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 has not perused the contents of Part B of this Circular prior to its issuance as it is prescribed as an exempt document. 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 or any 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**" or "**Company**") for the Proposals (as defined herein).

MMAG

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PART A

(I) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF MMAG AND ITS GROUP OF SUBSIDIARIES ("MMAG GROUP" OR "GROUP") TO INCLUDE THE PROVISION OF FINANCIAL SERVICES BUSINESS ("PROPOSED DIVERSIFICATION INTO FINANCIAL SERVICES BUSINESS"); AND

(II) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF MMAG GROUP TO INCLUDE AVIATION AND RELATED SERVICES ("PROPOSED DIVERSIFICATION INTO AVIATION BUSINESS")

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

PART B

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED AUTHORITY FOR OUR COMPANY TO PURCHASE OUR OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF OUR COMPANY ("PROPOSED SHARE BUY-BACK AUTHORITY")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser for Part A

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	:	Wednesday, 9 April 2025 at 10.00 a.m. or at any adjournment thereof
Last date and time for lodging the Proxy Form	:	Monday, 7 April 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 19 March 2025

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 Proposals dated 13 February 2025
AOC	:	Air Operator Certificate
Approval	:	The approval from Labuan FSA to our Group for the establishment of a wholly-owned subsidiary in Labuan, namely Skyfleet, to provide aircraft leasing services
ASL	:	Air Service License
Aviation Business	:	The provision of aviation and related services
B2B	:	Business to business
B2C	:	Business to consumers
Batik Air	:	Batik Air Malaysia Sdn Bhd
Board	:	Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
C2C	:	Consumers to consumers
CAAM	:	Civil Aviation Authority of Malaysia
CAGR	:	Compound annual growth rate
CAR	:	Civil Aviation Regulations 2016
Cipta X	:	Cipta X Sdn Bhd
Circular	:	This circular/statement to shareholders dated 19 March 2025 in relation to the Proposals and Proposed Share Buy-Back Authority
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
FCZ	:	Free Commercial Zone
Financial Services Business	:	The provision of financial services business which involves moneylending and hire purchase financing businesses
FPE	:	Financial period ended/ending, as the case may be

FYE	:	Financial year ended/ending, as the case may be
GHL	:	Ground Handling License
HP Act	:	Hire Purchase Act 1967
ICT	:	Information and communication technology
IMR Report	:	Independent market research report on the aviation industry in Malaysia dated 12 March 2025 prepared by SMITH ZANDER
IT	:	Information technology
KLIA	:	Kuala Lumpur International Airport
Labuan FSA	:	Labuan Financial Services Authority
LAT	:	Loss after taxation
LBT	:	Loss before taxation
LCE	:	Line Clear Express Sdn Bhd, an indirect 95.00%-owned subsidiary of our Company
License	:	Moneylending license issued by the Ministry under the Moneylenders Act
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	6 March 2025, being the latest practicable date prior to the printing of this Circular
LPS	:	Loss per Share
MAB	:	Malaysia Airlines Berhad
MAC	:	MMAG Aviation Consortium Sdn Bhd, a wholly-owned subsidiary of our Company
MACA	:	Malaysian Aviation Commission Act 2015
Masakan	:	Masakan Kampungku Sdn Bhd, an indirect wholly-owned subsidiary of our Company
MASKargo	:	MAB Kargo Sdn Bhd
MAVCOM	:	Malaysian Aviation Commission
Menzies Aviation	:	Menzies Aviation (Malaysia) Sdn Bhd (formerly known as MYMenzies Sdn Bhd), a 49.00%-owned associate of our Group
Menzies Malaysia or Vendor	:	Menzies Malaysia Sdn Bhd
Menzies Aviation Share(s)	:	Ordinary shares in Menzies Aviation
Ministry	:	Ministry of Housing and Local Government
MJets	:	MJets Air Sdn Bhd (formerly known as M Jets International Sdn Bhd), a 99.03%-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
Moneylenders Act	:	Moneylenders Act 1951
MOV	:	MMAG Omni Ventures Sdn Bhd, a wholly-owned subsidiary of our Company
MSS	:	MMAG Sky Services Sdn Bhd (formerly known as Line Clear Express (KT) Sdn Bhd), an indirect wholly-owned subsidiary of our Company
MT	:	Metric tonnes
NA	:	Net assets
Oceanic	:	Oceanic Transshipment Sdn Bhd, an indirect 70.00%-owned subsidiary of our Company
PAT	:	Profit after taxation
POS Aviation	:	Pos Aviation Sdn Bhd
Proposals	:	Proposed Diversification into Financial Services Business and Proposed Diversification into Aviation Business, collectively
Proposed Diversification into Aviation Business	:	Proposed diversification of the existing business of our Group to include Aviation Business
Proposed Diversification into Financial Services Business	:	Proposed diversification of the existing business of our Group to include Financial Services Business
Proposed Share Buy-Back Authority	:	Proposed authority for our Company to purchase our own shares of up to 10% of the total number of issued shares of our Company
Raya Airways	:	Raya Airways Sdn Bhd
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
Skyfleet	:	MMAG Skyfleet Limited, an indirect wholly-owned subsidiary of our Company
SkyVault	:	SkyVault Cargo Sdn Bhd, an indirect wholly-owned subsidiary of our Company
SMEs	:	Small and medium-sized enterprise(s)
SMITH ZANDER	:	Smith Zander International Sdn Bhd
SPA	:	Share purchase agreement dated 26 August 2024 entered into between MSS and Menzies Malaysia for the acquisition of 980 Menzies Aviation Shares, representing 49.00% of the equity interest in Menzies Aviation for a cash consideration of RM1,000
SSA	:	Shares sale agreement dated 23 January 2025 entered into between MOV and Chee Yi Hao for the acquisition of 2,480,000 Titiwangsa Capital Shares, representing 25.00% equity interest in Titiwangsa Capital for a cash consideration of RM2,500,000

Subscription and Shareholders' Agreement	:	Subscription and shareholders' agreement dated 8 November 2024 entered into between MOV, Dato' Goh Soo Wee and Titiwangsa Capital, in relation to the subscription of shares and shareholder arrangements in Titiwangsa Capital
TAC	:	Ground Handling Technical Approval Certificate
TA Securities or the Principal Adviser	:	TA Securities Holdings Berhad
Titiwangsa Capital Share(s)	:	Ordinary shares in Titiwangsa Capital
Titiwangsa Capital	:	Titiwangsa Capital Sdn Bhd (formerly known as Mpire Capital Sdn Bhd), a wholly-owned subsidiary of MOV
USD	:	United States Dollar
Velocity	:	Velocity Capital Partner Berhad
Warrants	:	112,683,954 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)
XCT	:	XCT Aviation Sdn Bhd, an indirect wholly-owned subsidiary of our Company
XCT Cambodia	:	XCT Aviation (Cambodia) Co Ltd, an indirect wholly-owned subsidiary of our Company
YOY	:	Year-on-year

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.

THIS EXECUTIVE SUMMARY SETS OUT THE SALIENT INFORMATION ON THE PROPOSALS. PLEASE READ THIS CIRCULAR (INCLUDING ITS APPENDICES CONTAINED HEREIN) CAREFULLY FOR FURTHER DETAILS ON THE PROPOSALS BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

Summary	
Details of the Proposals	To diversify our Group's businesses to include Financial Services Business and Aviation Business. Refer to Part A, Section 2 of this Circular for further information.
Rationale and justification	The Proposals provide our Group with additional stream of income and at the same time reduce reliance on our Group's existing businesses. Refer to Part A, Section 3 of this Circular for further information.
Risk factors	**Financial Services Business** Our Group will be exposed to risk of changes in regulatory and licensing requirements, political, economic, market and regulatory risks, credit risk, fraud risk, competition risk and financing risk. **Aviation Business** Our Group will be exposed to termination and non-renewal risk of licenses and approvals, reliance of third parties to provide facilities and services that are integral to our Group's business operations and our Group may incur significant amount of debt or may need to raise new equity in the future to finance the Aviation Business. Refer to Part A, Section 4 of this Circular for further information.
Approvals required	The Proposals are subject to approvals being obtained from the following: (i) the shareholders of our Company at an EGM to be convened for the Proposals; and (ii) any other relevant regulatory authorities and/or parties, if required. Refer to Part A, Section 7 of this Circular for further information.
Inter-conditionality	The Proposals are not inter-conditional upon each other and are also not conditional upon any other corporate exercise/scheme of our Company. Refer to Part A, Section 8 of this Circular for further information.
Interested parties	None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, direct or indirect, in the Proposals. Refer to Part A, Section 10 of this Circular for further information.

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APPENDICES

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PART A

LETTER TO THE SHAREHOLDERS OF OUR COMPANY IN RELATION TO THE PROPOSALS

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

19 March 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)
Ahmad Luqman Bin Mohd Azmi (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: Our shareholders

Dear Sir / Madam,

(I) PROPOSED DIVERSIFICATION INTO FINANCIAL SERVICES BUSINESS; AND
(II) PROPOSED DIVERSIFICATION INTO AVIATION BUSINESS

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

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1. INTRODUCTION

On 13 February 2025, TA Securities had, on behalf of our Board, announced that our Company proposes to undertake the Proposals.

Further details of the Proposals are set out in the ensuing sections of Part A of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS, TO SET OUT THE VIEWS AND RECOMMENDATION OF OUR BOARD ON THE PROPOSALS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS 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 RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSALS

As at the LPD, our Group is involved in the following business segments:

(i) mobile and fulfilments (i.e. mobile operators' third-party logistics and fourth-party logistics contracts, fulfilment business and physical and online sale of smart devices);

(ii) courier and logistics (i.e. express delivery or last mile delivery services B2B, B2C and C2C, warehousing, customised solutions, freight forwarding and customs clearance services);

(iii) air freight (i.e. provision of air freight, cargo handling and air freight's warehousing services); and

(iv) others (i.e. investment holding and other dormant companies).

The financial results for the existing business activities of MMAG Group for the past 2 FYEs 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 2022		**FYE 31 March 2023**		**18-month FPE 30 September 2024(1)**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**
Revenue						
- Mobile and fulfilments	269,053	69.72	195,688	46.36	357,914	43.42
- Courier and logistics	63,448	16.44	77,134	18.28	136,155	16.52
- Air freight	53,142	13.77	149,048	35.31	330,138	40.05
- Others	235	0.07	225	0.05	164	0.01
Total	**385,878**	**100.00**	**422,095**	**100.00**	**824,371**	**100.00**
PAT/(LAT)						
- Mobile and fulfilments	15,287	(47.39)	8,813	(9.86)	9,279	(8.83)
- Courier and logistics	(53,725)	166.55	(34,593)	38.70	(9,223)	8.77
- Air freight	(26,428)	81.93	(56,959)	63.72	(102,630)	97.66
- Others	32,608	(101.09)	(6,653)	7.44	(2,520)	2.40
Total	**(32,258)**	**100.00**	**(89,392)**	**100.00**	**(105,094)**	**100.00**

Note:

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

Our Group recorded growth in revenue during the financial years/period under review from RM385.88 million for the FYE 31 March 2022 to RM824.37 million for the 18-month FPE 30 September 2024, which is mainly attributed to the mobile and fulfilments, courier and logistics segments as well as air freight segment.

Our Group's mobile and fulfilments segment recorded revenue of RM269.05 million for the FYE 31 March 2022 to RM357.91 million for the 18-month FPE 30 September 2024 (the annualised revenue for 18-month FPE 30 September 2024 was RM238.61 million), which is mainly driven by the mobile devices distribution and services rendered as telecommunication operators' value adding partner. Meanwhile, our Group's courier and logistics segment reported growth in revenue from RM63.45 million for the FYE 31 March 2022 to RM136.16 million for the 18-month FPE 30 September 2024 (the annualised revenue for 18-month FPE 30 September 2024 was RM90.77 million) as a result of the continuously increase in e-commerce transactions which led to higher demand for courier and logistics services and the general recovery of the economy post pandemic. Despite the growth in revenue, our Group has incurred losses in the courier and logistics which were attributed to the operating expenditure, capital expenditure cost of the business and warehouse rental.

There was an increasing trend in revenue for our Group's air freight segment over the financial years/ period under review, from RM53.14 million for the FYE 31 March 2022 to RM330.14 million for the 18-month FPE 30 September 2024 (the annualised revenue for 18-month FPE 30 September 2024 was RM220.09 million) as a result of the air cargo logistics business of MJets, complements the courier and logistics business undertaken by LCE, which enables our Group to provide integrated courier and logistics services with wider coverage of end-to-end services and shorter timeframe of delivery services, allowing our Group to further strengthen and expand our network and connectivity. Despite the growth in revenue recorded for the air freight segment, it has also reported LAT of RM26.43 million for the FYE 31 March 2022 to RM102.63 million for the 18-month FPE 30 September 2024 (the annualised LAT for 18-month FPE 30 September 2024 was RM68.42 million), which were mainly attributed to the depreciation charge from the rights-of-use assets, leasing interest expenses and higher administrative expenses due to the recruitment of additional staff and higher office-related expenses for the air freight segment. Notwithstanding the LAT recorded for our Group's air freight segment, our LAT margin has decreased from 49.73% in the FYE 31 March 2022 to 31.09% in the 18-month FPE 30 September 2024, driven by new contracts secured from both existing and new customers, supported by strategic partnerships and higher cargo volumes.

As part of the plan to improve our financial performance, our Group intends to provide financial solutions to underserved segments, comprising amongst others, investment holding companies, SMEs and start-up entrepreneurs across various industries. Additionally, our Group also plans to offer flexible financing schemes to transportation and logistics entrepreneurs to fund the purchase of vehicles, trucks and/or working capital. This initiative aims to strengthen our Group's capabilities by improving infrastructure, including transport vehicles for pick-up and delivery operations, thereby supporting our Group's logistics business through a mutually beneficial relationship. In addition, by offering financial solutions to transportation and logistics entrepreneurs, we are also presented with the opportunity to form strategic collaborations with logistics operators who have secured financing from us. This allows us to leverage on their delivery network, particularly in areas and routes where our coverage and demand from our customers are limited. Additionally, outsourcing orders to individual drivers who have purchased trucks and commercial vehicles through our financial solutions would enable us to expand our operational capacity by ensuring a steady supply of drivers with transport vehicles and extend our reach to better serve areas with limited coverage and meet the growing demand effectively. Furthermore, our Group is able to strengthen our financial position by diversifying our revenue through interest income from the Financial Services Business. Thus, the integration of financial solutions into our supply chain operations, not only supports our delivery network, but also enhances our logistics capabilities, ensuring long-term sustainability and competitiveness in the logistics industry. Moving forward, our Group aims to increase our loan portfolio to approximately RM25.00 million by March 2026 and expand the Financial Services Business by using a combination of internally generated funds, proceeds from the conversion of our Company's outstanding convertible securities and/or proceeds from future fundraising exercises (if any).

In addition to the above, our Company has also established a wholly-owned subsidiary, namely MAC, as our Group's aviation arm to streamline and consolidate our businesses while expanding our offerings into other aviation services. In order to expand our air freight capabilities and enhance our products and services offerings, our Group had on 26 August 2024, via our indirect wholly-owned subsidiary, MSS, entered into a SPA with Menzies Malaysia to further venture into the ground handling services via acquisition of 49% equity interest in Menzies Aviation. Menzies Aviation had on 30 October 2024, secured the GHL from the MAVCOM with a validity period of 12 months, from 1 November 2024 to 31 October 2025 and is renewable on a yearly basis, to carry out ground handling operations in Malaysia. This enables Menzies Aviation to deliver comprehensive ground handling services for both cargo and passenger aircraft which includes passenger handling, aircraft services (i.e. fueling, maintenance support, aircraft towing and marshalling, ground power unit services, baggage and cargo loading/unloading, aircraft parking management), ramp handling and cargo operations to ensure quick turnaround times and efficient ground operations at airports. Menzies Aviation has commenced its operations at KLIA since November 2024. The salient terms of the SPA are set out in **Appendix III** of this Circular.

Furthermore, our Group had on 1 November 2024 received a letter of approval from the Labuan FSA on the notification in relation to the approval for the establishment of a wholly-owned subsidiary in Labuan, namely Skyfleet, to provide aircraft leasing services. The Approval will enable Skyfleet to provide aircraft leasing services, facilitating the leasing of aircraft from our Group to third party customers and managing the leasing of aircraft by our Group to another company within our Group. This strategic move is expected to enhance operational efficiency and optimise asset management across our Group's aviation portfolio. By streamlining leasing processes and improving fleet management, our Board anticipates that the business of Skyfleet, will in turn contribute positively to our Group's overall future earnings and improve our Group's financial position.

Premised on the above, our Board expects that the Financial Services Business and Aviation Business may contribute more than 25% of the net profits of our Group or cause a diversion of more than 25% of our NA moving forward.

Accordingly, our Board proposes to seek approval from the shareholders of MMAG for the Proposals pursuant to Rule 10.13(1) of the Listing Requirements, at an EGM to be convened.

The Proposals represent a strategic plan to diversify into the Financial Services Business and Aviation Business, whereby our Group aims to reduce reliance on its existing businesses and align with longer-term goals for sustainable development that would enhance shareholders' value in the long run by expanding our revenue and/or earnings base.

Notwithstanding the Proposals, our Board will continue with the existing businesses of our Group in the same manner. Our Board will continuously review our Group's business operations from time to time with the intention of improving our Group's financial performance and position.

2.1. Proposed Diversification into Financial Services Business

2.1.1. Subscription/acquisition of Titiwangsa Capital

On 8 November 2024, our Group had via MOV, a wholly-owned subsidiary of our Company, entered into a Subscription and Shareholders' Agreement to subscribe 2,600,000 Titiwangsa Capital Shares, a company which is holding the License for a total cash consideration of RM2,600,000, representing 51.18% equity interest in Titiwangsa Capital. Subsequently on 16 December 2024, MOV subscribed an additional 4,840,000 Titiwangsa Capital Shares, for a cash consideration of RM4,840,000, increasing its equity interest held in Titiwangsa Capital to 75.00%.

On 23 January 2025, MOV had entered into a SSA to further acquire the remaining 2,480,000 ordinary shares, representing 25.00% equity interest in Titiwangsa Capital for a cash consideration of RM2,500,000 from the shareholder of Titiwangsa Capital, namely Chee Yi Hao. Following the acquisition of 25.00% equity interest in Titiwangsa Capital, Titiwangsa Capital became the wholly-owned subsidiary of MOV. The cash consideration of RM2,600,000, RM4,840,000 and RM2,500,000 shall hereinafter be collectively referred to as the "**Purchase Consideration 1**".

The salient terms of the Subscription and Shareholders' Agreement and SSA are further set out in **Appendix I and II** of this Circular, respectively.

2.1.1.1. Background information of Titiwangsa Capital

Titiwangsa Capital was incorporated in Malaysia on 29 September 2017 as a private limited company under the Act and is principally involved in providing financial leasing activities. It commenced its operation since 4 November 2019 with the License which is recently renewed with a validity period of up to 21 December 2026 and the License is renewable every 2 years' period.

As at the LPD, the issued share capital of Titiwangsa Capital is RM9,920,000 comprising 9,920,000 ordinary shares. The existing directors of Titiwangsa Capital are Kenny Khow Chuan Wah, Chin Boon Long and Lim Poh Leng.

The details of the License are as follows:

License holder	:	Titiwangsa Capital
License number	:	WL4304/10/0l-10/211226
Effective date	:	22 December 2024
Expiry date	:	21 December 2026
Business address	:	No. 175-2, Jalan Lanchang, Taman Sri Bahtera, 56100, Wilayah Persekutuan Kuala Lumpur
Special conditions	:	(i) All loan transactions must be conducted in the name of the moneylender and at the business address above. (ii) The License cannot be transferred or allowed or caused to be used by another person without obtaining the Registrar of Moneylenders' approval. (iii) This License cannot be used for pawnbroking business. (iv) Renewal of the License approved by the Registrar of Moneylenders does not release or exempt the License holder from actions under Section 9A(a) of the Moneylenders Act 1951 that may be taken by the Registrar of Moneylenders against the License holder for the period from 22 December 2022 to 21 December 2024. (v) Moneylender license holders who do not record transactions for 4 consecutive years may be subject to suspension or revocation of the License. (vi) Moneylender license holders who have held a license for more than 2 years are required to record transactions of at least RM100,000 per annum. (vii) Disbursement of loans to borrowers must be made via electronic fund transfer only.

Further details on the information on Titiwangsa Capital are set out in **Appendix IV** of this Circular.

2.1.1.2. Basis of the Purchase Consideration 1

The Purchase Consideration 1 was arrived at on a willing buyer-willing seller basis after considering that the unaudited net asset value of Titiwangsa Capital of approximately RM2.61 million as at 30 September 2024 and Chee Yi Hao's original cost of investment of RM2.48 million in Titiwangsa Capital.

2.1.1.3. Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by our Company arising from the subscription/acquisition of Titiwangsa Capital.

2.1.1.4. Highest transaction ratio

The highest transaction ratio for the subscription/acquisition of Titiwangsa Capital is 4.07% pursuant to paragraph 10.02(g) of the Listing Requirements, calculated based on the aggregate value of the consideration of RM9.94 million over the NA of our Group of RM170.62 million and RM288.13 million, as at 31 March 2023 and 30 September 2024, respectively. As such, our Company is not required to make an announcement on the subscription/acquisition of Titiwangsa Capital and it is not subject to approval from our shareholders.

2.1.2. Business strategies and future plans

Our Group aims to undertake the Financial Services Business with the provision of moneylending and hire purchase facilities via Titiwangsa Capital. Titiwangsa Capital offers flexible financing solutions, by providing both secured and unsecured loans to cater a wide range of borrowers, such as individuals, entrepreneurs, SMEs and investment holding companies, empowering them to meet their financial needs effectively by providing them with financing options for various purposes, including personal financing, working capital, business start-ups, expansion projects and investments. The range of the interest rate for moneylending activities of Titiwangsa Capital shall not be more than 12% per annum for secured loans and not more than 18% per annum for unsecured loans in accordance with the Moneylenders Act. For information purposes, Titiwangsa Capital does not restrict the maximum loan amount to borrowers as it is subject to the assessment of risk profile as well as market value and type of securities given. The different quantum of loanable amount requires different level of approval from the management and/or board of directors of Titiwangsa Capital and/or our Board. Titiwangsa Capital has also put in place internal policies to monitor the collection from borrowers and minimise default risks.

Meanwhile, under the hire purchase facilities, Titiwangsa Capital's main focus is in the automotive financing segment, with priority given to trucks and commercial vehicle loans at this juncture, enabling them to finance the purchase of trucks and commercial vehicles for logistics operations.

For the avoidance of doubt, there is no licensing requirement under the HP Act for any company which provides hire purchase financing business. A company that provides hire purchase financing business is required to comply with the relevant forms, contents of hire purchase agreements as well as the rights and duties of the parties to such hire purchase agreements under the provisions of the HP Act. Furthermore, hire purchase financing of commercial vehicles (weighing below 2,540 kilogram ("**kg**")) shall comply with the HP Act while the hire purchase financing of commercial vehicles (weighing above 2,540 kg), industrial machineries and equipment is not required to comply with the HP Act as they do not fall under the purchase of consumer goods (i.e. goods purchased for personal, family or household purposes) and vehicles within the purview of the HP Act. The hire purchase financing business is regulated under the HP Act wherein the margin of financing is capped at 90% of the value of the vehicles and a maximum interest rate of 10%.

As at 28 February 2025, our Group has an existing loan base of approximately RM2.72 million. Our Group aims to increase our loan portfolio to approximately RM25.00 million by expanding our financial services to the potential borrowers who are underserved by licensed financial institutions and co-operatives, including investment holding companies, SMEs, and start-up entrepreneurs from diverse industries. Our Group intends to progressively expand the Financial Services Business by using a combination of internally generated funds, proceeds from the conversion of our Company's outstanding convertible securities and/or proceeds from future fundraising exercises (if any).

The Financial Services Business is expected to complement our Group's courier and logistics segment as our Group can offer suitable automotive financing schemes through our hire purchase financing facilities to various customers who purchase trucks and commercial vehicles for logistics operations. By offering financial solutions to transportation and logistics entrepreneurs, we are also presented with the opportunity to form strategic collaborations with logistics operators who have secured financing from us. This strategic collaboration is expected to strengthen our delivery network, particularly in areas with limited coverage. In addition, offering financial solutions to truck drivers who have financed their trucks through our Group would also expand our operational capacity by ensuring a steady supply of drivers with transport vehicles, which are crucial for sustaining high-volume operations as well as ensuring long-term sustainability and competitiveness of our Group in the logistics industry. This would also enable our Group to capitalise on new growth opportunities, generate additional revenue streams from financial services and effectively meet the operational demands of our logistics business.

