

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

MINUTES of the Extraordinary General Meeting (“the Meeting”) of the Company duly convened and held at the Ballroom V, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 11 October 2023 at 10:00 a.m.

Board of Directors present : Tan Sri Dato’ Seri Mohd Khairul Adib Bin Abd Rahman
(Chairman of the Meeting)
Mr. Chong Koon Meng
Mr. Kenny Khaw Chuan Wah
Mdm. Hwang Siew Chien
Mr. Yeap Say Woi

Directors Absent with Apologies : Mdm. Chan Swee Ying
Dato' Sok One A/L Esen
Tuan Haji Noorzainy Bin Haji Mohd Noor

In Attendance : Ms. Cindy Lim (Company Secretary)
Ms. Maggie Kong

Invited Guests : As per Attendance List

Shareholders / Proxies : As per Attendance List

CHAIRMAN

The Chairman of the Company, Tan Sri Dato’ Seri Mohd Khairul Adib Bin Abd Rahman (“Tan Sri Chairman”) took the chair and called the Meeting to order. He welcomed and thanked the members/proxies and invited guests for their attendance.

Tan Sri Chairman introduced the Board members according to their seating arrangement. Tan Sri Chairman informed that the Non-Independent Non-Executive Director, Mdm. Chan Swee Ying and the Independent Non-Executive Directors, Dato' Sok One A/L Esen and Tuan Haji Noorzainy Bin Haji Mohd Noor apologised for being unable to attend the Meeting.

QUORUM

Pursuant to Clause 63 of the Company’s Constitution, two (2) members present in person or by proxy shall constitute a quorum for the meeting. The Company received a total of 36 shareholders and proxies representing 441,523,007 shares equivalent to 18.22% of the total number of issued shares of the Company registered for the meeting.

With the requisite quorum present, Tan Sri Chairman declared the Meeting duly convened.

NOTICE

The Notice of the Meeting dated 15 September 2023 having been circulated to all members within the statutory period, was taken as read.

PROCEDURES FOR MEETING

Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions tabled at a general meeting shall be voted by way of poll. The Company has appointed Cygnus Technology Solutions Sdn. Bhd. as the Independent Scrutineer for the poll voting.

QUESTIONS FROM MINORITY SHAREHOLDER WATCHDOG GROUP (“MSWG”)

Before proceeding with the business of the Meeting, Tan Sri Chairman informed that the Company has received written questions from MSWG to which the Company has replied in writing accordingly.

The Executive Director, Mr. Kenny Khoo Chuan Wah was invited to present the letter from MSWG dated 3 October 2023 with the Company’s responses, as summarised in Annexure I attached.

1. BUSINESS OF THE MEETING

SPECIAL RESOLUTION 1

PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN MMAG (“MMAG SHARES(S) OR “SHARES(S)” INTO 1 MMAG SHARE (“CONSOLIDATED SHARE(S)”) (“PROPOSED SHARE CONSOLIDATION”)

Tan Sri Chairman explained that the proposed Special Resolution 1 is to authorize the Company to consolidate every 10 existing ordinary shares into 1 ordinary share of the Company at an entitlement date to be determined later. Any fractional entitlement arising from the Proposed Share Consolidation, it shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

The Proposed Share Consolidation is part of the Company’s capital management plan to improve the capital structure as well as to facilitate the proposed rights issue.

The Proposed Share Consolidation would be passed as Special Resolution which requires 75% of the voting rights of those present and vote at the Meeting.

There were no questions raised in relation to the Proposed Share Consolidation.

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,453,434,942 NEW MMAG SHARES (“RIGHTS SHARE(S)”) ON THE BASIS OF 6 RIGHTS SHARES FOR EVERY 1 CONSOLIDATED SHARE HELD AS AT THE CLOSE OF BUSINESS ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“RIGHTS ISSUE ENTITLEMENT DATE”) AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, TOGETHER WITH UP TO 726,717,471 FREE DETACHABLE WARRANTS IN MMAG (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED FOR (“PROPOSED RIGHTS ISSUE”)

Tan Sri Chairman explained that the proposed Ordinary Resolution 1 is to approve the Renounceable Rights Issue of up to 1,453,434,942 Rights Shares on the basis of 6 Rights Shares for every 1 Consolidated Share held as at the close of business on an Entitlement Date to be determined later at an issue price of RM0.10 each together with up to 726,717,471 free detachable warrants on the basis of 1 Warrant for every 2 Rights Shares.

The rationale of the Proposed Rights Issue is as disclosed in Section 5.2 of the Circular to Shareholders dated 15 September 2023.

There were no questions raised in relation to the Proposed Rights Issue.

2. **POLLING PROCESS**

As there was no further business, Tan Sri Chairman requested shareholders/proxies to cast their votes by e-polling. The Meeting was adjourned for poll voting.

