

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Bursa Malaysia Securities Berhad 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 part of the contents of this Circular.

This Circular has been reviewed by TA Securities Holdings Berhad as the Principal Adviser to MMAG Holdings Berhad (“**MMAG**”) for the Proposed Share Capital Reduction (as defined herein).



MMAG

MMAG HOLDINGS BERHAD

(Registration No. 200301007003 (609423-V))

(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED REDUCTION OF RM270,000,000 OF THE ISSUED SHARE CAPITAL OF MMAG PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“PROPOSED SHARE CAPITAL REDUCTION”)

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

 **TA SECURITIES**

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD

(Registration No. 197301001467 (14948-M))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of our Company together with the Proxy Form are enclosed in this Circular. Our EGM will be held as follows:

Venue of our EGM	:	No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan
Date and time of our EGM	:	Thursday, 16 January 2025 at 10:00 a.m. or at any adjournment thereof
Last date and time for lodging the Proxy Form	:	Tuesday, 14 January 2025 at 10:00 a.m.

A shareholder entitled to attend and vote at our EGM is entitled to appoint up to 2 proxies to attend and vote in his/her stead. If you wish to do so, kindly complete the Proxy Form in accordance with the instruction therein and deposit it at our 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 later than 48 hours before the time set for our EGM or at any adjournment thereof. The lodgement of the Proxy Form will not preclude you from attending and voting at our EGM should you subsequently wish to do so.

This Circular is dated 20 December 2024

DEFINITIONS

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

Act	: Companies Act 2016, as amended from time to time and including any re-enactment thereof
Announcement	: The announcement of the Proposed Share Capital Reduction dated 6 December 2024
Board	: Board of Directors of our Company
Bursa Securities	: Bursa Malaysia Securities Berhad
Cipta X	: Cipta X Sdn Bhd (formerly known as CSH Solutions Sdn Bhd)
Circular	: This circular to shareholders dated 20 December 2024 in relation to the Proposed Share Capital Reduction
Director	: A natural person who holds a directorship in our 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
EGM	: Extraordinary general meeting of our Company
EPS	: Earnings per Share
FPE	: Financial period ended/ending, as the case may be
FYE	: Financial year ended/ending, as the case may be
LAT	: Loss after taxation
LBT	: Loss before taxation
LCE	: Line Clear Express Sdn Bhd (formerly known as Line Clear Express & Logistics Sdn Bhd), an indirect 95.00%-owned subsidiary of our Company
Listing Requirements	: ACE Market Listing Requirements of Bursa Securities
LPD	: 5 December 2024, being the latest practicable date prior to the printing of this Circular
LPS	: Loss per Share
Maximum Scenario	: Assuming none of the outstanding Warrants are exercised prior to the implementation of the Proposed Share Capital Reduction
Minimum Scenario	: Assuming all the outstanding Warrants are exercised prior to the implementation of the Proposed Share Capital Reduction
M Jets	: MJets Air Sdn Bhd (formerly known as M Jets International Sdn Bhd), a 98.57%-owned subsidiary of our Company

DEFINITIONS (*CONT'D*)

MOV	:	MMAG Omni Ventures Sdn Bhd (formerly known as Line Clear Ventures Holdings Sdn Bhd), a wholly-owned subsidiary of our Company
MMAG or Company	:	MMAG Holdings Berhad
MMAG Group or Group	:	Our Company and our subsidiaries, collectively
MMAG Shares or Shares	:	Ordinary shares in our Company
NA	:	Net assets
Proposed Share Capital Reduction	:	Proposed reduction of RM270,000,000 of the issued share capital of MMAG pursuant to Section 117 of the Act
Registrar	:	Registrar of Companies
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
TA Securities or the Principal Adviser	:	TA Securities Holdings Berhad
USD	:	United States Dollar
Velocity	:	Velocity Capital Partner Berhad (formerly known as CSH Alliance Berhad)
Warrants	:	112,757,454 outstanding warrants in our Company at the exercise price of RM0.15 each (as constituted by the deed poll dated 7 December 2023 which will expire on 15 January 2029)

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company and, where the context requires, shall include our Company and its subsidiaries. All references to “**you**” and “**your**” in this Circular are to our shareholders.