2.2. Proposed Diversification into Aviation Business

The acquisition of the equity stake in Menzies Aviation enables our Group to broaden our air freight business into a more extensive range of aviation services such as ground handling services for both cargo and passenger aircraft. In addition, the Approval granted to our Group by the Labuan FSA to establish Skyfleet in Labuan will enable Skyfleet to provide aircraft leasing services, facilitating the leasing of aircraft from our Group to third party customers and managing the leasing of aircraft by our Group to another company within our Group. Moving forward, our Group's Aviation Business which is inclusive of the existing air freight business is expected to be led by MAC. The group of companies under MAC consists of the following companies:

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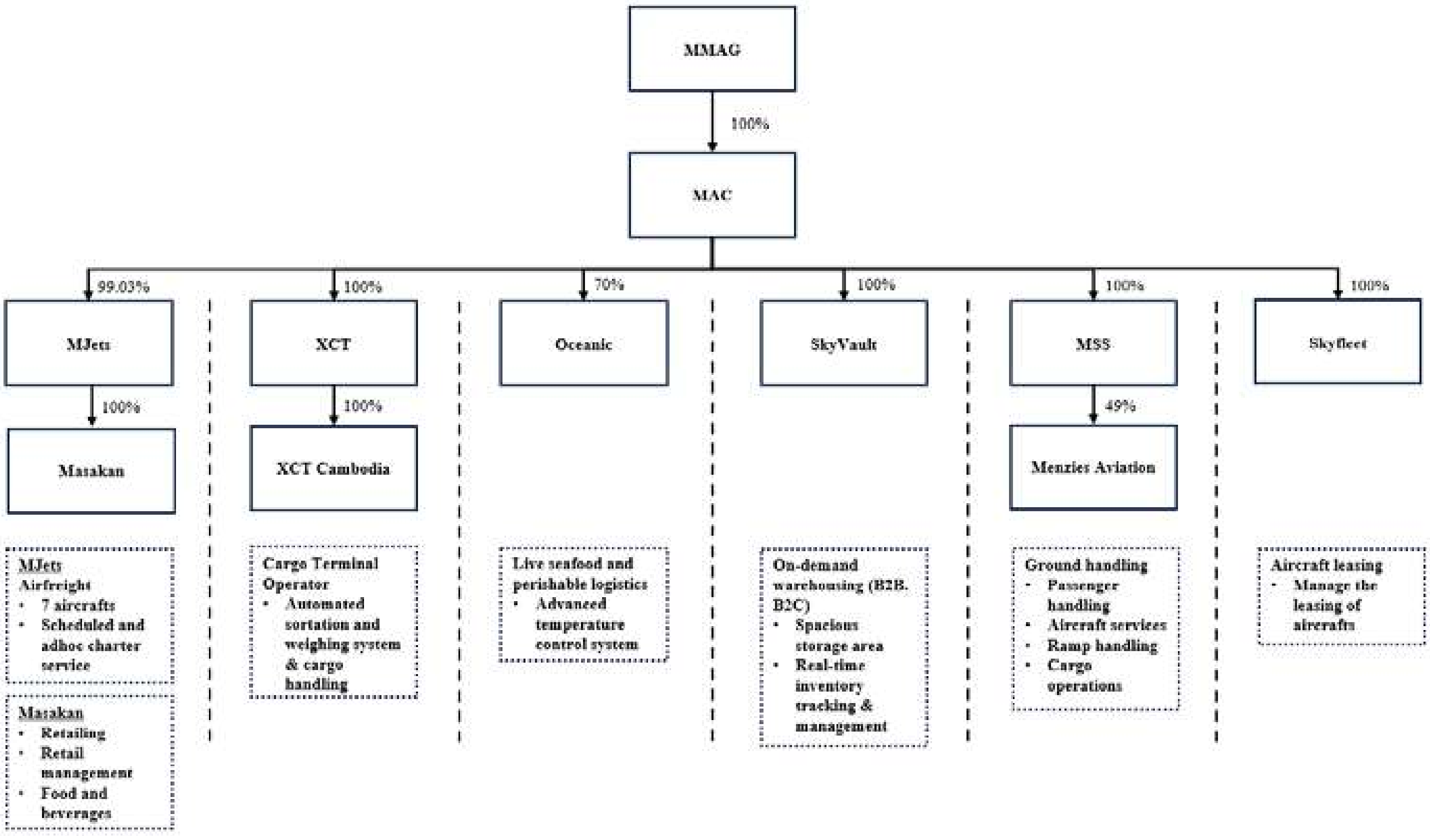

2.2.1 Information on MAC

MAC was duly incorporated in Malaysia on 29 January 2024 as a private limited company under the Act with its registered office at A-03-03, Conezion Commercial, Persiaran IRC 3, IOI City Putrajaya, 62502 Putrajaya, W.P. Putrajaya. Its business address is at Mezzanine Floor CS 1, Cainiao KLIA FCZ, KLIA Cargo Village, Jalan S3, 64000 Sepang, Selangor.

MAC is principally engaged in investment holding for companies involved in warehousing, cargo handling, aviation services and other service incidental to air transportation.

As at the LPD, the issued share capital of MAC is RM100, comprising 100 ordinary shares and the directors of MAC are Tan Sri Dato' Sri Mohd Khairul Adib Bin Abd Rahman, Chin Boon Long and Lin Pei Wen, all of whom are Malaysian.

2.2.2 Information on MJets

MJets was duly incorporated in Malaysia on 9 January 2018 as a private limited company under the Act with its registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1 Medan Syed Putra, 59200 Kuala Lumpur. Its business address is at Mezzanine Floor CS 1, Cainiao KLIA FCZ, KLIA Cargo Village, Jalan S3, 64000 Sepang, Selangor.

MJets commenced its operation since 8 June 2021 and is principally involved in:

(i) airline charter flights including scheduled and non-scheduled[(1)] and providing all kinds of aviation facilities, product and services;

(ii) cargo handlers, common carrier and operate warehouse; and

(iii) consultancy in aviation related fields and General Aviation Training, Scientific and Technical Activities.

Note:

(1) To operate for non-scheduled flights, MJets is required to apply on an adhoc basis for an approval from MAVCOM, CAAM and secure a flight slot allocation from the National Slot Committee Malaysia.

As at the LPD, the directors of MJets are Kenny Khow Chuan Wah, Lin Pei Wen, Shanmugananthan A/L Ratnam and Saysu A/L S. Michael, as an alternate director to Shanmugananthan A/L Ratnam, all of whom are Malaysian.

As at the LPD, the issued share capital of MJets is RM106,000,000, comprising 1,426,000,000 ordinary shares. The existing shareholders of MJets are as follows:

	Direct	
	Number of shares	**%**
MAC	1,412,200,000	99.03
JT Aerotech Solutions Sdn Bhd	9,200,000	0.65
Spacecode Sdn Bhd	4,600,000	0.32
	1,426,000,000	**100.00**

Save for Masakan, MJets does not have any subsidiary nor associated company as at the LPD.

MJets operates under licenses and permits such as the ASL, AOC, GHL and TAC issued by MAVCOM and the CAAM. Details of the licenses and certificates are set out as below:

ASL

ASL is a license granted by MAVCOM to provide scheduled air transport services in accordance with the MACA. The ASL is required to transport passengers, mail or cargo for hire or reward by air between any 2 or more places, of which 1 falls within Malaysia’s borders. Under the ASL, MJets is allowed to provide scheduled air transport services in accordance with the MACA. Further details of the ASL held by MJets are set out below:

License holder	:	MJets
License number	:	ASL000051
Effective date	:	1 November 2024
Expiry date	:	31 October 2025

AOC

Under the CAR, airlines are required to hold an AOC granted by CAAM to certify that the airlines are authorised to perform commercial air transportation. Under the AOC, MJets is allowed to perform commercial air transport over domestic and international routes including but not limited to major hubs like Kuala Lumpur, Kota Kinabalu, Kuching, Penang, Chengdu, Hong Kong, Saigon and Macau as specified and approved by the CAAM. Further details of the AOC held by MJets are set out below:

License holder	:	MJets
Certificate number	:	AOC NO. 63
Effective date	:	1 July 2024
Expiry date	:	30 June 2027

GHL

GHL is a license granted by MAVCOM to carry out ground handling services in Malaysia in accordance with the MACA. Under the GHL, MJets is allowed to carry out ground handling services which includes aircraft handling, loading and unloading, freighter handling and ramp services. Further details of the AOC held by MJets are set out below:

License holder	:	MJets
License number	:	GHL000148
Effective date	:	1 November 2024
Expiry date	:	31 October 2025

TAC

Under the CAR, the TAC is required for operators to undertake any ground handling services which are specified in the MACA. Under the TAC, MJets is allowed to undertake ground handling services in the category of services such as ground administration and supervision, freight and mail handling (i.e. landslide and airside), flight operations and crew administration, surface transport and ramp handling. Further details of the TAC held by MJets are set out below:

License holder	:	MJets
Certificate number	:	TAC NO. 35
Effective date	:	1 September 2024
Expiry date	:	31 August 2025

2.2.3 Information on Masakan

Masakan was duly incorporated in Malaysia on 16 October 2023 as a private limited company under the Act with its registered office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No.1 Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan. Its business address is at Mezzanine Floor CS 1, Cainiao KLIA FCZ, KLIA Cargo Village, Jalan S3, 64000 Sepang, Selangor.

Masakan commenced its operation since 18 November 2024 and is principally involved in retail management for convenience store products, food and beverages, offering a wide variety of cuisines including Malay, Chinese and Indian food, catering to the employees working in the KLIA Cargo Village area and visitors.

As at the LPD, the issued share capital of Masakan is RM1, comprising 1 ordinary share which is wholly-owned by MJets. The existing director of Masakan is Kenny Khow Chuan Wah, whom is a Malaysian.

As at the LPD, Masakan does not have any subsidiary nor associated company.

2.2.4 Information on XCT

XCT was duly incorporated in Malaysia on 23 January 2024 as a private limited company under the Act with its registered office at A-03-03, Conezion Commercial, Persiaran IRC 3, IOI City Putrajaya, 62502 Putrajaya, W.P. Putrajaya. Its business address is at Mezzanine Floor CS 1, Cainiao KLIA FCZ, KLIA Cargo Village, Jalan S3, 64000 Sepang, Selangor.

XCT is principally involved in cargo handling activities.

XCT had on 28 February 2025 obtained a conditional approval for GHL from MAVCOM with a validity period of up to 28 February 2026. XCT will submit the business plan and other necessary documents to MAVCOM as requested under the conditional approval to obtain the final approval for the GHL, which is expected to be obtained in the 2nd quarter of 2025 for the commencement of its cargo operations business.

As at the LPD, the issued share capital of XCT is RM1,000,000, comprising 1,000,000 ordinary shares which are wholly-owned by MAC. The existing directors of XCT are Kenny Khow Chuan Wah and Lin Pei Wen, all of whom are Malaysian.

Save for XCT Cambodia, XCT does not have any subsidiary nor associated company as at the LPD.

2.2.5 Information on XCT Cambodia

XCT Cambodia was duly incorporated in Cambodia on 4 September 2024 under the laws of the Kingdom of Cambodia with its registered office and business address at No. A3A, 3rd Floor, Room A, street Central Park (One Park) Phum Phum 1, Sankat Srah Chork, Khan Daun Penh, Phnom Penh, Cambodia.

XCT Cambodia is principally involved in cargo handling activities.

XCT Cambodia is in the midst of obtaining the necessary consents, licenses, permissions and authorisation from the relevant authorities for its cargo terminal operations in Cambodia, which are expected to be obtained by the 3rd quarter of 2025, with operations thereafter commencing in the 4th quarter of 2025.

As at the LPD, the issued share capital of XCT Cambodia is USD1,000 (approximately RM4,445), comprising 1,000 ordinary shares which are wholly-owned by XCT. The existing directors of XCT Cambodia are Chin Kuan Mei and Lin Pei Wen, all of whom are Malaysian.

As at the LPD, XCT Cambodia does not have any subsidiary nor associated company.

2.2.6 Information on Oceanic

Oceanic was duly incorporated in Malaysia on 19 December 2023 as a private limited company under the Act with its registered office at A-03-03, Conezion Commercial, Persiaran IRC 3, IOI City Putrajaya, 62502 Putrajaya, W.P. Putrajaya. Its business address is at Mezzanine Floor CS 1, Cainiao KLIA FCZ, KLIA Cargo Village, Jalan S3, 64000 Sepang, Selangor.

Oceanic is principally involved in seafood transshipment warehouse and livestock freshness services.

For information purposes, there are no licenses required by Oceanic to carry out its business activities. As at the LPD, Oceanic has completed the setup of the Oceanic Transshipment Hub at Cainiao Aeropolis eWTP Hub, FCZ, KLIA Cargo Village, Jalan S3, 64000 Sepang, Selangor, which is equipped with custom-built fish tank workspaces and cold storage to maintain the freshness of seafood. With the completion of the set-up, Oceanic has begun its sales and marketing efforts and is expecting to generate revenue by the 2nd quarter of 2025.

As at the LPD, the existing directors of Oceanic are Kevin Jit Singh A/L Ragbir Singh, Lin Pei Wen, Rajini Kanth A/L Muthusamy as well as Kenny Khow Chuan Wah, whom are Malaysian and Chen Guo Wei, whom is a Chinese.

As at the LPD, the issued share capital of Oceanic is RM100,000, comprising 100,000 ordinary shares. The existing shareholders of Oceanic are as follows:

	Direct	
	Number of shares	**%**
MAC	70,000	70,00
Asia Express Limited	20,000	20.00
Suniao Supply Chain Sdn Bhd	10,000	10.00
	100,000	**100.00**

As at the LPD, Oceanic does not have any subsidiary nor associated company.

2.2.7 Information on SkyVault

SkyVault was duly incorporated in Malaysia on 24 January 2019 as a private limited company under the Act with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur. Its business address is at Mezzanine Floor CS 1, Cainiao KLIA FCZ, KLIA Cargo Village, Jalan S3, 64000 Sepang, Selangor.

SkyVault commenced its operations since 15 April 2024 and is principally involved in the provision of on-demand warehousing solutions. SkyVault offers customisable warehousing solutions tailored to B2B and B2C clients via its advanced warehouse management system. It enhances our Group’s logistics capabilities by providing value-added services such as product assembly and packaging. Furthermore, SkyVault operates in the KLIA FCZ, providing a flexible, on-demand warehousing solution tailored for transshipment. Unlike traditional warehouses designed for long-term inventory storage, SkyVault focuses on short-term, rapid storage for time-sensitive logistics and quick turnaround. Its location within the FCZ enables Skyvault to benefit from streamlined customs procedures and reduced regulatory burdens, which results in more efficient air cargo operations compared to conventional warehouses outside the FCZ.

As at the LPD, the issued share capital of SkyVault is RM2, comprising 2 ordinary shares which are wholly-owned by MAC. The existing directors of SkyVault are Kenny Khow Chuan Wah and Lin Pei Wen, all of whom are Malaysian.

As at the LPD, SkyVault does not have any subsidiary nor associated company.

2.2.8 Information of MSS

MSS was duly incorporated in Malaysia on 14 August 2020 as a private limited company under the Act with its registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur. Its business address is at No. 3, Jalan TP2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor.

MSS is principally engaged in investment holding for company involved in ground handling and other aviation services. MSS had on 11 November 2024 via its associate company, Menzies Aviation, commenced its operation in the business of the provision of ground handling services and other airline related services to its airline customers.

As at the LPD, the issued share capital of MSS is RM10, comprising 10 ordinary shares which are wholly-owned by MAC. The existing directors of MSS are Woo Kam Weng and Lin Pei Wen, all of whom are Malaysian.

Save for Menzies Aviation, a 49% associate of MSS, it does not have any subsidiary nor associated company as at the LPD.

2.2.9 Acquisition of Menzies Aviation

On 26 August 2024, our Company announced that on the even date, our Group had via MSS, an indirect wholly-owned subsidiary of our Company, entered into a SPA with Menzies Malaysia, for the acquisition of 980 Menzies Aviation Shares, representing 49% of the equity interest in Menzies Aviation for a total cash consideration of RM1,000 ("**Purchase Consideration 2**"). On 24 September 2024, Menzies Aviation became a 49%-owned associate of our Group upon completion of our Group's acquisition of the 49% equity interest of Menzies Aviation. Subsequently, MSS had on 3 October 2024, further subscribed for 2,106,020 Menzies Aviation Shares for a cash consideration of RM2,106,020 to maintain its 49% equity interest in Menzies Aviation.

2.2.9.1 Background information of Menzies Aviation

Menzies Aviation was duly incorporated in Malaysia on 30 December 2022 as a private limited company under the Act with its registered address at Lot LS2-3A-04, Departure Level, Public Concourse, KLIA 2, 64000 Sepang, Selangor. Its business address is located at Lot LS2-3A-04, Departure Level, Public Concourse, KLIA 2, 64000 Sepang, Selangor.

Menzies Aviation commenced its operations since 11 November 2024 and is principally involved in the business of the provision of ground handling equipment to its airline customers, the provision of services for airline and related businesses. These services include passenger support (check-in, boarding, baggage handling), aircraft ramp handling (pushback, marshalling, towing), aircraft cleaning and cabin services and arrival/departure coordination. Additionally, Menzies Aviation offers high priority passengers handling, flight operations and dispatch services as well as surface transport for delayed passengers and crew. By offering these essential services, Menzies Aviation plays a key role in ensuring efficient operations, compliance with international standards and enhanced operational efficiency for airline partners in Malaysia.

As at the LPD, the issued share capital of Menzies Aviation is RM4,300,000, comprising 4,300,000 ordinary shares, which are owned by MSS, Menzies Malaysia and Mokhtar Bin Othman. The existing directors of Menzies Aviation are Woo Kam Weng, Rajini Kanth A/L Muthusamy, Mokhtar Bin Othman, Lin Pei Wen, whom are Malaysian as well as Ong Pei Fang, whom is a Singaporean and James Wong Yiu-Cho, whom is a Canadian.

As at the LPD, the shareholders of Menzies Aviation are as follows:

	Direct	
	Number of shares	**%**
MSS	2,107,000	49.00
Menzies Malaysia	2,107,000	49.00
Mokhtar Bin Othman	86,000	2.00
	4,300,000	100.00

As at the LPD, Menzies Aviation does not have any subsidiary nor associated company.

Menzies Aviation holds the GHL and TAC, details which are set out below:

GHL

License holder	:	Menzies Aviation
License number	:	GHL000149
Effective date	:	1 November 2024
Expiry date	:	31 October 2025

TAC

License holder	:	Menzies Aviation
Certificate number	:	TAC NO. 36
Effective date	:	1 October 2024
Expiry date	:	30 September 2025

Further details on the information on Menzies Aviation is set out in **Appendix V** of this Circular.

2.2.9.2 Basis of the Purchase Consideration 2

The Purchase Consideration 2 was arrived at on a willing buyer-willing seller basis after considering that the issued share capital value of the Menzies Aviation Shares of RM980 and the unaudited net liabilities position of Menzies Aviation as at 31 July 2024 as well as the rationale and benefits of the acquisition of Menzies Aviation as set out in Part A, Section 2.2.9.4 of this Circular.

2.2.9.3 Liabilities to be assumed

There are no liabilities, including contingent liabilities and guarantees, to be assumed by our Group arising from the acquisition of Menzies Aviation.

2.2.9.4 Rationale and benefits of the acquisition of Menzies Aviation

The acquisition of Menzies Aviation is viewed positively as it combines the strengths of both MSS and Menzies Aviation in comprehensive aviation services, global reach, operational excellence, and efficiency, by leveraging on each other's strengths and establish a strong presence in the Malaysian market and beyond, extending into the wider Asian region.

The GHL secured by Menzies Aviation allows it to commence business operations to fully engage in ground handling services. This strategic collaboration is expected to contribute positively to our Group's future earnings and enhance our financial position. It will enable our Group to achieve cost savings and operational efficiencies by optimising ground handling agreements and sharing resources with the Vendor. By capitalising on each other's expertise and resources, the collaboration is set to streamline operations, improve service quality and drive better performance and competitiveness in the aviation sector.

2.2.9.5 Highest transaction ratio

The highest transaction ratio for the acquisition of Menzies Aviation and the subsequent subscription of Menzies Aviation Shares is 1.23% pursuant to paragraph 10.02(g) of the Listing Requirements, calculated based on the aggregate value of the consideration given of RM2,107,020 over the NA of our Group of RM170.62 million as at 31 March 2023. As such, the acquisition of Menzies Aviation is not subject to approval from our shareholders.

2.2.9.6 Information on the Vendor

Menzies Malaysia was incorporated as a private limited company in Malaysia on 18 March 2022 and is primarily engaged in the business of the provision of ground handling equipment and the provision of services for airline and related businesses.

As at the LPD, the issued share capital of Menzies Malaysia is RM1.00 comprising 1 ordinary share and the directors of Menzies Malaysia are James Yiu-Cho Wong, Khadijah Binti Sood, Charles Brodie Joseph Wyley and Darren Glen Masters. Menzies Malaysia is wholly-owned by Menzies Aviation Limited.

Menzies Aviation Limited, headquartered in London, United Kingdom, is a leading global provider of aviation services. Specialising in ground handling, cargo services, and fueling, Menzies Aviation Limited operates across a wide network of airports worldwide and offers a comprehensive range of services to airlines and aviation clients in regions including North America, South America, Europe, Asia, Africa and the Middle East. Known for its commitment to operational excellence and customer service, Menzies Aviation Limited has grown significantly through strategic acquisitions and partnerships, solidifying its position as world's largest aviation services company by number of countries, airports and aircraft turns.

2.2.10 Skyfleet

Skyfleet was duly incorporated in Malaysia on 19 November 2024 as a private limited company under the Labuan Companies Act 1990 with its registered address at Unit Level 11(a), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia.

Skyfleet is principally involved in the business of purchase, sale, lease, obtaining lease finance and refinancing of aircrafts, engines or any aviation parts with prior approval from Labuan Financial Services Authority.

As at the LPD, the issued share capital of Skyfleet is USD2,000 (approximately RM8,746), comprising 2,000 ordinary shares, which are wholly-owned by MAC. The existing director of Skyfleet is Lin Pei Wen, whom is a Malaysian.

As at the LPD, Skyfleet does not have any subsidiary nor associated company.

2.2.11 Business strategies and future plan

The Proposed Diversification into Aviation Business will enable our Group to enhance our service offerings by offering a comprehensive range of aviation and related services and solutions, strategically designed to cover critical aspects of the air cargo supply chain as well as a range of ground handling services to our customers.

Our Group's business plan also includes the development of specialised logistics services within the aviation ecosystem to grow our Aviation Business. Building on the foundation of our Group's existing air freight business, our Group intends to provide value-added service within the aviation ecosystem via our indirect 70%-owned subsidiary, Oceanic, by facilitating the transshipment of live seafood and perishable goods. Oceanic acts as a transit hub that is well equipped with advanced handling and temperature control systems to ensure the freshness and quality preservation, allowing perishable goods to move seamlessly through the supply chain, ensure freshness and timely transshipment under optimal conditions, thereby addressing the unique needs of the air cargo supply chain. Oceanic enhances our cargo terminal operations by specialising in the logistics of live seafood, ornamental fish and other perishables. Oceanic operates as a global seafood transshipment hub which ensures optimal handling conditions with specialised fish tank areas and advanced cold storage to maintain freshness and quality. The integration of Oceanic as part of our Aviation Business complements our Aviation Business by minimising storage time and preserving product quality of airline and cargo agents specialising in seafood logistics.

Additionally, SkyVault plays a key role in the air cargo supply chain by offering customisable warehousing solutions, specifically tailored to the varying needs of both B2B and B2C clients through its comprehensive warehouse management system. SkyVault also offers value-added service such as product assembly and packaging to its customers enhancing our Group's ability to provide end-to-end logistics solutions. Furthermore, SkyVault operates in the KLIA FCZ, offering flexible, on-demand warehousing for transshipment. Unlike traditional warehouses designed for long-term inventory storage, SkyVault focuses on short-term, time-sensitive storage with quick turnarounds. Its location within the FCZ allows for streamlined customs procedures and reduced regulatory burdens, improving the efficiency of air cargo operations.

Further, the strategic collaboration between MSS with Menzies Malaysia, through Menzies Aviation, is poised to provide comprehensive ground handling services for cargo and passenger aircraft as they hold the necessary permits and licenses (i.e. GHL and TAC) and utilise advanced technology for efficient operations. The advanced technology such as real-time tracking and automated sorting systems reduce delays, enhance efficiency and improve aircraft turnaround times. This integration ensures high standards of efficiency and safety for cargo shipments and supports time-sensitive logistics operations.

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Additionally, the collaboration between MSS with Menzies Malaysia enables our Group to leverage on the extensive global network and resources of Menzies Aviation's ultimate parent company, Menzies Aviation Limited ("**Menzies Group**"), broadening our air freight and cargo terminal customer base. Menzies Group operates in over 65 countries across six continents, serving more than 300 airports globally. Menzies Group's network spans across key locations which include but are not limited to the United States, Canada, Mexico, United Kingdom, Germany, Spain, India, China, Singapore, Australia, and New Zealand. The partnership is further strengthened by our Group's scheduled charter freighter services, connecting major domestic and international hubs such as Kuala Lumpur, Kota Kinabalu, Kuching, Penang, Chengdu, Hong Kong, Saigon and Macau, along with automated cargo terminal operations in KLIA.

Furthermore, this collaboration is also set to enhance KLIA's status as a regional hub and extending its market presence into new regions and enhance its connectivity with key global markets, particularly Southeast Asia, China, and Europe, while attracting new business opportunities. Additionally, Menzies Group's well established airline partnerships and its global reputation for excellence in passenger ground handling are expected to attract more airlines to KLIA, reinforcing its status as a major aviation hub.

In addition, by streamlining ground handling agreements and shared resources, our Group expects to achieve cost savings and operational efficiencies. Accordingly, our Board expects the business of Menzies Aviation will positively contribute to our Group's overall future earnings.

Meanwhile, the cargo terminal operations of our Group are currently managed by MJets which holds the GHL granted by MAVCOM, valid from 1 November 2024 to 31 October 2025. As part of our Group's effort to streamline its operations, XCT, a newly incorporated entity, which will be engaged in cargo terminal operation had on 28 February 2025 obtained a conditional approval for GHL from MAVCOM with a validity period of up to 28 February 2026. XCT will submit the business plan and other necessary documents to MAVCOM as requested under the conditional approval to obtain the final approval for the GHL, which is expected to be obtained in the 2nd quarter of 2025 for the commencement of its cargo operations business. Upon obtaining the final approval for the GHL, MJets will transfer its cargo terminal operations to XCT.

