdn. Bhd.	100	100	Provision of electronic commerce services related	Malaysia
Held under LCVH				
Line Clear Charter Sdn. Bhd. (f.k.a. KMN Express Sdn. Bhd.)	100	100	Provision of courier and delivery services	Malaysia
Line Clear Express & Logistics Sdn. Bhd. ("LCEL")	80.75	85	Provisions of courier and delivery services	Malaysia
Line Clear Express & Logistics (S) Pte. Ltd. ("LCELS")*	100	100	Dormant	Singapore
Line Clear Freight Forwarding Sdn. Bhd.	100	100	Dormant	Malaysia
Line Clear Express (KT) Sdn. Bhd.	100	100	Dormant	Malaysia
Line Shield Sdn. Bhd.	100	100	Insurance agent	Malaysia

8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

Details of the subsidiaries are as follows (Cont'd):-

Name of company	Effective interest 2023 %	Effective interest 2022 %	Principal activities	Principal place of business
Held under United ICT Consortium Sdn. Bhd.				
Inconnecxion Communication Sdn. Bhd.	100	100	Dormant	Malaysia
MMAG Digital Sdn. Bhd.	100	100	Investment holding and distributor of information technology products	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				
Active Trio Deluxe Sdn. Bhd.#	–	100	Dormant	Malaysia
H&H Ecowood Products Sdn. Bhd.#	–	100	Property investment	Malaysia

* Audited by a firm other than Grant Thornton Malaysia PLT

\# The investment has been disposed during the financial year, as detailed in Note 17 to financial statements

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 previous 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

8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

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

2022 (Cont'd)

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 of the previous financial year.

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 previous financial year respectively. If the combination had taken place at the beginning of the previous financial year, the Group's revenue and loss for the previous financial year from its continuing operations would have been RM61,108,703 and RM20,719,809 respectively.

Disposal of subsidiaries

2023

On 4 April 2022, the Company disposed the entire 74.51% equity interest in MGSB, comprising 19,000,000 ordinary shares to Ingenieur Group Berhad ("IGB") for a total consideration of RM17,649,843 by way of combination of cash of RM534,900 and issuance of 180,157,290 new ordinary shares in IGB at a fair value of RM0.095 per share.

The effects of disposal of MGSB and its subsidiaries ("MGSB Group") on the financial position of the Group as at the date of disposal are as follows:-

	MGSB Group RM
Assets of disposal group held for sale	41,504,257
Liabilities directly associated with disposal group classified as held for sale	(4,547,584)
Amount due from MGSB group	(13,028,217)
Total net assets upon disposal	23,928,456
Non-controlling interest	(6,187,289)
Loss on disposal of assets held for sale	(91,324)
Proceeds consideration	17,649,843
Less: Proceeds by way of ordinary shares	(17,114,943)
Less: Cash and bank balances disposed	(49,469)
Net cash inflow arising from disposal of subsidiaries during the year	485,431

8. SUBSIDIARIES (CONT'D)

8.1 Investment in subsidiaries (Cont'd)

Changes in ownership interests in subsidiaries

2023

(a) On 27 December 2022, LCEL entered into a Subscription Agreement with a third party for the issuance and allotment of 5,052,632 new ordinary shares (representing 4.25% of the enlarged total number of issued shares) for a cash subscription price of RM1,000,000. This transaction is completed during the financial year. The Group recognise a decrease in non-controlling interest of RM2,124,301 and decrease of accumulated losses of RM3,124,301.

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 on previous 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% on previous 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.

8.2 Amounts due from/(to) subsidiaries

Amounts due from/(to) subsidiaries are non-trade in nature, unsecured, bear no interest and receivable/repayable on demand except for amount due from subsidiaries of RM66,638,287 (2022: Nil) which not expect to be received within next 12 months (2022: receivable on demand).

	Company	
	2023	**2022**
	RM	**RM**
Amount due from subsidiaries	220,251,320	182,157,731
Less: Allowance for expected credit losses		
At 1 April	(21,817,215)	(8,260,458)
Recognised	(93,879,274)	(13,556,757)
At 31 March	(115,696,489)	(21,817,215)
	104,554,831	160,340,516
Amount due to subsidiaries	(1,532,431)	(1,537,188)
Presented as:-		
Non-current	66,638,287	–
Current	37,916,544	160,340,516
	104,554,831	160,340,516

8. SUBSIDIARIES (CONT'D)

8.2 Amounts due from/(to) subsidiaries (Cont'd)

The Company performed an expected credit losses assessment on individual basis during the financial year on the amount due from subsidiaries and an impairment loss of RM93,879,274 (2022: RM13,556,757) was recognised as a result of insufficient of future cash flows to repay the amount and hence included in impairment loss on financial assets in profit or loss.

8.3 Non-controlling interests ("NCI")

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

	MJets	LCELSB	Total
2023			
Percentage of ownership interest and voting interest held by NCI as at the end of financial year (%)	20%	19.25%	
Carrying amount of NCI (RM)	(7,820,880)	(14,506,739)	(22,327,619)
Net loss allocated to NCI (RM)	(8,239,554)	(7,327,090)	(15,566,644)
Total comprehensive loss allocated to NCI (RM)	(8,239,554)	(7,327,090)	(15,566,644)

	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)	6,187,289	418,681	(5,055,355)	–	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)

* 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% in previous 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 have material NCI are as below:-

	MJets RM	LCELSB RM
Financial position as at 31 March 2023		
Non-current assets	294,374,784	61,421,751
Current assets	38,001,024	22,856,876
Non-current liabilities	(258,170,794)	(20,003,099)
Current liabilities	(113,309,411)	(139,635,211)
Net liabilities	(39,104,397)	(75,359,683)
Summary of financial performance for the financial year ended 31 March 2023		
Net loss for the financial year	(41,197,768)	(42,657,363)
Total comprehensive loss for the financial year	(41,197,768)	(42,657,363)
Summary of cash flows for the financial year ended 31 March 2023		
Net cash from/(used in) operating activities	32,074,719	(20,704,515)
Net cash used in investing activities	(4,717,841)	(17,410,124)
Net cash (used in)/from financing activities	(29,114,843)	37,080,355
Net changes in cash and cash equivalents	(1,757,965)	(1,034,284)

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 have material NCI are as below:- (Cont'd)

	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/(liabilities)	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

9. OTHER INVESTMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 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	(1,300,000)	–	–	–
Recognised	–	(1,300,000)	–	–
At 31 March	(1,300,000)	(1,300,000)	–	–
	–	–	–	–
Quoted in Malaysia				
- ordinary shares	42,838,369	230,240,350	42,838,369	230,240,350
	42,838,369	230,240,350	42,838,369	230,240,350
Equity instruments designated at fair value through profit or loss:-				
- warrants (quoted in Malaysia)	16,532,500	21,196,375	16,532,500	21,196,375
	59,370,869	251,436,725	59,370,869	251,436,725