Unless specifically referred to, words importing the singular shall, where applicable, include the plural and vice versa and words importing any gender shall, where applicable, include all genders. All references to a person shall include corporations, unless otherwise specified.

Certain amounts and percentage figures included in this Circular have been subject to rounding adjustments. Any discrepancy in the figures included in this Circular between the amounts stated and the totals thereof are due to rounding.

Any reference in this Circular to any provisions of the statutes, rules, regulations, guidelines or rules of stock exchange shall (where the context permits), be construed as a reference to provisions of such statutes, rules, regulations, guidelines or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment of the statutes, rules, regulations, guidelines or rules of stock exchange for the time being in force.

All references to a time of day in this Circular are references to Malaysian time and date, unless otherwise stated.

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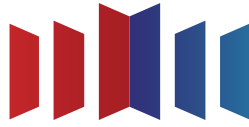
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NOTICE OF EGM

ENCLOSED

PROXY FORM

ENCLOSED



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

20 December 2024

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)
Azman bin Mat Ali (Independent Non-Executive Director)
Dato' Che Nazli binti Jaapar (Independent Non-Executive Director)
Chan Swee Ying (Alternate Director to Chin Boon Long)

To: The shareholders of our Company

Dear Sir / Madam,

PROPOSED SHARE CAPITAL REDUCTION

1. INTRODUCTION

On 6 December 2024, TA Securities had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Share Capital Reduction.

Further details of the Proposed Share Capital Reduction are set out in Section 2 below.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHARE CAPITAL REDUCTION, TO SET OUT THE VIEWS AND RECOMMENDATION OF OUR BOARD ON THE PROPOSED SHARE CAPITAL REDUCTION AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED SHARE CAPITAL REDUCTION TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF EGM AND THE PROXY FORM ARE EXCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED SHARE CAPITAL REDUCTION AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction entails the reduction of our Company's issued share capital pursuant to Section 117 of the Act via the cancellation of our Company's issued share capital of RM270,000,000. The corresponding credit of RM270,000,000 arising from such cancellation will be used to set-off the accumulated losses of our Company, while the remaining balance will be credited to the retained earnings of our Company which shall be used in a manner to be determined by our Board at a later date and in the best interest of our Company, as permitted by our Company's constitution, the relevant and applicable laws as well as the Listing Requirements.

As at the LPD, our Company's issued share capital is RM565,221,719.58 comprising 2,309,633,151 MMAG Shares. Our Company has 112,757,454 outstanding Warrants as at the LPD.

For illustrative purposes, the Proposed Share Capital Reduction shall have the following effects:

	(Audited) As at 30 September 2024	
	Company level	Group level
	RM'000	RM'000
Accumulated losses	(245,259)	(290,199)
Add: Credit arising from the Proposed Share Capital Reduction	270,000	270,000
Less: Estimated expenses for the Proposed Share Capital Reduction	(170)	(170)
Resultant retained earnings / (accumulated losses)	24,571	(20,369)

The summary and commentaries of the financial information of our Group for the past 2 audited FYEs 31 March 2022 and 31 March 2023 as well as the audited 18-month FPE 30 September 2024 are set out in **Appendix I** of this Circular.

Subject to the approval of the Proposed Share Capital Reduction by the shareholders of our Company at the forthcoming EGM, the Proposed Share Capital Reduction will be effective when the Registrar has recorded the information lodged in the appropriate register in accordance with Section 119 of the Act.

For the avoidance of doubt, the Proposed Share Capital Reduction will not result in:

- (a) any adjustment to the share price of MMAG Shares;
- (b) any change in the total number of MMAG Shares in issue or the number of MMAG Shares held by our shareholders;
- (c) any payment to our shareholders; and
- (d) any cash outflow or change in the NA of our Group, save for the estimated expenses to be incurred in relation to the Proposed Share Capital Reduction which will be funded from our Company's internally-generated funds.