Moreover, XCT will also operate through a subsidiary, XCT Cambodia, to engage in similar cargo terminal operations. XCT Cambodia is in the midst of obtaining the necessary consents, licenses, permissions and authorisation from the relevant authorities, which is required for cargo terminal operations in Cambodia. Our Group intends to leverage its advanced cargo handling capabilities and operational expertise to penetrate the market in Cambodia. This strategic presence in Cambodia strengthens our Company's foothold in Southeast Asia by facilitating cross-border cargo flows and providing seamless logistics solutions. XCT Cambodia complements MMAG's aviation strategy by establishing a pivotal link in the regional supply chain, enabling faster connectivity for high-value and time-sensitive goods. Situated near key markets such as Thailand, China, and Vietnam, Cambodia offers a strategic geographical advantage for streamlining logistics operations across Southeast Asia. By integrating the Cambodian operations into its aviation portfolio, our Group could capitalise on the growing demand for air cargo services, solidifying its position as a leading player in the logistics and aviation industries.

The diversification into the Aviation Business complements our Group's existing logistics business by integrating air cargo solutions with its established first, mid, and last-mile delivery services. By offering a complete logistics ecosystem, our Group could provide its customers with faster, more reliable, and cost-effective supply chain solutions. The synergies between the logistics and aviation segments will enhance operational efficiency and create new revenue streams, driving sustainable growth for our Group.

Further, the Approval granted to our Group by the Labuan FSA to establish Skyfleet in Labuan will allow Skyfleet to lease aircraft from our Group to third party customers and manage the leasing of aircrafts by our Group to another company within our Group. This strategic initiative is expected to boost operational efficiency and optimise asset management across our Group's aviation portfolio. By streamlining leasing processes and enhancing fleet management, our Board anticipates that Skyfleet's operations will positively impact our Group's overall future earnings and strengthen our Group's financial position.

In addition, KLIA's strategic location provides our Group with the opportunity to establish a robust logistics ecosystem, combining air cargo operations with efficient ground handling, transshipment services, and on-demand cargo depot solutions. Our Group's aviation arm is designed to facilitate the seamless movement of goods across regional and international markets, leveraging advanced technology to streamline cargo handling processes.

Through strategic investments in infrastructure, fleet expansion, technology, and partnerships, our Company is well-positioned to meet the evolving needs of domestic and international markets. The diversification into the Aviation Business reflects our Group's commitment to innovation and excellence, solidifying its position as a leader in the logistics and supply chain industry. Further, it also complements our Group's existing logistics business and positioning itself as a fully integrated supply chain service provider. This diversification aligns with our Company's vision to meet the growing demand for seamless logistics solutions and capitalise on opportunities in the e-commerce and high-value goods markets.

For information purposes, save for the outstanding repayment sum of approximately RM37.48 million arising from the acquisition of the 2 aircrafts by Mjets to enhance our air freight capabilities (further details which are set out in our Company's announcement dated 24 December 2024 and 27 January 2025), our Group estimates that we may incur up to approximately RM5.00 million for the Aviation Business in the next 2 years, particularly for the cargo terminal and ground handling operations. Nevertheless, as our Aviation Business grows, we may require to incur additional capital expenditure and incurred additional financial commitments in the Aviation Business depending on the operational needs and future expansion, wherein the exact quantum of financial commitment will only be determined at a later stage. The funding will be sourced using a combination of internally generated funds, bank borrowings, proceeds from the conversion of our Company's outstanding convertible securities and/or proceeds from future fundraising exercises (if any).

The subsidiaries under MAC are overseen by a team of key management personnel with extensive experience in the aviation industry as set out in Part A, Section 2.3.2 of this Circular. Their expertise in managing aviation operations will play a pivotal role in driving the growth and success of our Group's strategic expansion into the Aviation Business.

2.3. Key management personnel

2.3.1. Financial Services Business

(i) **Chin Boon Long**, a Malaysian, 57, is the Executive Director of our Group. He was appointed to our Board on 2 January 2024. He holds a Bachelor Degree in Electronic Computers Engineering from Universiti Pertanian Malaysia and a Master of Business Administration from Universiti Kebangsaan Malaysia.

In 1995, he started his career with an ICT company in Taiwan, namely Allder International Limited where he had held various positions in the company before he was promoted to Sales Director in 2003, where he was mainly responsible to develop and execute strategic plans to achieve sales targets.

In 2004, he left Allder International Limited and co-acquired PC3 Technology Sdn Bhd together with a business partner, a company which is principally engaged in the wholesale distribution of computers, computer peripheral equipment and computer software. As Managing Director of PC3 Technology Sdn Bhd, he was responsible for overseeing business strategy, supply chain management and market positioning of the company.

In October 2010, he was appointed as the Executive Director of XOX Networks Berhad and re-designated as Managing Director in 2011. During his tenure in XOX Networks Berhad, he was in charge of leading and managing the executive team across various functions as well as overseeing day-to-day operations of the company.

In September 2012, he was appointed as the Executive Chairman of our Company and re-designated as Managing Director in May 2014. During his tenure in our Company, he was responsible for overseeing day-to-day operations and implementation of the overall strategies and corporate direction of our Company.

In February 2015, he left XOX Networks Berhad and our Company and subsequently he took a career break from 2015 to 2024 due to personal health conditions. During the time, he focuses entirely on expanding his personal investment portfolios through private companies which has spread out to various industries including ICT, constructions, manufacturing and property development, finance and others.

On 2 January 2024, he was appointed as Executive Director of our Group, primarily overseeing its existing business segments. With the introduction of the Financial Services Business in November 2024, he took on an expanded role to lead its development, focusing on setting up business operations, driving growth, and providing tailored financial solutions to address underserved market needs. In addition, he also leverages on his strong background in business development, investment planning, and strategic growth, he plays a key role in scaling our Company's Financial Services Business by expanding market reach, optimising risk management, and enhancing product offerings to support businesses across the logistics, SME and corporate sectors.

As at the LPD, he is also the Executive Director of Ingenieur Gudang Berhad.

(ii) **Lim Poh Leng**, a Malaysian, 52, is the Chief Financial Officer of our Company since her appointment on 2 September 2024. She obtained her Bachelor of Accountancy (Hons) from Universiti Utara Malaysia in 1997 and was admitted as a member of the Malaysian Institute of Accountants. She is also a Certified Public Accountant and Certified Internal Auditor as at the LPD.

Upon graduation in 1997, she began her audit career with PricewaterhouseCoopers International Limited, where she was responsible for auditing various public listed and private limited companies covering the manufacturing, trading, construction and property development industries.

In 2002, she left PricewaterhouseCoopers International Limited and joined UHY Diong as an Audit Manager where she was involved in handling audit assignments and consulting projects for over 600 clients which inclusive of listed companies. During her tenure, she was also responsible for Initial Public Offerings projects for several consumer goods and technology companies, preparing the pro-forma income statements as well as reviewing the companies' profit and cash flow forecasts and projections. In addition, she was also in charge of the due diligence review for mergers and acquisitions transactions through assessing the company's financial statements and the valuation of the assets and liabilities. She subsequently resigned from the position in 2005.

In 2005, she joined Proton Holdings Berhad as the Senior Manager. In 2012, she was promoted to the Head of Internal Audit after DRB-HICOM Berhad ("**DRB**") acquired Proton Holdings Berhad. During her tenure in the company, she was in charge of presenting internal audit reports to the Board Audit Committee at DRB and provided advisory services to the management.

In 2016, she was transferred to the holding company of DRB as an Internal Audit Senior Manager where she oversaw audits across diverse industries, including automotive, logistics, and hospitality. In this role, she was also responsible for developing annual audit plans, ensuring the achievement of audit objectives and coaching staff while reviewing audit reports for accuracy.

In 2018, she left DRB and took on the role of Chief Operating Officer in Delcol Industries (M) Sdn Bhd, where she was primarily responsible for identifying the control weaknesses of the key activities and provide recommendations to enhance financial performance and business improvements opportunities.

In 2023, she left Delcol Industries (M) Sdn Bhd and joined Trader2U Sdn Bhd and served as the Head of Internal Audit and Compliance, where she was involved in establishing internal audit functions and facilitating enterprise risk management.

From April 2024 to August 2024, she joined Velocity Capital Partner Berhad as the Group Financial Controller and was responsible for managing accounting and financial operations, preparing financial forecasts and optimising the company's cash flow.

She is currently taking on the role of overseeing the compliance and risk management function of Titiwangsa Capital.

Although both of the abovesaid key management personnel do not have the relevant experiences in the Financial Services Business, Chin Boon Long has a wide range of business network and extensive management skills to set the business directions of the Financial Services Business of Titiwangsa Capital, while Lim Poh Leng who has wealth of industry knowledge in various industries through her past audit, accounting and due diligence assignments have enabled her to implement relevant controls which can mitigate key risk areas of the Financial Services Business. Both of them could contribute significantly to the operations and growth of the Financial Services Business.

As at the LPD, Titiwangsa Capital does not have its own dedicated employees as it is being managed and operated by existing workforce within our Group. Our Group has no immediate plans to employ additional staff for the Financial Services Business as the present level of shared workforce within our Group is sufficient to manage Titiwangsa Capital's existing operation and to ensure that the new business venture of our Group into the Financial Services Business remains cost-efficient and profitable. Depending on the future business expansion of our Group's Financial Services Business, our Group may hire additional personnel with the relevant industry experience when the need arises to support the day-to-day operation of our Group's Financial Services Business. The exact number of personnel will be subject to availability of qualified and suitable candidate that may be recruited by our Group.

2.3.2. Aviation Business

(i) **Woo Kam Weng**, a Malaysian, 64, is the Chairman of MAC since his appointment on 1 April 2024. He holds a Diploma in Management from Malaysia Institute of Management in 1996 and admitted as a member of the Malaysian Institute of Management in 1996.

In 1980, he joined MAB as a trainee for an intensive apprenticeship program to become a Licensed Aircraft Engineer. During the program, he was sent to the United Kingdom to complete a rigorous training course and obtain the United Kingdom Civil Aviation Authority basic license. Upon returning to Malaysia, he secured endorsements from the CAAM to be recognised as a licensed aircraft maintenance engineer. Throughout his tenure with MAB, he was also the Unit Head in the Customer Account department where he was responsible for technical support and customer account management for over 46 customer airlines. During his tenure, he also handled marketing, contract negotiations and administrations of technical handling agreements. In addition, he was also involved in project work of IT solutions development.

In 1997, he left MAB and joined POS Aviation as an Aircraft Maintenance & Engineering Manager where he was responsible for setting up and managing the Aircraft Maintenance & Engineering Division and developing a quality system to achieve CAAM's approval. Further, he also oversaw operational management, marketing, contract negotiations and management during his tenure in POS Aviation. In 2004, he became Head of Business Development & Stations Management, where he was responsible for the business development of Ground Handling, Cargo and Aircraft Maintenance & Engineering Divisions. In addition, he was also in charge of total cargo management, passenger loading bridge operations and logistics support. Subsequently, he took on the role of Head of Business Development & Integrated Logistics Services concurrently to the role as Head of Business Development & Stations Management where he established the Integrated Logistics Services Division, focusing on creating integrated logistics solutions. He also led IT implementation projects, such as enterprise resource planning, cargo warehousing system, service & contract management and resource management. In 2017, he was appointed as Chief Executive Officer at POS Aviation, where he led the development of the Digital Free Trade Zone with the Malaysian Digital Economic Corporation (MDEC) and managed the operations of its subsidiary, World Cargo Airlines (formerly known as Pos Asia Cargo Express Sdn Bhd).

In 2021, he left POS Aviation and joined MMAG as an Independent Non-Executive Director, advising on aviation and logistics operation matters. In 2023, he resigned from the position and he was subsequently appointed as Interim Executive Officer of MJets to oversee its operations & management. Subsequently, he resigned from the position and was appointed as Chief Executive Officer of MJets in the same year. In 2024, he was appointed as the chairman of MAC and is mainly responsible to oversee the operations of MAC and its group of companies.

(ii) **Ahmad Luqman Bin Mohd Azmi**, a Malaysian, 51, is the Executive Director of our Company and Chief Executive Officer of MJets since his appointment on 3 February 2025. He holds a Degree in Bachelor of Science in Aerospace Engineering from Syracuse University, New York in 1996. He also completed Business Leader Development Program from University of Oxford in 2017 and Advanced Management Program from Harvard Business School in 2019.

He started his career in 1997 with MAB, where he held several roles. From 1997 to 2001, he served as a Project Engineer/Cargo System Executive, overseeing the compliance of all supplied equipment, materials, and installations with contract specifications for the MAS Advanced Cargo Centre project at KLIA.

In 2001, he was promoted to Assistant Manager of Cargo System Operation, a position he held until 2002. In this role, he was responsible for overseeing the maintenance of the Material Handling & Computer System, cargo ground equipment, and unit load devices to ensure they met the required availability standards. Additionally, he also managed the administration, planning, maintenance and development of the Cargo Properties system across the network. From 2002 to 2005, he served as Manager of Cargo Operation at the Penang Airport Cargo Terminal. In this capacity, he was responsible for planning, developing, organising and managing all cargo operations at the MAS Penang Cargo Centre, ensuring that operations adhered to established standards to achieve high levels of customer satisfaction.

From 2005 to 2007, he served as Senior Manager of Cargo Operation at KLIA Cargo Terminal. He oversaw the planning, development, organisation and management of the Export, Import, Transit and Cargo Ramp operations at the MAS Advanced Cargo Centre, KLIA, ensuring that all cargo operations met established standards and focused on achieving high customer satisfaction. From 2007 to 2012, he held the role of Senior Manager of Regional Sales for Malaysia, ASEAN and Australia. In this position, he was responsible for planning, developing and implementing sales strategies for MASKargo, while monitoring sales performance across Malaysia and ASEAN to ensure that revenue, yield, tonnage uplift and profitability targets were achieved.

In 2012, he was promoted to Vice President of Global Sales & Government Affairs, where he was responsible for driving commercial success on revenue generation, market share growth and establishing strong relationships with customer and partners worldwide.

In 2015, he left MAB and joined MASKargo as Chief Executive Officer where he was responsible for propelling the cargo business to profitability by optimising business operations.

In 2018, he left MASKargo and rejoined MAB as Group Chief Operations Officer, leading the Engineering Division Transformation Program. He introduced cutting-edge systems such as the Aircraft Maintenance and Operations System Enterprise Resource Planning (AMOS ERP) which resulted cost savings and improved operational reliability.

In 2023, he left MAB and joined Malaysia Aviation Group Berhad as Chief Executive Officer of the Airline Business division, where he was responsible for overseeing the operations of MAB, Flyfirefly Sdn Bhd, MASwings Sdn Bhd and Amal by Malaysia Airlines, with a focus on ensuring operational efficiency, safety and adherence to regulatory compliance across all airlines.

In 2025, he left Malaysia Aviation Group Berhad and appointed as our Company's Executive Director and the Chief Executive Officer of MJets. In his new role, he will focus on driving the strategic growth of the Aviation Business, enhancing operational efficiencies and expanding the airline's customer base.

(iii) **Shanmuganathan Ratnam**, a Malaysian, 54, is the Senior Vice President of Regulatory Affairs & Projects at MJets since his appointment on 16 November 2020. He holds a Higher Secondary Education from Madras Christian College in 1991 and obtained his Commercial Pilots License from Civil Aviation Training Academy in Cessnock, Australia, in 1992.

In 1995, he joined Pelangi Airways Sdn Bhd as Captain. In 2000, he joined Raya Airways as Captain. In 2008, he left Raya Airways and joined Hong Kong Express Airways as Captain.

In 2013, he joined Batik Air as Fleet Manager where he was mainly responsible for overseeing the operational and strategic management of the airline's aircraft fleet and was subsequently promoted to Director of Flight Operations in 2017 where he was mainly responsible for managing and controlling all aspects of the Flight Operations Department (i.e. Flight Crew, Flight Operations Officers, Flight Crew and Operations Officers Training, Operations Manuals and etc) and ensuring that they are conducted in a safe and efficient manner, while complying fully with all regulatory and company requirements.

In 2020, he left Batik Air and joined MJets where he is mainly responsible in regulatory affairs and projects.

(iv) **Anton Alex Schubert**, a Malaysian, 64, is the Senior Vice President, Network Division at MJets since 16 November 2020. He completed his secondary education from Sekolah Menengah Kebangsaan Munshi Ibrahim in 1978.

Immediately following his studies, he served as a Production Supervisor in the Home Appliances Division at Toshiba Tec Malaysia Sdn Bhd until 1981. In 1981, he joined the Royal Malaysian Air Force (RMAF) as an Air Traffic Control Assistant. Over the course of 13 years (1981–1994), he played a critical role in air traffic management and operations. During this period, he also had an assignment with the United Nations in Cambodia.

In 1994, he joined Berjaya Air Sdn Bhd as a Flight Operations Officer. In 1999, he joined KLM Royal Dutch Airlines as a Senior Flight Operations Officer and throughout his appointment, he was promoted to Duty Manager in 2003, taking charge of passenger and aircraft handling which included ground supervision and load planning.

In 2006, he joined Raya Airways as Manager, Flight Operations Control, where he played a key role in setting up the Flight Dispatch Division and Operational Control Centre and was mainly responsible for liaising with CAAM for flight dispatch requirements.

In 2013, he joined Batik Air as Operations Control Centre Manager and throughout his appointment, he was promoted to Head of Operational Control Centre in 2017 where he was mainly responsible for fleet planning, navigation documentation and compliance with CAAM regulations. In 2020, he left Batik Air and joined MJets where he is mainly responsible for ensuring that the airline's routes and schedules comply with various regulatory requirements imposed by civil aviation authorities and international bodies.

(v) **Saysu S. Michael**, a Malaysian, 67, is the Senior Vice President, Maintenance Support & Component Management of MJets since 16 November 2020. He completed his secondary education from Sekolah Menengah Kebangsaan Tinggi Kajang in 1976. He obtained his Diploma in Aircraft Technical from Southern Illinois University, United States of America in 1981.

After completing his studies, he took on part-time roles in the religious and construction sector before joining Royal Malaysian Air Force (RMAF) in 1978. During his time with the RMAF, he held various technical roles and gained hands-on expertise and extensive experience in aviation maintenance. In 1981, he obtained a Certificate in Aircraft Technical from Southern Illinois University, United States of America, which is equivalent to a diploma. In 1997, he was seconded to Cambodia as a technical advisor on the VVIP Fokker 28 aircraft under the Malaysian Prime Minister Department.

In 1999, he joined Raya Airways as an Aircraft Maintenance Engineer and later became Base Maintenance Controller from 2009 until 2013, where he was mainly responsible to manage extensive maintenance programs.

In 2013, he joined Batik Air as Maintenance Operations Controller. Throughout his tenure, he was promoted to Maintenance Manager in 2015 and subsequently as Head of Approved Maintenance Organization Part 145 in 2017, where he was mainly responsibly to oversee compliance and operational efficiency. He resigned from the position in 2017.

In 2018, he joined Capital A Berhad's ("**Capital A**") Engineering Division as Regional Engineering Manager, where he was mainly responsible in managing engineering support across Capital A and its group of subsidiaries' fleet. In 2020, he left Capital A's Engineering Division and joined MJets where he is mainly responsible for overseeing MJets' aircraft maintenance programs and component management strategies.

(vi) **Rajini Kanth A/L Muthusamy**, a Malaysian, 50, is the Director of Ground Services of XCT since his appointment on 29 August 2024. He obtained his Diploma in Electro-mechanical Engineering from Tafe College Seremban in 1998.

He started his career in 1998 as a Technician with MHE-Demag Malaysia Sdn Bhd, ("**MHE-Demag**") where he was responsible for the installation, servicing and maintanence of the Material Handling Cargo System ("**MHCS**"). In 2000, he left MHE-Demag and joined MASKargo as a Senior Officer where he was mainly responsible to monitor the MHCS total process in the control room. From 2009 to 2015, he served as an Executive at MASKargo, leading the MHCS refurbishment project and overseeing control room operations. Subsequently, he was promoted to Senior Executive – Foreign Carrier Operations where he was mainly responsible to manage operations for 38 airlines under the Federal Office of Civil Aviation. He subsequently resigned from the position in 2015.

In 2016, he joined Pos Aviation as an Assistant Manager and was promoted to Head of Cargo Operations at POS Aviation where he was mainly responsible for leading overall cargo operations and overseeing total cargo refurbishment as well as managing the cargo budget.

In 2022, he left POS Aviation and joined XCT as the Heads of Operations, Ground Services and he was subsequently promoted to Director Ground Services in 2023 where he manages warehouse operations, coordinate cargo projects and oversees ground and cargo handling activities.

As at the LPD, the Aviation Business is supported by approximately 500 employees. Moving forward, upon successful implementation of the intended expansion of our Group to include the Aviation Business, our Group intends to recruit additional staff with the necessary expertise as and when required in tandem with the growth of the Aviation Business.

Based on the above, our Board believes that by leveraging on the expertise of the aforesaid key management personnel, our Group has the capability, capacity and resources to diversify into the Financial Services Business and Aviation Business.

3. RATIONALE FOR THE PROPOSALS

The Proposals are in line with our Group's objective to seek new viable business opportunities and additional income sources which will improve the financial performance of our Group, contribute to the future growth of our Group and enhance shareholders' value in the long run.

Our Group is of the view that the Proposals provide our Group with an additional stream of income and is expected to augur well in the overall structure of our Group's existing businesses moving forward and at the same time reduce its reliance on our Group's existing businesses. Barring any unforeseen circumstances, our Board believes that the Proposals will potentially contribute positively to our Group's future earnings. Nonetheless, upon completion of the Proposals, our Group's existing businesses would remain and continue as part of the core businesses of our Group.

Our Board believes that it is a timely opportunity for our Group to venture into the Financial Services Business and Aviation Business, riding on the growth of loan market and aviation industry in Malaysia as set out in Part A, Sections 5.2 and 5.3 of this Circular, respectively, in order to improve our Group's future earnings and financial position in the long run.

4. RISK FACTORS

4.1. Risks relating to the Proposals

4.1.1. Business diversification risk

Subject to approval from the shareholders in relation to the Proposals which result in the diversifications of our Group's businesses to include the Financial Services Business and Aviation Business, our Group will be exposed to risks inherent to the respective industries as disclosed in Part A, Sections 4.2 and 4.3 of this Circular.

Notwithstanding that, our Group seeks to conduct a periodic review of the businesses, adopt prudent financial management and leverage on the expertise and experiences of the key management personnel to limit the impact of the aforementioned risks. However, there can be no assurance that our Group may be able to successfully mitigate the various risks inherent in the financial services and aviation industries.

4.1.2. Dependency on key personnel

The involvement of the Financial Services Business and Aviation Business depends largely on the skills, abilities, competencies and continued effort of its experienced personnel. The sudden departure of the said personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, may adversely affect our Group's Financial Services Business and Aviation Business and consequently, our Group's revenue and profitability.

Notwithstanding the above, our Group will adopt appropriate approaches, including incentives, remuneration packages as well as provide good working environment to promote productivity and retain their services. Suitable professional(s) and/or consultant(s) will be engaged in the areas necessary for the implementation and/or execution of our Board's strategy for the moneylending business to manage the risk arising from dependency on key personnel.

4.2. Risks relating to the Financial Services Business

4.2.1. Changes in regulatory and licensing requirements

Moneylending is governed by the Moneylenders Act, where the licensing regime for money lenders which includes its issuance, renewal and suspension and revocation vests solely in the Ministry. Currently, the moneylending license is subject to renewal every 2 years.

As stipulated in the Moneylenders Act, an application for renewal of a moneylending license has to be made by the licensee (i.e. Titiwangsa Capital) at least 60 days before its expiry date and such application shall be supported by documents and information as may be required by the Registrar of Moneylenders. If Titiwangsa Capital fails to renew the License before its expiry date, Titiwangsa Capital shall not be entitled to make a new application for the License within a period of 2 years from its expiry.

In addition, the License may be revoked or suspended for such period as the relevant authority thinks fit, if Titiwangsa Capital breaches the Moneylenders Act or any regulations or rules made under the Moneylenders Act or fails to comply with any of the conditions of the license.

Furthermore, hire purchase financing is regulated by the HP Act which sets out the form and contents of hire purchase agreements and the rights and duties of parties to such agreements. Any amendment to the HP Act may impact the business processes and activities of our Group.

In mitigating such risk, our Group will comply with and periodically review its compliance with the relevant regulatory requirements relating to its moneylending and hire purchase financing businesses in Malaysia.

4.2.2. Political, economic, market and regulatory risks

The moneylending industry in Malaysia is tightly regulated by the Ministry pursuant to the Moneylenders Act.

The interest charged on the loans, conduct of the moneylending business and the advertisement of the licensed moneylenders are governed under the Moneylenders Act. Any breach under the Moneylenders Act will result in imprisonment, fine, potential revocation or suspension of the License. Any amendments or changes to the Moneylenders Act as well as the regulatory framework of the Ministry could materially affect the financial and prospects of the moneylending business.

The revenue contribution from the moneylending business of our Group may also be affected by risks on the occurrence of force majeure events or circumstances which are beyond the control of our Group, for instances, natural disasters, outbreak of diseases, economic risk (i.e. economic downturn, slower global and domestic growth, unfavourable monetary and fiscal policy changes which give rise to a fluctuation in interest or profit rates, and inflation), ongoing trade and geopolitical tensions, commodity-related crisis, adverse developments in political and government policies in Malaysia, acts of war, acts of terrorism, riots, expropriations and changes in political leadership. The occurrence of force majeure events or circumstances may affect the businesses of our Group's customers which may consequently affect their abilities to repay and lead to default of the loans and financing facilities provided by our Group, causing our Group's financial results to be affected.

