

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad ("**Bursa Securities**") has perused the contents of this Circular in respect of the proposed shareholders' mandate for recurrent related party transactions of a revenue of trading nature on a limited review basis pursuant to the provisions of Guidance Note 22 of the ACE Market Listing Requirements of Bursa Securities.

Bursa Securities takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



MMAG

MMAG HOLDINGS BERHAD

Registration No. 200301007003 (609423-V)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A
REVENUE OR TRADING NATURE**

The above proposal will be tabled as special business at the Twenty-first Annual General Meeting ("**AGM**") of MMAG Holdings Berhad ("**MMAG**" or "**the Company**") will be held at No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan on Thursday, 27 February 2025 at 10:00 a.m. The Notice of Twenty-first AGM together with the Proxy Form are set out in the Annual Report of MMAG for financial period ended 30 September 2024.

You are requested to complete the Proxy Form for the AGM and deposit it 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 AGM or at any adjournment thereof should you be unable to attend the meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	:	Tuesday, 25 February 2025 at 10:00 a.m.
Date and time of the AGM	:	Thursday, 27 February 2025 at 10:00 a.m.
Venue of the AGM	:	No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan.

This Circular is dated 21 January 2025

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular and the accompanying appendices:-

“AC”	: Audit Committee of our Company presently comprises Yeap Say Woi, Dato’ Sok One A/L Esen and Dato’ Che Nazli Binti Jaapar.
“Act”	: The Malaysian Companies Act 2016 as amended from time to time and any re-enactment thereof.
“Active Trio”	: Active Trio Deluxe Sdn. Bhd., a wholly-owned subsidiary of MGSB.
“AGM”	: Annual General Meeting.
“Board or Board of Directors”	: The Board of Directors of our Company.
“Bursa Securities”	: Bursa Malaysia Securities Berhad.
“Circular”	: This circular to our shareholders dated 21 January 2025 in relation to the Proposed Shareholders’ Mandate.
“Company “or “MMAG”	: MMAG Holdings Berhad.
“MMAG Group” or “Group”	: Our Company and our subsidiaries, collectively (including all future subsidiaries which are acquired/incorporated by MMAG before the next AGM of our Company) as defined in the Act.
“Director”	: A natural person who holds a directorship in a company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007.
“IESB”	: Ingenieur EPCM Sdn. Bhd., a wholly-owned subsidiary of IGB.
“Family”	: Such person, in relation to a person means such person who falls within any one of the following categories:- (a) Spouse; (b) Parent; (c) Child including an adopted child and step-child; (d) Brother or sister; and spouse of the person referred to in subparagraphs (c) and (d) above.
“FYE”	: Financial year ended/ending.
“H&H Ecowood”	: H&H Ecowood Products Sdn. Bhd., a wholly-owned subsidiary of MGSB.
“DMSB”	: Deluxe Mission Sdn. Bhd., a wholly-owned subsidiary of MGHSB.
“IGB”	: Ingenuier Gudang Berhad.
“IGB Group”	: IGB and its subsidiaries, collectively, (including all future subsidiaries which are acquired/incorporated by IGB before the next AGM of MMAG) as defined in the Act.
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities including any amendments that may be made from time to time.
“LPD”	: 31 December 2024 being the latest practicable date prior to the printing of this Circular or as indicated otherwise.

DEFINITIONS (cont'd)

“Major Shareholder” : A person who has an interest or interests in one (1) or more voting shares in a company and the number or the aggregate number of those shares, is:-

- (a) 10% or more of the total number of voting shares in the company; or
- (b) 5% or more of the number of voting shares in the company where such person is the largest shareholder of the company.

Major Shareholder includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of our Company as defined above (or any other company which is its subsidiary or holding company).

For the purpose of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act.

“MGSB” : MGudang Sdn. Bhd.

“MGSB Group” : MGSB and its subsidiary companies.

“MGHSB” : MGudang Holdings Sdn. Bhd.

“MGPSB” : MGudang Properties Sdn. Bhd.

“MRSB” : Magnitude Resources Sdn. Bhd.

“Person(s) Connected” : In relation to a Director or a Major Shareholder, means such a person who falls under any one of the following categories:

- (a) a family member of the Director or Major Shareholder for the purpose of this definition, “family” means and includes spouse, parent, child including an adopted child and step-child, brother or sister, spouse of child including an adopted child and step-child, and spouse of brother or sister;
- (b) a trustee of a trust (other than a trustee for an employee share scheme or pension scheme) under which the Director, Major Shareholder or a member of the Director’s or Major Shareholder’s family is the sole beneficiary;
- (c) a partner of a Director, Major Shareholder or a partner of a Person Connected with that Director or Major Shareholder, means such a person who falls within any one of the following categories:-
 - (i) a person with whom the Director, Major Shareholder or person connected with a Director or Major Shareholder is in or proposes to enter into partnership with. “Partnership” for this purpose is given the meaning under section 3 of the Partnership Act, 1961; and
 - (ii) a person with whom the Director, Major Shareholder or person connected to a Director or Major Shareholder has entered or proposes to enter into a joint venture, whether incorporated or not.