3. RATIONALE FOR THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction will enable our Company and our Group to rationalise our financial positions by reducing the accumulated losses to more appropriately reflect the value of the underlying assets and the financial position of our Company and our Group. In addition, the reduction of accumulated losses is expected to enhance the credibility of both our Company and our Group with the bankers, customers, suppliers, investors and other stakeholders.

4. EFFECTS OF THE PROPOSED SHARE CAPITAL REDUCTION

4.1. Share capital

The pro forma effects of the Proposed Share Capital Reduction on the issued share capital of our Company are illustrated as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares (‘000)	RM’000	No. of Shares (‘000)	RM’000
Issued share capital as at the LPD	2,309,633	565,222	2,309,633	565,222
To be issued assuming the full exercise of the outstanding Warrants	-	-	112,757	30,050 ⁽¹⁾
	2,309,633	565,222	2,422,390	595,272
To be cancelled pursuant to the Proposed Share Capital Reduction	-	(270,000)	-	(270,000)
After the Proposed Share Capital Reduction	2,309,633	295,222	2,422,390	325,272

Note:

(1) Based on the exercise price of RM0.15 each and after accounting for the reversal of the Warrants reserve amounting to RM13.14 million to the share capital.

4.2. Substantial shareholders’ shareholdings

The Proposed Share Capital Reduction will not have any effect on the substantial shareholders’ shareholdings in our Company.

4.3. Earnings and EPS

The Proposed Share Capital Reduction will not have any material effect on our Group’s earnings and EPS for the FYE 30 September 2025.

4.4. NA attributable to owners of our Company and gearing

The pro forma effects of the Proposed Share Capital Reduction on the NA and gearing of our Group based on its audited consolidated financial statements as at 30 September 2024 are as follows:

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Minimum Scenario

	(Audited) 18-month FPE 30 September 2024 (RM'000)	After adjustment to the subsequent events up to the LPD⁽¹⁾ (RM'000)	After the Proposed Share Capital Reduction (RM'000)
Share capital	565,222	565,222	295,222
Warrant reserve	13,136	13,136	13,136
Exchange translation reserve	(27)	(27)	(27)
Retained earnings/ (Accumulated losses)	(290,199)	(313,486)	(43,656) ⁽²⁾
Shareholders' funds/ NA	288,132	264,845	264,675
No. of Shares in issue (‘000)	2,309,633	2,309,633	2,309,663
NA per Share (RM)	0.12	0.11	0.11
Total borrowings (RM'000)	349,597	349,597	349,597
Gearing (times)	1.21	1.32	1.32

Notes:

(1) After accounting for the following events:

- (i) completion of acquisition of 8.91% equity interest in LCE, by MOV from Velocity for a total cash consideration of RM13,750,000, which was completed on 11 October 2024; and
- (ii) completion of acquisition of 85% equity interest in Cipta X from Velocity for a total cash consideration of RM20,000,000, which was completed on 24 October 2024.

(2) After setting off RM270,000,000 from our Company's accumulated losses due to the cancellation of our Company's issued share capital and deducting the estimated expenses of RM170,000 in relation to the Proposed Share Capital Reduction.

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Maximum Scenario

	(Audited) 18-month FPE 30 September 2024 (RM'000)	After adjustment to the subsequent events up to the LPD⁽¹⁾ (RM'000)	(I) Assuming exercise of all outstanding Warrants (RM'000)	(II) After (I) and the Proposed Share Capital Reduction (RM'000)
Share capital	565,222	565,222	595,272 ⁽²⁾	325,272
Warrant reserve	13,136	13,136	-	-
Exchange translation reserve	(27)	(27)	(27)	(27)
Retained earnings/ (Accumulated losses)	(290,199)	(313,486)	(313,486)	(43,656) ⁽³⁾
Shareholders' funds/ NA	288,132	264,845	281,759	281,589
No. of Shares in issue ('000)	2,309,633	2,309,633	2,422,390	2,422,390
NA per Share (RM)	0.12	0.11	0.12	0.12
Total borrowings (RM'000)	349,597	349,597	349,597	349,597
Gearing (times)	1.21	1.32	1.24	1.24

Notes:

(1) After accounting for the following events:

- (i) completion of acquisition of 8.91 equity interest in LCE, by MOV from Velocity for a total cash consideration of RM13,750,000, which was completed on 11 October 2024; and
- (ii) completion of acquisition of 85% equity interest in Cipta X from Velocity for a total cash consideration of RM20,000,000, which was completed on 24 October 2024.