The occurrence of force majeure events or circumstances may also lead to delay of implementation of the supply chain management business and the moneylending business whereby our Group's financial performance will also be affected if such events or circumstances persist.

In mitigating such risks, our Group will continuously review its business strategies in response to the changing dynamics of the economic and regulatory conditions but there can be no assurance that it will not materially affect the performance of our Group.

4.2.3. Credit risk

Our Group faces credit risk which may have a material effect on our Group's financial results arising from the unsecured lending as well as potential default by the borrowers in making repayments for borrowings granted. Such risks could arise due to the deterioration in credit quality of borrowers or a general deterioration in the local and/or global economy conditions.

In mitigating such risks, our Group will carry out comprehensive credit assessment to evaluate the creditworthiness of the applicants and establish specific criteria for applicants to meet before lending out the fund. Our Group will also restrict the maximum loanable fund to the borrower based on his or her creditworthiness, and put in place mechanisms (i.e. reminder letters and calls as well as commencing litigation process) to monitor collection and to minimise default risks. Despite of the precautionary steps proposed to be taken by our Group, there is no assurance that our Group will not incur loss attributed to the default risk of the customers.

4.2.4. Fraud risk

In assessing the credit applications, there can be no absolute assurance that the information furnished by applicants is true as well as correct and any application received is a genuine application. Any forged application or false or fraudulent information furnished by applicants may allow borrowers or fraudsters to exploit cash, products or services provided by our Group, which may cause credit losses to our Group.

To mitigate such risk, our Group will perform credit assessment and approval process by undertaking verification of information furnished by applicants, including performing independent checks with credit reference organisations (e.g. Credit Tip-Off Service (CTOS)) and insolvency search with Department of Insolvency Malaysia.

4.2.5. Competition risk

Being a new entrant into the moneylending and hire purchase financing industry, our Group faces competition from, amongst others, existing players especially those large-scale licensed moneylenders and licensed financial institutions. There is no assurance that our Group will be able to compete against current and future competitors or that competitive pressure will not materially and adversely affect the business, operations or financial condition of our Group.

To mitigate such risk, our Group intends to develop its own customer base by extending the moneylending service to any potential borrowers underserved by licensed financial institutions and co-operatives.

4.2.6. Financing risk

Our Group may require further funding to expand the moneylending and hire purchase financing businesses and such further funding may be derived from internally-generated funds and/or future debt fund-raising exercises which may be subject to interest rate fluctuation. If our Group raises funds from the capital market via issuance of debt securities, our Group will incur fixed interest expense and shall be obligated to repay investors as and when the repayment is due.

Whilst no assurance can be given that our Group will be able to repay all of its borrowings and service all its finance cost in the future, our Group's ability to make payments on loan principal and to service finance cost depends on its ability to generate sufficient cash in the future, which is subject to many factors beyond the control of our Group.

To mitigate such risk, our Group has undertaken a comprehensive credit assessment to evaluate the creditworthiness of the applicants and conduct periodic review to identify any non-performing loans.

4.3. Risks relating to the Aviation Business

4.3.1 Termination and non-renewal risk of licenses and approvals

In order to operate the Aviation Business, our Group is required to obtain and hold valid approvals, permits and licenses such as the ASL, AOC, GHL, and TAC issued by the MAVCOM and CAAM. Our Group must comply with the applicable regulations imposed by the relevant authorities in order to maintain such approvals, permits and licenses. Further, in order for our Group to provide cargo handling services in Cambodia, the approval as set out in Part A, Section 2.2.11 of this Circular is also required. The approvals, permits and licenses may be suspended or cancelled if our Group fails to comply with the applicable requirements or any required conditions, or if there are adverse changes in government policies.

In the event that our Group fails to retain any of the required licenses or registrations, or obtain renewals thereof, in a timely manner or at all, our Group will not be able to carry out airfreight and ground handling services, and in turn, the Aviation Business and financial performance of our Group may be adversely affected. In mitigating such risk, our Group will comply with and periodically review our compliance procedures with the relevant regulatory requirements relating to our Aviation Business.

4.3.2 Reliance on third parties to provide facilities and services that are integral to our Group's business operations

Our Group acknowledges that MJets' airfreight operations has entered into agreements with third party contractors and operators to provide certain facilities and services required for the operations. These include, but are not limited to, agreements for cargo handling, customs clearance, ground handling, aircraft maintenance, refuelling services and airport facilities. This dependence on external providers presents potential risks, such as service disruptions, cost volatility and operational inefficiencies.

There can be no assurance of the reliability of these third parties, and the loss or expiration of these contracts or any inability to renew them or negotiate contracts with other providers at comparable rates could adversely affect our Group's business operations. Our Group's reliance on others to provide essential services for our Group also lead to less control over certain costs and the efficiency, timeliness and quality of such services provided. Our Group will take effective measure to mitigate such risks by conducting periodic review to evaluate the third-party contractors and operators as well as reduce the reliance on third parties through XCT and MSS which provides cargo handling services and ground handling services, respectively.

4.3.3 Our Group may incur significant amount of debt or may need to raise new equity in the future to finance the Aviation Business

Our Group may require financing and incur significant amount of debt in the future to support the acquisition and leasing of aircraft as well as ground handling equipment, other anticipated capital expenditures, working capital requirements and other business expansion plans for the Aviation Business.

To meet these financial commitments, our Group may need to secure additional funding and financing. However, there is no assurance that financing will be available on favourable terms or at all. Failure to obtain sufficient financing could hinder our Group's growth strategy, delay fleet expansions, and potentially lead to contractual penalties, including late payment interest or legal claims from the counterparties.

Should our Group raise funds through equity or debt securities, it may result in the dilution of shareholders' interest in our Company or restrictions on our Group's business operations through covenants attached to credit facilities.

Our Group's ability to meet these obligations and fund capital expenditures will depend on the successful implementation of the business strategy to generate sufficient cash flow. In mitigating such risks, our Group will take prudent financial management and continuously review its business strategies.

5. INDUSTRY OUTLOOK AND PROSPECTS OF OUR GROUP

5.1. Overview and outlook of the Malaysian economy

In 2024, Malaysia's economy is forecast to expand between 4.8% and 5.3%. During the first half of 2024, the economy posted a commendable growth of 5.1% driven by robust domestic demand, combined with further expansion in exports as well as positive growth in all economic sectors. Growth is forecast to continue its momentum in the second half of 2024, albeit at a moderate pace. Overall, real gross domestic product in 2024 is revised upward, ranging between 4.8% and 5.3%, surpassing the initial target of 4% to 5%.

For 2025, the economy is projected to grow between 4.5% and 5.5%. On the supply side, the services sector continues to uphold its position as the main driver of growth contributed by tourism activities, sustained exports and acceleration of ICT related activities. Tourism-related industries, particularly food and beverages, accommodation and retail trade segments, are expected to increase further, while the wholesale trade as well as air and water transportations segments will benefit from sustained trade-related activities. Industries such as the utilities and professional services are anticipated to rise in tandem with the acceleration of ICT development, particularly in data centres. The manufacturing sector is projected to expand further attributed to better performance in export-oriented industries, primarily the electrical and electronics segment, as external demand for semiconductors continues to increase. Additionally, the domestic-oriented industries are anticipated to remain favourable in line with higher domestic consumption and investment. The construction sector is expected to rise attributed to growth in all subsectors. Prospects for the agriculture sector remain positive supported by higher production of crude palm oil and demand from food-related industries. On the contrary, the mining sector is forecast to decline marginally due to scheduled plants shut down for maintenance purposes.

On the demand side, growth will be buoyed by strong private sector expenditure and stable global trade. Accounting for about 60% of the economy, private consumption is projected to continue spearheading growth, backed by firm labour market conditions and income growth amid manageable inflation. Gross fixed capital formation or total investment remains high, underpinned by the realisation of private investment, acceleration of public sector strategic projects and initiatives under the Government-linked enterprises Activation and Reform Programme ("**GEAR-UP**") as well as new and ongoing multi-year projects in the services and manufacturing sectors.

The recent implementation of strategic policies by Malaysian Government has significantly contributed to Malaysia's economic growth, surpassing market expectations for the first half of 2024. This upward trajectory is expected to continue for the rest of 2024, reflecting the effectiveness of the measures adopted and underscores the resilience of economic fundamentals. Looking ahead, the targeted growth rate between 4.8% and 5.3% for 2024 is achievable, anchored by the Ekonomi MADANI framework and strategies under the Budget 2024. By maintaining focus on sustainable development and continuous improvement, the economy will remain resilient amid global challenges, ultimately strengthening economic growth and elevating the rakyat's standards of living.

The global economy is expected to grow steadily in 2025. This positive outlook is also anticipated to indirectly help boost trade and local demand for goods and services. Malaysia's inbound tourists are expected to surpass pre-coronavirus disease 2019 ("**Covid-19**") levels, supported by various regional and international programmes as well as in preparation for Visit Malaysia 2026. Additionally, domestic economic development is expected to be more vigorous with robust domestic private investment, particularly the implementation of GEAR-UP, to support ongoing projects and programmes under the National Energy Transition Roadmap (NETR), New Industrial Master Plan 2030 and National Semiconductor Strategy (NSS). Therefore, Malaysia's economy is poised to expand between 4.5% and 5.5% in 2025, anchored by the implementation of the outlined strategic initiatives in Economy Outlook 2025 issued by Ministry of Finance, Malaysia.

(Source: Economic Outlook 2025, Ministry of Finance, Malaysia)

5.2. Overview and outlook of the loan market in Malaysia

Credit to the private non-financial sector grew by 5.3% as at end-January 2025 (December 2024: 5.2%), following steady growth in outstanding loans (5.7%; December 2024: 5.6%) and corporate bonds (3.6%; December 2024: 3.5%). Growth in business loans was sustained at 5.2% (December 2024: 5.1%). This was supported by higher growth in working capital loans, while growth in loans for investment related purposes moderated, mainly among non-SMEs. For SMEs, outstanding loan growth remained strong at 8.3% (December 2024: 8.1%). For households, outstanding loan growth remained stable at 6% (December 2024: 5.9%), with broadly sustained growth across most loan purposes.

(Source: Monthly Highlights and Statistics, January 2025, Bank Negara Malaysia)

The strong buffers maintained by banks, insurers and takaful operators will continue to preserve the resilience of financial institutions against unexpected losses. As at the end of June 2024, the banking system's aggregate total capital ratio stood at 18.4%, with capital buffers of RM136.1 billion in excess of the regulatory minimum. Similarly, the insurance and takaful sector remained resilient, with an aggregate capital adequacy ratio of 227% and excess capital buffers of RM37.4 billion. This will enable them to continue meeting households' and businesses' financing and protection needs as economic activities expand.

(Source: Financial Stability Review Report for 1st half of 2024, Bank Negara Malaysia)

5.3. Overview and outlook of the aviation industry in Malaysia

The aviation industry, specifically for civil aviation, can be segmented into air transportation for passengers and cargo.

Air cargo transportation, also known as air freight services, refers to the transportation of mail and cargo through aircraft. Air freight which allows mail and cargo to be delivered at long distances within a short period is suitable for high value, time sensitive, light weight and/or perishable goods such as electronic products, information and communication technology products, medical products and food products. Mail and cargo transported via air freight can be carried either on dedicated freighter aircraft or passenger aircraft.

- **Dedicated freighter aircraft** refer to aircraft dedicated for the transportation of mail and cargo which are carried on both the main deck and lower deck of the aircraft.

- **Passenger aircraft** refer to aircraft dedicated for the transportation of passengers, where it carries passengers on the main deck of the aircraft. Passenger aircraft may also carry mail and cargo on the lower deck of the aircraft when the storage space in the lower deck is not fully utilised by passenger luggage. The mail and cargo carried on passenger aircraft are known as belly cargo. After a decline in the number of passengers handled from 109.43 million in 2019 to 11.02 million in 2021 due to the Covid-19 pandemic, total passengers handled in Malaysia recovered from 11.02 million in 2021 to 97.02 million in 2024 at a CAGR of 106.49%.

The performance of the aviation industry for air cargo transportation in Malaysia is represented by total air cargo handled, which is also reflective of the performance of key supporting activities to air cargo transportation including warehousing services for air cargo, cargo terminal operations in airports and ground handling services for aircraft. Total air cargo handled in Malaysia witnessed a decrease from 942,627 MT in 2019 to 789,138 MT in 2020 at a YOY of -16.28%. In 2020, international air cargo handled decreased by 20.79% from 753,227 MT in 2019 to 596,601 MT in 2020, mainly due to the outbreak of the Covid-19 pandemic and the subsequent implementation of international travel restrictions, which resulted in an abrupt cessation of scheduled passenger services and grounding of passenger aircraft. Subsequently, this led to a loss in belly cargo capacity from passenger aircraft and resulted in the decline in international air cargo handled in Malaysia in 2020.

In 2021, subsequent to the roll-out of vaccinations and reopening of economies in many countries, domestic and international cargo handled in Malaysia recorded a YOY increase of 40.77% and 23.54% respectively, thereby driving the increase in total air cargo handled at a YOY of 27.74% to 1,008,074 MT. In 2022, air cargo handled in Malaysia continued its growth momentum by increasing to 1,060,526 MT at a YOY of 5.20%. In 2023, air cargo handled in Malaysia declined at a YOY of -12.41% to 928,933 MT, mainly driven by the decline in international cargo by 13.06% due to slower global demand and geopolitical uncertainties. This was in line with the decline in Malaysia's and Asia's external trade at a YOY of -7.04% and -6.25% respectively in the same year. In 2024, air cargo handled in Malaysia recovered at a YOY of 10.42% to 1,025,724 MT, which was in tandem with the recovery of Malaysia's external trade at a YOY of 9.09% in the same year. Moving forward, SMITH ZANDER estimates that the total air cargo handled in Malaysia to grow by 5.26% in 2025, underpinned by the following key industry drivers:

(i) Continued economic growth and trade activities to boost the demand for air freight services

Based on latest available data, total external trade in Asia increased from USD14.98 trillion (RM62.06 trillion) in 2019 to USD19.19 trillion (RM87.61 trillion) in 2023 at a CAGR of 6.39%. Malaysia's total external trade between 2019 and 2023 also registered an increase from RM1.85 trillion to RM2.64 trillion at a CAGR of 9.30%.

Moving forward, SMITH ZANDER estimates total external trade in Asia to have rebounded by 5.89% in 2024 and continue to grow by 4.92% in 2025, which is in line with the anticipated recovery of global trade at 2.70% in 2024 and 3.00% in 2025 as announced by the Word Trade Organization (WTO). Further, Malaysia's external trade also rebounded by 9.09% to RM2.88 trillion in 2024. According to the Economic Outlook 2025 published by Ministry of Finance Malaysia in October 2024, Malaysia's external trade is estimated to continue growing by 4.00% in 2025.

The anticipated growth of the economy and trade activities will lead to increased demand for transportation of goods, which will consequently create a sustainable demand for air freight services and its key supporting activities such as warehousing services for air cargo, cargo terminal operations in airports and ground handling services for aircraft in Malaysia.

(ii) Growth in e-commerce market creates demand for air freight services

The e-commerce market in Asia, represented by sales value, grew from USD1.08 trillion (RM4.47 trillion) in 2019 to USD1.71 trillion (RM7.81 trillion) in 2023 at a CAGR of 12.17%. The e-commerce market in Malaysia, represented by sales value, also grew from RM14.13 billion in 2019 to RM31.36 billion in 2023 at a CAGR of 22.06%.

Moving forward, consumers are expected to continue utilising e-commerce platforms for their purchases as e-commerce has become a convenient option given the availability of a wide range of product offerings and cross-border purchases. The e-commerce market in Asia is expected to continue growing at a CAGR of 17.23% from USD1.71 trillion (RM7.81 trillion) in 2023 to USD2.35 trillion (RM10.74 trillion) in 2025, whereas the e-commerce market in Malaysia is expected to continue growing at a CAGR of 16.32% from RM31.36 billion in 2023 to RM42.43 billion in 2025. Premised on the above, the demand for air freight services and its supporting activities is expected to increase to support the continued e-commerce activities.

(iii) Demand for local and regional air freight services to support operations of international express delivery service providers present growth opportunities for cargo airlines

International express delivery service providers may not be able to cover all airports or fulfil all deliveries via their own operated aircraft. Hence, they engage local and/or regional cargo airlines to complement their fleet of aircraft and flight routes, and to provide them additional air freight capacity. This will also allow international express delivery service providers to leverage on the local and/or regional cargo airlines' network of flight routes and experience to expand their network of coverage which in turn, increases the aircraft utilisation of local and/or regional cargo airlines.

Hence, the continuing growth of the express delivery service industry which is partly driven by the e-commerce market as detailed above, is expected to continue to stimulate demand for air freight services, presenting growth opportunities for the local and/or regional cargo airlines.

(Source: Extracted from the IMR Report prepared by SMITH ZANDER)

5.4. Prospects of our Group

Our Group is currently involved in the mobile and fulfilment business, courier and logistics business (including air cargo logistics services) and air freight business.

The continuous government initiatives (i.e. implementation of National Policy on Industry 4.0, National eCommerce Strategic Roadmap 2.0, MyDIGITAL (an initiative to transform Malaysia into a digitally driven economy) and Jalinan Digital Negara (an infrastructure plan aimed at addressing the need and demand for better quality for fixed and mobile broadband coverage ("**JENDELA**")) and growth of the e-commerce industry will spur digital usage and drive the country towards a digital economy.

Our Board is of the view that the continuous government initiative to spur digital usage and the rollout of 5G which aims to increase the network coverage and quality will require upgraded ICT products for 5G network compatibility and hence, increase the demand for ICT products which in turn, improve the demand for mobile and fulfilment services of our Group and contribute positively to our Group's earnings and financial performance in the future.

For the courier and logistics segment, our Group is working on automating and digitalising our operations to transform into an IT-driven courier service provider. By incorporating advanced technologies and automated processes, this segment aims to enhance operational efficiency, shorten delivery times and further improve customers' satisfaction. Furthermore, this digital transformation will streamline logistics and fulfillment services, positioning our Group as a key competitor in the courier and logistics market.

Our Group via the Proposed Diversification into Aviation Business will broaden our existing air freight business to provide a more extensive range of aviation services which will include ground handling services for both cargo and passenger aircraft which includes passenger handling, aircraft services (i.e. fueling, maintenance support, aircraft towing and marshalling, ground power unit services, baggage and cargo loading/unloading, aircraft parking management), ramp handling and cargo operations as well as other related services such as aircraft leasing services.

Furthermore, our Group had recently ventured into the Financial Services Business through Titiwangsa Capital. This strategic venture focuses on providing flexible financing solutions to underserved markets, including SMEs and logistics entrepreneurs, complementing its core logistics capabilities. Through the provision of favourable terms and pricing under the hire purchase facilities, the initiatives of providing financing schemes to transportation and logistics entrepreneurs to fund the purchase of vehicles, trucks and/or working capital is expected to strengthen our Group's capabilities by improving our Group's infrastructure, including transport vehicles for pick-up and delivery operations, thereby supporting our Group's logistics business through a mutually beneficial relationship.

Moving forward, our Group will remain focus in pursuing our key long-term strategies to diversify our business interests to generate a sustainable revenue stream while maintaining a steady growth. Having considered the positive overview and outlook of the growth of loan market and aviation industry in Malaysia as set out in Part A, Sections 5.2 and 5.3 of this Circular, respectively, our Board is cautiously optimistic that the Proposals would contribute positively to our Group's future earnings.

(Source: Our Management)

6. EFFECTS OF THE PROPOSALS

6.1. Issued share capital and substantial shareholders' shareholdings

The Proposals will not have any impact on the issued share capital and the substantial shareholders' shareholdings of our Company as there is no issuance of MMAG Shares involved.

6.2. Earnings and EPS

The Proposals will not have any immediate material effect on our Group's earnings and EPS for the FYE 30 September 2025. Barring any unforeseen circumstances, our Board believes that the Proposals will contribute positively to the future earnings and EPS of our Group.

6.3. NA per MMAG Share and gearing

The Proposals will not have any immediate material effect on the NA, NA per Share and gearing of our Group. However, the expected profit contributions from the Proposals will have a positive impact on our Group's NA once the potential benefits materialise.

6.4. Convertible securities

Save for the 112,683,954 outstanding Warrants 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), our Company does not have any other convertible securities as at the LPD. The Proposals will not result in any adjustment to the exercise price and number of the Warrants.

7. APPROVALS REQUIRED

The Proposals are subject to approvals being obtained from the following:

(i) the shareholders of our Company at an EGM to be convened for the Proposals; and

(ii) any other relevant regulatory authorities and/or parties, if required.

8. INTER-CONDITIONALITY OF THE PROPOSALS

The Proposals are not inter-conditional upon each other and are also not conditional upon any other corporate exercise/scheme of our Company.

9. CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, there is no other corporate exercise which have been announced by our Company on Bursa Securities but not yet completed as at the LPD.

10. INTEREST OF THE 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 have any interest, direct or indirect, in the Proposals.

11. DIRECTOR'S STATEMENT AND RECOMMENDATION

Our Board having considered all aspects of the Proposals, including but not limited to the rationale of the Proposals and the prospects of our Group, is of the opinion that the Proposals are in the best interest of our Company.

Accordingly, our Board recommends the shareholders to vote **IN FAVOUR** of the resolutions pertaining to the Proposals to be tabled at the forthcoming EGM.

12. ESTIMATED TIME FRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, our Board expects the Proposals to be completed in the 2nd quarter of 2025.

13. 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 Wednesday, 9 April 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 resolutions to give effect to the Proposals.

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.

14. 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

PART B

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY

PART B

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

Act	:	Companies Act 2016, as amended from time to time and including any re-enactment thereof
Board	:	Board of Directors of our Company
Bursa Securities	:	Bursa Malaysia Securities Berhad
Code	:	Malaysian Code on Take-overs and Mergers 2016 read together with the Rules on Take-Overs, Mergers and Compulsory Acquisitions as amended from time to time and any re-enactment thereof
EGM	:	Extraordinary general meeting of our Company
EPS	:	Earnings per Share
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	6 March 2025, being the latest practicable date prior to the printing and despatch of this Statement
MMAG or our Company	:	MMAG Holdings Berhad
MMAG Group	:	MMAG and our subsidiaries, collectively
MMAG Share(s) or Share(s)	:	Ordinary share(s) in MMAG
NA	:	Net assets
Outstanding Warrants	:	112,683,954 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)
Proposed Share Buy-Back Authority	:	Proposed authority for our Company to carry out the Proposed Share Buy-Back
Proposed Share Buy-Back	:	Proposed purchase and/or hold own shares of up to ten percent (10%) of our Company's issued and paid-up shares pursuant to Section 127 of the Act
Purchased Shares	:	Shares purchased pursuant to the Proposed Share Buy-Back Authority
RM	:	Ringgit Malaysia, the lawful currency of Malaysia

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

Any reference in this Statement 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 Statement are references to Malaysian time and date, unless otherwise stated.

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PART B

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED SHARE BUY-BACK AUTHORITY

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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

19 March 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)*
Ahmad Luqman Bin Mohd Azmi *(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 SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

The Board had on 12 March 2025 announced that the Company proposed to seek shareholders' approval for the Proposed Share Buy-Back Authority at the forthcoming EGM.

Further details of the Proposed Share Buy-Back Authority are set out in Section 2 below.

THE PURPOSE OF THIS STATEMENT IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSED SHARE BUY-BACK AUTHORITY AND TO SEEK YOUR APPROVAL FOR THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY TO BE TABLED AT OUR FORTHCOMING EGM, WHICH WILL BE HELD AT NO. 3, JALAN TP 2, TAMAN PERINDUSTRIAN UEP, 47600 SUBANG JAYA, SELANGOR DARUL EHSAN ON WEDNESDAY, 9 APRIL 2025 AT 10.00 A.M.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS STATEMENT BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHARE BUY-BACK AUTHORITY TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

The Board proposes to seek approval from our shareholders for authority for the Company to purchase and/or hold its own Shares of up to 10% of the existing issued and paid-up share capital at the forthcoming EGM of the Company subject to compliance with Section 127 of the Act, the Listing Requirements and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities.

The approval from the shareholders of the Company for the Proposed Share Buy-Back Authority shall be effective immediately after the passing of the ordinary resolution to be tabled at our forthcoming EGM and will continue to be in force until:

(a) the conclusion of our next annual general meeting ("AGM") following the general meeting at which the authorisation is obtained, at which time the authority will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which our 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

(c) the authority is revoked or varied by ordinary resolution passed by our shareholders in a general meeting,

whichever occurs first.

In accordance with Section 127(4) of the Act, the Purchased Shares may be dealt with by the Board of Directors in the following manners:-

(i) to cancel the Purchased Shares;

(ii) to retain the Purchased Shares as treasury shares; or

(iii) to retain part of the Purchased Shares as treasury shares and cancel the remainder;

Where such shares are held as treasury shares, the Board of Directors may:-

(i) distribute the shares as dividends to shareholders, such dividends to be known as "Share dividends";

(ii) resell the shares on Bursa Securities on which the shares are quoted, in accordance with the relevant rules of Bursa Securities;

(iii) transfer the shares, or any of the shares for the purposes of or under an employees' share scheme;

(iv) transfer the shares, or any of the shares as purchase consideration; or

(v) cancel the shares or any of the shares.