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 0.06% to 17.63% (2022: 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 amounted to RM59,370,869 (2022: RM251,436,725) 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 2021/31 March 2022/31 March 2023	11,427,070	120,000	11,547,070
Accumulated amortisation			
At 1 April 2021/31 March 2022/31 March 2023	10,825,000	–	10,825,000
Accumulated impairment			
At 1 April 2021/31 March 2022/31 March 2023	602,070	–	602,070
Net carrying amount			
At 31 March 2022/31 March 2023	–	120,000	120,000

11. DEFERRED TAX ASSETS/LIABILITIES

Deferred tax assets

	Group	
	2023 RM	2022 RM
At beginning of financial year	1,600,000	–
Recognised in profit or loss (Note 27)	–	1,600,000
At end of financial year	1,600,000	1,600,000

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

	Group	
	2023 RM	2022 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(174,000)	(205,000)
Unabsorbed business losses	361,000	961,000
Others (trade receivables, inventories and etc)	1,413,000	844,000
	1,600,000	1,600,000

11. DEFERRED TAX ASSETS/LIABILITIES (CONT'D)

Deferred tax liabilities

	Group	
	2023 **RM**	**2022** **RM**
At 1 April	960,885	1,392,578
Transfer to assets held for sale	–	(431,693)
Recognised in profit or loss (Note 27)	(960,885)	–
At 31 March	–	960,885

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

	Group	
	2023 **RM**	**2022** **RM**
Carrying amounts of property, plant and equipment in excess of their tax bases	–	10,198
Revaluation surplus of property, plant and equipment	–	950,687
	–	960,885

12. GOODWILL ON CONSOLIDATION

	Group	
	2023 **RM**	**2022** **RM**
At 1 April	37,225,864	10,383,310
Arising from acquisition of a subsidiary	–	27,838,374
Impairment loss recognised during the year	–	(995,820)
At 31 March	37,225,864	37,225,864

The recoverable amount of the CGU is determined based on the VIU calculation using discounted cash flows projections based on financial budgets approved by the management covering a five-year period.

12. GOODWILL ON CONSOLIDATION (CONT'D)

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

	Group	
	2023	**2022**
	RM	**RM**
Mobile and fulfilments	9,387,490	9,387,490
Air freight	27,838,374	27,838,374
	37,225,864	37,225,864

The following describes each key assumption on which management has based its discounted cash flows projections to undertake impairment testing of goodwill:-

(i) cash flows are projected based on actual operating results and a 5 (2022: 5) years business plan;
(ii) revenue is projected at anticipated annual revenue growth rate of ranging from 7.8% to 10% (2022: 3% to 10%) per annum;
(iii) expenses are projected increase at an annual rate ranging from 2% to 5% (2022: 2% to 5%) per annum; and
(iv) a pre-tax discount rates ranging from 7.4% to 11.13% (2022: 6.1% to 7.6%) is applied in determining the recoverable amount of the units.

In the previous financial year, the carrying amount of the goodwill was higher than its recoverable amount, and an impairment loss of RM995,820 was recognised and included in other expenses.

With regards to the assessments of VIU, 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.

13. INVENTORIES

	Group 2023 RM	Group 2022 RM
Goods in transit	–	7,462,655
Trading goods	8,275,146	4,368,594
Less: Allowance for slow moving inventories		
At 1 April	(1,295,081)	(1,410,686)
Written off	1,295,081	–
Reversal	–	115,605
At 31 March	–	(1,295,081)
	8,275,146	10,536,168

	Group 2023 RM	Group 2022 RM
Recognised in profit or loss:-		
Inventories recognised as cost of sales	174,499,460	237,201,837
Inventories written off recognised as other expenses	3,364	–

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

14. CONTRACT ASSETS/LIABILITIES

	Group 2023 RM	Group 2022 RM
Revenue recognised to-date	14,406,430	17,972,377
Invoices issued to-date	(10,988,017)	(15,071,661)
Contract assets	3,418,413	2,900,716
Contract liabilities – current	325,000	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 liabilities 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.

15. TRADE RECEIVABLES

	Group 2023 RM	Group 2022 RM
Trade receivables	58,161,552	38,949,210
Less: Allowance for expected credit losses		
At 1 April	(9,178,106)	(8,746,106)
Recognised	(6,601,478)	(782,000)
Foreign exchange movement	(12,623)	–
Written off	–	350,000
At 31 March	(15,792,207)	(9,178,106)
	42,369,345	29,771,104

The normal trade credit terms granted by the Group to the trade receivables ranging from 1 to 90 days (2022: 1 to 90 days) and are non-interest bearing.

16. OTHER RECEIVABLES

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Non-trade receivables	15,605,229	11,799,184	10,148,217	–
Deposits	15,548,324	17,989,621	3,000	3,000
Prepayments	8,299,801	7,428,694	13,474	19,834
GST receivable	201,686	198,701	–	–
	39,655,040	37,416,200	10,164,691	22,834
Less: Allowance for impairment losses				
At 1 April	(2,280,000)	(2,000,000)	–	–
Recognised	(1,173,998)	(280,000)	–	–
Recovered	500,000	–	–	–
Written off	1,500,000	–	–	–
Foreign exchange movement	(6,470)	–	–	–
At 31 March	(1,460,468)	(2,280,000)	–	–
	38,194,572	35,136,200	10,164,691	22,834

Included in the deposits is RM10,769,272 (2022: RM13,694,826) being payment made in relations to the aircraft leasing agreement entered.

Included in other receivables of the Company is RM10,148,217 (2022: Nil) due from MGSB Group which disposed by the Group during the financial year.

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 as at 31 March 2022 and this disposal transaction has been completed during the financial year.

	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**	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Investment in a subsidiary	–	–	–	17,830,000

In the previous 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 been presented as a non-current asset held for sale on the Company's statement of financial position as at 31 March 2022. The disposal transaction has been completed during the financial year.

18. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
Issued and fully paid up:-				
Ordinary shares with no par value				
At 1 April	1,312,469,925	1,132,594,825	270,547,467	246,330,286
Issuance of shares	1,109,921,652	179,875,100	49,628,342	24,217,181
Warrant expired	–	–	20,744,759	–
At 31 March	2,422,391,577	1,312,469,925	340,920,568	270,547,467

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			
	Number of shares		Amount	
	2023 Units	2022 Units	2023 RM	2022 RM
Issued and fully paid up:-				
At 1 April	15,085,218	29,056,218	754,261	1,452,811
Conversion of shares	(15,085,218)	(13,971,000)	(754,261)	(698,550)
At 31 March	–	15,085,218	–	754,261

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.

19. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") (CONT'D)

The salient terms of the ICPS are as follows (Cont'd) :-

(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.

20. RESERVES

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Non-distributable:-				
Revaluation reserve				
At 1 April	9,875,405	9,875,405	–	–
Disposal of subsidiaries	(1,319,225)	–	–	–
Reversal of revaluation reserve upon disposal	(8,556,180)	–	–	–
At 31 March	–	9,875,405	–	–
Warrant reserve				
At 1 April	25,143,955	25,575,759	25,143,955	25,575,759
Conversion of shares	(4,399,196)	(431,804)	(4,399,196)	(431,804)
Warrant expired	(20,744,759)	–	(20,744,759)	–
At 31 March	–	25,143,955	–	25,143,955
Merger deficit				
At 1 April	(7,900,000)	(7,900,000)	–	–
Disposal of subsidiaries	7,900,000	–	–	–
At 31 March	–	(7,900,000)	–	–
Exchange translation reserve				
At 1 April	22,613	27,113	–	–
Recognised in other comprehensive income	(168,579)	(4,500)	–	–
At 31 March	(145,966)	22,613	–	–

20. RESERVES (CONT'D)

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Non-distributable (cont'd):-				
Fair value reserve				
At 1 April	165,346,251	55,148,176	165,346,251	55,148,176
Fair value (loss)/gain on remeasurement of financial assets	(179,233,049)	136,623,225	(179,233,049)	136,623,225
Realisation of fair value reserve upon disposal	(16,428,427)	(26,425,150)	(16,428,427)	(26,425,150)
At 31 March	(30,315,225)	165,346,251	(30,315,225)	165,346,251
Total non-distributable reserves	(30,461,191)	192,488,224	(30,315,225)	190,490,206
Distributable:-				
(Accumulated losses)/retained earnings	(139,835,237)	(87,537,810)	(121,658,361)	55,074,799
Total reserves	(170,296,428)	104,950,414	(151,973,586)	245,565,005

Warrants 2017/2023

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, 34,503,500 warrants had been exercised. As at 27 November 2022, there were 162,703,991 warrants unexercised and lapsed.

21. BORROWINGS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Secured				
Term loans:-				
- Current	15,424,507	20,549,136	15,424,507	20,140,685
- Non-current	—	2,805,555	—	—
	15,424,507	23,354,691	15,424,507	20,140,685
Repayment terms:-				
- not later than 1 year	15,424,507	20,549,136	15,424,507	20,140,685
- between 1 to 2 years	—	423,162	—	—
- between 2 to 5 years	—	1,365,440	—	—
- later than 5 years	—	1,016,953	—	—
	15,424,507	23,354,691	15,424,507	20,140,685

The particulars of term loans are as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 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	—	—
b) A term loan of RM25,000,000 (2022: RM25,000,000) which is repayable within 3 months after the drawdown and roll forward option is available subsequently with no conversion fee	15,424,507	20,140,685	15,424,507	20,140,685
	15,424,507	23,354,691	15,424,507	20,140,685

21. BORROWINGS (CONT'D)

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 rates ranging from 6.75% to 7.25% (2022: 3.60% to 6.75%) per annum.

22. TRADE PAYABLES

Group

The normal trade credit terms granted by the trade payables ranging from 30 to 45 days (2022: 30 to 45 days) and are non-interest bearing.

Included in trade payables is RM10,246,817 (2022: RM15,703,524) due to a company in which a Director of the subsidiaries has interest.

23. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade payables				
- Sundry	12,603,783	14,598,014	423,657	431,783
- Existing Directors	2,475,015	3,117,580	31,500	60,000
- Former Directors	907,090	1,005,465	854,515	852,890
- Advances from third parties	4,000,008	22,803,465	4,000,008	11,603,465
Accruals	13,907,122	13,150,901	53,200	53,200
Deposits received from customers	34,709,079	9,907,195	–	–
SST/GST payables	917,527	1,089,909	1,622	1,622
	69,519,624	65,672,529	5,364,502	13,002,960

Included in other payables is RM927,500 (2022: Nil) due to a Company in which a Director of the Company has interest.

Included in other payables is RM647,691 (2022: RM647,691) due to non-controlling interest of the Group and it is unsecured and interest free.

24. REVENUE

24.1 Disaggregated revenue information

	2023 RM	2022 RM
Group		
Revenue from contracts with customers		
- Sales of goods	195,688,289	269,053,018
- Courier and delivery charges	77,133,577	63,448,213
- Cargo charter services income	149,048,433	53,142,091
- Commission income	225,404	82,715
	422,095,703	385,726,037
Revenue from other sources		
- Rental income	–	151,815
	422,095,703	385,877,852
Timing of revenue recognition		
- Recognised at a point in time	419,108,873	383,356,126
- Recognised at a point over time	2,986,830	2,521,726
	422,095,703	385,877,852

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Fair value gain on other investment	–	23,350,103	–	23,350,103
Franchise fee	–	607,378	–	–
Gain in disposal of other investments	2,752,361	5,783,959	2,752,361	5,783,959
Gain on disposal of investment property	1,321,021	–	–	–
Gain on disposal of property, plant and equipment	–	18,637	–	–
Gain on disposal of right-of-use assets	71,000	17,412	–	–
Gain on disposal of assets held for sale	–	1,197,500	–	–
Gain on lease modification/termination	207,541	14,243	–	–
Rental income	601,955	637,323	–	–
Rental rebates	3,000	362,000	–	–
Reversal of slow moving inventories no longer required	–	115,605	–	–
Others	7,819,180	2,208,030	4,086	2,711
	12,776,058	34,312,190	2,756,447	29,136,773

26. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- statutory audit fee	226,000	232,000	50,000	50,000
- others	6,000	6,000	6,000	6,000
- other external auditor:- statutory audit fee	–	11,763	–	–
Realised (gain)/loss on foreign exchange	(729,685)	625,024	–	–
Unrealised loss on foreign exchange	4,390,558	45,626	–	–
Interest expenses:-				
- lease liabilities	15,526,442	6,392,611	–	–
- borrowings	1,791,246	453,874	1,579,440	341,331
- unwinding discount on amount due from subsidiaries	–	–	7,033,870	–
- others	41,096	114,187	41,096	–