(2) Based on the exercise price of RM0.15 each and after accounting for the reversal of the Warrants reserve amounting to RM13.14 million to the share capital.

(3) After setting off RM270,000,000 from our Company's accumulated losses due to the cancellation of our Company's issued share capital and deducting the estimated expenses of RM170,000 in relation to the Proposed Share Capital Reduction.

4.5. Convertible securities

Save for the 112,757,454 outstanding Warrants, our Company does not have any other convertible securities as at the LPD. The Proposed Share Capital Reduction will not result in any adjustment to the exercise price and number of the Warrants.

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5. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted prices of MMAG Shares for the past 12 months up to November 2024 are as follows:

	High (RM)	Low (RM)
<u>2023</u>		
December	0.100	0.080
<u>2024</u>		
January	0.180	0.090
February	0.145	0.095
March	0.190	0.105
April	0.210	0.185
May	0.405	0.195
June	0.365	0.300
July	0.360	0.250
August	0.355	0.250
September	0.335	0.305
October	0.320	0.270
November	0.285	0.460

Source: Bloomberg

The last transacted market price of the Shares on 5 December 2024 (being the last trading date prior to the Announcement and the LPD) was RM0.43 each.

6. APPROVALS REQUIRED

The Proposed Share Capital Reduction is subject to the following approvals being obtained from:

- (a) the shareholders of our Company at the forthcoming EGM; and
- (b) any other relevant parties / authorities, if required.

For the avoidance of doubt, the Proposed Share Capital Reduction is not subject to the approval of the High Court, as it is undertaken pursuant to Section 117 of the Act.

7. CONDITIONALITY OF THE PROPOSED SHARE CAPITAL REDUCTION

The Proposed Share Capital Reduction is not conditional upon any other corporate exercise undertaken or to be undertaken by our Company.

Save for the Proposed Share Capital Reduction, there is no other corporate exercise which have been announced by our Company but yet to be completed as at the LPD.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

None of our Directors, major shareholders, chief executive and/or persons connected with them has any interest, direct or indirect, in the Proposed Share Capital Reduction.

9. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Share Capital Reduction, including but not limited to the rationale and effects of the Proposed Share Capital Reduction, is of the opinion that the Proposed Share Capital Reduction is in the best interests of our Company.

Accordingly, our Board recommends the shareholders to vote **IN FAVOUR** of the resolution pertaining to the Proposed Share Capital Reduction to be tabled at the forthcoming EGM.

10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all relevant approvals being obtained, the Proposed Share Capital Reduction is expected to be completed in the 1st quarter of 2025.

The tentative timeline for implementation of the Proposed Share Capital Reduction is as follows:

Tentative timeline	Events
16 January 2025	EGM for the Proposed Share Capital Reduction
March 2025	Lodgement of documents with the Registrar for the Proposed Share Capital Reduction
March 2025	Effective date of the Proposed Share Capital Reduction

11. EGM

Our EGM, the notice of which is set out in this Circular, will be held at No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan on Thursday, 16 January 2025 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications, the resolution to give effect to the Proposed Share Capital Reduction.

A shareholder entitled to attend and vote at our EGM is entitled to appoint up to 2 proxies to attend and vote in his/her stead. If you wish to do so, kindly complete the Proxy Form in accordance with the instructions provided thereon and deposit it at our 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 later than 48 hours before the time set for our EGM or at any adjournment thereof. The lodgement of Proxy Form will not preclude you from attending and voting at our EGM should you subsequently wish to do so.

12. FURTHER INFORMATION

You are advised to refer to the enclosed appendices for further information.