DEFINITIONS (cont'd)

- (d) a person who is accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- (e) a person in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate or its Directors which/who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- (g) a body corporate or its directors whose directions, instructions or wishes the Director or Major Shareholder is accustomed or under an obligation, whether formal or informal, to act; or
- (h) a body corporate in which the Director, Major Shareholder and/or persons connected with him are entitled to exercise, or control the exercise of, not less than 15% of the votes attached to voting shares in the body corporate; or a body corporate which is a related corporation.

"Proposed Shareholders' Mandate"	:	Proposed Shareholders' Mandate For Recurrent Related Party Transactions of a Revenue or Trading Nature.
"Recurrent Related Party Transactions" or "RRPT"	:	Transactions with Related Parties involving recurrent transactions of a revenue or trading nature which are necessary for the MMAG Group's day-to-day operations and are in the ordinary course of business of the MMAG Group which involves the interest, direct or indirect, of a Related Party(ies), which are the subject of the Proposed Shareholders' Mandate.
"Related Party(ies)"	:	Directors, Major Shareholders and/or Persons Connected with such Directors and/or Major Shareholders of the Group who are interested in the RRPT as set out under Section 2.5 of this Circular.
"RM"		Ringgit Malaysia.
"Substantial Shareholder(s)"	:	A person who has interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all voting shares of the Company.

All references to "we", "us", "our" and "ourselves" are to our Company, or where the context requires, are to our Group. All references to "you" in this Circular are references to the shareholders of our Company.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa.

Reference to persons shall include a corporation, unless otherwise specified. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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MMAG

MMAG HOLDINGS BERHAD

Registration No. 200301007003 (609423-V)
(Incorporated in Malaysia)

Registered Office:

Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

21 January 2025

Board of Directors

Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman (*Chairman/Independent and Non-Executive Director*)
Chin Boon Long (*Executive Director*)
Chong Koon Meng (*Executive Director*)
Yeap Say Woi (*Independent Non-Executive Director*)
Dato' Sok One A/L Esen (*Independent Non-Executive Director*)
Haji Noorzainy Bin Haji Mohd Noor (*Independent Non-Executive Director*)
Dato' Che Nazli Binti Jaapar (*Independent Non-Executive Director*)
Azman Bin Mat Ali (*Independent Non-Executive Director*)
Chan Swee Ying (*Alternate Director to Chin Boon Long*)

To: **Our Shareholders**

Dear Sir/Madam

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

The Board had on 16 January 2025 announced that the Company proposed to seek shareholders' approval for the Proposed Shareholders' Mandate at the forthcoming AGM in respect of RRPT of a revenue or trading nature which are necessary for MMAG Group's day-to-day operations and are in the ordinary course of business and on terms that are not more favourable to the Related Parties than those generally available to the public ("Proposed Shareholders' Mandate").

The Company has applied to the Companies Commission of Malaysia for the extension of time to hold its AGM on or before 31 March 2025 pursuant to Section 340(4) of the Companies Act 2016. Therefore, the shareholders' mandate in respect of RRPT obtained at the Extraordinary General Meeting of the Company ("EGM") held on 28 August 2023 was expired on 27 November 2024 in accordance with paragraph 3.1.4(b) of Guidance Note 8.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHAREHOLDERS' MANDATE AS WELL AS TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING AGM TO BE CONVENED. THE NOTICE OF THE AGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THE ANNUAL REPORT OF THE COMPANY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024.

YOU ARE ADVISED TO READ AND CONSIDER THE CONTENTS OF THIS CIRCULAR CAREFULLY BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Provisions under the Listing Requirements

Pursuant to Rule 10.09(2) of Chapter 10 of the Listing Requirements, a listed issuer may seek a proposed mandate in respect of RRPT, subject to the following:-

- (1) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;
- (2) the proposed mandate is subject to annual renewal and disclosure is made in the annual report in respect of the aggregate value of transactions conducted pursuant to the proposed mandate during the financial year in relation to a listed issuer with an issued and paid-up capital of RM60 million and above where the aggregate value is equal to or more than the threshold prescribed below:-
 - (a) the consideration, value of the assets, capital outlay or costs of the RRPT is RM1 million or more; or
 - (b) the percentage ratio of such RRPT is 1% or more, whichever is the higher;
- (3) our Company's circular to shareholders for purposes of the Proposed Shareholders' Mandate shall include information as set out in Annexure GN8-A of Guidance Note 8 of the Listing Requirements. The draft circular must be submitted to the Bursa Securities together with a checklist showing compliance with such information;
- (4) in a meeting to obtain the shareholder mandate, the interested director, interested major shareholder or interested person connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution to approve the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions; and
- (5) the listed issuer immediately announces to the Bursa Securities when the actual value of a RRPT entered into by the listed issuer, exceeds the estimated value of the RRPT disclosed in the circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