2.1 Sources of Funding

The maximum amount of funds to be allocated for the Proposed Share Buy-Back shall not exceed the retained earnings of the Company at the time of purchase.

For illustration purposes only, based on the latest audited financial statements of the Company for the financial period ended 30 September 2024 and the proforma effect after the completion of Share Capital Reduction, the proforma retained profits of the Company will be as set out below:

Company Level	**Audited As at 30 September 2024 RM'000**
Accumulated losses	(245,259)
Add: Credit arising from the Share Capital Reduction*	270,000
Less: Expenses for the Share Capital Reduction	(170)
Resultant proforma retained earnings	**24,571**

* The Company had on 6 March 2025 received notice on the even date issued by the Registrar of Companies confirming the reduction of share capital. Accordingly, the Share Capital Reduction is effective as at 6 March 2025. Following the completion of the Share Capital Reduction, the issued share capital of the Company as at 6 March 2025 is RM295,241,307 comprising 2,309,706,651 MMAG Shares.

The Proposed Share Buy-Back will be financed from internally generated funds, external borrowings and/or proceeds from the conversion of our Company's outstanding convertible securities, the exact proportion of which has yet to be determined at this juncture and it will be determined at a later stage depending on, amongst others, the availability of the internal generated funds as well as any future exercise of the Company's outstanding convertible securities.

In the event the Company decides to utilise external borrowings to finance the Proposed Share Buy-Back, it will ensure that it has sufficient financial capability to repay the external borrowings and that the external borrowings will not have a material impact on the cash flow of the Company.

2.2 Purchase, Resale or Transfer Price

Under Rule 12.17 of the Listing Requirements, our Company may only purchase its own Shares on Bursa Securities at a price which is not more than 15% above the volume weighted average market price ("VWAMP") of the Shares for the five (5) market days immediately before the purchase(s).

In addition, under Rule 12.18 of the Listing Requirements, our Company may only resell or transfer any Purchased Shares which are held as treasury shares on Bursa Securities at:

(i) a price which is not less than the VWAMP of the Shares for the five (5) market days immediately before the resale or transfer; or

(ii) a discounted price of not more than 5% to the VWAMP of the Shares for the five (5) market days immediately before the resale or transfer, provided that:

(a) the resale or transfer takes place not earlier than thirty (30) days from the date of the purchase; and
(b) the resale or transfer price is not less than the cost of purchase of the Shares being resold or transferred.

2.3 Public Shareholding Spread

As at LPD, the public shareholding spread of the Company was 80.40%. The Board will ensure that the Company complies with the minimum public spread of 25% when implementing the Proposed Share Buy-Back.

2.4 Rationale for the Proposed Share Buy-Back

The Proposed Share Buy-Back Authority is expected to potentially benefit the Company and its Shareholders as follows:-

(i) the Proposed Share Buy-Back Authority is expected to stabilise the supply and demand of MMAG Shares traded on Bursa Securities and thereby support its fundamental value;

(ii) in the event MMAG Shares so purchased by the Company are cancelled, either immediately or subsequently after being held as treasury shares, it may enhance the EPS of the Company and have a positive impact on the market price of MMAG Shares; and

(iii) if MMAG Shares so purchased by the Company are held as treasury shares, the Company may have the opportunity to realise capital gains if these are resold on the Bursa Securities at a price higher than their purchase price. Alternatively, MMAG Shares so purchased can be distributed as share dividends to reward shareholders.

(iv) the financial resources of the Group may potentially increase if the purchased MMAG Shares held as treasury shares are resold at prices higher than their purchase prices.

The Board will be mindful of the interests of the Company, the Group and the shareholders in implementing the Proposed Share Buy-Back and, it will be exercised only after in-depth consideration of the financial resources of the Group.

2.5 Potential Advantages and Disadvantages of the Proposed Share Buy-Back Authority

The potential advantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows:-

(i) allows the Company to take preventive measures against speculation, particularly when its shares are undervalued which would in turn, stabilise the market price of the Company's Shares and hence, enhance investors' confidence;

(ii) allows the Company's flexibility in attaining its desired capital structure, in terms of the debt and equity composition and the size of equity; and

(iii) if the treasury shares are distributed as dividends by the Company, it may then serve to reward the shareholders of the Company.

The potential disadvantages of the Proposed Share Buy-Back Authority to the Company and its shareholders are as follows:-

(i) the Proposed Share Buy-Back Authority will reduce the financial resources of the Group and may result in the Group foregoing better investment opportunities that may emerge in future; and

(ii) as the Proposed Share Buy-Back Authority can only be made out of the retained profits of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

Nevertheless, the Proposed Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and the shareholders, as it will be implemented only after careful consideration of the financial resources of the Group and its resultant impact.

3. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUY-BACK AUTHORITY

Based on the assumption that the Proposed Share Buy-Back Authority is carried out in full, the effect of the Proposed Share Buy-Back Authority on the issued share capital, dividends, NA per share, EPS and working capital of MMAG are as set out below:

3.1 Issued Share Capital

The Proposed Share Buy-Back Authority will not have any effect on the total number of issued shares of the Company if all the shares purchased are retained as treasury shares.

In the event that the maximum number of shares authorised under the Proposed Share Buy-Back Authority are purchased and cancelled, the issued share capital will be as follows:

	Minimum Scenario[(1)] Number of Shares	Maximum Scenario[(2)] Number of Shares
Issued share capital as at the LPD	2,309,706,651	2,309,706,651
Assuming full exercise of Outstanding Warrants	-	112,683,954
Enlarged share capital after full exercise of Outstanding Warrants	2,309,706,651	2,422,390,605
Maximum number of Shares that may be purchased pursuant to the Proposed Share Buy-Back Authority	230,970,665	242,239,060
Issued share capital after cancellation of Purchased Shares	2,078,735,986	2,180,151,545

Notes:
(1) Assuming none of the Outstanding Warrants is exercised.
(2) Assuming all Outstanding Warrants are exercised.

However, if all MMAG Shares purchased are retained as treasury shares, the issued share capital of the Company will not be reduced but the rights attached to the treasury shares as to voting, dividends and participation in other distribution or otherwise will be suspended. While these MMAG Shares remain as treasury shares, the Act prohibits the taking into account of such shares in calculating the number of percentage of shares in the Company for any purpose whatsoever including substantial shareholdings, takeovers, notices, requisitioning of meetings, quorum for meetings and the result of votes on resolutions.

The effects of the Proposed Share Buy-Back on the issued share capital of our Company will depend on the intention of our Board with regards to the treatment of the Purchased Shares. If the Purchased Shares are cancelled, the issued share capital will be reduced by the number of Shares so cancelled. Conversely, if the Purchased Shares are retained as treasury shares, resold or distributed to shareholders, the Proposed Share Buy-Back will not have any effect on the issued share capital of our Company. Nevertheless, certain rights (such as voting rights) attached to the Purchased Shares will be suspended when the Purchased Shares are held as treasury shares.

3.2 Dividends

The Proposed Share Buy-Back is not expected to have any impact on the policy of the Board in recommending dividends, if any, to the shareholders. Nonetheless, if the Purchased Shares are retained as treasury shares, the treasury shares may be distributed as dividends to the shareholders, if the Company so decides.

If the Purchased Shares are cancelled, the Proposed Share Buy-Back will have the effect of increasing the dividend rate of the Company as a result of the reduction in the number of issued Shares.

3.3 NA per MMAG Share and EPS

The NA per share of the Company and the Group may be increased or decreased, depending on the purchase prices of the shares to be bought back by the Company. Should the purchase prices exceed the existing NA per share, the NA of the remaining shares should decrease accordingly. And conversely, should the purchase price be lower than the existing NA per share, the resultant NA per share should increase accordingly. The effective reduction in the total number of issued shares of the Company pursuant to the Proposed Share Buy-Back Authority would generally, all else being equal, increase the consolidated EPS of the Group.

3.4 Working Capital

The Proposed Share Buy-Back will reduce the working capital and cash flow of the Group, the quantum of which depends on, amongst others, the number of Shares purchased, the purchase price of the Shares and funding cost, if any.

For Purchased Shares which are kept as treasury shares, upon its resale, the working capital and cash flow of the Group will increase assuming that a gain has been realised. The quantum of the increase in the working capital will depend on the actual selling price of the treasury shares and the number of treasury shares resold.

4. APPROVALS REQUIRED FOR THE PROPOSED SHARE BUY-BACK AUTHORITY

The Proposed Share Buy-Back Authority is subject to approvals being obtained from the following:

(i) the shareholders of our Company at an EGM to be convened for the Propose Share Buy-Back Authority;

(ii) any other relevant regulatory authorities and/or parties, if required.

The Proposed Share Buy-Back Authority is not conditional upon any other proposal undertaken or to be undertaken by the Company.

5. IMPLICATIONS OF THE CODE

The implementation of the Proposed Share Buy-Back Authority would not give rise to any implication under the Code. In the event that the number of the MMAG Shares bought-back subsequent to the date of this Statement were to result in any major shareholder and/or parties acting in concert holding more than 33% of the voting shares of the Company pursuant to the Code, the affected major shareholder and/or parties acting in concert will be obliged to make a mandatory offer for the remaining MMAG shares not held by them collectively.

The Company shall endeavour to carry out the Proposed Share Buy-Back in such a manner as to ensure that it does not trigger any mandatory offer obligation under the Code for its major shareholder and/or parties acting in concert. However, in the event that the obligation to undertake a mandatory offer should arise with respect to any parties from the share buy-back exercise, the relevant parties shall make necessary application to the Securities Commission Malaysia for an exemption from undertaking the mandatory offer under the Code.

6. PURCHASES, RESALE AND CANCELLATION OF SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

Given that this is the first time the Company is seeking authority from the shareholders for the Proposed Share Buy-Back, the Company does not currently hold any treasury shares and has not purchased, resold, transferred or cancelled any Shares during the last 12 months preceding the LPD.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of MMAG Shares traded on Bursa Securities for the past 12 months from March 2024 to February 2025 are as follows:-

	Highest RM	**Lowest RM**
2024		
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	0.460	0.285
December	0.460	0.405
2025		
January	0.530	0.445
February	0.540	0.485

(Source: Bloomberg)

The last transacted price of MMAG on LPD was RM0.505.

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

None of the Directors, major shareholders, chief executive of MMAG and/or persons connected with them have any interest, direct or indirect, in the Proposed Share Buy-Back Authority or the resale of treasury shares, if any.

9. SHAREHOLDINGS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Assuming the Company acquires the full amount of MMAG Shares authorised under the Proposed Share Buy-Back Authority and there is no change in the number of shares held by the Directors and/or substantial shareholders of the Company as at LPD and with the assumption that the Company does not purchase the Directors' and/or substantial shareholders' shares, for the purpose of illustration only, the effect will be as follows:-

Minimum Scenario – Assuming none of the Outstanding Warrants are exercised

	No. of ordinary shares held							
	Before the Proposed Share Buy-Back Authority				After the Proposed Share Buy-Back Authority assuming 10% of the share capital was bought back and cancelled			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial Shareholders								
Chan Swee Ying	282,362,400	12.23	-	-	282,362,400	13.58	-	-
Chin Boon Long[1]	-	-	282,362,400	12.23	-	-	282,362,400	13.58
Velocity Capital Partner Berhad	150,000,000	6.49	-	-	150,000,000	7.22	-	-
DB Atlantic Capital (M) Sdn. Bhd.[2]	-	-	150,000,000	6.49	-	-	150,000,000	7.22
Dato' Fam Chee Way[3]	-	-	150,000,000	6.49	-	-	150,000,000	7.22
Directors								
Chong Koon Meng	440,000	0.02	-	-	-	-	440,000	0.02
Ahmad Luqman Bin Mohd Azmi	3,000	#	-	-	3,000	#	-	-
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	-	-	-	-	-	-	-	-
Yeap Say Woi	-	-	-	-	-	-	-	-
Dato' Sok One A/L Esen	-	-	-	-	-	-	-	-
Haji Noorzainy Bin Haji Mohd Noor	-	-	-	-	-	-	-	-
Dato' Che Nazli Binti Jaapar	-	-	-	-	-	-	-	-
Azman Bin Mat Ali	-	-	-	-	-	-	-	-

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Maximum Scenario – Assuming all of the Outstanding Warrants are exercised

	No. of ordinary shares held							
	Before the Proposed Share Buy-Back Authority				After the Proposed Share Buy-Back Authority assuming 10% of the share capital was bought back and cancelled			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Substantial Shareholders								
Chan Swee Ying[4]	282,362,400	11.66	13,000,000	0.54	282,362,400	12.95	13,000,000	0.60
Chin Boon Long[1]	-	-	295,362,400	12.19	-	-	295,362,400	13.55
Velocity Capital Partner Berhad	150,000,000	6.19	-	-	150,000,000	6.88	-	-
DB Atlantic Capital (M) Sdn. Bhd.[2]	-	-	150,000,000	6.19	-	-	150,000,000	6.88
Dato' Fam Chee Way[3]	-	-	150,000,000	6.19	-	-	150,000,000	6.88
Directors								
Chong Koon Meng[5]	605,000	0.02	-	-	-	-	605,000	0.03
Ahmad Luqman Bin Mohd Azmi	3,000	#	-	-	3,000	#	-	-
Tan Sri Dato' Seri Mohd Khairul Adib Bin Abd Rahman	-	-	-	-	-	-	-	-
Yeap Say Woi	-	-	-	-	-	-	-	-
Dato' Sok One A/L Esen	-	-	-	-	-	-	-	-
Haji Noorzainy Bin Haji Mohd Noor	-	-	-	-	-	-	-	-
Dato' Che Nazli Binti Jaapar	-	-	-	-	-	-	-	-
Azman Bin Mat Ali	-	-	-	-	-	-	-	-

Notes:

\# *Negligible*

[1] *Chin Boon Long is the spouse of Chan Swee Ying and is deemed interested via Chan Swee Ying's interests in MMAG.*

[2] *Deemed interested pursuant to Section 8 of the Act by virtue of its shareholding in Velocity Capital Partner Berhad*

[3] *Deemed interested pursuant to Section 8 of the Act by virtue of his shareholding in Velocity Capital Partner Berhad via DB Atlantic Capital (M) Sdn. Bhd.*

[4] *Assuming, all the 13,000,000 Outstanding Warrants are fully exercised by Epic Pavillion Sdn. Bhd. in which Chan Swee Ying is deemed interested under Section 8 of the Act.*

[5] *Assuming, he exercised all his 165,000 Outstanding Warrants.*

10. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board having considered all aspects of the Proposed Share Buy-Back Authority, is of the opinion that the Proposed Share Buy-Back Authority is in the best interest of the Company and its shareholders.

Accordingly, our Board recommends the shareholders vote **IN FAVOUR** of the resolution pertaining to the Proposed Share Buy-Back Authority to be tabled at the forthcoming EGM.

11. EGM

Our EGM, the notice of which is set out in this Statement, will be held at No. 3, Jalan TP 2, Taman Perindustrian UEP, 47600 Subang Jaya, Selangor Darul Ehsan on Wednesday, 9 April 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 Buy-Back Authority.

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 the Board of Directors of
MMAG HOLDINGS BERHAD

CHIN BOON LONG
Executive Director

SALIENT TERMS OF SUBSCRIPTION AND SHAREHOLDERS' AGREEMENT

1. SUBSCRIPTION

(i) Agreement for subscription

Subject to the terms of the Subscription and Shareholders' Agreement, Titiwangsa Capital shall issue and allot and MOV shall subscribe for the 2,600,000 ordinary shares ("**Subscription Share(s)**") free from all encumbrances and shall rank equally with the 2,480,000 of ordinary shares of which all have been issued and are fully paid up ("**Existing Shares**").

(ii) Basis of subscription

The Subscription Shares are subscribed:

(a) free from all liens, charges and encumbrances and with full legal and beneficial title;

(b) with all rights attaching thereto (including all dividends and distributions declared in respect thereof) with effect from the date of the issue and allotment of the Subscription Shares; and

(c) subject to the provisions of Titiwangsa Capital's constitution and the Subscription and Shareholders' Agreement.

(iii) Subscription and covenants of MOV, Dato' Goh Soo Wee and Titiwangsa Capital

MOV, Dato' Goh Soo Wee and Titiwangsa Capital shall after thirty (30) days from the date of the Subscription and Shareholders' Agreement or any other date as may be agreed upon between the parties ("**Completion Date**") procure (if not already done) that:

(a) Titiwangsa Capital shall adopt its constitution in accordance with the provisions of the Subscription and Shareholders' Agreement;

(b) the accounting financial year end of Titiwangsa Capital shall run from 1 October to 30 September in each year provided that if this is not the case at signing of the Subscription and Shareholders' Agreement then it shall be amended to be so; and

(c) the persons nominated by MOV and/or Dato' Goh Soo Wee as directors in accordance with the provisions of Section 2(iv) of **Appendix I** of this Circular and clause 7 (Appointment and removal of directors) of the Subscription and Shareholders' Agreement are (subject to their respectively consenting to act) appointed as Directors.

2. SUBSCRIPTION AND COMPLETION

(i) Time and place of Completion (as defined in Section 2(iv) of **Appendix I**)

Completion of the subscription by MOV of the Subscription Shares will take place upon MOV paying the full payment of Ringgit Malaysia Two Million Six Hundred Thousand (RM2,600,000.00) only ("**Total Subscription Price**") together with the completed relevant application form to effect the Subscription Shares.

(ii) Subscription of Subscription Shares

On the Completion Date, MOV will subscribe for the Subscription Shares at the Total Subscription Price by delivering to Titiwangsa Capital a duly completed application form and the relevant subscription monies.

(iii) Issue and registration of Subscription shares

Titiwangsa Capital will, subject to receipt from MOV of the relevant application and subscription monies, issue the Subscription Shares to MOV and procure the registration of MOV as the registered shareholder of Titiwangsa Capital.

Upon successful subscription by MOV, the shareholding of Titiwangsa Capital shall be as follows:

No.	**Shareholders**	**No. of ordinary shares owned**	**Percentage of Shareholding (%)**
1.	MOV	2,600,000	51.18
2.	Dato' Goh Soo Wee	2,480,000	48.82
	TOTAL	**5,080,000**	**100.00**

(iv) Company's obligations following Completion

Upon completion of the subscription of the Subscription Shares pursuant to the provisions of Section 2(i) of **Appendix I** of this Circular ("**Completion**"), Titiwangsa Capital shall take necessary steps to inform the Ministry and any other relevant authorities and/or parties (where required), on the change in shareholdings arising from the Subscription and Shareholders' Agreement. In addition, Titiwangsa Capital and/or Dato' Goh Soo Wee shall undertake to assist MOV to obtain consents and/or approvals from the Ministry for the appointment of its nominee directors and/or principal officers in Titiwangsa Capital pursuant to the Moneylender Act. For the purpose herein, prior to the appointment of the new directors by MOV or the consent and/or approvals from the Ministry on Titiwangsa Capital's appointment of the new directors and/or principal officers, Titiwangsa Capital and Dato' Goh Soo Wee shall not enter into any agreement and/or transaction with any parties without any written approval from MOV.

3. REPRESENTATIONS AND WARRANTIES

Dato' Goh Soo Wee has provided customary representations and warranties to MOV relating to, amongst other things: (i) its legal status of Titiwangsa Capital; (ii) the entry into the Subscription and Shareholders' Agreement and the other transaction documentation contemplated by the Subscription and Shareholders' Agreement; (iii) the business of Titiwangsa Capital; and (iv) certain financial information.

4. TERMINATION

(i) The Subscription and Shareholders' Agreement shall become effective and shall continue in effect and be binding upon each party to the Subscription and Shareholders' Agreement so long as such party has an interest in the shares of Titiwangsa Capital, whether directly or indirectly through an intermediary, nominee or otherwise.

(ii) Special termination event

The Subscription and Shareholders' Agreement shall be terminated if, but only if:

(a) Titiwangsa Capital is liquidated or dissolved; or

(b) after an initial public offering on a recognized stock/securities exchange; or

(c) with respect to any of the party, such party no longer interested in the shares of Titiwangsa Capital, subject to the terms and conditions set forth in this agreement; or

(d) the parties agree to terminate the Subscription and Shareholders' Agreement in writing.

SALIENT TERMS OF SSA

1. SALE AND PURCHASE

(i) Agreement for sale

Chee Yi Hao agrees to sell and MOV agrees to purchase twenty five per centum (25%) of the entire issued share capital of Titiwangsa Capital which comprises 2,480,000 ordinary shares ("**Target Sale Shares**") on the terms and subject to the conditions set out in the SSA.

(ii) Basis of sale

Target Sale Shares are sold –

(a) free from all liens, charges and encumbrances and with full legal and beneficial title;

(b) with all rights attaching thereto (including all dividends and distributions (if any) declared in respect thereof) with effect from the date of the SSA; and

(c) on the basis of the warranties as set out in Clause 5.1 of the SSA ("**Warranties**").

2. CONSIDERATION

(i) Amount

The sale and purchase consideration for the Target Sale Shares is Ringgit Malaysia Two Million Five Hundred Thousand (RM2,500,000.00) only ("**Consideration**"), which shall be paid by MOV in accordance with the provisions of Section 2(ii) of **Appendix II** of this Circular.

(ii) Manner of payment

MOV shall pay the full Consideration or any part thereof at any time but shall not exceed the period of thirty (30) days from the date of the SSA or any other date as may be agreed upon between the parties upon which Completion 2 (as defined in Section 3(i) of **Appendix II** of this Circular) is to take place ("**Completion Date 2**"), by way of cash to Chee Yi Hao or Messrs Peter Ling & van Geyzel ("**the Solicitors**"), as stakeholders, and Chee Yi Hao shall release the Completion Documents (as defined in Section 3(ii) of **Appendix II** of this Circular) to MOV subject to the receipt of the full Consideration by Chee Yi Hao from MOV or the Solicitors, as the case may be.

3. COMPLETION

(i) Completion Time and Place

Subject to the full payment of the Consideration and simultaneous exchange of the Completion Documents in accordance to Section 3(ii) of **Appendix II** of this Circular, both parties hereby agree that the completion of the sale and purchase of Target Sale Shares by the performance by MOV and Chee Yi Hao of their respective obligations under Sections 2 and 3 of **Appendix II** of this Circular ("**Completion 2**") of the sale and purchase of Target Sale Shares will take place at the office of MOV, or such other place as may be agreed between the parties, on the Completion Date 2.

(ii) Delivery of documents

(a) Subject to the full payment of the Consideration pursuant to Section 2(ii) of **Appendix II** of this Circular on Completion Date 2, Chee Yi Hao or the Solicitors (if the Consideration is paid to the Solicitors, as stakeholders) shall, in exchange with the Consideration in full to Chee Yi Hao, release the following documents to MOV or the Solicitors, as the case may be–

(1) the Form of Transfer of Securities (pursuant to Section 105 of the Act) in respect of Target Sale Shares, duly completed and signed in favour of MOV;

(2) copy(ies) of the relevant original share certificates in respect of Target Sale Shares; and

(3) a certified true copy of an extract of the resolution of the board of directors of Titiwangsa Capital, approving the transfer of Target Sale Shares to MOV and directing the secretary of Titiwangsa Capital to register the same;

(b) and all these documents shall be collectively referred to as the "**Completion Documents**" and Chee Yi Hao shall take such steps as required to transfer the Target Sale Shares in the name of MOV.

(c) MOV may at its absolute discretion waive any requirement contained in Section 3(ii)(a) of **Appendix II** of this Circular.

4. WARRANTIES

(i) Chee Yi Hao has provided customary representations and warranties to MOV relating to, amongst other things: (i) the accuracy of the facts in relation to Chee Yi Hao; (ii) the status of the Target Sale Shares; and (iii) the full power to enter into and carry out the provisions in the SSA.

(ii) Right to terminate

If at any time prior to Completion 2, MOV becomes aware that there has been any material event, matter or circumstance which is inconsistent with contrary to or otherwise a material breach of the Warranties or any other term of the SSA which, in its opinion, has a material adverse effect on the financial position of Target and which, if capable of rectification, has not been rectified by Chee Yi Hao within fourteen (14) days, or such longer period as may be mutually agreed between the parties, of being so requested to do by MOV, MOV may issue a notice given by one party to other party, stating that the first party wishes to terminate the SSA and specifying the clause under which and the facts which entitle the first party to issue the notice ("**Notice of Termination**") pursuant to Section 5(iii) of **Appendix II** of this Circular.

(iii) Warranties found to be untrue after Completion 2

If at any time within twelve (12) months after Completion 2 it should transpire that any of the Warranties is untrue or incorrect in a material respect and which, if capable of rectification, has not been rectified by Chee Yi Hao or Titiwangsa Capital within 30 days, or such longer period as may be mutually agreed between the parties, of being so requested to do by MOV then, MOV shall have the right to either rescind the SSA and all the monies paid by MOV shall be refunded by Chee Yi Hao and to seek for further relief for damages from Chee Yi Hao or to commence appropriate legal action against Chee Yi Hao for any damages sustained by MOV as a result of any breach of Warranties by Chee Yi Hao under this clause. Further, Chee Yi Hao shall indemnify and hold harmless MOV from and against any and all losses, liabilities, deficiencies, costs, damages and expenses (including without limitation, legal fees, charges and disbursements) incurred by MOV as a result of any breach of Warranties by Chee Yi Hao under this clause.

SALIENT TERMS OF SSA *(CONT'D)*

5. TERMINATION

(i) Agreement in full force and effect unless terminated

The SSA will continue and remain in full force and effect unless terminated pursuant to the provisions of the SSA.