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors:-				
Directors of the Company				
Salaries and other emoluments	866,762	834,126	866,762	834,126
Defined contribution plan	100,056	96,549	100,056	96,549
Fees	12,000	13,000	12,000	13,000
	978,818	943,675	978,818	943,675
Current directors of the subsidiaries				
Salaries and other emoluments	85,220	877,328	–	–
Defined contribution plan	6,200	116,392	–	–
	91,420	993,720	–	–
Former directors of the subsidiaries				
Salaries and other emoluments	1,142,121	–	–	–
Defined contribution plan	136,800	–	–	–
	1,278,921	–	–	–
	2,349,159	1,937,395	978,818	943,675
Non-executive Directors:-				
Directors of the Company				
Salaries and other emoluments	84,750	84,500	84,750	84,500
Fees	185,375	113,750	185,375	113,750
	270,125	198,250	270,125	198,250
Total Directors' remuneration	2,619,284	2,135,645	1,248,943	1,141,925

27. TAX INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax:-				
- current year	51,617	143,280	–	–
- prior year	10,532	61,331	–	–
Deferred tax:-				
- current year	993,000	–	–	–
- prior year	(1,527,079)	(1,600,000)	–	–
	(471,930)	(1,395,389)	–	–

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 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	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/profit before tax	(89,864,134)	(33,653,628)	(193,161,587)	12,354,101
Income tax at rate of 24% (2022: 24%)	(21,567,392)	(8,076,871)	(46,358,781)	2,964,984
Tax effect in respect of:-				
Expenses not deductible for tax purposes	7,806,015	11,138,181	47,020,328	4,027,842
Income not subject to tax	(682,881)	(10,948,269)	(661,547)	(6,992,826)
Income subjected to RPGT	(334,085)	–	–	–
Movement of deferred tax assets not recognised	15,822,960	10,483,560	–	–
Utilisation of deferred tax assets previously not taken up	–	(2,453,321)	–	–
Underprovision in prior year	(1,516,547)	(1,538,669)	–	–
	(471,930)	(1,395,389)	–	–

27. TAX INCOME (CONT'D)

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 2023 RM	Group 2022 RM
Carrying amounts of property, plant and equipment in excess of their tax bases	9,870,000	9,195,000
Right-of-use assets	(18,513,000)	(10,546,000)
Unutilised capital allowances	(48,314,000)	(35,853,000)
Unabsorbed tax losses	(168,661,000)	(118,434,000)
Others (trade receivables, inventories and etc)	(10,056,000)	(14,107,000)
	(235,674,000)	(169,745,000)

The potential deferred tax assets are not recognised in the financial statements as the Directors opined that such amounts will not be able to unutilised in the near future.

The unutilised capital allowances and unabsorbed tax losses of the Group can be carried forward to offset against future taxable profits of the Group.

The expiry terms of the unabsorbed tax losses are as follows:-

	Group 2023 RM	Group 2022 RM
Year of assessment 2028	18,639,000	18,639,000
Year of assessment 2029	23,958,000	23,958,000
Year of assessment 2030	15,477,000	15,477,000
Year of assessment 2031	28,393,000	28,393,000
Year of assessment 2032	62,969,000	31,967,000
Year of assessment 2033	19,225,000	–
	168,661,000	118,434,000

28. LOSS PER SHARE

Basic/diluted loss per share

Basic/diluted 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.

	Group	
	2023 RM	2022 RM
Net loss for the financial year attributable to ordinary equity holders of the Company	(73,825,560)	(22,654,116)
Weighted average number of ordinary shares in issue	1,923,361,111	1,243,480,058
Basic/diluted loss per share (sen)	(3.84)	(1.82)

Diluted earnings per share

No diluted earnings per share is presented as there are no potential dilutive ordinary shares at the end of the financial year.

29. EMPLOYEES BENEFITS EXPENSES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries and allowances	56,666,521	50,234,472	187,316	162,273
Defined contribution plan	5,203,610	4,192,102	35,655	25,770
Social security contributions	945,331	740,618	8,939	6,826
Other staff related expenses	7,449,752	5,403,248	149,814	182,362
	70,265,214	60,570,440	381,724	377,231

30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Related party transactions have been entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company other than those disclose elsewhere in the financial statements, are as follows:-

	Group 2023 RM	Group 2022 RM
Courier services charged by a company in which a Director of the subsidiaries have interests	13,662,796	15,821,079
Disposal of property, plant and equipment in which a Director of the subsidiaries have interests	615,000	–
Company system services rendered by a company in which certain Directors of the Company have interests	927,500	–

	Company 2023 RM	Company 2022 RM
Advances to subsidiaries	35,430,225	16,481,708
Payment on behalf to subsidiaries	53,650,409	632,016

(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 2023 RM	Group 2022 RM
Capital expenditure		
Conditional contracted for:-		
- Acquisition of property, plant and equipment	–	9,122,930
Authorised and contracted for:-		
- Construction of buildings	7,187,125	503,231
Authorised but not contracted for:-		
- Office and warehouse equipment	3,483,949	–

31. COMMITMENTS (CONT'D)

In prior year, the Group had a lease contract that has not yet commenced as at the reporting date. The future lease payments for these non-cancellable lease contracts shown as follow:-

	Group	
	2023 RM	2022 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.

32. OPERATING SEGMENT (CONT'D)

Business segments (Cont'd)

	Notes	Mobile and fulfilments RM	Courier and logistic services RM	Air freight RM	Others RM	Adjustments and eliminations RM	Consolidated RM
2023							
Revenue:-							
External customers		195,688,289	77,133,577	149,048,433	225,404	–	422,095,703
Inter-segment sales		284,389	5,404,366	15,761,598	138,618	(21,588,971)	–
Total sales		195,972,678	82,537,943	164,810,031	364,022	(21,588,971)	422,095,703
Results:-							
Interest income		207,719	–	–	–	–	207,719
Interest expenses		(357,766)	(2,200,501)	(13,179,981)	(1,620,536)	–	(17,358,784)
Depreciation of property, plant and equipment		(1,231,095)	(6,897,487)	(917,077)	(4,804)	–	(9,050,463)
Depreciation of investment properties		(487,465)	–	–	–	–	(487,465)
Depreciation of right-of-use assets		(2,082,133)	(13,278,309)	(36,739,661)	–	–	(52,100,103)
Tax income		469,089	2,553	–	288	–	471,930
Other non-cash expenses	i	(263,364)	(8,941,630)	(8,490,368)	(4,043,616)	(578,414)	(22,317,392)
Segment profit/(loss)		2,615,159	(44,708,226)	(41,197,768)	(286,402,053)	279,828,754	(89,864,134)
Assets:-							
Additions to non-current assets	ii	1,126,557	24,869,898	76,969,873	–	–	102,966,328
Segment assets		80,025,042	83,809,319	360,214,182	80,955,127	(6,511,060)	598,492,610
Liabilities:-							
Segment liabilities		20,119,964	59,383,461	350,965,216	22,366,636	(2,639,188)	450,196,089