2.2 Validity of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate, if approved at the forthcoming AGM, will take effect from the date of the passing of the Ordinary Resolution proposed at the forthcoming AGM and shall continue to be in force until:-

- (1) the conclusion of the next AGM following the general meeting at which the authorisation is obtained, at which time it shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed;
- (2) the expiration of the period within which the next AGM, after the date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (3) revoked or varied by resolutions passed by the shareholders in a general meeting;

whichever is the earlier.

Thereafter, the approval from the shareholders will be sought for the renewal of this Proposed Shareholders' Mandate at each subsequent AGM of the Company.

Transactions with any Related Parties, which do not fall within the ambit of the Proposed Shareholders' Mandate, will be subject to other applicable provisions of the Listing Requirements, the Act and/or any applicable law.

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2.3 The principal business activity of the Company and its subsidiaries

The principal activity of our Company is investment holding whilst the principal activities of our subsidiaries are as follows:-

Subsidiaries of MMAG	Principal activities
MJets Air Sdn. Bhd.(formerly known as M Jets International Sdn. Bhd.) ⁽¹⁾	Provision of airline charter flights and providing all kinds of aviation facilities, products and services
MMatrix Sdn. Bhd. ⁽²⁾	Provision of courier and delivery services
MMAG Supply Chain Sdn. Bhd. (formerly known as United ICT Consortium Sdn. Bhd.) ⁽²⁾	Investment holding
MMAG Omni Ventures Sdn. Bhd. (formerly known as Line Clear Ventures Holdings Sdn. Bhd.) ⁽²⁾	Investment holding
MMAG Aviation Consortium Sdn. Bhd. ⁽²⁾	Investment holding
Cipta X Sdn. Bhd. ⁽³⁾	Information technology solutions and other related services
MMAG Digital Sdn. Bhd. ⁽⁴⁾	Investment holding and distributor of information technology products
Inconnexion Communication Sdn. Bhd. ⁽⁴⁾	Dormant
MMAG Online Sdn. Bhd. ⁽⁴⁾	Dormant
Inventure Conglomerate Sdn. Bhd. ⁽⁴⁾	Distribution of telecommunication products, services, accessories and devices and other multimedia hardware and software
VSurf Sdn. Bhd. ⁽⁴⁾	Provision of electronic commerce services related
MMegah Sdn. Bhd. ⁽⁵⁾	Temporarily ceased business
Line Clear Express Sdn. Bhd. (formerly known as Line Clear Express & Logistics Sdn. Bhd.) ⁽⁶⁾	Provisions of courier services and delivery services.
Lineclear Logistics Sdn. Bhd. (formerly known as Line Shield Sdn. Bhd.) ⁽⁷⁾	Insurance agent
Line Clear Freight Forwarding Sdn. Bhd. ⁽⁷⁾	Dormant
Line Clear Express & Logistics (S) Pte Ltd ⁽⁷⁾	Provisions of courier services and delivery services
Titiwangsa Capital Sdn. Bhd. ⁽⁸⁾	Provision of financial services
Skyvault Cargo Sdn. Bhd. (formerly known as MMantap Sdn. Bhd.) ⁽⁹⁾	Dormant
MMAG Sky Services Sdn. Bhd. (formerly known as Line Clear Express (KT) Sdn. Bhd.) ⁽⁹⁾	Dormant
XCT Aviation Sdn. Bhd. ⁽⁹⁾	Cargo handling and check -in with automated weighing and sorting facilities
MMAG Skyfleet Limited ⁽¹⁰⁾	Leasing business
Oceanic Transshipment Sdn. Bhd. ⁽¹¹⁾	Seafood transshipment warehouse, livestock freshness services
XCT Aviation (Cambodia) Co. Ltd. ⁽¹²⁾	Dormant
Masakan Kampungku Sdn. Bhd. ⁽¹³⁾	Retailing, retail management and food and beverages

Notes:

- (1) 98.57% owned by MMAG Aviation Consortium Sdn. Bhd with the remaining 1.43% held by unrelated third parties.
- (2) Private limited liability companies, incorporated and domiciled in Malaysia, which are wholly-owned by MMAG.
- (3) 85% owned by MMAG with the remaining 15% held by unrelated third parties.
- (4) Private limited liability companies, incorporated and domiciled in Malaysia, which are wholly-owned by MMAG Supply Chain Sdn. Bhd. (formerly known as United ICT Consortium Sdn. Bhd.)
- (5) Private limited liability company, incorporated and domiciled in Malaysia, which are wholly-owned by MMAG Digital Sdn. Bhd.
- (6) 95% owned by MMAG Omni Ventures Sdn. Bhd. (formerly known as Line Clear Ventures Holdings Sdn. Bhd.) with the remaining 5% held by unrelated third parties.
- (7) Private limited liability companies, incorporated and domiciled in Malaysia, which are wholly-owned by MMAG Omni Ventures Sdn. Bhd. (formerly known as Line Clear Ventures Holdings Sdn. Bhd.)
- (8) 75% owned by MMAG Omni Ventures Sdn. Bhd. (formerly known as Line Clear Ventures Holdings Sdn. Bhd.) with the remaining 25% held by unrelated third parties.
- (9) Private limited liability companies, incorporated and domiciled in Malaysia, which are wholly-owned by MMAG Aviation Consortium Sdn. Bhd.
- (10) Private limited liability companies, incorporated and domiciled in Labuan, which are wholly-owned by MMAG Aviation Consortium Sdn. Bhd.
- (11) 70% owned by MMAG Aviation Consortium Sdn. Bhd. with the remaining 30% held by unrelated third parties.
- (12) Private limited liability companies, incorporated and domiciled in Cambodia, which are wholly-owned by XCT Aviation Sdn. Bhd.
- (13) Private limited liability companies, incorporated and domiciled in Malaysia, which are wholly-owned by MJets Air Sdn. Bhd. (formerly known as M Jets International Sdn. Bhd.)

The RRPT referred to Section 2.5 of this Circular which are necessary for the day-to-day operations with the Related Parties in the ordinary course of business. Such RRPT will be carried out at arm's length basis, on the MMAG Group's normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public and which will not be to the detriment of the minority shareholders of MMAG. The transactions may occur in periodic requirements and are not bound by any preceding agreements negotiated in advance.

These RRPT will also be subject to the review procedures set out in Section 2.6 below.

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2.4 The principal activities of the Related Transacting Parties

The principal activity of IGB is investment holding whilst the principal activities of the subsidiaries of IGB that to enter into RRPT with our Group are as set out below:-

Subsidiaries of IGB	Interest held	Principal activities
IESB	100.00%	Construction works which include civil, structural, building, architectural and mechanical works, piping fabrication and installation works and steel fabrication works and investment holding
MRSB	100.00%	Investment holding, property development and construction
MGSB	100.00%	Investment holding
MGPSB	100.00%	Property investment
MGHSB	100.00%	Investment holding
H&H Ecowood [#]	100.00%	Property investment
Active Trio [#]	100.00%	Investment holding
DMSB [^]	100.00%	Property Investment

Notes:

[#] Wholly-owned subsidiaries of MGSB.

[^] Wholly-owned subsidiary of MGHSB.

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2.5 Nature of the RRPT and Class of Related Parties

2.5.1 Transactions where mandate is sought

- (i) The details of the nature and estimated annual value of the RRPT in respect of which MMAG Group is seeking **mandate** from our shareholders as contemplated under the Proposed Shareholders' Mandate are as follows:-

Related Parties	Transacting Parties	Nature of Transaction	Actual value transacted from 28 November 2024 to LPD ⁽¹⁾ (RM)	Estimated value from 1 January 2025 to the forthcoming AGM ⁽²⁾ (RM)	Estimated value from forthcoming AGM to the next AGM ⁽³⁾ (RM)	Interested Director and Major Shareholder
MRSB, MGSB, MGPSB, H & H Ecowood (as landlords)	MMAG Group (as tenant)	Rental of properties.	231,000	462,000	10,000,000	i. Chin Boon Long is Executive Director in both MMAG and IGB. He is also a Major Shareholder in both MMAG and IGB via his indirect shareholdings in both the companies through his spouse, Chan Swee Ying ("CSY"), who is major shareholder in MMAG and IGB. CSY is also the alternate Director to Mr. Chin Boon Long in MMAG and IGB. She is also a Major Shareholder of MMAG with an equity interest of 18.72% and a Substantial/Major Shareholder of IGB with an equity interest of 19.919%. ii. Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman ("Tan Sri") is Independent Non-Executive Director of MMAG and IGB. Tan Sri does not have any shareholdings or interests in both companies.
IESB (as provider)	MMAG Group (as recipient)	Provision of construction services which comprises civil, structural, warehouses, mechanical.	-	800,000	50,000,000	

Note:

⁽¹⁾ The shareholders' mandate in respect of RRPT obtained at the EGM held on 28 August 2023 was expired on 27 November 2024.

⁽²⁾ The aggregate actual and estimated value of transactions from 28 November 2024 (first transaction) up to the forthcoming AGM do not exceed the percentage ratio of 5%.

⁽³⁾ This is for the period from the date of this AGM up to the date of the next AGM. The estimated values for the mandate are based on management forecast of transaction values that have been undertaken and anticipated. The estimated values are subject to changes.