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

CHIN BOON LONG
Executive Director

SUMMARY AND COMMENTARIES OF THE FINANCIAL INFORMATION OF OUR GROUP

A summary of the historical financial information of our Group for the audited FYEs 31 March 2021, 31 March 2022 and 31 March 2023 as well as the audited 18-month FPE 30 September 2024 are as follows:

	Audited			
	FYE 31 March 2021 (RM'000)	FYE 31 March 2022 (RM'000)	FYE 31 March 2023 (RM'000)	18-month FPE 30 September 2024* (RM'000)
Revenue	222,795	385,878	422,096	824,371
LBT	(22,904)	(33,654)	(89,864)	(103,328)
LAT	(23,096)	(22,654)	(73,826)	(95,582)
Share capital	246,330	270,547	340,921	565,222
Shareholders' fund / NA	219,076	376,252	170,624	288,132
No. of Shares in issue (‘000)	1,132,595	1,312,470	2,422,392	2,309,633
Weighted average number of Shares in issue (‘000)	999,223	1,243,480	1,923,361	982,232
NA per Share (RM)	0.19	0.29	0.07	0.12
Basic loss per Share ⁽¹⁾ (sen)	(2.31)	(1.82)	(3.84)	(9.73)
Current assets	92,512	142,423	105,329	216,062
Current liabilities	45,105	169,594	162,192	159,014
Current ratio (times)	2.05	0.84	0.65	1.36
Total borrowings ⁽²⁾	48,731	316,071	352,365	349,597
Gearing (times)	0.22	0.84	2.07	1.21

Notes:

* Our Group had changed the financial year end from 31 March to 30 September as announced on 9 July 2024.

(1) Based on the weighted average number of Shares.

(2) Comprising lease liabilities and bank borrowings.

Commentaries:**(i) 18-month FPE 30 September 2024 vs FYE 31 March 2023**

Our Group recorded a higher revenue of RM824.37 million for 18-month FPE 30 September 2024, representing an increase of RM402.28 million or 95.30% (the annualised revenue for 18-month FPE 30 September 2024 was RM549.58 million, representing an increase of RM127.48 million or 30.20% on an annualised basis) (FYE 31 March 2023: RM422.10 million). The increase was mainly attributable to the increase in annualised revenue from the mobile and fulfilments segment and the air freight segment in 18-month FPE 30 September 2024 to RM238.61 million and RM220.09 million, respectively, representing an increase of RM42.92 million or 21.93% and RM71.04 million or 47.66%, respectively on an annualised basis (FYE 31 March 2023: RM195.69 million and RM149.05 million, respectively). The increase in revenue from mobile and fulfilments and air freight segments was due to the following:

- new contracts secured for the air freight segment from its existing as well as new customers; and
- increase in promotional events (i.e., launching of new mobile phone models, etc) by telecommunications companies.

SUMMARY AND COMMENTARIES OF THE FINANCIAL INFORMATION OF OUR GROUP (CONT'D)

Our Group recorded a higher LBT of RM103.33 million for the 18-month FPE 30 September 2024, representing an increase of RM13.47 million or 14.99% (the annualised LBT for the 18-month FPE 30 September 2024 was RM68.89 million, representing a decrease by RM20.97 million or 23.34% on an annualised basis) (FYE 31 March 2023: LBT of RM89.86 million), in tandem with the increase in revenue as mentioned above. The decrease in LBT was mainly due to:

- (a) higher other income of RM42.76 million in 18-month FPE 30 September 2024 (the annualised other income for the 18-month FPE 30 September 2024 was RM28.51 million) (FYE 31 March 2023: RM12.78 million) as our Group recognised an unrealised gain on foreign exchange of RM18.68 million in 18-month FPE 30 September 2024 (the annualised unrealised gain on foreign exchange for the 18-month FPE 30 September 2024 was RM12.45 million) as a result of strengthening of the RM against the USD;
- (b) reversal of impairment loss on receivables of RM3.33 million in 18-month FPE 30 September 2024 (the annualised reversal on impairment loss on receivables for the 18-month FPE 30 September 2024 was RM2.22 million) (FYE 31 March 2023: RM7.78 million) mainly derived from the collection of the long outstanding receivables of our Group;
- (c) higher finance income of RM1.63 million in 18-month FPE 30 September 2024 (the annualised finance income for the 18-month FPE 30 September 2024 was RM1.08 million) (FYE 31 March 2023: RM0.21 million) due to interest income earned from financial institutions arising from proceeds arising from the rights issue exercise undertaken by our Company which was completed on 23 January 2024 as well as the proceeds raised from the exercise of the Warrants; and
- (d) lower other expenses of RM4.08 million in 18-month FPE 30 September 2024 (the annualised other expenses for the 18-month FPE 30 September 2024 was RM2.72 million) (FYE 31 March 2023: RM9.23 million) in view of the absence of unrealised loss on foreign exchange amounting to RM4.39 million considering the strengthening of the RM against the USD as mentioned in item (i)(a) above.

Our Group recorded a higher LAT of RM95.58 million for the 18-month FPE 30 September 2024, representing an increase of RM21.75 million or 29.46% (the annualised LAT for the 18-month FPE 30 September 2024 was RM63.72 million, representing a decrease by RM10.11 million or 13.69% on an annualised basis) (FYE 31 March 2023: LAT of RM73.83 million). The decrease in annualised LAT is in line with the decrease in annualised LBT.

(ii) FYE 31 March 2023 vs FYE 31 March 2022

Our Group recorded a higher revenue of RM422.10 million for FYE 31 March 2023 (FYE 31 March 2022: RM385.88 million), representing an improvement of RM36.22 million or 9.39%. In FYE 31 March 2023, revenue derived from air freight segment and courier and logistics segment had increased by RM95.91 million or 180.47% and RM13.69 million or 21.57%, respectively due to higher demand for air freight, courier and logistic services from our Group, while revenue from mobile and fulfilments segment reduced by RM73.36 million or 27.27% due to lower orders from customers. The increase in revenue from air freight, courier and logistics segments was due to the following:

- the increase in e-commerce transactions arising from online shopping;
- air cargo logistics business of M Jets, complements the courier and logistics business undertaken by LCE, which enables our Group to provide integrated courier and logistic services with wider coverage of end-to-end services and shorter timeframe of delivery services, allowing our Group to further strengthen and expand its network and connectivity; and
- full year's operation of the air cargo logistics business of M Jets in FYE 31 March 2023 since its commencement in June 2021.

SUMMARY AND COMMENTARIES OF THE FINANCIAL INFORMATION OF OUR GROUP (CONT'D)

Despite the increase in revenue, our Group recorded a higher LBT of RM89.86 million in FYE 31 March 2023 (FYE 31 March 2022: LBT of RM33.65 million), representing an increase by RM56.21 million or 167.02%, mainly due to:

- (a) lower other income of RM12.78 million in FYE 31 March 2023 (FYE 31 March 2022: RM34.31 million) as our Group recognised a fair value loss on other investment of RM4.00 million in FYE 31 March 2023 whereas it was a fair value gain on other investment of RM23.35 million in FYE 31 March 2022. The other investments refer to investment in equity instruments of listed and non-listed companies;
- (b) higher depreciation and amortisation expenses of RM61.64 million in FYE 31 March 2023 (FYE 31 March 2022: RM32.33 million) due to depreciation on right-of-use assets of office and warehouses as well as aircrafts;
- (c) higher impairment loss on receivables of RM7.78 million in FYE 31 March 2023 (FYE 31 March 2022: RM1.06 million) due to higher provision for impairment on long outstanding trade and other receivables;
- (d) recognition of impairment loss on property, plant and equipment of RM5.33 million in FYE 31 March 2023 (FYE 31 March 2022: nil) arising from impairment assessment performed on assets of courier and logistics segment;
- (e) higher finance cost of RM17.36 million in FYE 31 March 2023 (FYE 31 March 2022: RM6.96 million) due to interest on leasing of additional aircrafts for the air freight segment; and
- (f) higher other expenses of RM9.23 million in FYE 31 March 2023 (FYE 31 March 2022: RM3.06 million) due to the increase in operating costs for the air freight segment, which is in line with the increased in revenue for such segment.