32. OPERATING SEGMENT (CONT'D)

Business segments (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)	(1,851,565)	(45,626)	22,620,518	–	19,427,999
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

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:-

	2023 RM	2022 RM
Net impairment loss on financial assets	(7,775,476)	(1,062,000)
Impairment loss on other investment	–	(1,300,000)
Bad debt written off	(578,414)	(943)
Deposits written off	(48,066)	–
Gain on lease modification/termination	207,541	14,243
Fair value (loss)/gain on other investment	(4,003,300)	23,350,103
Impairment of goodwill	–	(995,820)
Impairment loss on property, plant and equipment upon transfer to assets held for sale	–	(534,346)
Impairment loss on property, plant and equipment	(5,331,580)	–
Impairment loss on right-of-use assets	(355,700)	–
Inventories written off	(3,364)	–
Property, plant and equipment written off	(38,475)	(2,284)
Reversal of slow-moving inventories no longer required	–	115,605
Right-of-use assets written off	–	(110,933)
Unrealised loss on foreign exchange	(4,390,558)	(45,626)
	(22,317,392)	19,427,999

ii. Additions to non-current assets (excluded financial instruments) consist of:-

	2023 RM	2022 RM
Right-of-use assets	79,356,519	243,513,569
Property, plant and equipment	23,571,316	22,584,579
Investment properties	38,493	–
	102,966,328	266,098,148

32. OPERATING SEGMENT (CONT'D)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follow:-

	Revenue		Non-current assets	
	2023 RM	2022 RM	2023 RM	2022 RM
Country				
- Malaysia	399,463,496	370,691,873	388,944,585	367,167,149
- Singapore	849,060	4,362,487	–	554,156
- Hong Kong	14,038,853	10,823,492	–	–
- Vietnam	7,067,016	–	–	–
- Others	677,278	–	–	–
	422,095,703	385,877,852	388,944,585	367,721,305

Non-current assets (excluded financial instruments) information presentation above consists of the following items as presented in the consolidated statement of financial position:-

	Group	
	2023 RM	2022 RM
Property, plant and equipment	44,906,311	36,264,847
Right-of-use assets	339,940,191	308,035,928
Investment properties	3,978,083	23,300,530
Intangible assets	120,000	120,000
	388,944,585	367,721,305

Major customers

The following are the major customers with revenue equal or more than 10% of the Group's revenue:-

	Revenue		
	2023 RM	2022 RM	Segment
Customer A	93,244,172	190,969,347	Mobile and fulfilments
Customer B	68,195,752	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")

	Carrying amount RM	FVOCI RM	AC RM	FVTPL RM
Group				
2023				
Financial assets				
Other investments	59,370,869	42,838,369	–	16,532,500
Trade receivables	42,369,345	–	42,369,345	–
Other receivables	29,759,942	–	29,759,942	–
Fixed deposits with licensed banks	7,727,584	–	7,727,584	–
Cash and bank balances	11,325,644	–	11,325,644	–
	150,553,384	42,838,369	91,182,515	16,532,500
Financial liabilities				
Trade payables	27,982,898	–	27,982,898	–
Other payables	68,602,097	–	68,602,097	–
Borrowings	15,424,507	–	15,424,507	–
	112,009,502	–	112,009,502	–
2022				
Financial assets				
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
Financial liabilities				
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	–

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):-

	Carrying amount RM	FVOCI RM	AC RM	FVTPL RM
Company				
2023				
Financial assets				
Other investments	59,370,869	42,838,369	–	16,532,500
Other receivables	10,151,217	–	10,151,217	–
Amount due from subsidiaries	104,554,831	–	104,554,831	–
Cash and bank balances	1,633,455	–	1,633,455	–
	175,710,372	42,838,369	116,339,503	16,532,500
Financial liabilities				
Other payables	5,362,880	–	5,362,880	–
Amount due to subsidiaries	1,532,431	–	1,532,431	–
Borrowings	15,424,507	–	15,424,507	–
	22,319,818	–	22,319,818	–
2022				
Financial assets				
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
Financial liabilities				
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	–

33. FINANCIAL INSTRUMENTS (CONT'D)

33.2 Net (losses)/gains arising from financial instruments

	Group and Company	
	2023	2022
	RM	RM
Net (loss)/gain on:-		
Financial assets at fair value through profit or loss		
- Recognised in profit or loss	(4,003,300)	23,350,103
Equity instruments designated at fair value through other comprehensive income		
- Recognised in other comprehensive income	(179,233,049)	136,623,225
	(183,236,349)	159,973,328

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.

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)

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.

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
2023				
Not past due	4	35,127,361	(1,381,072)	33,746,289
Past due for 1 to 30 days	3	3,366,200	(97,826)	3,268,374
Past due for 31 to 60 days	15	1,269,916	(195,958)	1,073,958
Past due more than 60 days	77	18,398,075	(14,117,351)	4,280,724
		58,161,552	(15,792,207)	42,369,345
Contract assets		3,418,413	–	3,418,413

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
2022				
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

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.

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):-

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 RM266,647,302 (2022: RM223,573,179) in respect of financial guarantees given to financial institutions and aircraft lessors 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.

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.

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:-

			Maturity		
	Carrying amount RM	**Contractual cash flows RM**	**Less than 1 year RM**	**Between 1 to 5 years RM**	**Later than 5 years RM**
Group					
2023					
Secured:-					
Borrowings	15,424,507	16,542,784	16,542,784	–	–
Lease liabilities	336,940,723	400,956,032	64,245,469	175,387,109	161,323,454
	352,365,230	417,498,816	80,788,253	175,387,109	161,323,454
Unsecured:-					
Trade payables	27,982,898	27,982,898	27,982,898	–	–
Other payables	68,602,097	68,602,097	68,602,097	–	–
	96,584,995	96,584,995	96,584,995	–	–
	448,950,225	514,083,811	177,373,248	175,387,109	161,323,454
2022					
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

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 RM	Contractual cash flows RM	Maturity Less than 1 year RM
Company			
2023			
Secured:-			
Borrowings	15,424,507	16,542,784	16,542,784
Unsecured:-			
Other payables	5,362,880	5,362,880	5,362,880
Amount due to subsidiaries	1,532,431	1,532,431	1,532,431
	6,895,311	6,895,311	6,895,311
	22,319,818	23,438,095	23,438,095
Financial guarantees	–	266,647,302	266,647,302
2022			
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	–	223,573,179	223,573,179

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed rate instruments				
Fixed deposits with licensed banks	7,727,584	12,540,000	–	–
Lease liabilities	(336,940,723)	(292,716,328)	–	–
	(329,213,139)	(280,176,328)	–	–
Floating rate instrument				
Term loans	(15,424,507)	(23,354,691)	(15,424,507)	(20,140,685)

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.