(ii) Details of the properties being rented are as follows:

Address	Size of land	Type and builtup area of building	Frequency of rental payment	Amount of rental payment
No. 3, Jalan Jasmine 5, Section BB10, Bandar Bukit Beruntung, 48300 Rawang, Selangor Darul Ehsan.	189,585	160,438 sq ft (Factory with warehouse)	Monthly	RM160,000
No. 55, Pelangi 2, Seksyen 6, Dayang Walk, 07000 Langkawi, Kedah.	1,054	2,000 sq ft (shop lot)	Monthly	RM1,000
Lot 10231, GM7196, Mukim of Bentong, District of Bentong, Pahang Darul Makmur. No. 53, 3 3/4 Mile, Jalan Bentong-Kuala Lumpur, 28700 Bentong, Pahang Darul Makmur.	253,490	15,822 sq ft (warehouse)	Monthly	RM5,000
No. 18, Jalan Empayar 4, Taman Perindustrian Empayar, 81500 Gelang Patah, Johor Darul Takzim.	11,178	8,244 sq ft (semi D factory)	Monthly	RM12,500
No. 20, Jalan Empayar 4, Taman Perindustrian Empayar, 81500 Gelang Patah, Johor Darul Takzim.	11,178	8,244 sq ft (semi D factory)	Monthly	RM12,500
Lot 15342, Batu 1 Yong Peng MK Tanjong Sembrong, Exit Jalan Muar, 83700 Yong Peng, Johor Darul Takzim.	62,495	11,068 sq ft (warehouse)	Monthly	RM12,000
No 3 DN, Jalan Melor 1, Off Jalan Genuang, Segamat, Johor Darul Takzim.	1,599	4,000 sq ft (shop lot)	Monthly	RM3,000
Kawasan Perindustrian Tangkak, off Jalan Muar	694,239	44,800 sq ft (semi D factory)	Monthly	RM25,000

(iii) MMAG Group intends to expand it's market footprint of it's subsidiary company, Line Clear Express Sdn. Bhd.'s (formerly known as Line Clear Express & Logistics Sdn. Bhd.) courier and logistics business by setting up new warehouse, hubs/depots/stations nationwide to expand its domestic coverage in providing courier and logistics services to its customers. As at the LPD, our MMAG Group has 1 warehouse, 19 hubs, 30 depots and 62 stations nationwide. As such, the construction of these warehouses, hubs/depots/stations are crucial to MMAG Group's expansion.

(iv) There is no outstanding amount due and owing under the RRPT which exceeded the credit term.

2.6 Method or Procedures on Which Transaction Prices are Determined/Review Procedures for Recurrent Party Transactions

The Group had established the guidelines and procedures to ensure that the RRPT contemplated under the Proposed Shareholders' Mandate are undertaken on transaction prices and terms which are generally not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders:

2.6.1 Methods for Determination of Transaction Price

All transactions with Related Parties will only be entered into after taking into consideration the pricing, level and quality of products or services and will not be entered into unless:-

- (a) The pricing for such transaction or contract is determined in accordance with the Group's usual business practices and policies and consistent with the usual margins of the Group with unrelated third parties;
- (b) The transaction prices and terms are based on prevailing market forces and not more favourable to the Related Parties than those extended to unrelated third parties and available to the public, and the RRPTs are not detrimental to the minority shareholders of the Company;
- (c) The transaction prices and terms offered, after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discounts for bulk purchases, are fair, reasonable and consistent with normal practices; and
- (d) Wherever practicable and/or feasible, at least 2 other contemporaneous transactions or quotations from/with unrelated third parties for similar products and/or services and/or quantities will be used as comparison to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar type of product/services and/or quantities. In the event that quotation or comparative pricing from unrelated parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products/services, or if the product/service is a proprietary item), the transaction price will be determined in accordance with the Group's usual business practices and policies to ensure that the recurrent related party transactions are not detrimental to the MMAG Group.

2.6.2 Thresholds for Approval of RRPT

- (a) All RRPTs in excess of RM500,000 to be entered by the Group shall be subject to the review and approval of the Audit Committee or Board of Directors of the Company before the transactions are carried out.
- (b) All RRPTs of RM500,000 and below shall be reviewed and approved by the Chairman or Executive Director of the Company provided that the Chairman or Executive Director is not an interested party to the transaction and table to the Audit Committee every quarter for information. For RRPTs where the Chairman or Executive Director is interested party, such RRPTs shall be approved by the Board of Directors (with all interested parties abstaining from voting).