3. **POLL RESULTS**

The Meeting resumed upon the receipt of the poll results from the Independent Scrutineer. Tan Sri Chairman read out the voting results duly verified as follows:

Resolution	Voted For			Voted Against			Results
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%	
Special Resolution 1	27	441,392,702	99.9705	9	130,305	0.0295	Accepted
Ordinary Resolution 1	28	441,397,702	99.9716	8	125,305	0.0284	Accepted

Based on the above, Tan Sri Chairman declared all the resolutions **CARRIED**.

SPECIAL RESOLUTION 1

PROPOSED CONSOLIDATION OF EVERY 10 EXISTING ORDINARY SHARES IN MMAG (“MMAG SHARE(S)” OR “SHARE(S)”) INTO 1 MMAG SHARE (“CONSOLIDATED SHARE(S)”) (“PROPOSED SHARE CONSOLIDATION”)

RESOLVED:-

THAT subject to the approvals of all relevant authorities and/or parties being obtained, where required, approval be and is hereby granted to the Company to consolidate every 10 existing MMAG Shares held by the shareholders of MMAG, whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined and announced later by the Board of Directors of the Company (“Board”), into 1 Consolidated Share;

THAT any fractional entitlements arising from the Proposed Share Consolidation, if any, shall be disregarded and/or dealt with by the Board in such manner at its absolute discretion as it may deem fit or expedient and in the best interest of the Company;

THAT the Consolidated Shares shall rank equally in all respects with one another and the rights of the Consolidated Shares shall remain unchanged from the rights of the existing MMAG Shares;

AND THAT the Board be and is hereby authorised to do all acts, deed and things as are necessary to give full effect to the Proposed Share Consolidation with full powers to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities, and to take all steps and actions as the Board may deem fit or expedient in order to carry out, finalise and give full effect to the Proposed Share Consolidation.

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 1,453,434,942 NEW MMAG SHARES (“RIGHTS SHARE(S)”) ON THE BASIS OF 6 RIGHTS SHARES FOR EVERY 1 CONSOLIDATED SHARE HELD AS AT THE CLOSE OF BUSINESS ON AN ENTITLEMENT DATE TO BE DETERMINED LATER (“RIGHTS ISSUE ENTITLEMENT DATE”) AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, TOGETHER WITH UP TO 726,717,471 FREE DETACHABLE WARRANTS IN MMAG (“WARRANT(S)”) ON THE BASIS OF 1 WARRANT FOR EVERY 2 RIGHTS SHARES SUBSCRIBED FOR (“PROPOSED RIGHTS ISSUE”)

RESOLVED:-

THAT subject to the completion of the Proposed Share Consolidation and the approvals of all relevant authorities and/or parties being obtained, where required, approval be and is hereby granted to the Board to:

- (i) provisionally allot and issue, by way of a renounceable rights issue, of up to 1,453,434,942 Rights Shares on the basis of 6 Rights Shares for every 1 Consolidated Share held on the Rights Issue Entitlement Date at an issue price of RM0.10 per Rights Share and on such terms and conditions and in such manner as the Board may determine, together with up to 726,717,471 Warrants on the basis of 1 Warrant for every 2 Rights Shares subscribed for, to the shareholders of MMAG whose names appear in the Record of Depositors of the Company as at the close of business on the Rights Issue Entitlement Date (“Entitled Shareholders”) to raise a minimum gross proceed of RM18.00 million;
- (ii) to enter into and execute a deed poll constituting the Warrants (“Deed Poll”), with full powers to assent to any conditions, modifications, variations and/or amendments from time to time, in accordance with and subject to the terms of the Deed Poll and in any manner as may be required or imposed by the relevant authorities and/or parties, together with full powers to do all acts, deeds and things as the Board may deem fit or expedient in order to implement, finalise and give effect to the Deed Poll (including, without limitation, the affixing of the Company’s common seal, where necessary);
- (iii) disregard and deal with any fractional entitlements to the Rights Shares with Warrants that may arise from the Proposed Rights Issue in such manner as the Board in its absolute discretion deems fit or expedient, and in the best interest of the Company;
- (iv) if applicable, make available any Rights Shares which are not taken up or validly taken up for excess application by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable), and to allocate the excess Rights Shares with Warrants in a fair and equitable manner on a basis to be determined by the Board in its absolute discretion and announced thereupon by the Company;
- (v) allot and issue such number of additional Warrants as may be required or permitted to be issued pursuant to the adjustments under the provisions of the Deed Poll and as may be required, imposed or permitted by Bursa Malaysia Securities Berhad (“Bursa Securities”) and/or any other relevant authorities (where required) (“Additional Warrants”), and to adjust from time to time the outstanding number and/or the exercise price of Warrant as a consequence of the adjustments under the provisions of the Deed Poll and/or to effect such modifications, variations and/or modifications

as may be required, imposed or permitted by Bursa Securities and/or other relevant authorities (where required);