In line with higher LBT, our Group recorded a higher LAT of RM73.83 million (FYE 31 March 2022: LAT of RM22.65 million), representing an increase of RM51.18 million or 225.96%.

(iii) **FYE 31 March 2022 vs FYE 31 March 2021**

Our Group recorded a higher revenue of RM385.88 million for FYE 31 March 2022 (FYE 31 March 2021: RM222.80 million) representing an improvement of RM163.08 million or 73.20%. In FYE 31 March 2022, revenue derived from the mobile and fulfilments segment as well as the courier and logistic segment had increased by RM88.68 million or 49.17% and RM21.07 million or 49.72%, respectively due to high demand for information and communication technologies products due to Coronavirus disease outbreak which has sped up the shift towards digitalisation as well as the increase in e-commerce transactions. Moreover, M Jets commenced its cargo logistic business in June 2021 and had contributed a revenue of RM53.14 million for FYE 31 March 2022 (FYE 31 March 2021: nil).

Despite the increase in revenue, our Group recorded a higher LBT of RM33.65 million in FYE 31 March 2022 (FYE 31 March 2021: LBT of RM22.90 million), representing an increase by RM10.75 million or 46.94%, mainly due to:

- (a) gross loss of RM11.98 million in FYE 31 March 2022 (FYE 31 March 2021: RM0.18 million). This substantial increase in gross loss position was mainly due to higher operating expenses incurred for the courier and logistics business as a result of the expansion of network, purchases of new motor vehicles and recruitment of additional workforces during FYE 31 March 2022 which is in line with our Group's expansion plan throughout Peninsular Malaysia, and the start-up costs incurred by the air cargo logistic business such as relocation costs of M Jets' corporate office, purchase of cargo management system and fuel costs;
- (b) higher finance cost of RM6.96 million in FYE 31 March 2022 (FYE 31 March 2021: RM2.50 million) due to further drawdown of banking facilities; and

**SUMMARY AND COMMENTARIES OF THE FINANCIAL INFORMATION OF OUR GROUP
(CONT'D)**

- (c) higher administrative expenses of RM41.99 million in FYE 31 March 2022 (FYE 31 March 2021: RM28.06 million) due to the recruitment of additional staff and higher office-related expenses for M Jets operations.

Despite a higher LBT, our Group recorded a lower LAT of RM22.65 million in FYE 31 March 2022 (FYE 31 March 2021: LAT of RM23.10 million), mainly due to disposal of equity interest in a loss-making subsidiary during FYE 31 March 2022 which led to recognition of lower accumulated losses by our Group for FYE 31 March 2022.

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ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

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

2. CONSENT AND CONFLICT OF INTEREST

TA Securities, being the Principal Adviser to our Company for the Proposed Share Capital Reduction, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

TA Securities confirms that there is no conflict of interest that exists or is likely to exist in relation to its capacity as the Principal Adviser to our Company for the Proposed Share Capital Reduction.

3. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any contracts which are or may be material (not being contracts entered into in the ordinary course of business of our Group) during the 2 years immediately preceding the date of this Circular:

- (i) subscription agreement between 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 and 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 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.

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ADDITIONAL INFORMATION (CONT'D)**4. MATERIAL LITIGATION, CLAIMS AND ARBITRATION**

Save as disclosed below, as at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of 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:

- (i) M Jets (**“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 11 December 2024.

- (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 M Jets 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);

ADDITIONAL INFORMATION (CONT'D)

- (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.

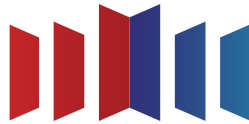
The next case management is fixed on 11 March 2025.

5. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection at our registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur during normal business hours on Mondays to Fridays (except public holidays) for the period commencing from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) the constitution of our Company;
- (ii) our Group's audited consolidated financial statements for the past 2 FYEs 31 March 2022 and 31 March 2023 as well as the audited consolidated financial statements for the 18-month FPE 30 September 2024;
- (iii) the letter of consent and declaration of conflict of interest referred to in Section 2 of this **Appendix II**;
- (iv) the material contracts referred to in Section 3 of this **Appendix II**; and
- (v) the relevant cause papers in respect of material litigation referred to in Section 4 of this **Appendix II**.

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MMAG

MMAG HOLDINGS BERHAD

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of MMAG Holdings Berhad (“**MMAG**” or “**Company**”) will be held at No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan on Thursday, 16 January 2025 at 10:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution:

SPECIAL RESOLUTION

PROPOSED REDUCTION OF RM270,000,000 OF THE ISSUED SHARE CAPITAL OF MMAG PURSUANT TO SECTION 117 OF THE COMPANIES ACT 2016 (“ACT”) (“PROPOSED SHARE CAPITAL REDUCTION”)

“THAT subject to the approvals being obtained from all relevant parties and/or authorities (where applicable) pursuant to Section 117 of the Act, the Board of Directors of MMAG (“**Board**”) be and is hereby given the authority and approval to reduce the share capital of the Company via the cancellation of the issued share capital by RM270,000,000 and for the credit arising from such cancellation to be used to set-off against the accumulated losses of the Company, while the remaining balance, will be credited to the retained earnings of the Company which shall be used in a manner to be determined by the Board at a later date and in the best interest of the Company, as permitted by the Company’s constitution, the relevant and applicable laws as well as the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”);

AND THAT the Board be and is hereby empowered and authorised to take all such steps and do all acts, deeds and things to enter into any arrangements, transactions, agreements and/or undertakings and to execute, sign and deliver on behalf of the Company, all such documents as may be necessary, expedient and/or appropriate to implement and give full effect to the Proposed Share Capital Reduction, with full powers to assent to any conditions, modifications, variations and/or amendments as the Board may in its absolute discretion deem fit, necessary, expedient, appropriate and/or as may be imposed or permitted by any relevant authorities in connection with the Proposed Share Capital Reduction and to do all such things as the Board may consider necessary or expedient in the best interest of the Company.”

By Order of the Board

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

Company Secretary

Kuala Lumpur

Date: 20 December 2024

Notes:

- For the purpose of determining a member who shall be entitled to attend, speak and vote at the Extraordinary General Meeting, the Company shall be requesting the Record of Depositors of the Company as at 10 January 2025. Only a depositor whose name appears on the Record of Depositors of the Company as at 10 January 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote of his/her stead.*
- A member entitled to attend, speak and vote at the meeting is entitled to appoint up to 2 proxies to attend, speak and vote on his/her stead. Where a member appoints 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 1 proxy in respect of each securities account it holds with ordinary shares in 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 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 our 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 later than 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.*



MMAG

MMAG HOLDINGS BERHAD

(Registration No. 200301007003 (609423-V))

(Incorporated in Malaysia)

PROXY FORM

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

CDS Account no.	
No. of shares held	

*I/We, _____ NRIC No./Passport No./Company No. _____
(Full name in Block Letters)

of _____
(Full address)

with email address _____ mobile phono no. _____

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

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

and/or*

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

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to attend and vote for *me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan on Thursday, 16 January 2025 at 10:00 a.m. or any adjournment thereof in the manner as indicated below:-

	FIRST PROXY		SECOND PROXY	
	FOR	AGAINST	FOR	AGAINST
Special Resolution – Proposed Share Capital Reduction				

Please indicate with an “x” in the space provided 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 2025.

.....
Signature/Common Seal of Shareholders



Notes:

1. *For the purpose of determining a member who shall be entitled to attend, speak and vote at the Extraordinary General Meeting, the Company shall be requesting the Record of Depositors of the Company as at 10 January 2025. Only a depositor whose name appears on the Record of Depositors of the Company as at 10 January 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote of his/her stead.*
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3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares in the Company standing to the credit of the said securities account.*
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Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company's Registered Office
MMAG HOLDINGS BERHAD
(Registration No. 200301007003 (609423-V))
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

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