2.6.3 Monitoring of RRPT

- (a) A list of Related Parties shall be circulated within the Group from time to time for reference and at the same time, the Related Party will be notified to ensure that all RRPT are undertaken in accordance with the policies.
- (b) All operating divisions and subsidiary companies shall review the existing information systems to ensure that information on Related Party Transactions is captured at source.
- (c) Records will be maintained by the management for AC's review every quarter together with the review of the quarterly results in order to capture all RRPT which are entered into pursuant to the Proposed Shareholders' Mandate.
- (d) The annual internal audit plan shall incorporate a review of all RRPT entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to.
- (e) Our AC shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor RRPT are adequate and have been complied with.
- (f) Our AC shall have overall responsibility for the determination of the review procedures with authority to sub-delegate to individuals or committees within the Company as they deem appropriate. If a member of our AC has an interest, as the case may be, he will abstain from any decision making by our AC in respect of the said transaction.
- (g) Additional quotations, if relevant, from third parties will be obtained and will be evaluated based on ranking on the price, delivery, services and other terms and conditions before entering into such transactions.

If it is determined that the guidelines and/or procedures stated in Section 2.6 of this Circular are inadequate and to ensure that:-

- (a) the RRPT will be conducted at arm's length and on transaction prices and normal commercial terms which are not favourable to the Related Parties than those generally available to the public; and
- (b) such transactions are not to the detriment of the minority shareholders of our Company or prejudicial to the interests of the shareholders,

our Company will obtain a fresh proposed mandate based on guidelines and procedures.

The AC shall also have the discretion to request for limits to be imposed or for additional procedures to be followed if it considers such a request to be appropriate. In that event, such limits or procedures may be implemented without the approval of shareholders.

Pursuant to Rule 10.09(2) of the Listing Requirements, in a meeting to obtain the Proposed Shareholders' Mandate, the interested director, interested major shareholder or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder, must not vote on the resolution approving the transactions.

2.7 Disclosure in the Annual Report

Disclosure will be made in our Company's Annual Report in accordance with Rule 3.1.5 of the Guidance Note 8 of the Listing Requirements, which requires a breakdown of the aggregate value of the RRPT made during the financial year based on the following information:-

- (1) type of RRPT made;
- (2) names of the Related Parties involved and their relationship with the Group pursuant to the Proposed Shareholders' Mandate in accordance with Rule 10.09(2) and Guidance Note 8 of the Listing Requirements.

3. RATIONALE FOR AND THE BENEFITS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate, which is subject to annual review will enable the Group to enter into RRPT which are in the ordinary course of the Group's businesses, on normal commercial terms, in a timely manner. This will enable the Group to continue to carry out RRPT necessary for the Group's day-to-day operations thus enhancing the Group's ability to pursue business opportunities which are time-sensitive in nature in a more efficient manner by transacting with the Related Parties.

The Group will have an advantage of familiarity with the background, management and the financial well-being of the Related Parties which will enable a more informed commercial decision to be made by the Group in a timely manner.

By obtaining the shareholders' mandate and the renewal thereof on an annual basis would eliminate the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such RRPT of a revenue or trading nature arise, thereby reducing substantial administrative time and costs associated with the convening of such general meetings, without compromising the corporate objective or adversely affecting the business opportunities available to MMAG Group.

The RRPT are essential to provide MMAG Group with the support for its operational business opportunities and further enhance its ability to explore beneficial business opportunities.

Other benefits to be derived from the Proposed Shareholders' Mandate are as follows:

- (a) facilitate transactions with Related Parties which are in the ordinary course of business of the Group undertaken at arm's length basis, normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;
- (b) facilitate transactions with Related Parties in an expeditious manner to meet business needs for the supply and/or provision of goods and services which are necessary for its day-to-day operations, particularly business needs which are time sensitive in nature; and
- (c) eliminate the need to announce and convene separate general meetings to seek proposed mandate for each transaction and as such, substantially reduce expenses, time and other resources associated with the making of announcements and convening of general meetings on an ad hoc basis, improve administrative efficiency considerably and allow financial and manpower resources to be channeled to attain more productive objectives.

4. EFFECTS OF THE PROPOSED SHAREHOLDERS' MANDATE

The Proposed Shareholders' Mandate is not expected to have any effect on the issued share capital and the substantial shareholders' shareholdings of the Company and is also not expected to have any material effect on the gearing of the Group for the financial year ending 30 September 2025.

However, the Proposed Shareholders' Mandate is expected to contribute positively to the future earnings and net assets of the Group as and when the benefits of the RRPT are realised.

5. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Save as disclosed above, none of the other Directors and Major Shareholders of our Company and/or Persons Connected with them, have any interest, direct or indirect, in the Proposed Shareholders' Mandate.

The direct and indirect interests of the interested Major Shareholder and the interested Director of our Group and/or Persons Connected with her as at LPD are summarised below:

Interested Directors and/or Major Shareholders	Direct Interest		Indirect Interest	
	No. of Ordinary Shares	%	No. of Ordinary Shares	%
Chin Boon Long	-	-	432,362,400 ⁽¹⁾	18.72
Chan Swee Ying (Alternate Director to Chin Boon Long)	432,362,400	18.72	-	-
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	-	-	-	-

⁽¹⁾ *Deemed interest via his spouse's (Chan Swee Ying) shareholdings in the Company*

Chin Boon Long, Chan Swee Ying and Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman have abstained and will continue to abstain from board deliberation and voting on the relevant resolution.