(ii) Chee Yi Hao's right to terminate

Chee Yi Hao may, at any time up to and on the Completion Date 2 and while such default subsists, give a Notice of Termination to MOV in the event that MOV defaults in the satisfaction of the Consideration in accordance with the provisions of the SSA or is otherwise in fundamental breach of its obligations under the SSA and MOV fails within 14 days of receipt of a notice from Chee Yi Hao to remedy the breach or the matter. In such event, the SSA shall be terminated and Section 5(vi)(a) of **Appendix II** of this Circular shall apply.

(iii) MOV's right to terminate

MOV may, at any time up to and on the Completion Date 2 and while such default subsists, provide a Notice of Termination to Chee Yi Hao in the event that Chee Yi Hao fails, neglects or refuses to complete the sale of Target Sale Shares in accordance with the provisions of the SSA or is otherwise in fundamental breach of its obligations under the SSA and Chee Yi Hao fails within 14 days of receipt of a notice from MOV to remedy the breach or the matter. In such event, the SSA shall be terminated and Section 5(vi)(b) of **Appendix II** of this Circular shall apply.

(iv) No fault termination

In the event that MOV elects to terminate the SSA through no fault of either party, any party give a Notice of Termination to the other party and Section 5(vi)(c) of **Appendix II** of this Circular shall apply.

(v) Termination in the event of insolvency

MOV and/or Chee Yi Hao may, at any time prior to Completion 2, provide a Notice of Termination to the other party if:

(a) The other party is, or becomes, or is adjudicated or found to be, bankrupt or insolvent, or suspends payment of its debts or admits inability to pay its debts as they fall due, or enters into any composition or arrangement for the benefit of its creditors generally, or if proceedings are commenced relating to reconstruction or adjustment of debts; or

(b) An administrator, receiver, or receiver and manager is appointed over, or distress, attachment, or execution is levied or enforced upon, any part of the assets or undertaking of the other party.

(vi) Consequences of Termination (as defined in Section 5(vii) of **Appendix II** of this Circular)

(a) Within seven (7) days of a Notice of Termination or other such period as may be agreed by MOV and Chee Yi Hao being duly given under the provisions of Section 5(ii) of **Appendix II** of this Circular -

(1) Chee Yi Hao shall immediately refund and repay to MOV in full all monies paid by MOV towards the Consideration and any other sum paid under the SSA, free of interest in accordance with the SSA less a sum equivalent to ten per centum (10%) of the Consideration which shall be forfeited by Chee Yi Hao as agreed liquidated damages;

SALIENT TERMS OF SSA *(CONT'D)*

(2) MOV must return all documents, if any, delivered to it by or on behalf of Chee Yi Hao, ensuring all Chee Yi Hao's rights and interests in Titiwangsa Capital remain intact; and

(3) Chee Yi Hao must return all documents, if any, delivered to it by or on behalf of MOV to MOV.

(b) Within seven (7) days of a Notice of Termination or other such period as may be agreed by MOV and Chee Yi Hao being duly given under the provisions of Section 4(vi) and 5(iii) of **Appendix II** of this Circular -

(1) Chee Yi Hao shall immediately refund and repay to MOV in full all monies paid by MOV towards the Consideration and any other sum paid under the SSA, free of interest in accordance with the SSA together with a sum equivalent to ten per centum (10%) of the Consideration to MOV as agreed liquidated damages;

(2) MOV must return all documents, if any, delivered to it by or on behalf of Chee Yi Hao, ensuring all Chee Yi Hao's rights and interests in Titiwangsa Capital remain intact; and

(3) Chee Yi Hao must return all documents, if any, delivered to it by or on behalf of MOV to MOV.

(c) Within seven (7) days of a Notice of Termination or other such period as may be agreed by MOV and Chee Yi Hao being duly given under the provisions of Section 5(iv) and 5(v) of **Appendix II** of this Circular -

(1) Chee Yi Hao shall immediately refund and repay to MOV in full all monies paid by MOV towards the Consideration and any other sum paid under the SSA, free of interest in accordance with the SSA;

(2) MOV must return all documents, if any, delivered to it by or on behalf of Chee Yi Hao, ensuring all Chee Yi Hao's rights and interests in Titiwangsa Capital remain intact; and

(3) Chee Yi Hao must return all documents, if any, delivered to it by or on behalf of MOV to MOV.

(vii) Post Termination

Following the giving of a Notice of Termination under any of the provisions of the SSA, neither MOV nor Chee Yi Hao will have any further obligation under the SSA to the other party, except in respect of –

(a) their respective obligations under Section 5(vi) of **Appendix II** of this Circular ("**Consequences of Termination**");

(b) including, but not limited to any obligations under the SSA which is expressed to apply after the termination of the SSA;

(c) any rights or obligations which have accrued in respect of any breach of any of the provisions of the SSA to either party prior to such termination; and

(d) thereafter the SSA shall be null and void and neither party shall have any claims against the other.

SALIENT TERMS OF SSA *(CONT'D)*

(viii) Specific performance

Chee Yi Hao acknowledges that monetary damages alone would not be adequate compensation to MOV for Chee Yi Hao's breach of its obligations under the SSA and that accordingly specific performance of those obligations, and/or any specific performance as designated by MOV together with any appropriate damages, is an appropriate remedy.

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SALIENT TERMS OF SPA

1. SALE AND PURCHASE OF THE MENZIES AVIATION SALE SHARES

(i) Menzies Malaysia agrees to sell and MSS agrees to purchase the 980 ordinary shares of Menzies Aviation ("**Menzies Aviation Sale Shares**") on the terms and conditions of the SPA.

(ii) The Menzies Aviation Sale Shares –

(a) shall be sold free from all encumbrances and with full legal and beneficial title;

(b) include all rights attaching thereto (including all dividends and distributions, if any, declared in respect thereof) with effect from the Completion Date 3 (as defined in Section 3 of **Appendix III** of this Circular); and

(c) are sold on the basis of the Menzies Malaysia's warranties set out in Schedule 4 of the SPA ("**Menzies Malaysia's Warranties**").

(iii) MSS will not assume any liability in relation to the balance sheet liabilities prior to the completion of the sale and purchase of the Menzies Aviation Sale Shares in accordance to Section 3 of **Appendix III** of this Circular ("**Completion 3**"). After Completion 3, MSS shall be liable as a shareholder for all liabilities arising from the conduct of the business and operations of Menzies Aviation and shall assume the usual shareholder liabilities accordingly.

2. PURCHASE PRICE

(i) The consideration for the sale of the Menzies Aviation Sale Shares is Ringgit Malaysia One Thousand (RM1,000.00) ("**Purchase Price**"), which shall be paid by MSS in accordance with the provisions of Section 2 (ii) of **Appendix III** of this Circular.

(ii) The Purchase Price shall be payable by MSS to the Solicitors as stakeholders. The Solicitors are expressly and irrevocably authorised to release the Purchase Price to Menzies Malaysia upon Completion 3 of the SPA.

3. COMPLETION 3

(i) Completion 3 shall take place in Malaysia within fourteen (14) days from the day upon which the last of the Conditions Precedent in clause 4.1 of the SPA have been fulfilled ("**Completion Date 3**") or at such other place, time, or date as Menzies Malaysia and MSS may agree.

(ii) Except to the extent already performed, all provisions of the SPA shall, insofar as they are capable of being performed or observed, continue in full force and effect notwithstanding Completion 3.

(iii) All revenue, costs, risks, liabilities, and expenses related to Menzies Aviation that are due, attributable to, or accrued before and on the Completion Date 3 shall be for the account of Menzies Malaysia.

(iv) On or immediately prior to Completion 3:

(a) Menzies Malaysia and MSS must execute such documents and take such steps as may be reasonably required to vest full title of the Menzies Aviation Sale Shares in MSS and to provide MSS with the full benefit of the SPA and the Menzies Aviation Sale Shares in accordance with the SPA.

(b) Menzies Malaysia shall take all necessary steps to notify the relevant third-party issuing authorities / relevant authorities (where required) regarding the changes arising from the SPA, including but not limited to changes in shareholding structure, equity ownership, board composition, and management personnel.

4. GROUND HANDLING LICENSE ("**GHL**")

(i) Upon Completion 3, Menzies Malaysia and MSS shall use their best efforts to obtain and/or cause Menzies Aviation to obtain final approval of the GHL from MAVCOM pursuant to Section 37 of the Malaysian Aviation Commission Act 2015, allowing it to undertake ground handling services in Malaysia as specified in the Second Schedule of the Malaysian Aviation Commission Act 2015.

(ii) In the event that Menzies Aviation is unable to obtain the GHL from MAVCOM by 31 December 2024 (the Long-Stop Date), and if Completion 3 has occurred and the Menzies Aviation Sale Shares have been transferred to MSS, then MSS shall transfer the Menzies Aviation Sale Shares back to Menzies Malaysia for a consideration of Ringgit Malaysia One Thousand (RM1,000.00) for the FYE 31 December 2025; and

5. WARRANTIES AND INDEMNITY

(i) Menzies Malaysia and MSS have provided customary representations and warranties to each other relating to, amongst other things: (i) the legal status of Menzies Malaysia, Menzies Aviation and MSS; (ii) the entry into the SPA and the other transaction documentation contemplated by the SPA; and (iii) non-existence of legal proceedings, liabilities and material contracts that could have material adverse effect on Menzies Aviation and MSS.

(ii) If at any time within twelve (12) months after Completion 3, it should that any of the Menzies Malaysia's Warranties or the warranties provided by MSS under Section 8 of the SPA ("**MSS's Warranties**") is untrue or incorrect in a material respect and which if capable of rectification, has not been rectified by Menzies Malaysia or Menzies Aviation or MSS within thirty (30) days, or such longer period as may be mutually agreed between the parties, of being so requested to do by either Menzies Malaysia or MSS, then the party who is not in default of this Section 5 of **Appendix III** of this Circular is entitled to rescind the SPA, in which event the provisions of Section 6(v) of **Appendix III** of this Circular shall apply.

6. TERMINATION

(i) Agreement in full force and effect unless terminated

The SPA will continue and remain in full force and effect unless terminated pursuant to the provisions of the SPA.

(ii) Menzies Malaysia's right to terminate

Menzies Malaysia may, at any time up to and on the Completion Date 3 and while such default subsists, give a notice given by one party to the other party stating the first party wishes to terminate the SPA and specifying the reasons for such termination ("**Notice of Termination 2**") to MSS under the following circumstances:

(a) MSS defaults in the satisfaction of the Purchase Price in accordance with the provisions of the SPA; or

(b) MSS is in fundamental breach of its obligations under the SPA; or

(c) Any of the Conditions Precedent specified in Clause 4.1 of the SPA (conditions precedent) not being fulfilled within two (2) months from the date of the SPA or such other date as may be agreed between the parties ("**Cut-Off Date**") due to a default by MSS; or

(d) A material breach of any MSS's Warranties provided under the SPA; or

(e) MSS fails to remedy the breach or the matter within fourteen (14) days of receipt of such Notice of Termination 2 from Menzies Malaysia, or within such other period as may be mutually agreed between the parties.

(iii) MSS's right to terminate

MSS may, at any time up to and on the Completion Date 3 and while such default subsists, provide Notice of Termination 2 to Menzies Malaysia under the following circumstances:

(a) Menzies Malaysia fails, neglects, or refuses to complete the sale of the Menzies Aviation Sale Shares in accordance with the provisions of the SPA; or

(b) Menzies Malaysia is in fundamental breach of its obligations under the SPA; or

(c) Any of the conditions precedent specified in Clause 4.1 of the SPA (conditions precedent) not being fulfilled by the Cut-Off Date due to a default by Menzies Malaysia; or

(d) A material breach of any Menzies Malaysia's Warranties provided under the SPA; or

(e) Menzies Malaysia fails to remedy the breach or the matter within fourteen (14) days of receipt of such Notice of Termination 2 from MSS, or within such other period as may be mutually agreed between the parties.

(iv) Termination in the event of insolvency

Menzies Malaysia and/or MSS may, at any time prior to Completion 3, provide Notice of Termination 2 to the other party if:

(a) The other party is, or becomes, or is adjudicated or found to be, bankrupt or insolvent, or suspends payment of its debts or admits inability to pay its debts as they fall due, or enters into any composition or arrangement for the benefit of its creditors generally, or if proceedings are commenced relating to reconstruction or adjustment of debts; or

(b) An administrator, receiver, or receiver and manager is appointed over, or distress, attachment, or execution is levied or enforced upon, any part of the assets or undertaking of the other party.

(v) Consequences of rescission or termination

Within fourteen (14) days of a rescission of the SPA pursuant to Section 5 of **Appendix III** of this Circular, or the issuance of Notice of Termination 2 duly given under the provisions of Section 6(ii), 6(iii) or 6(iv) of **Appendix III** of this Circular, or such other period as may be mutually agreed between the parties:

(a) Menzies Malaysia shall refund to MSS the Purchase Price;

(b) MSS must return all documents, if any, delivered to it by or on behalf of Menzies Malaysia, ensuring all Menzies Malaysia's rights and interests in Menzies Aviation remain intact;

(c) MSS shall transfer all Menzies Aviation Sale Shares it owns back to Menzies Malaysia; and

(d) Menzies Malaysia must return all documents, if any, delivered to it by or on behalf of MSS.

SALIENT TERMS OF SPA *(CONT'D)*

(vi) No further claims post-termination

Upon completion of the items in Section 6(v)) of **Appendix III** of this Circular, neither Menzies Malaysia nor MSS shall have any further claim against the other party in respect of the SPA or the transaction.

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INFORMATION ON TITIWANGSA CAPITAL

1. HISTORY AND BUSINESS

Titiwangsa Capital is a private limited company incorporated in Malaysia on 29 September 2017 under the Act and is principally involved in providing financial leasing activities, which includes the provision of moneylending and hire purchase facilities. Its principal place of business is located at No. 175-2, Jalan Lanchang, Taman Sri Bahtera, 56100 Wilayah Persekutuan Kuala Lumpur.

Titiwangsa Capital commenced its operation since 4 November 2019 with the License which is recently renewed with a validity period of up to 21 December 2026 and the License is renewable every 2 years' period.

Titiwangsa Capital offers flexible financing solutions, by providing both secured and unsecured loans to cater a wide range of borrowers, such as individuals, entrepreneurs, SMEs and investment holding companies, empowering them to meet their financial needs effectively by providing them with financing options for various purposes, including personal financing, working capital, business start-ups, expansion projects and investments.

Meanwhile, under the hire purchase facilities, Titiwangsa Capital's main focus is in the automotive financing segment, with priority given to trucks and commercial vehicle loans at this juncture, enabling them to finance the purchase of trucks and commercial vehicles for logistics operations.

As at the LPD, the principal market of Titiwangsa Capital's products and services is Malaysia and all the revenue of Titiwangsa Capital for the past 3 FYEs 31 December 2021, 31 December 2022 and 31 December 2023 as well as the unaudited FYE 31 December 2024 were generated from Malaysia. The revenue breakdown by services and products for the past 3 FYEs 31 December 2021, 31 December 2022 and 31 December 2023 as well as the unaudited FYE 31 December 2024 are as follows:

	Audited FYE 31 December			**Unaudited FYE 31 December**
	2021	**2022**	**2023**	**2024**
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Moneylending activities	-	124	66	311
Hire purchase facilities	400	391	378	366
Others(1)	-	4	1	-
Total	400	519	445	677

Note:

(1) Comprises gain arising from the early settlement of moneylending activities.

As at the LPD, Titiwangsa Capital's customers comprise individuals and SMEs.

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2. SHARE CAPITAL

As at the LPD, the issued share capital of Titiwangsa Capital is RM9,920,000 comprising 9,920,000 ordinary shares.

3. SUBSTANTIAL SHAREHOLDERS

As at the LPD, the substantial shareholders of Titiwangsa Capital are as follows:

		Direct Interest		Indirect Interest	
Name	**Country of incorporation**	**No. of shares**	**%**	**No. of shares**	**%**
MOV	Malaysia	9,920,000	100.00	-	-

4. DIRECTORS

As at the LPD, the directors of Titiwangsa Capital are as follows:

		Direct Interest		Indirect Interest	
Name	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Kenny Khow Chuan Wah	Malaysian	-	-	-	-
Chin Boon Long	Malaysian	-	-	-	-
Lim Poh Leng	Malaysian	-	-	-	-

5. SUBSIDIARY AND ASSOCIATED COMPANY

As at the LPD, Titiwangsa Capital does not have any subsidiary or associated company.

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6. FINANCIAL INFORMATION

A summary of the financial information of Titiwangsa Capital based on its audited financial statements for the FYE 31 December 2021, 31 December 2022 and 31 December 2023 as well as unaudited financial statement for the FYE 31 December 2024 are set out below:

	Audited			**Unaudited**
	FYE 31 December 2021	**FYE 31 December 2022(5)**	**FYE 31 December 2023(5)**	**FYE 31 December 2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	400	519	445	677
PBT/(LBT)	124	141	112	(545)
PAT/(LAT)	107	114	94	(545)
Total equity/NA	(16)	2,578	2,673	9,578
Share capital	*	2,480	2,480	9,920
Current assets	8,828	11,321	4,891	9,808
Current liabilities	8,845	8,764	3,506	329
Current ratio (times)(1)	1.00	1.29	1.40	29.81
Number of Titiwangsa Capital Shares in issue ('000)	*	2,480	2,480	9,920
Basic earnings/(loss) per Titiwangsa Capital Share(2) (RM)	1,070	0.05	0.04	(0.05)
NA per Titiwangsa Capital Share (3) (RM)	(160)	1.04	1.08	0.97
Total borrowings	N/A	N/A	N/A	N/A
Gearing(4) (times)	N/A	N/A	N/A	N/A

Notes:

* *Less than 1,000*

N/A Not Applicable

(1) Computed based on current assets divided by current liabilities.

(2) Computed based on PAT/LAT divided by the number of Titiwangsa Capital Shares in issue.

(3) Computed based on NA divided by the number of Titiwangsa Capital Shares in issue.

(4) Computed based on total borrowings divided by total equity.

*(5) Based on the consolidated financial statements of Titiwangsa Capital and its former wholly-owned subsidiary, Malaysia International Limited ("**MIL**"). For information purpose, MIL has been struck off on 28 December 2023 and is no longer a subsidiary of Titiwangsa Capital.*

Commentaries:

FYE 31 December 2024 vs FYE 31 December 2023

Titiwangsa Capital's revenue increased by approximately RM0.23 million or 52.13% from RM0.45 million in the FYE 31 December 2023 to RM0.68 million in the FYE 31 December 2024 mainly due to an increase in loan disbursement for new customers across both personal and corporate loan segments.

Despite the revenue recorded, Titiwangsa Capital recorded LAT of RM0.55 million in the FYE 31 December 2024 as compared to PAT of approximately RM0.09 million in the FYE 31 December 2023 mainly due to a substantial one-off expense of RM0.78 million related to the impairment on trade receivables.

FYE 31 December 2023 vs FYE 31 December 2022

Titiwangsa Capital's revenue decreased by approximately RM0.07 million or 14.26% from RM0.52 million in the FYE 31 December 2022 to RM0.45 million in the FYE 31 December 2023 mainly due to decrease in customers' demand in borrowings.

Titiwangsa Capital's PAT decreased by approximately RM0.02 million or 17.54% from RM0.14 million in the FYE 31 December 2022 to PAT of approximately RM0.09 million in the FYE 31 December 2023 mainly due to higher administrative costs of RM0.05 million in management fees.

FYE 31 December 2022 vs FYE 31 December 2021

Titiwangsa Capital's revenue increased by approximately RM0.12 million or 29.75% from RM0.40 million in the FYE 31 December 2021 to RM0.52 million in the FYE 31 December 2022 mainly due to the introduction of corporate and personal loan sales, whereas Titiwangsa Capital previously only offered hire purchase loans.

However, despite the increase in revenue, Titiwangsa Capital's PAT only increased marginally by RM7,000 or 6.54% from approximately RM107,000 in the FYE 31 December 2021 to PAT of approximately RM114,000 in the FYE 31 December 2022 mainly due to bad debt written off of RM82,530 as a result of customer's non-repayment of the outstanding amount.

Accounting policies and accounting qualification

For the past 3 FYEs 31 December 2021, 31 December 2022 and 31 December 2023 under review:

(i) there were no exceptional or extraordinary items;

(ii) there are no accounting policies adopted by Titiwangsa Capital which are peculiar to Titiwangsa Capital due to the nature of its business or the industry in which it is involved in; and

(iii) there was no audit qualification of the financial statements of Titiwangsa Capital.

7. MATERIAL CONTRACTS

Save for the Subscription and Shareholders' Agreement, Titiwangsa Capital has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the past 2 years up to the LPD.

8. MATERIAL LITIGATIONS, CLAIMS AND ARBITRATION

As at the LPD, Titiwangsa Capital is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board of Directors of Titiwangsa Capital is not aware of any proceedings, pending or threatened against Titiwangsa Capital, or of any facts likely to give rise to any proceedings which may materially and adversely affect the business or financial position of Titiwangsa Capital.

9. MATERIAL COMMITMENTS

As at the LPD, there is no material commitments incurred or known to be incurred by Titiwangsa Capital, which may have a material impact on the profits and/or NA of Titiwangsa Capital.

10. CONTINGENT LIABILITIES

As at the LPD, there is no material contingent liabilities incurred or known to be incurred by Titiwangsa Capital, which may have a substantial impact on the financial position of Titiwangsa Capital.

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INFORMATION ON MENZIES AVIATION

1. HISTORY AND BUSINESS

Menzies Aviation is a private limited company incorporated in Malaysia on 30 December 2022 under the Act. On 24 September 2024, Menzies Aviation became a 49%-owned associate of our Group upon completion of our Company's acquisition of the 49% equity interest of Menzies Aviation.

Menzies Aviation commenced its operation since 11 November 2024 and is principally involved in the business of the provision of ground handling equipment to the airline customers, the provision of services for airline and related businesses. These services include passenger support (check-in, boarding, baggage handling), aircraft ramp handling (pushback, marshalling, towing), aircraft cleaning and cabin services and arrival/departure coordination. Additionally, Menzies Aviation offers high priority passengers handling, flight operations and dispatch services as well as surface transport for delayed passengers and crew. Menzies Aviation's principal place of business is located at Lot LS2-3A-04, Departure Level, Public Concourse, KLIA 2, 64000 Sepang, Selangor.

As at the LPD, the principal market of Menzies Aviation's services is Malaysia and all the revenue of Menzies Aviation for the unaudited FYE 31 December 2024 were generated from Malaysia. The breakdown of Menzies Aviation's revenue from FYE 31 December 2023 and the unaudited FYE 31 December 2024 are as follows:

	Audited FYE 31 December 2023[(1)]		**Unaudited FYE 31 December 2024**	
Revenue	**RM'000**	**%**	**RM'000**	**%**
Domestic	-	-	3,000	100.00
Total	**-**	**-**	**3,000**	**100.00**

Note:

(1) Being the latest audited financial statements available since Menzies Aviation's incorporation on 30 December 2022. Additionally, no revenue was recorded for the FYE 31 December 2023, as Menzies Aviation only began operations on 11 November 2024.

2. SHARE CAPITAL

As at the LPD, the issued share capital of Menzies Aviation is RM4,300,000 comprising 4,300,000 ordinary shares.

3. SHAREHOLDERS

As at the LPD, the shareholders of Menzies Aviation are as follows:

		Direct Interest		**Indirect Interest**	
Name	**Country of incorporation / Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
MSS	Malaysia	2,107,000	49.00	-	-
Menzies Malaysia	Malaysia	2,107,000	49.00		
Mokhtar Bin Othman	Malaysian	86,000	2.00	-	-

4. DIRECTORS

As at the LPD, the directors of Menzies Aviation are as follows:

		Direct Interest		Indirect Interest	
Name	**Nationality**	**No. of shares**	**%**	**No. of shares**	**%**
Woo Kam Weng	Malaysian	-	-	-	-
Rajini Kanth A/L Muthusamy	Malaysian	-	-	-	-
Mokhtar Bin Othman	Malaysian	86,000	2.00	-	-
Lin Pei Wen	Malaysian	-	-	-	-
Ong Pei Fang	Singaporean	-	-	-	-
James Wong Yiu-Cho	Canadian	-	-	-	-

5. SUBSIDIARY AND ASSOCIATED COMPANY

As at the LPD, Menzies Aviation does not have any subsidiary or associated company.

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6. FINANCIAL INFORMATION

A summary of the financial information of Menzies Aviation based on its audited financial statement for the FYE 31 December 2023 as well as unaudited financial statement for the FYE 31 December 2024 are set out below:

	Audited	Unaudited
	FYE 31 December 2023	**FYE 31 December 2024**
	RM'000	**RM'000**
Revenue	-	3,000
PBT/(LBT)	(2,773)	(1,850)
PAT/(LAT)	(2,776)	(1,850)
Total equity/NA	(2,774)	(327)
Share capital	2	4,300
Current assets	201	9,363
Current liabilities	3,597	9,977
Current ratio (times)(1)	0.06	0.94
Number of Menzies Aviation Shares in issue ('000)	2	4,300
Basic loss per Menzies Aviation Share(2) (RM)	(1,388)	(0.43)
NA per Menzies Aviation Share (3) (RM)	(1,387)	(0.08)
Total borrowings(4)	1,950	1,669
Gearing(5) (times)	(0.70)	(5.10)

Notes:

(1) *Computed based on current assets divided by current liabilities.*

(2) *Computed based on PAT/LAT divided by the number of Menzies Aviation Shares in issue.*

(3) *Computed based on NA divided by the number of Menzies Aviation Shares in issue.*

(4) *Comprises lease liabilities.*

(5) *Computed based on total borrowings divided by total equity.*

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Commentaries:

FYE 31 December 2024 vs FYE 31 December 2023

Menzies Aviation recorded revenue of RM3.00 million since commencement of its business on 11 November 2024 during the FYE 31 December 2024 from the ground handling activities.