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

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.

	Group Increase/(decrease) Net loss for the year		Company Increase/(decrease) Net loss for the year	
	RM +0.5%	RM -0.5%	RM +0.5%	RM -0.5%
Floating rate instrument				
2023	77,123	(77,123)	77,123	(77,123)
2022	116,773	(116,773)	100,703	(100,703)

The changes of the above will have opposite effect to equity as compared to the net loss of the Group and of the Company.

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:-

	2023 RM	2022 RM
Denominated in USD		
Cash and bank balances	596,109	2,148,893
Trade receivables	9,905,813	3,807,287
Other receivables	2,389,850	2,237,592
Trade payables	(4,100,414)	(730,993)
Other payables	(778,571)	(1,920,483)
Lease liabilities	(249,493,788)	(196,410,294)
	(241,481,001)	(190,867,998)

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)

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.

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 for the year	
	2023	**2022**
	RM	**RM**
USD/RM		
Strengthened 2.2% (2022: 1.0%)	5,312,582	1,908,680
Weakened 2.2% (2022: 1.0%)	(5,312,582)	(1,908,680)

The changes of the above will have opposite effect to equity as compared to the net loss of the Group.

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	
	2023	**2022**
	RM	**RM**
Quoted shares	59,370,869	251,436,725

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):-

33.3.5 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 and Company Increase/(decrease) Net loss for the year	
	RM	RM
	+0.5%	-0.5%
Floating rate instruments		
2023	(296,854)	296,854
2022	(1,257,184)	1,257,184

The changes of the above will have opposite effect to equity as compared to the net loss of the Group and of the Company.

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. FINANCIAL INSTRUMENTS (CONT'D)

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.

	Group and Company			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
Other investments				
2023	59,370,869	–	–	59,370,869
2022	251,436,725	–	–	251,436,725

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, MJets ("Defendant") had been served a Writ and Statement of Claim dated 13 April 2022 by Comone International Logistics Co Limited ("Comone") ("Plaintiff").

The claimed against MJets is due to the cancellation of the proposed joint venture agreement by the previous management in year 2022 before MJets was a subsidiary of MMAG Holdings Berhad.

On 25 May 2022, this dispute has been amicably settled out of court and accordingly, a Notice of Discontinuance was filed by the Plaintiff's solicitors to the Shah Alam High Court.

On 6 March 2023, MJets ("Defendant") had been served a Writ and Statement of Claim dated 23 February 2023 and 28 February 2023 by Comone ("Plaintiff").

MJets fails to make the full payment towards the monthly repayment instalments agreed by the Plaintiff as full and final settlement of the claim.

On 11 May 2023, the Court has given the following directions:-

(i) any interlocutory applications, if any, to be filed on or before 31 May 2023
(ii) Case Management is fixed on the same day, 31 May 2023 for parties to update the Court as to the status of the matter

The case management was subsequently postposed till 8 June 2023, and further postponed till 21 June 2023.

During the case management on 21 June 2023, the Court directed for the Defendant/Company to file an affidavit in reply for Enclosure 9 on or before 27 June 2023.

During the case management on 27 June 2023, the Court directed for the Plaintiff to file an affidavit in reply for Enclosure 9 on or before 11 July 2023.

During the latest case management on 11 July 2023, the parties updated the Court as to the status of the suit. The Court gave no directions as to the filing of submissions and did not fix a hearing date for Enclosure 9.

On 28 July 2023, the parties had been informed by the Court that the subsequent case management will be fixed on 17 August 2023.

The suit is not expected to have any material operational impact on MJets for the current financial year ended 31 March 2023. If the claim is allowed, there is no financial impact as the amount had already been fully provided in the accounts except for any additional cost or interest granted, if any.

35. MATERIAL LITIGATION (CONT'D)

(b) On 24 May 2022, the Company and MJets ("Defendants") had been served with Originating Summons dated 19 May 2022 ("Originating Summons") from the solicitors acting for JT Aerotech Solutions Sdn. Bhd. ("JT Aerotech") (NCI with 20% shareholdings in MJets). The Originating Summons concerned an action for alleged minority oppression.

In the Originating Summons, JT Aerotech is seeking for, inter-alia, the followings:-

(i) Declaratory reliefs pursuant to sections 105, 199, 200, 346 and 351 of the Company Act 2016;
(ii) Orders pursuant to sections 41, 51 and 53 of the Specific Relief Act 1950

The Originating Summons was heard on 5 August 2022 with continued hearing on 19 August 2022. The Plaintiff's Originating Summons was dismissed by the High Court, with costs, on 19 August 2022.

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 Company and MJets.

(c) On 17 January 2023, MJets ("Defendant") had been served a Writ of Summons and Statement of Claim by AeroControl Group DWC-LLC ("Plaintiff").

The claimed against MJets is due to fails to make the full payment towards the outstanding invoices issued by the Plaintiff for the fuel uplift services provided by the Plaintiff.

The first Case Management was fixed on 16 February 2023 by the way of e-Review.

MJets filed its Statement of Defence on 16 March 2023 and the Plaintiff's Reply to Defence was subsequently filed on 31 March 2023.

On 14 April 2023, the Plaintiff has filed an application for summary judgement against MJets, for the reliefs pleaded in Writ and Statement of Claim. MJets has filed its Affidavit in Reply on 9 May 2023 and the Plaintiff is due to file its Affidavit in Reply on or before 30 May 2023. Subsequently on 24 May 2023, the Plaintiff has requested for an extension of time to file the Affidavit in Reply until 6 June 2023.

On 31 May 2023, the Court has provided the following directions where the parties are required to file written submission on or before 4 July 2023, written submission in reply on or before 31 July 2023 and the hearing for the summary judgement application has been fixed on 25 August 2023.

The suit is not expected to have any material operational impact on MJets for the current financial year ended 31 March 2023. If the claim is allowed, there is no financial impact as the amount had already been fully provided in the accounts except for any additional cost or interest granted, if any.

35. MATERIAL LITIGATION (CONT'D)

(d) On 14 April 2023, the Board of Directors announced that MJets ("Plaintiff"), had commenced a legal suit against Gunasekar A/L Mariappan and Philip Phang King Ming ("Defendants"), former directors of MJets for breach of fiduciary duties due and owing to the Plaintiff.