In addition, Chin Boon Long and Chan Swee Ying will abstain from voting on the Proposed Shareholders' Mandate in respect of their direct and/or indirect shareholdings in our Company at the AGM to be convened. They have undertaken and will ensure that the Persons Connected with them (if any) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company on the Ordinary Resolution pertaining to the Proposed Shareholders' Mandate at the AGM of our Company.

6. STATEMENT BY THE AC

Our AC is of the opinion that the Proposed Shareholders' Mandate is fair, reasonable and is in the best interest of the Company and its shareholders. The AC has seen and reviewed the procedures mentioned in Section 2.6 above and is of the view that:

- (a) the procedures and processes are sufficient to ensure that the RRPT are carried out on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders; and
- (b) the Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

7. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to the approval of the non-interested shareholders of our Company at the forthcoming AGM.

8. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board (save for the interested Directors stated in Section 5), having considered all relevant aspects of the Proposed Shareholders' Mandate, is of the opinion that the Proposed Shareholders' Mandate is in the best interest of the Group and accordingly, recommends that you vote **IN FAVOUR** of the Ordinary Resolution on the Proposed Shareholders' Mandate to be tabled at the forthcoming AGM.

9. TWENTY-FIRST AGM

The Twenty-first AGM will be held at No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan on Thursday, 27 February 2025 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications, the resolution to give effect to the Proposed Shareholders' Mandate at the AGM.

If you are unable to attend the Twenty-first AGM in person, you are requested to complete the Proxy Form in accordance with the instructions contained therein and deposit it to 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 so as to arrive not later than forty-eight (48) hours before the time appointed for the holding of the Twenty-first AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the Twenty-first AGM should you subsequently wish to do so.

10. FURTHER INFORMATION

Shareholders are requested to refer to Appendix I to this Circular for further information.

Yours faithfully,
For and on behalf of the Board of
MMAG HOLDINGS BERHAD

YEAP SAY WOI
Audit Committee Chairman
Independent Non-Executive Director

APPENDIX I

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or information contained in this Circular, or other facts and information, the omission of which would make any statement in this Circular false or misleading.

2. MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, our Board confirms neither our Company nor our subsidiaries are engaged in any material litigation, claims or arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company and our Group and our Board is not aware of any proceedings pending or threatened, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group, except for the followings:

- (i) MJets Air Sdn. Bhd. ("MJets") ("**Plaintiff (i)**") v Gunasekar A/L Mariappan and Philip Phang Kin Ming (collectively, the "**Defendants (i)**") – Case No. WA-22NCC-214-04/2023 ("**Suit 214**")

The Plaintiff (i) has commenced a legal suit against the Defendants (i), who are the former directors of the Plaintiff (i), for breach of fiduciary duties due and owing to the Plaintiff (i).

The Plaintiff (i) claims from the Defendant (i), among others, the followings pursuant to Suit 214:-

- (a) Defendants (i) to pay the total sum of RM23,179,948.62 as special damages;
- (b) general damages to be assessed;
- (c) exemplary damages;
- (d) aggravated damages;
- (e) judgment interest at the rate of 5% per annum from the date of judgment until full settlement;
- (f) costs on a full indemnity basis against the Defendants (i), jointly or severally; and
- (g) any further reliefs the High Court deems fit and proper.

On 29 March 2024, the High Court has allowed the Suit 214 be stayed pending the full and final disposal of Suit 474 (as defined in Section 4(ii) of **Appendix II** below). The next case management is fixed on 12 March 2025.

- (ii) Gunasekar A/L Mariappan and Philip Phang Kin Ming (collectively, the "**Plaintiffs (ii)**") v MMAG and Ors ("**Defendants (ii)**") – Case No. WA-22NCC-474-07/2023 ("**Suit 474**").

On 12 July 2023, MMAG and its Directors, Kenny Khaw Chuan Wah and Chong Koon Meng ("**Directors Named**") had been served a writ of summons and statement of claim dated 10 July 2023 for Suit 474 in Kuala Lumpur High Court. Other parties named as defendants in the Suit 474 include M Jets, JT Aerotech Solutions Sdn Bhd ("**JTAS**") and 4 individuals.