Nonetheless, Menzies Aviation recorded LAT of RM1.85 million in the FYE 31 December 2024. Its LAT decreased by RM0.93 million or 33.36% in the FYE 31 December 2024 as compared to LAT of approximately RM2.78 million in the FYE 31 December 2023 mainly due to Menzies Aviation's commencement of business operations and recognition of revenue towards the 4th quarter of the year.

Accounting policies and accounting qualification

For the FYE 31 December 2023 under review:

(i) there were no exceptional or extraordinary items;

(ii) there are no accounting policies adopted by Menzies Aviation which are peculiar to Menzies Aviation due to the nature of its business or the industry in which it is involved in; and

(iii) there was no audit qualification of the financial statements of Menzies Aviation.

7. MATERIAL CONTRACTS

Menzies Aviation has not entered into any material contracts (not being contract entered into in the ordinary course of business) within the past 2 years up to the LPD.

8. MATERIAL LITIGATIONS, CLAIMS AND ARBITRATION

As at the LPD, Menzies Aviation is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board of Directors of Menzies Aviation is not aware of any proceedings, pending or threatened against Menzies Aviation, or of any facts likely to give rise to any proceedings which may materially and adversely affect the business or financial position of Menzies Aviation.

9. MATERIAL COMMITMENTS

As at the LPD, there is no material commitments incurred or known to be incurred by Menzies Aviation, which may have a material impact on the profits and/or NA of Menzies Aviation.

10. CONTINGENT LIABILITIES

As at the LPD, there is no material contingent liabilities incurred or known to be incurred by Menzies Aviation, which may have a substantial impact on the financial position of Menzies Aviation.

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Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

Reports and Financial Statements for the Financial Year ended 31 December 2023

Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

Reports and Financial Statements
for the Financial Year ended 31 December 2023

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MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

DIRECTOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The director hereby submit his report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of dealing in financial lease activities. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	94,259	94,259
Attributable to:		
Owner of the Company	94,259	94,259

DIVIDENDS

No dividends have been paid or declared since the end of previous financial year. The director does not recommend that a dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

SHARES AND DEBENTURES

The Company did not issue any new shares and debentures during the financial year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the director took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied himself that all known bad debts have been written off and that no provision for doubtful debts is required.

Company No.: 201701034845 (1249016 – D)

BAD AND DOUBTFUL DEBTS (CONT'D)

At the date of this report, the director is not aware of any circumstances which would render it necessary to make any provision for doubtful debts or render the amount written off for bad debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the director took reasonable steps to ascertain whether any current assets which were unlikely to be realised in the ordinary course of business, their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected to realise.

At the date of this report, the director is not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the director is not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CHANGE OF CIRCUMSTANCES

At the date of this report, the director is not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

CONTINGENT AND OTHER LIABILITIES

As of the date of this report, there does not exist:

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

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the director, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

ITEM OF MATERIAL AND UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the director, substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

Company No.: 201701034845 (1249016 – D)

ITEM OF MATERIAL AND UNUSUAL NATURE (CONT'D)

In the opinion of the director, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Goh Soo Wee

DIRECTOR'S BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due receivable by the director shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 16 to the financial year.

There were no arrangements during and at the end of the financial year, which had the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTOR'S INTERESTS

According to the register of director's shareholding, the interests of director who held office at the end of the financial year in the ordinary shares of the Company during the financial year are as follows:

	Number of Ordinary Shares			
	At 1.1.2023	**Bought**	**Sold**	**At 31.12.2023**
Shareholdings in ultimate holding company				
Dato' Goh Soo Wee	2,480,000	-	-	2,480,000

Company No.: 201701034845 (1249016 – D)

DIRECTOR'S REMUNERATIONS

	2023	
	Group	**Company**
	RM	**RM**
Remuneration	120,000	120,000
Contribution to defined contribution plan	21,600	21,600
Others	1,159	1,159
	142,759	142,759

The director did not receive any other benefits from the Group and the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the director of the Company during the financial year.

INDEMNIFYING DIRECTOR, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditors of the Company.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	2023	
	Group	**Company**
	RM	**RM**
Statutory audit	3,000	3,000

Company No.: 201701034845 (1249016 – D)

AUDITORS

The auditors, Messrs. Aaron Wong & Co, have expressed their willingness to continue in office.

Signed by the sole director in accordance with a resolution of the director,

Dato' Goh Soo Wee
Director
28 JUN 2024

Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTOR
Pursuant to Section 251 (2) of the Companies Act, 2016

The director of Mpire Capital Sdn. Bhd. do hereby state that, in his opinion, the accompanying financial statements are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows of the Company for the financial year then ended.

Signed by the sole director in accordance with a resolution of the director.

Dato' Goh Soo Wee
Director
28 JUN 2024

STATUTORY DECLARATION
Pursuant to Section 251 (1)(b) of the Companies Act, 2016

I, Dato' Goh Soo Wee, the director primarily responsible for the financial management of Mpire Capital Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named at Kuala Lumpur in the Federal Territory on
28 JUN 2024

....
Dato' Goh Soo Wee

Before me:

PESURUHJAYA SUMPAH
W960
NICHOLAS NETTO
BC/N/1521
01.12.2022 - 31.12.2024
MALAYSIA

VO3-08-18, Level 8,
VO3 Designer Office,
Lingkaran SV, Sunway Velocity
55100 Cheras, Kuala Lumpur.

6

AW AARON WONG & CO AF 002840
CHARTERED ACCOUNTANTS

Add: No 96-2 Amber Business Plaza 2,
Jalan Jerawat 1, Batu 3 1/2,
Off Jalan Cheras,
56000 Kuala Lumpur, Malaysia.
Tel: +6 03 [illegible]
Email: aaron.wongszeyen@gmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MPIRE CAPITAL SDN. BHD.
Company No.: 201701034845 (1249016 – D)
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Mpire Capital Sdn. Bhd.**, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 33.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

AARON WONG & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MPIRE CAPITAL SDN. BHD.
Company No.: 201701034845 (1249016 – D)
(Incorporated in Malaysia)

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

Information Other than the Financial Statements and Auditors' Report Thereon

The director of the Company is responsible for the other information. The other information comprises the Director's Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Director's Report and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Director for the Financial Statements

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

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

AARON WONG & CO.
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MPIRE CAPITAL SDN. BHD.
Company No.: 201701034845 (1249016 – D)
(Incorporated in Malaysia)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

AW AARON WONG & CO
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
MPIRE CAPITAL SDN. BHD.
Company No.: 201701034845 (1249016 – D)
(Incorporated in Malaysia)

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

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also: (cont'd)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

OTHER MATTERS

The financial statements of the Group and of the Company for the financial year ended 31 December 2022 were audited by another firm of chartered accountants whose report dated 12 May 2023 expressed an unmodified opinion.

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

AARON WONG & CO	**WONG SZE YAN**
AF 002540	03765/07/2025 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur
28 JUN 2024

Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	17,353	21,462	17,353	21,462
Investment in subsidiary	6	-	-	4,200	4,200
Trade receivables	7	1,271,745	2,841,314	1,271,745	2,841,314
		1,289,098	2,862,776	1,293,298	2,866,976
CURRENT ASSETS					
Trade receivables	7	2,940,443	3,720,288	2,940,443	3,720,288
Other receivables, deposits and prepayment	8	755,192	975,962	755,192	975,962
Current tax assets		28,520	6,720	28,520	6,720
Cash and bank balances		1,166,508	3,777,116	1,162,308	3,772,916
		4,890,663	8,480,086	4,886,463	8,475,886
TOTAL ASSETS		6,179,761	11,342,862	6,179,761	11,342,862
EQUITY AND LIABILITIES					
Share capital	9	2,480,000	2,480,000	2,480,000	2,480,000
Retained Earnings		192,596	98,337	203,325	109,066
TOTAL EQUITY		2,672,596	2,578,337	2,683,325	2,589,066
NON CURRENT LIABILITY					
Deferred tax liability	10	1,600	1,000	1,600	1,000
		1,600	1,000	1,600	1,000
CURRENT LIABILITIES					
Other payables, accruals and deposits received	11	3,442,548	6,769,225	3,431,819	6,758,496
Amount due to a director	12	63,017	1,994,300	63,017	1,994,300
TOTAL LIABILITIES		3,505,565	8,763,525	3,494,836	8,752,796
TOTAL EQUITY AND LIABILITIES		6,179,761	11,342,862	6,179,761	11,342,862

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

Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	13	444,693	518,810	444,693	518,810
Other income		-	1,498	-	1,498
Operating expenses		(333,134)	(379,505)	(333,134)	(368,776)
Profit before taxation	14	111,559	140,803	111,559	151,532
Taxation	15	(17,300)	(26,033)	(17,300)	(26,033)
Profit for the financial year, being total comprehensive income for the financial year		94,259	114,770	94,259	125,499

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

Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Shares Capital RM	Accumulated Loss/ Retained Earnings RM	Total Equity RM
As at 1 January 2022		100	(16,433)	(16,333)
Share issued	9	2,479,900	-	2,479,900
Total comprehensive income for the financial year		-	114,770	114,770
As at 31 December 2022/1 January 2023		2,480,000	98,337	2,578,337
Total comprehensive income for the financial year		-	94,259	94,259
As at 31 December 2023		2,480,000	192,596	2,672,596

Company	Note	Shares Capital RM	Accumulated Loss/ Retained Earnings RM	Total Equity RM
As at 1 January 2022		100	(16,433)	(16,333)
Share issued	9	2,479,900	-	2,479,900
Total comprehensive income for the financial year		-	125,499	125,499
As at 31 December 2022/1 January 2023		2,480,000	109,066	2,589,066
Total comprehensive income for the financial year		-	94,259	94,259
As at 31 December 2023		2,480,000	203,325	2,683,325

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

Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		111,559	140,803	111,559	151,532
Adjustments for:					
Bad debts written-off		39,427	82,530	39,427	82,530
Depreciation of property, plant and equipment		4,109	3,326	4,109	3,326
Operating profit before working capital changes		155,095	226,659	155,095	237,388
Changes in working capital:					
Receivables		2,530,757	(1,640,917)	2,530,757	(1,640,917)
Payables		(3,326,677)	271,963	(3,326,677)	261,234
Cash used in operations		(640,825)	(1,142,295)	(640,825)	(1,142,295)
Tax paid		(38,500)	(49,279)	(38,500)	(49,279)
Net cash used in operating activities		(679,325)	(1,191,574)	(679,325)	(1,191,574)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of investment in subsidiary		-	-	-	(4,200)
Purchase of property, plant and equipment		-	(24,788)	-	(24,788)
Net cash used in investing activities		-	(24,788)	-	(28,988)
CASH FLOWS FROM FINANCING ACTIVITIES					
Issuance of shares	9	-	2,479,900	-	2,479,900
Repayment to a director		(1,931,283)	(335,700)	(1,931,283)	(335,700)
Net cash (used in)/from financing activities		(1,931,283)	2,144,200	(1,931,283)	2,144,200
Net changes in cash and cash equivalents		(2,610,608)	927,838	(2,610,608)	923,638
Cash and cash equivalents at beginning of the financial year		3,777,116	2,849,278	3,772,916	2,849,278
Cash and cash equivalents at end of the financial year		1,166,508	3,777,116	1,162,308	3,772,916

The accompanying notes form an integral part of these financial statements

Company No.: 201701034845 (1249016 – D)

MPIRE CAPITAL SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

The Company is a private limited liability company incorporated and domiciled in Malaysia. The registered office is located at 17-09, Tower A, The Vertical Business Suite, No.8, Jalan Kerinchi, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business is located at No. 175-2, Jalan Lancang, Taman Sri Bahtera, Cheras 56100 Kuala Lumpur.

The Company is principally engaged in the business of dealing in financial lease activities. The principal activities of the subsidiaries are disclosed in Note 6. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and has been rounded to the nearest RM, unless otherwise stated.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act, 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below:

3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company, unless otherwise stated. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiary and business combination

Subsidiary is an entity, including special purposes entities, controlled by the Company. Control is the power to govern the financial and operating policies of the acquiree so as to obtain benefits from its activities.

The financial statements of subsidiary are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

Investment in subsidiary is measured in the Company's statement of financial position at cost less impairment losses. The cost of investment includes transaction costs.

The Group applies the purchase method to account for business combinations from the acquisition date, which is the date on which the acquirer obtains control of the acquiree.

The cost of a business combination is the aggregate of:

- the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree, plus
- any costs directly attributable to the business combinations.

If an associate or a jointly controlled entity, previously measured at equity method, becomes a subsidiary, the Group remeasures its previously held equity interest to fair value and recognises the resulting gain or loss, if any, in profit or loss. The remeasured carrying amount forms part of the cost of business combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (Cont'd)

(a) Subsidiary and business combination (cont'd)

When the cost of the business combination is in excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised, the excess is recognised as goodwill.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The non-controlling interest in the acquiree is measured at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding twelve months from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the carrying amount of the investment at the date that control is lost and the difference between the proceeds from the disposal of the subsidiary and its carrying amount is recognised in profit or loss as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Changes in the Group's controlling interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (Cont'd)

(b) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and jointly controlled entities are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate Financial Statements

In the Company's statement of financial position, investment in subsidiary is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.4(b).

3.3 Property, Plant and Equipment

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

Car number plate has an unlimited useful life and therefore is not depreciated. All other assets are depreciated on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	Rate
Furniture and fittings	10%
Renovation	10%
Signboard	10%
Computer and software	20%

Depreciation of an asset begins when it is ready for its intended use.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment of Assets

(a) Impairment of Financial Assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. If there is objective evidence of impairment, impairment loss is recognised in profit or loss immediately.

An impairment loss is measured as follows:

- for a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

- for a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the entity would receive for the asset if it were to be sold at the reporting date.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the Group and the Company shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Group and the Company shall recognise the amount of the reversal in profit or loss immediately.

(b) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (except for deferred tax assets, amount due from customers for contract work, assets arising from employee benefits, investment property measured at fair value and biological assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment of Assets (Cont'd)

(b) Impairment of Non-Financial Assets (cont'd)

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss.

3.5 Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial instruments are recognised initially the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitute a financing transaction, the financial asset or financial liability is measured at present value of the future payments discounted at a market rate of interest for a similar debt instrument.

(a) Subsequent Measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purpose of subsequent measurement, the Group and Company classify financial assets into two categories, namely financial assets at fair value through profit or loss and financial assets at amortised costs.

After initial recognition, the Group and the Company measure investments in quoted preference shares, quoted ordinary shares and derivatives that are assets at their fair values by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investment in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

(a) Subsequent Measurement (cont'd)

The Group and the Company categorise the financial instruments as follows: (cont'd)

(i) Financial assets (cont'd)

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 3.5.

(ii) Financial liabilities

After initial recognition, the Group and the Company measure all financial liabilities at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

(b) Derecognition

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled; or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

A financial liability is derecognised when, and only when, it is extinguished, which is either when the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, any difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.7 Cash and Cash Equivalents

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Liabilities and Equity

(a) Classification of Liabilities and Equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

(b) Equity Instruments

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Leasee Accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate is used. Any initial direct costs of the lease are added to the amount recognised as an asset. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. A finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as an expense in the period in which they are incurred.

The capitalised leased assets is classified by nature and accounted for in accordance with applicable Standard in MPERS. If there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

For operating leases, the Group and the Company do not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Leases (Cont'd)

(b) Lessor Accounting

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in finance lease.

If an entity in the Group is lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more presentative of the time pattern of the lessee's benefits from the leased asset even if the receipt of payments is not on that basis.

3.10 Revenue

(a) Interest Income

Interest income is recognised using effective interest method and on accruals on a time basis.

3.11 Employment Benefits

(a) Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Group and the Company.

(b) Defined Contribution Plan

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Group and the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Taxation

Taxation is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Group and the Company have a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group and the Company expect to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with MPERS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires director to exercise his judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the director's best knowledge of current events and actions, actual results may differ.

Significant area of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial statements include the following:

(a) Impairment of financial assets

The Group and the Company recognise impairment losses for loans and receivables using the incurred loss model. At the end of each reporting period, the Group and the Company assess whether there is any objective evidence that loans and receivables is impaired. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. The actual eventual losses may be different from the impairment made and this may affect the Group's and the Company's financial position and results.

The carrying amounts of the Group's and the Company's financial assets are disclosed in Note 18.

(b) Taxation

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

(c) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

5. PROPERTY, PLANT AND EQUIPMENT

Group/Company Cost	As at 1.1.2023 RM	Additions RM	Disposal RM	As at 31.12.2023 RM
Furnitures and fittings	1,732	-	-	1,732
Renovation	2,626	-	-	2,626
Signboard	4,130	-	-	4,130
Computer hardware and software	16,300	-	-	16,300
Total	24,788	-	-	24,788

Accumulated depreciation	As at 1.1.2023 RM	Charge for the financial year RM	Disposal RM	As at 31.12.2023 RM
Furnitures and fittings	115	173	-	288
Renovation	219	263	-	482
Signboard	275	413	-	688
Computer hardware and software	2,717	3,260	-	5,977
Total	3,326	4,109	-	7,435

	Group/Company	
Carrying amount	2023 RM	2022 RM
Furnitures and fittings	1,444	1,617
Renovation	2,144	2,407
Signboard	3,442	3,855
Computer hardware and software	10,323	13,583
	17,353	21,462

6. INVESTMENT IN SUBSIDIARY

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost		
At beginning of the financial year	4,200	-
Additions	-	4,200
At end of the financial year	4,200	4,200

Details of the subsidiary is as follows:

Name of the Company	Country of incorporation	Effective Equity Interest 2023	Effective Equity Interest 2022	Principal Activities
Malaysia International Limited	Labuan, Malaysia	100%	100%	Dormant

7. TRADE RECEIVABLES

	2023 RM	2022 RM	2023 RM	2022 RM
Current	2,940,443	3,720,288	2,940,443	3,720,288
Non-current	1,271,745	2,841,314	1,271,745	2,841,314
	4,212,188	6,561,602	4,212,188	6,561,602

Related party refers to a company in which the director has financial interests. This amount is repayable according to normal credit terms.

Represented by:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Third parties	2,686,051	3,688,466	2,686,051	3,688,466
Related party	254,392	31,822	254,392	31,822
	2,940,443	3,720,288	2,940,443	3,720,288
Non-current				
Third parties	1,049,152	2,586,740	1,049,152	2,586,740
Related party	222,593	254,574	222,593	254,574
	1,271,745	2,841,314	1,271,745	2,841,314
	4,212,188	6,561,602	4,212,188	6,561,602

Trade receivables represent finance lease receivables.

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	746,917	824,483	746,917	824,483
Related party	-	113,815	-	113,815
Deposits	6,880	36,250	6,880	36,250
Prepayment	1,395	1,414	1,395	1,414
	755,192	975,962	755,192	975,962

Related party refers a company in which the director has financial interests. This amount is unsecured, interest free and repayable on demand.

9. SHARE CAPITAL

	Group/Company			
	Number of shares			
	2023 Units	2022 Units	2023 RM	2022 RM
Ordinary shares				
Issued and fully paid :				
At beginning of the financial year	2,480,000	100	2,480,000	100
Issued during the year	-	2,479,900	-	2,479,900
At end of the financial year	2,480,000	2,480,000	2,480,000	2,480,000

The holder of ordinary shares is entitled to receive dividends declared from time to time and are entitled to one vote per share at meeting of the Company.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Group/Company.

10. DEFERRED TAX LIABILITY

Deferred tax liability is attributable to the following:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	1,600	1,000	1,600	1,000

10. DEFERRED TAX LIABILITY (CONT'D)

The movement in deferred tax liability during the financial year is as follow:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At beginning of the financial year	1,000	-	1,000	-
Transfer to statement of comprehensive income (Note 15)	600	1,000	600	1,000
At end of the financial year	1,600	1,000	1,600	1,000

11. OTHER PAYABLES, ACCRUALS AND DEPOSITS RECEIVED

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables	3,011,735	3,011,854	3,001,006	3,001,125
Related party	422,546	3,746,568	422,546	3,746,568
Accruals	8,267	10,803	8,267	10,803
	3,442,548	6,769,225	3,431,819	6,758,496

Related party refers to a company in which the director has financial interests. This amount is unsecured, interest free and repayable on demand.

12. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest free and repayable on demand.

13. REVENUE

Revenue represents interest income received and receivable.

Company No.: 201701034845 (1249016 – D)

14. PROFIT BEFORE TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
This is arrived at after charging/ (crediting):				
Auditors' remuneration	3,000	3,000	3,000	3,000
Bad debt written-off	39,427	82,530	39,427	82,530
Depreciation of property, plant and equipment	4,109	3,326	4,109	3,326
Incorporation fee	-	10,729	-	-
Rental of showroom	18,379	31,500	18,379	31,500
Sundry income	-	(1,498)	-	(1,498)

14.1 EMPLOYEE BENEFIT EXPENSES

The employees' benefits expenses, excluding those for executive director, are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Short-term employee benefits:				
Salaries	21,228	48,000	21,228	48,000
Defined contribution plans	2,424	5,460	2,424	5,460
Socso and EIS	361	812	361	812
	24,013	54,272	24,013	54,272

15. TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current tax expense				
- Current year	16,700	24,780	16,700	24,780
- Prior year	-	253	-	253
	16,700	25,033	16,700	25,033
Deferred tax				
- Origination and reversal	200	1,000	200	1,000
- Prior year	400	-	400	-
	600	1,000	600	1,000
	17,300	26,033	17,300	26,033

Company No.: 201701034845 (1249016 – D)

15. TAXATION (CONT'D)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Profit before tax	111,559	140,803	111,559	151,532
Tax at Malaysian statutory tax rate	26,800	33,793	26,800	36,368
Tax effect of:				
Non deductible expenses	120	2,605	120	30
Non-taxable income	-	(414)	-	(414)
Differential tax rate for:				
- small & medium companies in Malaysia	(10,020)	(10,204)	(10,020)	(10,204)
year				
- current tax	-	253	-	253
- deferred tax	400	-	400	-
	17,300	26,033	17,300	26,033

The Malaysian income tax rate for companies with paid-up share capital of RM2.5 million and below at the beginning of the basis period is 15% (2022: 17%) for chargeable income of up to RM150,000, on the next RM450,000 chargeable income is subject to 17%. For chargeable income in excess of RM600,000, the statutory tax rate of 24% is still applicable.

16. RELATED PARTY TRANSACTIONS

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control.

In addition to the information detailed elsewhere in financial statements, the Group and the Company have related party relationship with holding company, subsidiary, related companies and related party. Related party refers to a company in which the director has financial interest.

16. RELATED PARTY TRANSACTIONS (CONT'D)

(b) Related Parties Transactions

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Sales to related companies	19,200	17,600	19,200	17,600
Management fee paid to related company	64,767	15,976	64,767	15,976

The director is of the opinion that, all the above transactions have been entered into in the normal course of business and have been established on term and conditions that are not materially different from that obtainable in transactions with unrelated parties.

(c) Key management personnel compensation

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Director's remuneration				
- Salary	120,000	120,000	120,000	120,000
- Defined contribution plan	21,600	21,600	21,600	21,600
- Socso and EIS	1,159	1,002	1,159	1,002
	142,759	142,602	142,759	142,602

18. FINANCIAL INSTRUMENTS CLASSIFICATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial assets measure at amortised cost:				
Trade receivables	4,212,188	6,561,602	4,212,188	6,561,602
Other receivable and deposits	753,797	974,548	753,797	974,548
Cash and bank balances	1,166,508	3,777,116	1,162,308	3,772,916
	6,132,493	11,313,266	6,128,293	11,309,066

Company No.: 201701034845 (1249016 – D)

18. FINANCIAL INSTRUMENTS CLASSIFICATION (CONT'D)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial liabilities measure at amortised cost:				
Other payables, accruals and deposits received	3,442,548	6,769,225	3,431,819	6,758,496
Amounts due to a director	63,017	1,994,300	63,017	1,994,300
	3,505,565	8,763,525	3,494,836	8,752,796

19. COMPARATIVE FIGURES

During the financial year, certain comparative figures have been reclassified to conform with current financial year's presentation as follows:

	Group		Company	
	As Reclassified RM	As previously Reported RM	As Reclassified RM	As previously Reported RM
Statements of Financial Position				
Non-current assets				
Trade receivables	1,271,745	-	1,271,745	-
Current assets				
Trade receivables	2,940,443	6,561,602	2,940,443	6,561,602

20. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company were authorised for issue by the board of director on 28 JUN 2024

MYMENZIES SDN. BHD.
Company No. : 202201048105(1493802-A)
(Incorporated in Malaysia)

Directors' Report & Audited Financial Statements

FOR THE PERIOD FROM 30 DECEMBER 2022 (THE DATE OF INCORPORATION) TO 31 DECEMBER 2023

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 30 DECEMBER 2022 (THE DATE OF INCORPORATION) TO 31 DECEMBER 2023

CONTENTS

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

The Directors present their report together with the audited financial statements of the Company for the financial period 30 December 2022 (date of incorporation) to 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are engaged in the business of provision of ground handling equipment and services for airline and related businesses.

RESULTS

	RM
Loss for the financial period	2,776,316

There were no material transfers to or from reserves or provisions during the financial period.

In the opinion of the Directors, the results of the operations of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the date of incorporation.

The Directors do not recommend the payment of any dividend in respect of the current financial period.

ISSUE OF SHARES

At the date of incorporation, the Company issued 100 ordinary shares of RM1 each in cash to the subscribers of the Company.