- (vi) allot and issue such number of new MMAG Shares credited as fully paid-up to the holders of the Warrants arising from the exercise of the Warrants (including Additional Warrants); and
- (vii) utilise the proceeds to be derived from the Proposed Rights Issue for the purposes as set out in Section 3.7 of the circular to shareholders of MMAG dated 15 September 2023 in relation to, amongst others, the Proposed Rights Issue ("Circular") and with full powers to vary the manner and/or purpose of utilisation of such proceeds as the Board may deem fit, expedient and in the best interest of the Company, subject to the approval of the relevant authorities and/or parties (where required);

THAT the Warrants shall be allotted and issued in registered form based on the terms of the Deed Poll and on the basis that, subject to any adjustments to the subscription rights and exercise price attached to the Warrants under the provisions of the Deed Poll, each Warrant entitles its holder to subscribe for 1 new MMAG Share at an exercise price of RM0.15 per Warrant, during the exercise period;

THAT the Rights Shares and new MMAG Shares arising from the exercise of Warrants (including Additional Warrants) shall, upon allotment and issuance, rank equally in all respects with the then existing MMAG Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the allotment and issuance of the Rights Shares and new MMAG Shares arising from the exercise of Warrants (including Additional Warrants);

THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things, and to execute, enter into, sign, deliver and cause to be delivered for and on behalf of the Company all such transactions, arrangements, agreements and/or documents as it may consider necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue, with full powers to assent to and accept any condition, modification, variation, arrangement and/or amendment to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the best interests of the Company or as may be imposed by any relevant authority or consequent upon the implementation of the aforesaid conditions, modifications, variations, arrangements and/or amendments and to take all steps as it considers necessary in connection with the Proposed Rights Issue in order to implement and give full effect to the Proposed Rights Issue;

THAT this Ordinary Resolution constitutes specific approval for the issuance of securities in the Company contemplated herein which is made pursuant to an offer, agreement or option and shall continue in full force and effect until all Rights Shares, Warrants and new MMAG Shares to be issued pursuant to or in connection with the Proposed Rights Issue have been duly allotted and issued in accordance with the terms of the Proposed Rights Issue;

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

4. CONCLUSION

There being no further matters, Tan Sri Chairman declared the Meeting concluded at 10:30 a.m.

Confirmed True Record,

**TAN SRI DATO' SERI MOHD KHAIRUL ADIB
BIN ABD RAHMAN**
Chairman of the Meeting

ANNEXURE I

Questions and answers in relation to MSWG's letter dated 3 October 2023

1. In MMAG Annual Report 2023, its independent auditor has highlighted a material uncertainty related to going concern in their report.

The details of the material uncertainty related to going concern as disclosed in the independent auditors' report is reproduced below: -

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

- a) The Proposed Rights Issue will be implemented on a Minimum Subscription Level (i.e. to raise minimum gross proceeds of RM18.0 million), via undertaking by Director and substantial shareholder, Chan Swee Ying who will partially subscribe to her entitlements of 100 million Rights Shares for a total subscription proceeds of RM10.0 million, while the remaining RM8.0 million will be underwritten by underwriter(s) to be finalised at a later date (page 8 of the circular dated 15 September 2023 ("Circular")). How many underwriters have given their indicative terms of underwriting to the Company? How confident is the Company in securing the underwriting commitment from the underwriter(s) if the Proposed Rights Issue is not successful, what are the alternative funding options available for the Company?

MMAG's Response:

- *Our management will commence discussion with potential underwriter(s) after obtaining our shareholders' approval for the Proposed Share Consolidation and the Proposed Rights Issue. The underwriting arrangement will be finalised and announced by our Company prior to the announcement of the entitlement date for the Proposed Rights Issue. Based on past rights issue exercise undertaken by our Company, the subscription rate for our rights issue was encouraging while our management is optimistic and will use our best endeavours in securing the underwriting commitment from underwriter(s) to ensure the success of the Proposed Rights Issue.*
 - *Our Group will assess, monitor and manage various types of financing (such as credit facilities or borrowings), re-allocate our internally generated funds and/or pursue other fund raising options (if required) in addressing the funding requirements for our Group's business purposes if the Proposed Rights Issue is not successful.*
- b) The quantum to be raised from the Proposed Rights Issue may not be sufficient to fully fund the Group's business expansion plans (page 31 of the Circular) and the group has been loss making for the past year 5 years (page 27 of the Circular). To what extent will the business expansion plans address and improve the Group's operations and

profitability? When is the Group expected to reverse its loss position in the courier & logistics services segment and air freight segment to turn it profitable?