The estimated potential liability to MMAG is minimal because MJets is the claimant against the Defendants for breach of fiduciary duties due and owing to the Plaintiff.

The potential liability arising from the Suit is the Plaintiff's legal fees and any costs awarded by the Court if the Suit is dismissed.

On 2 May 2023, the Board of Directors announced that this day was fixed for hearing of MJets' application for an ex-parte interlocutory injunction restraining the Defendants from acting and/or holding themselves as directors of MJets for a period of 21 days.

The Court has granted the abovesaid ex-parte interlocutory injunction and has fixed for inter-partes hearing on 23 May 2023.

On 23 May 2023, a consent order was recorded before the Court for an ad-interim interlocutory injunction restraining the Defendants from acting and/or holding themselves as directors of MJets pending the interpartes hearing fixed on 16 August 2023.

The Court has given directions for the filing of Defence and Reply to Defence and fixed the next case management on 20 July 2023. However, MJets has served their amended Writ and amended Statement of Claim (duly endorsed by the Court) on 17 July 2023. The Defendants are to file their Defence within 2 weeks from the date of service of the amended Writ and Statement of Claim.

(e) On 12 July 2023, MJets, JT Aerotech, the Company and its Directors, Kenny Khow Chuan Wah and Chong Koon Meng ("Defendants"), had been served a Writ of Summons and Statement of Claim by Gunasekar A/L Mariappan and Philip Phang Kin Ming ("Plaintiff").

The claim against the Company is connected to legal suits which have been mentioned in (d) for inter alia, breach of their fiduciary duties towards MJets as announced on 14 April 2023, and the Plaintiffs' earlier minority oppression claim against the Company as previously announced in Bursa on 19 August 2022.

The Board of Directors foresee there is no material financial and operational impact arising from the Plaintiffs' claim on the Company and the first case management for the Claim is fixed on 30 October 2023 by way of e-Review.

The Company has filed and served their memorandum of appearance on 25 July 2023. By consent, the Company is to file its Defence on or before 11 September 2023.

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 27 April 2023, the Company entered into a SSA with a third party to dispose 4,600,000 ordinary shares representing 10% of the total issued and paid-up capital in MJets for a total cash consideration of RM100,000. This transaction is completed as at the date of this report.

(c) On 18 May 2023, the Company has announced to undertake the proposed consolidation of every 10 existing ordinary shares in MMAG ("MMAG Share(s)" or "Share(s)") into 1 MMAG Share ("Consolidated Share(s)"); and proposed renounceable rights issue of up to 1,453,434,942 new MMAG Shares ("Rights Shares") on the basis of 6 Rights Shares for every 1 Consolidated Share held as at the close of business on an entitlement date to be determined later at an issue price of RM0.10 per Rights Share together with up to 726,717,471 free detachable warrants in MMAG ("Warrant(s)") on the basis of 1 Warrant for every 2 Rights Shares subscribed for. The transaction is yet to complete as at the date of this report.

(d) On 31 May 2023, the Company subscribed further 230,000,000 ordinary shares in MJets by way of capitalisation of amount owing by MJets amounting to RM10,000,000.

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 Requirements ("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 Accountants, he must have at least three (3) years of 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 the Audit Committee is as follows:-

Chairman	:	Yeap Say Woi	(Independent Non-Executive Director)
Members	:	Hwang Siew Chien	(Independent Non-Executive Director)
		Dato' Sok One A/L Esen *(Appointed on 30 June 2023)*	(Independent Non-Executive Director)

If the event any vacancy in the Audit Committee resulting in non-compliance with 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 a quorum of at least two (2) members who are Independent Non-Executive Directors 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 *(Resigned on 30 June 2023)*	5/5
Dato' Sok One A/L Esen *(Appointed on 30 June 2023)*	N/A

SUMMARY OF ACTIVITIES

Activities carried out by the Audit Committee during the financial year ended 31 March 2023 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 Auditors 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 Auditors 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 2023.

- Reviewed the written confirmation of independence from the External Auditors in accordance with the applicable Malaysian regulatory and professional requirements. In respect of financial year ended 31 March 2023, Grant Thornton Malaysia PLT has re-affirmed its independence to act as the 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

Considered 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 2023, the area audited was credit management covering subsidiary from Courier & 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 responses with regard 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 2023 was RM10,000 (2022: 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 2023. 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 Khow 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.

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.

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. i. Constant review on bad payment master list; ii. Slow paymasters and dealers with over limit position will be put on credit hold until payment is received; iii. Credit limit for slow paymasters will be reduced in order to have more manageable Account Receivable ("AR") accounts; iv. More regular sales meetings with Sales Team with focus on managing AR accounts with slow payment track records; v. Credit approval for new AR accounts will also be assessed more stringently before any approval; and vi. To impose interest on overdue accounts so that debtors will see more urgency to pay up on time.

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 employees 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.

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.

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 financial year 2023. 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 24 July 2023.

LIST OF PROPERTIES

No.	Location	Tenure	Existing use	Date of acquisition/ *revaluation	Description	Approximate age of building (Years)	Net book value as at 31.3.2023 (RM'000)
1	No. 10, Persiaran Seputeh, 58000 Kuala Lumpur	Freehold	Vacant	*2.6.2022	7,987 sq ft	13	2,542
2.	A-5-02, Residence 8, Jalan Sri Jati Off Jalan Klang Lama 58200 Kuala Lumpur	Freehold	Vacant	*2.6.2022	7,987 sq ft	9	763
3.	B-23A-05, Residence 8, Jalan Sri Jati Off Jalan Klang Lama 58200 Kuala Lumpur	Freehold	Vacant	*2.6.2022	1,362 sq ft	9	673
4.	No. 3, Jalan TP2 Taman Perindustrian UEP 47600 Subang Jaya Selangor Darul Ehsan	Leasehold	Office cum warehouse	1.3.2019	203,694 sq ft	4	17,608
						GRAND TOTAL	**21,586**

ANALYSIS OF SHAREHOLDINGS
AS PER RECORD OF DEPOSITORS AS AT 30 JUNE 2023

Total Number of Issued Shares	:	2,422,391,577 ordinary shares
Voting Rights	:	One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	HOLDINGS	%
Less than 100 Shares	295	12,409	Negligible
100 to 1,000 Shares	709	405,442	0.02
1,001 to 10,000 Shares	2,912	18,023,824	0.74
10,001 to 100,000 Shares	4,957	224,844,748	9.28
100,001 to less than 5% of issued Shares	2,675	1,940,480,354	80.11
5% and above of issued Shares	1	238,624,800	9.85
Total	**11,549**	**2,422,391,577**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest	
Shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**
Chan Swee Ying	323,624,800	13.36	–	–