The Plaintiffs (ii) claim against MMAG and the Directors Named for, inter alia:-

- (a) a declaration that all Defendants (ii) (inclusive of MMAG and the Directors Named), had allegedly breached the Plaintiffs (ii)'s legitimate expectation to manage and operate the business of M Jets;
- (b) a declaration that the Defendants (ii) are and/or were required to comply with their obligations, in respect of the Plaintiffs (ii)'s alleged legitimate expectation;
- (c) a declaration that the Defendants (ii) (save for MJets and JTAS) had allegedly conspired to injure the interest of the Plaintiffs (ii);
- (d) a declaration that MMAG and the Directors Named had allegedly breached several representations made to the Plaintiffs (ii);
- (e) special damages in the sum of RM9.60 million to be paid by the Defendants (ii) (save for JTAS) to the Plaintiffs (ii);
- (f) damages for alleged loss of profit and/or loss of investment and/or loss of business opportunity in the sum of RM30.45 million or any part thereof;
- (g) damages for the Plaintiffs (ii)'s alleged loss of incentive bonus in the sum of RM9.80 million;
- (h) general damages, aggravated and/or exemplary and/or punitive damages; and
- (i) interests and costs.

The High Court has given the Pre-Trial Case Management directions for parties to comply with on/before 11 March 2025. The court has fixed trial dates on 18 July 2025, 28 November 2025 and 13 - 16, 20-23, 27-30 April 2026.

The next case management is fixed on 11 March 2025.

The solicitors representing the Group are not in the position to determine the financial outcome at the present stage of the proceedings. However, the Directors do not expect the outcome of the action to have a material effect on the Group's financial position.

3. MATERIAL CONTRACTS

Save as disclosed below, our Board confirms that there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by our Company and our subsidiary companies within the two (2) years immediately preceding the date of this Circular.

- (i) subscription agreement between Line Clear Express Sdn. Bhd. ("LCE") and HKL Dynamics Sdn Bhd (formerly known as Hong Seng Gloves Sdn. Bhd.) ("**HKL**") dated 27 December 2022 in respect to the subscription by HKL of LCE's 5,052,632 ordinary shares at the subscription price of RM1,000,000.00, representing 5% of the total enlarged issued share capital in LCE. The subscription agreement was completed on 28 December 2022.
- (ii) shares sale agreement between Velocity Capital Partner Berhad ("Velocity") and MMAG Omni Ventures Sdn. Bhd. ("MOV") dated 4 October 2023 in respect to the acquisition of five point three four per centum (5.34%) of the entire issued share capital of LCE at the consideration of RM8,250,000.00. The shares sale agreement has been completed on 5 October 2023;
- (iii) shares sale agreement between Velocity and MMAG dated 27 June 2024 in respect to the acquisition of eighty five per centum (85%) of the entire issued share capital of Cipta X Sdn. Bhd. at the consideration of RM20,000,000.00. The shares sale agreement has been completed on 24 October 2024; and

- (iv) shares sale agreement between Velocity and MOV dated 13 September 2024 in respect to the acquisition of eight point nine one per centum (8.91%) of the entire issued share capital of LCE at the consideration of RM13,750,000.00. The shares sale agreement has been completed on 11 October 2024.

4. MATERIAL COMMITMENT

Save as disclosed below, as at the LPD, there is no material commitment incurred or known to be incurred by our Company or our Group, which upon becoming enforceable, may have material impact on the financial position of our Group:-

	Amount (RM'000)
Lease of freehold land*	6,720
Construction of buildings	2,952
Acquisition of property, plant and equipment	1,488
TOTAL	11,160

Note:

- * Our Company leased a land for our Group's existing warehouse-cum-office located at Taman Perindustrian UEP, Subang Jaya, Selangor and the lease period is for 3 years with an option to renew after every 3 years for a further 3 years up to a total lease period of 15 years (included original 3 years plus optional 12 years).

5. CONTINGENT LIABILITIES

Save as disclosed below, as at the LPD, there is no contingent liabilities incurred or known to be incurred by our Company or our Group, which upon becoming enforceable, may have a material impact on the financial position of our Company and/or our Group:-

	At our Group level (RM'000)	At our Company level (RM'000)
Corporate guarantees given to aircraft lessors for lease payments granted to a subsidiary company	25,535	25,535
Corporate guarantee to a fuel supplier for supply of fuel granted to a subsidiary company	799	799
Corporate guarantee given to trade suppliers for supply of inventories granted to a subsidiary company	98,708	98,708
Corporate guarantee given to financial institutions for term loan, hire purchase and other banking facilities granted to subsidiary companies	76,112	76,112
TOTAL	201,154	201,154

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 9:00 a.m. to 5:00 p.m. from Monday to Friday (excluding public holidays) at the Company's Registered Office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur, for the period commencing from the date of this Circular up to and including the date of the AGM:-

- (a) our Constitution;
- (b) our Group's audited financial statements for the past two (2) FYEs 31 March 2023 and 30 September 2024;
- (c) the cause papers in respect of the material litigation, claims and arbitration referred to in Section 2 of this Appendix; and
- (d) the material contracts referred to in Section 3 of this Appendix.

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