MMAG's Response:

- *The Proposed Rights Issue is an avenue for us to raise sizable funds to purchase inventories for our Group's mobile and fulfilment segment, as well as to expand the courier and logistic segment by increasing our Group's connectivity points and expanding coverage areas through additional warehouses/hubs/depots at strategic locations. Our Group anticipates that with the new facilities and infrastructure in place, our warehousing and fulfilment facilities and hubs/depots coverage will support larger number of storage, deliveries and fulfilment and operate in a more efficient manner, thereby improving our Group's operations and financial condition in the near future. For the courier and logistics segment, our Group will have three revenue streams, i.e., courier & delivery, warehousing and fulfilment (which includes pick and pack of our customers' goods).*
- *Our Group also holds the view that the continuous government initiative to spur digital usage and the rollout of 5G which aims to increase the network coverage and quality will require upgraded ICT products for 5G network compatibility. This will increase the demand for ICT products which in turn, improve the demand for mobile and fulfilment services as well as logistics services of our Group and contribute positively to our Group's earnings and financial performance in the future. Adoption of 5G is still at infancy stage in Malaysia and there are plenty of room for our Group to leverage on this aspect. Our existing telecommunication operators' clients are in expansion mode with 5G in place. We will leverage on their expansion and at the same time, focus on getting new clients on board.*
- *Our Group commenced our air freight segment in June 2021 and it had contributed revenue of RM149.05 million and RM42.29 million for FYE 31 March 2023 and 3-month period ended 30 June 2023, respectively. Currently, this segment has yet to achieve economies of scale to record profitability.*

2. The Group has completed 3 private placements in the past 2 years. Fund raised as follows:

- RM13.6 million on 26 October 2022.
- RM15.6 million on 30 August 2021.
- RM37.4 million on 12 July 2021 (page 18-19 of the Circular).

And another fund-raising proposal is to be tabled at the upcoming EGM.

When does the Board expect the Group to generate sufficient cashflow from operating activities so that it can reduce dependency on repeated fund-raising exercises?

MMAG's Response:

- *Our team is working hard to turnaround our Group to ensure our Group is self-sustaining and able to generate sufficient cashflow from operating activities and as such, reduce dependency on repeated fund-raising exercises. Our Group targets to be self sufficient in the near future.*
- *It is permissible under the ACE LR for our Company to undertake private placement of new shares under a general mandate from our shareholders. Our Group continues to assess*

viability of various fund-raising options to raise funds for our business operations, subject to compliance with the Listing Requirements and its impact on our existing shareholders' shareholding in our Company.

3. Under the two-prong approach, the Group intends to expand their logistics networks via setting up new hubs and depots in the following states:

States	No. of hub/depot
Selangor	2 hubs and 3 depots
Kuala Lumpur	3 depots
Perlis	1 depot
Pulau Pinang	1 hub
Kelantan	1 depot

(page 13 of the Circular)

Please provide an update on the status of the construction/renovation works and leasing arrangements for all above 5 key projects? Are they proceeding according to schedule, or have there been any challenges in the construction/renovation process that could potentially impede timely completion?

MMAG's Response:

- The hub at Kota Damansara (Selangor) has commenced construction in 1st quarter of calendar year 2023 and is expected to complete in 2nd quarter of calendar year 2024. The lease arrangement for this hub is disclosed in page 13 of the Circular.*
- The depot at Pandamaran (Selangor) is expected to commence construction in 4th quarter of calendar year 2023 and complete in 2nd quarter of calendar year 2024. Our Group is still sourcing for the other 1 hub and 2 depots' location in Selangor.*
- The depot at Jalan Peel (Kuala Lumpur) has commenced construction in end June 2023 and is expected to complete in 4th quarter of calendar year 2023. The lease arrangement for this depot at Jalan Peel is disclosed in page 13 of the Circular. Our Group is still sourcing for the other 2 depots' location in Kuala Lumpur.*
- The depot at Perlis is currently awaiting for approval from the owner of the vacant land.*
- The hub at Seberang Perai (Pulau Pinang) is expected to commence construction in 4th quarter of calendar 2023 and is expected to complete in 3rd quarter of calendar year 2024. There was a delay in obtaining relevant authorities approval.*
- The depot at Machang (Kelantan) has commenced construction in 3rd quarter of calendar year 2023 and is expected to complete in 1st quarter of calendar year 2024. The lease arrangement for this depot is set out in Circular (page 13).*
- The main challenges faced by our Group or our consultants during the construction /renovation process is to obtain consent from nearby residential areas/schools who may be initially concerned on the safety of their residents/students and road conditions in their respective areas due to assumed high usage of heavy vehicles by our Group.*