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
Directors	**No. of Shares**	**%**	**No. of Shares**	**%**
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	–	–	–	–
Chong Koon Meng	1,100,000	0.05	–	–
Kenny Khow Chuan Wah	–	–	–	–
Yeap Say Woi	–	–	–	–
Hwang Siew Chien	–	–	–	–
Dato' Sok One A/L Esen	–	–	–	–
Haji Noorzainy Bin Haji Mohd Noor	–	–	–	–
Chan Swee Ying	323,624,800	13.36	–	–

THIRTY (30) LARGEST SHAREHOLDERS

No.	Shareholders	No. of Shares	%
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHAN SWEE YING*	238,624,800	9.85
2.	HONG SENG CAPITAL SDN BHD *PLEDGED SECURITIES ACCOUNT FOR EMINENT MISSION SDN BHD*	86,439,100	3.57
3.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHAN SWEE YING (MY2512)*	85,000,000	3.51
4.	GAN WEE YONG	30,000,000	1.24
5.	YUNG MOOI HEONG	20,500,000	0.85
6.	NG CHET LUK	20,500,000	0.85
7.	NG SOO WENG	20,300,000	0.84
8.	TANG SOO CHING	19,503,900	0.81
9.	CHEN, XIAODONG	17,500,000	0.72
10.	IOANNIS KOROMILAS	14,000,000	0.58
11.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	13,142,000	0.54
12.	TOH BOK PIEW	12,000,000	0.50
13.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAY HOCK SOON (MY1055)*	12,000,000	0.50
14.	OOI HAN EWE	11,520,000	0.48
15.	TA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR MOHAMED ABU BAKAR BIN SM ABDUL KARIM*	10,000,000	0.41
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG AH YENG*	10,000,000	0.41
17.	YEOH JOEY KENG	8,503,100	0.35
18.	LIM POH FONG	8,326,300	0.34
19.	MANICKAM ANIMUTHU	8,100,000	0.33
20.	LOOI KIM CHOO	8,000,000	0.33
21.	BEH CHIN JOO	7,000,000	0.29
22.	CHOO AH NGO	7,000,000	0.29
23.	HENG KENT HIM	7,000,000	0.29
24.	CHAN KOK SEONG	7,000,000	0.29
25.	WANG LEE NGIAP	7,000,000	0.29
26.	TAN LI LI	6,600,000	0.27
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR OH GUAN SENG*	6,562,000	0.27
28.	CHIN CHEE WEI	6,500,000	0.27
29.	TAN POH GEAK	6,500,000	0.27
30.	WONG TEIK POH	6,329,100	0.26

(i) Utilisation of proceeds from corporate exercises

Status of utilisation of proceeds raised from corporate proposals (Private Placement III):-

	Proposed utilisation RM'000	Actual utilisation as at 31 March 2023 RM'000	Intended time frame for utilisation
Purchase of ICT products for mobile and fulfillment segment	3,600	3,600	Fully utilised
Operating expenditures of courier and logistics segment	4,000	4,000	Fully utilised
Administrative and general expenses	5,845	5,845	Fully utilised
Estimated expenses for the Private Placement III	180	180	Fully utilised
Total	**13,625**	**13,625**	

(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 2023 were as follows:-

	Group RM	Company RM
Audit fees	226,000	50,000
Non-audit fees	6,000	6,000

(iii) Material Contract

For the financial year ended 31 March 2023, 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 Twentieth Annual General Meeting 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 Monday, 28th day of August 2023 at 2:30 p.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2023 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 this Annual General Meeting until the next Annual General Meeting 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)	Hwang Siew Chien	[Clause 78]	**(Ordinary Resolution 2)**
(ii)	Dato' Sok One A/L Esen	[Clause 78]	**(Ordinary Resolution 3)**
(iii)	Haji Noorzainy Bin Haji Mohd Noor	[Clause 79]	**(Ordinary Resolution 4)**

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 5)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following Resolution:-

5. **AUTHORITY TO ALLOT SHARES PURSUANT TO THE COMPANIES ACT 2016 AND WAIVER OF PRE-EMPTIVE RIGHTS** **(Ordinary Resolution 6)**

   "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 and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation of the additional shares so allotted.

   AND THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 8 of the Company's Constitution, approval be and is hereby to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Companies Act 2016."

6. To transact any other business which may properly be transacted at an Annual General Meeting 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
Membership No. MAICSA 0799845
SSM Practicing Certificate No. 202008000054
Company Secretary

Dated this 31st day of July 2023
Kuala Lumpur

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 22 August 2023. Only a depositor whose name appears on the Record of Depositors as at 22 August 2023 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, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend, speak 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 6 - Authority to allot shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights

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 Twentieth Annual General Meeting of the Company. No shares have been allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 30 August 2022.

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.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

MMAG

MMAG HOLDINGS BERHAD
[Registration No. 200301007003 (609423-V)]
Incorporated in Malaysia

CDS Account No. :	
No. of shares held :	

PROXY FORM
(Before completing this form, please refer to the notes below)

I/We____ NRIC No./Passport No./Company No. _______________________________
(Full name in Block Letters)

of ____
(Full Address)

with email address ____ mobile phone no. ______________________________

being a member/members* of **MMAG HOLDINGS BERHAD** ("the Company") hereby appoint the following person(s):-

Full Name (in Block)		NRIC No./Passport No.		Proportion of Shareholdings (%)
Address				
Email Address		Mobile Phone No.		

and/or*

Full Name (in Block)		NRIC No./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 **Twentieth 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 **Monday, 28th day of August 2023** at **2:30 p.m.** or any adjournment thereof in the manner 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 this Annual General Meeting until the next Annual General Meeting of the Company				
2.	To re-elect the director, Hwang Siew Chien				
3.	To re-elect the director, Dato' Sok One A/L Esen				
4.	To re-elect the director, Haji Noorzainy Bin Haji Mohd Noor				
5.	To re-appoint the retiring auditors, Messrs. Grant Thornton Malaysia PLT				
6.	Authority to allot shares and waiver of pre-emptive rights				

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 ______________________ 2023

____
Signature/Common Seal of Shareholder(s)

**** Strike out whichever is not desired.***

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 22 August 2023. Only a depositor whose name appears on the Record of Depositors as at 22 August 2023 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, speak and vote at the meeting is entitled to appoint up to two (2) proxies to attend, speak 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

2nd Fold Here

Fold This Flap For Sealing

MMAG

MMAG HOLDINGS BERHAD
200301007003 (609423-V)

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

Email: info@mmag.com.my