During the financial period, the Company increased its issued and paid-up capital from RM100 to RM2,000 through an allotment of 1,900 new ordinary shares of RM1 each by way of cash for working capital purpose.

DIRECTORS

The Directors in office since the date of incorporation to the date of this report are:

Dato' Abd Hamid Bin Mohd Ali	(First Director)
James Wong Yiu-Cho	(First Director)
Rayner Teo Kheng Hock	(First Director)
Ong Pei Fang	(Appointed on 3 October 2023)
Charles Brodie Joseph Wyley	(First Director and resigned on 4 October 2023)

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

DIRECTORS (CONT'D)

Neither at the end of the financial period, nor at any time during that period did there subsists any arrangement, to which the Company is a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

According to the Register of Directors' Shareholding, the interests of Directors in office at the end of the financial period in shares of the Company and its related corporations were as follows:

	Number of Ordinary Shares			
	As at 30.12.2022	Bought	Sold	As at 31.12.2023
Immediate Holding Company – MyAirline Sdn. Bhd.				
Direct interest				
Rayner Teo Kheng Hock	40,000	0	0	40,000

By virtue of Rayner Teo Kheng Hock interest in the immediate holding company, MyAirline Sdn. Bhd., he is deemed to be interested in shares of the Company and its related corporations to the extent the immediate holding company has an interest.

Since the date of incorporation, no Director has received or become entitled to receive any benefit, by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the Director has a substantial financial interest.

SHARE OPTION

During the financial period, no option were granted by the Company to any parties to take up any unissued shares in the Company and no shares have been issued by virtue of the exercise of any option to take up unissued shares and as of the end of the financial period, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

(a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there was no known bad debts and that adequate provision had been made for doubtful debt; and

(ii) to ensure that any current assets which were unlikely to realise their book values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

OTHER STATUROTY INFORMATION (CONT'D)

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or the amount of provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent; and

(ii) the values attributable to current assets in the financial statements and of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

(d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Company, which has arisen since the end of the financial period.

(f) In the opinion of the Directors:

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

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report, which is likely to affect substantially the results of the operations of the Company for the financial period in which this report is made.

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

DIRECTORS AND OFFICERS INDEMNITY AND INSURANCE COST

No indeminities have been given or insurance premium paid, during the or since the end of the period, for any person who is or has been a Director or Officer of the Company.

HOLDING COMPANY

The Directors regard MyAirline Sdn. Bhd., a company incorporated in Malaysia, as the immediate holding company.

<This part is intentionally left blank>

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONT'D)

INDEPENDENT AUDITORS AND AUDITORS' REMUNERATION

The independent auditors, ShineWing TY Teoh PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 12 to the financial statement.

To the extent permitted by law, the Company has agreed to indemnify its auditors, ShineWing TY Teoh PLT as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify ShineWing TY Teoh PLT during or since the end of the financial period.

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

ONG PEI FANG
Director

Republic of Singapore
Dated: 02 April 2024

JAMES WONG YIU-CHO
Director

Petaling Jaya, Malaysia
Dated: 02 April 2024

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251 (2) of the Companies Act 2016.

We, ONG PEI FANG and JAMES WONG YIU-CHO, being two of the Directors of MYMENZIES SDN. BHD., do hereby state that in our opinion in the opinion of the Directors, the financial statements set out on pages 10 to 42 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provision of the Companies Act 2016 in Malaysia so as to give a true and fair view of:

(i) the financial position of the Company as at 31 December 2023 and of the financial performance of the Company for the period ended on that date; and

(ii) the cash flows of the Company for the period ended 31 December 2023.

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

ONG PEI FANG Director	JAMES WONG YIU-CHO Director
Republic of Singapore Dated: 02 April 2024	Petaling Jaya, Malaysia Dated: 02 April 2024

STATUTORY DECLARATION
Pursuant to Section 251 (1)(b) of the Companies Act 2016.

I, JAMES WONG YIU-CHO, being the Director primarily responsible for the financial management of MYMENZIES SDN. BHD., do hereby solemnly and sincerely declare that the financial statements set out on pages 10 to 42 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed JAMES WONG YIU-CHO at)
Petaling Jaya in the State of Selangor Darul)
Ehsan on 02 April 2024) JAMES WONG YIU-CHO

Before me,

PESURUHJAYA SUMPAH
No: B 479
NORAZILA
BINTI HASSAN
01.01.2024 - 31.12.2026
MALAYSIA

Unit G082 Ground Floor, Millenium Square
98 Jalan 14/1,
46100 Petaling Jaya, Selangor

SW TY TEOH 信永中和

KUALA LUMPUR
JOHOR BAHRU
PENANG
LABUAN
MUAR
SITIAWAN
IPOH

ShineWing TY TEOH PLT
201606000154 (LLP0014535-LCA) & AF1460
Chartered Accountants
Level 4, Wisma TY TEOH, 11 Jalan PJU 1A/41B,
NZX Commercial Centre, Ara Jaya,
47301 Petaling Jaya, Selangor, Malaysia.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYMENZIES SDN. BHD.
Company No : 202201048105 (1493802-A)
(Incorporated in Malaysia)

Report on the Audit of Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of MyMenzies Sdn. Bhd., which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 10 to 42.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

We draw attention to Note 2 in the financial statements, which indicates that the Company incurred a net loss of RM2,776,316 during the financial period ended 31 December 2023 and, as of that date, the Company's current liabilities exceeded its current assets by RM3,395,830 and its total liabilities exceeded its total assets by RM2,744,316.

These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The financial statements of the Company have been prepared on a going concern basis as the Directors believes that the Company will be able to secure new projects in the next 12 months. However, we were unable to obtain neither the management's plans for future actions in relation to its going concern assessment nor the existence of any arrangements with its related companies to provide or maintain financial support. The ability of the Company to remain as a going concern is therefore dependent on the Company's ability to secure new projects and attaining profitable operations, the ability to generate sufficient cash from operations, the continued support from related companies and creditors and the ability of the shareholders to provide additional capital when required. The above assumptions are premised on future events and market conditions, the outcome of which are inherently uncertain.

We were unable to obtain sufficient appropriate audit evidence to conclude as to the appropriateness of the use of the going concern assumption in the preparation of these financial statements.

SW TY TEOH 信永中和

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYMENZIES SDN. BHD. (CONT'D)
Company No : 202201048105 (1493802-A)
(Incorporated in Malaysia)

Basis for Disclaimer of Opinion (Cont'd)

The financial statements did not include any adjustments that may result in the event that the Company is unable to continue as a going concern. In the event that the Company is unable to continue in operational existence for the foreseeable future, the Company may be unable to discharge its liabilities in the ordinary course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the ordinary course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities that may arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities respectively. No such adjustments have been made to the financial statements.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with approved standards on auditing in Malaysia and International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Independence and Other Ethical Responsibilities

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

SW TY TEOH 信永中和

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYMENZIES SDN. BHD. (CONT'D)
Company No : 202201048105 (1493802-A)
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that except for those disclosed in the *Basis for Disclaimer of Opinion* section, in our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept by the Company in accordance with the provision of the Act.

Other Matters

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

ShineWing TY Teoh PLT
201806000154 (LLP0014535-LCA) & AF 1460
Chartered Accountants

Teoh Toh Yeap
No. 02329/09/2024 J
Chartered Accountant

Petaling Jaya, Malaysia
Dated: 02 April 2024

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	2023 RM
ASSETS		
Non-Current Assets		
Property, plant and equipment	4	246,217
Right-of-use assets	5(a)	1,421,547
		1,667,764
Current Assets		
Other receivables	6	30,888
Amount due from immediate holding company	7	0
Amount due from related company	8	170,156
		201,044
Total Assets		1,868,808
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	9	2,000
Accumulated losses		(2,776,316)
Total Equity		(2,774,316)
Non-Current Liability		
Lease liabilities	5(b)	1,046,250
Current Liabilities		
Trade and other payables	10	669,115
Lease liabilities	5(b)	904,138
Amount due to immediate holding company	7	200,000
Amount due to related companies	8	1,820,569
Income tax liabilities		3,052
		3,596,874
Total Liabilities		4,643,124
Total Equity and Liabilities		1,868,808

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

Company No. : 202201048105 (1493802-A)

MYMENZIES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 30 DECEMBER 2022 (THE DATE OF INCORPORATION) TO 31 DECEMBER 2023

	Note	30.12.2022 to 31.12.2023 RM
Revenue		0
Other income	11	12,716
Administration expenses		(2,718,166)
Loss from operation		(2,705,450)
Finance costs		(67,814)
Loss before taxation	12	(2,773,264)
Taxation	13	(3,052)
Loss for the year		(2,776,316)
Other comprehensive income after tax		0
Total comprehensive loss for the financial period		(2,776,316)

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

Company No. : 202201048105 (1493802-A)

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 30 DECEMBER 2022 (THE DATE OF INCORPORATION) TO 31 DECEMBER 2023

	Share Capital RM	Accumulated Losses RM	Total RM
At 30 December 2022 (Date of incorporation)	100	0	100
Issuance of ordinary shares (Note 9)	1,900	0	1,900
Total comprehensive loss for the financial period	0	(2,776,316)	(2,776,316)
At 31 December 2023	2,000	(2,776,316)	(2,774,316)

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

Company No. : 202201048105 (1493802-A)

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**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 30 DECEMBER 2022 (THE DATE OF INCORPORATION) TO 31 DECEMBER 2023**

	30.12.2022 to 31.12.2023 RM
Cash flows from operating activities	
Loss before taxation	(2,773,264)
Adjustments for:	
Allowance for impairment loss on amount due from immediate holding company (Note 7)	12,425
Amortisation of right-of-use assets (Note 5(a))	461,027
Depreciation of property, plant and equipment (Note 4)	92,157
Interest expenses on lease liabilities (Note 5(c))	67,814
Interest income	(291)
Unrealised loss on foreign exchange differences - non trade	31,826
Operating cash flow before working capital changes	(2,108,306)
Changes in working capital:	
Other receivables	(30,888)
Amount due to immediate holding company	187,575
Amount due from/to related companies	1,281,230
Trade and other payables	668,098
Cash used in operations	(2,291)
Interest received	291
Net cash used in operating activities	(2,000)
Cash flows from financing activity	
Proceeds from issuance of shares (Note 9)	2,000
Net cash generated from financing activity	2,000

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

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STATEMENT OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL PERIOD FROM 30 DECEMBER 2022 (THE DATE OF INCORPORATION) TO 31 DECEMBER 2023

	30.12.2022 to 31.12.2023 RM
Net changes in cash and cash equivalents	0
Cash and cash equivalents at the date of incorporation	0
Effects of currency translation on cash and cash equivalents	0
Cash and cash equivalents at the end of financial period	0

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

Company No. : 202201048105 (1493802-A)

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

1. CORPORATE INFORMATION

The Company is incorporated as a private limited liability company and domiciled in Malaysia.

The registered office of Company is located at Menara IMC, Level 14, Suite No. 14-06 & 14-07, No. 8, Jalan Sultan Ismail, 50250 Kuala Lumpur. The principal place of business is located at Lot LS2-3A-04, Departure Level, Public Concourse, KLIA 2, 64000 Sepang, Selangor Malaysia.

The principal activities of the Company are business of engaging in the provision of ground handling equipment and services for airline and related business. There have been no significant changes in the nature of these activities during the financial period.

The immediate holding company of the Company is MyAirline Sdn. Bhd, a corporation incorporated in the Malaysia.

The financial statements were authorised for issued by the Board of Directors in accordance with a resolution of the Directors on 02 April 2024.

2. GOING CONCERN

The Company incurred a net loss of RM2,776,316 during the financial period ended 31 December 2023 and, as of that date, the Company's current liabilities exceeded its current assets by RM3,395,830 and its total liabilities exceeded its total assets by RM2,744,316. The financial statements have been prepared on the basis that the Company is a going concern as the Directors believes that the Company will be able to secure new projects in the next 12 months.

However, the validity of the going concern assumption on which the Company's financial statements are prepared, depends on the ability of the Company to secure new projects and attaining profitable operations, the ability to generate sufficient cash from operations, the continued support from related companies and creditors and the ability of the shareholders to provide additional capital when required. The above assumptions are premised on future events and market conditions, the outcome of which are inherently uncertain. In the absence of such support, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities that may arise and to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia. These are the Company's first financial statements prepared in accordance with MFRSs and MFRS 1, First-time Adoption of Malaysia Financial Reporting Standards has been applied together with the new revised MFRSs which are mandatory for financial periods beginning on or after 1 January 2023 as described fully in Note 3(b).

The financial statements have also been prepared on the historical cost basis except as disclosed in the accounting policies below.

Significant Accounting Estimate and Judgement

The preparation of the financial statements in conformity Malaysia Financial Report Standard ("MFRS") and International Financial Reporting Standard ("IFRS") requires the use of judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure made at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and area involving a significant judgement are described below:

Significant judgements in applying accounting policies

(i) Income tax

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary courses of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (Cont'd)

Significant Accounting Estimate and Judgement (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 5 years. The net carrying amount of the Company's property, plant and equipment as at 31 December 2023 is RM246,217. Changes in the expected level of usage and technological developments could impact the economic useful live and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Impairment of property, plant and equipment

The Company reviews the carrying amounts of the property, plant and equipment as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value in use is estimated.

Determining the value in use of property, plant and equipment, require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets.

(iii) Provision for expected credit losses ("ECL") of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At evert reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation (Cont'd)

Significant Accounting Estimate and Judgement (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(iii) Provision for expected credit losses ("ECL") of trade receivables (Cont'd)

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

(iv) Leases – estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The incremental borrowing rate therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Interpretation and amendments to published standards effective in 2023

On 1 January 2023, the Company adopted the new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2023.

Description	Effective for annual period beginning on or after
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 : Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 17 : Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 112 : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112 : International Tax Reform – Pillar Two Model Rules	1 January 2023

The adoption of these standards did not have any material effect on the financial performance or position of the Company.

(c) Standards and interpretations issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual period beginning on or after
Amendments to MFRS 16 : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangement	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Standards and interpretations issued but not yet effective (Cont'd)

These standards and interpretations are not expected to have a significant impact on the financial statements in the period of initial application apart from the changes to disclosures and presentation.

(d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment is calculated on a straight-line method to write off the cost of property, plant and equipment over the estimated useful lives at the following annual rates:

Computer equipment	20% - 33%
Furniture and fixtures	20% - 33%
Renovation	35% - 38%

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the statement of comprehensive income.

The cost of property, plant and equipment includes its purchases price and any cost that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration costs is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent restoration costs, relating to an item of property, plant and equipment that has been recognised, are capitalised only if such costs improve the condition of the property, plant and equipment beyond its originally assessed standard of performance. All other subsequent expenditures are recognised as an expense in the year in which it is incurred.

The carrying amount of property, plant and equipment are reviewed yearly in order to assess whether their carrying amount need to be written down to recoverable amounts. Recoverable amount is defined as the higher of value in use and net selling price.

Fully depreciated assets are retained in the books of accounts until they are no longer in use.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Impairment of Financial Assets

The Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company apply a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(f) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash in flows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Non-Financial Assets (Cont'd)

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(g) Share capital

Ordinary share are reclassified as equity. Incremental costs directly attributable to the issuance of new ordinary share are deducted against share capital account. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(h) Taxes

(i) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided for, using liability method, on temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credit can be utilised.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Taxes (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the year when the assets is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction, which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

(iii) Sales and Services Tax (SST)

SST is recognised as part of expense or cost of acquisition of the asset as SST is not recoverable.

(i) Leases

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

(i) As lessee

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

Right-of-use assets

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

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Leases (Cont'd)

(i) As lessee (Cont'd)

Lease liabilities

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

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

(ii) As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(i) Leases (Cont'd)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemptions to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and lease of low-value assets are recognised as expenses on a straight-line basis over the lease term.

(j) Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF") which is charged to profit or loss in the year to which they relate.

(k) Financial Instruments

(i) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL and loss are expensed in profit or loss.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Initial recognition and measurement (Cont'd)

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Financial Instruments (Cont'd)

(ii) Financial Liabilities (Cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(l) Functional and presentation currency

The functional currency of the Company is the Ringgit Malaysia. The Company's management is of the opinion that the Ringgit Malaysia reflects the economic substance of the underlying events and circumstances relevant to the Company. The presentation currency of the Company is the Ringgit Malaysia.

(m) Conversion of foreign currencies

(i) Monetary items

Monetary assets and liabilities in foreign currencies are translated into Ringgit Malaysia at rates of exchange closely approximating those ruling at end of the reporting period. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the statement of comprehensive income in the period in which they arise.

(ii) Non-monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items are measured at fair value in a foreign currency are translated using the exchange rates as the date when the fair value was determined.

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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3. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Fair Value Measurement (Cont'd)

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

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

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment RM	Furniture and Fixtures RM	Operational Equipment RM	Renovation RM	Total RM
Cost					
At 30.12.2022 (Date of incorporation)	0	0	0	0	0
Additions	218,484	104,965	15,146	302,263	640,858
Disposals	(218,484)	(104,965)	(15,146)	0	(338,595)
At 31.12.2023	0	0	0	302,263	302,263
Accumulated Depreciation					
At 30.12.2022 (Date of incorporation)	0	0	0	0	0
Depreciation for the period	28,840	6,910	361	56,046	92,157
Disposals	(28,840)	(6,910)	(361)	0	(36,111)
At 31.12.2023	0	0	0	56,046	56,046
Net Book Value					
At 31.12.2023	0	0	0	246,217	246,217

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

During the financial period, the Company made the following cash payments to purchase property, plant and equipment:

	2023 RM
Purchase of property, plant and equipment	640,858
Amount due to a related company	(640,858)
Cash payment on purchase of property, plant and equipment	0

5. LEASES

Company as a lessee

The Company has lease contracts for office rental. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

The Company also has certain lease with low value and lease term 12 months or less. The Company applies the 'lease of low-value asset' and 'short-term lease' recognition exemptions for the leases.

(a) Right-of-use assets

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

	2023 RM
Cost	
At 30.12.2022 (Date of incorporation)	0
Addition	1,882,574
At 31.12.2023	1,882,574
Accumulated Depreciation	
At 30.12.2022 (Date of incorporation)	0
Amortisation	461,027
At 31.12.2023	461,027
Net Carrying Amount	
As at 31.12.2023	1,421,547

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5. LEASES (CONT'D)

(a) Right-of-use assets (Cont'd)

The Company has leased of offices that run 2 to 3 years, without an option to renew the lease after that date. Lease payments are fixed based on tenancy agreements.

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities during the period:

	2023 RM
Minimum lease payments:	
- not later than one year	986,064
- later than one year and not later than five years	1,040,398
	2,026,462
Less: Future interest charges	(76,074)
	1,950,388
Repayable as follows:	
Current liability:	
- not later than one year	904,138
Non-current liability:	
- later than one year and not later than five years	1,046,250
	1,950,388

Lease liabilities are denominated in Ringgit Malaysia (RM).

(c) Amount recognised in profit or loss:

	2023 RM
Lease expense not capitalised in lease liabilities:	
- Expense related to short-term lease	448,004
- Expense related to low-value asset	1,838
Amortisation of right-of-use assets	461,027
Interest expenses on lease liabilities	67,814
Total amount recognised in profit or loss	978,683

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5. LEASES (CONT'D)

(d) Total cash flow

The Company had total cashflows for leases of NIL in current financial period.

The incremental borrowing interest of the Company applied to the lease liabilities at the rate of 5.37% per annum.

6. OTHER RECEIVABLES

	2023
	RM
Deposits	29,970
Prepayment	918
	30,888

Deposits and prepayment are denominated in Malaysian Ringgit.

7. AMOUNT DUE FROM/(TO) IMMEDIATE HOLDING COMPANY

	2023
	RM
Due from	
- Immediate holding company	12,425
Less: Allowance for impairment loss	(12,425)
	0
Due to	
- Immediate holding company	200,000

The non-trade amount due from/(to) immediate holding company is unsecured, interest-free and is repayable on demand.

Amount due from/(to) immediate holding company is denominated on Malaysian Ringgit.

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8. AMOUNT DUE FROM/(TO) RELATED COMPANIES

	2023 RM
Due from	
- Related company	170,156
Due to	
- Related companies	1,820,569

Amount due from/(to) related companies are denominated in the following currencies:

	2023 RM
Due from	
Malaysian Ringgit	170,156
Due to	
Malaysian Ringgit	903,188
United States Dollar ("USD")	1,355
Singapore Dollar ("SGD")	916,026
	1,820,569

The non-trade amount due from/(to) related companies is unsecured, interest-free and is repayable on demand.

9. SHARE CAPITAL

	Number of ordinary shares 2023	Amount 2023 RM
Issued and fully paid:		
At date of incorporation	100	100
Issued during the period	1,900	1,900
At end of the period	2,000	2,000

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NOTES TO FINANCIAL STATEMENTS – 31 DECEMBER 2023

9. SHARE CAPITAL (CONT'D)

During the financial period, the Company increased its issued and paid-up capital from RM100 to RM2,000 through an allotment of 1,900 new ordinary shares of RM1 each by cash for working capital purpose.

The holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to one vote per share to shareholders' meeting. All share rank equally with regard to the Company's residual assets.

10. TRADE AND OTHER PAYABLES

	2023 RM
Trade payable	
- Third party	246,176
	246,176
Other payables	
- Third parties	190,133
Accruals	232,806
	669,115

Trade and other payables are denominated in the following currencies:

	2023 RM
Malaysian Ringgit	612,442
Australia Dollar ("AUD")	30,409
British Pound ("GBP")	26,264
	669,115

11. OTHER INCOME

	30.12.2022 to 31.12.2023 RM
Rental income	12,425
Interest income	291
	12,716

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12. LOSS BEFORE TAXATION

	30.12.2022 to 31.12.2023 RM
This is stated after charging/(crediting):	
Auditors' remuneration	15,000
Allowance for impairment loss on amount due from immediate holding company	12,425
Amortisation for right-of-use assets	461,027
Depreciation for property, plant and equipment	92,157
Interest expenses	67,814
Interest income	(291)
Lease expenses not capitalised in lease liabilities:	
- Expense related to short-term lease	448,004
- Expense related to low-value asset	1,838
Rental income	(12,425)
Realised loss on foreign exchange differences - non trade	6,793
Staff costs (Excluded Directors' remuneration)	
- Salaries and other related costs	1,017,496
Unrealised loss on foreign exchange differences - non trade	31,826

13. TAXATION

The domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the chargeable income for the year, except for companies with a paid up capital of RM2.5million and below at the beginning of the basis period and gross income from source of business not exceeding RM50million, the first RM600,000 of chargeable income will be subject to 17% in the year of assessment 2022. Starting from year assessment 2023, the first RM150,000 of chargeable income will be subject to 15% and subsequent chargeable income up to RM600,000 will be subject to 17%.

	30.12.2022 to 31.12.2023 RM
Malaysian taxation based on loss for the period:	
Income tax	
- current period	3,052

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13. TAXATION (CONT'D)

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follow:

	30.12.2022 to 31.12.2023 RM
Loss before taxation	(2,773,263)
Taxation at Malaysian statutory tax rate of 24%	(665,583)
Tax effect on non-deductible expenses	668,635
	3,052

14. RELATED PARTY DISCLOSURES

A party is considered to be related to the Company if:

(i) The party, directly or indirectly through one or more intermediaries,
  1) controls, is controlled by, or is under common control with, the Company;
  2) has an interest in the Company that give it significant influence over the Company; or
  3) has joint control over the Company.

(ii) The party is an associate;

(iii)The party is a jointly-controlled entity;

(iv)The party is a member of the key management personnel of the Company or its parent;

(v) The party is a close member of the family of any individual referred to in (i) or (iv); or

(vi)The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) The party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

Related party transactions

During the financial year, in addition to related party information disclosed elsewhere in the financial statements, there were the following related party transactions in the normal course of business on terms agreed between the parties:

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14. RELATED PARTY DISCLOSURES (CONT'D)

	30.12.2022 to 31.12.2023 RM
Transactions with immediate holding company	
Advances from	200,000
Rental income	12,425
Transaction with related companies	
Settlement of liabilities by the entity on behalf	1,618,120

15. FINANCIAL RISK MANAGEMENT POLICIES

The Company does not have any written financial risk management policies and guidelines.

The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

The main risk arising from the Company's financial instruments is currency risk, credit risk and liquidity risk.

15.1 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's operational activities are mainly carried out in Ringgit Malaysia. The risk arising from movements in foreign exchange rates is minimised as the Company has minimal transactions in foreign currency.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD, AUD and GBP exchange rates against RM, with all other variables held constant, of the Company's loss before of tax.

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15. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

15.1 Currency risk (Cont'd)

	Loss before tax 30.12.2022 to 31.12.2023 RM
USD	
- strengthened 1%	14
- weakened 1%	(14)
SGD	
- strengthened 1%	9,160
- weakened 1%	(9,160)
GBP	
- strengthened 1%	263
- weakened 1%	(263)
AUD	
- strengthened 1%	304
- weakened 1%	(304)

15.2 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from other receivables and amount due from immediate holding company. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

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15. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

15.2 Credit risk (Cont'd)

The Company determined that its financial assets are credit impairment when there is significant difficulty of the debtor such as:

- A breach of contract, such as a default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for the financial asset because of financial difficulty.

Financial assets are written off when there is evidence that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk other than amount due from a related party. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables, deposits and prepayments

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

15.3 Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

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15. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

15.3 Liquidity risk (Cont'd)

The Company maintains sufficient level of cash and cash equivalents to meet its working capital requirements

The table below analyses the maturity profile of the Company's and Company's financial liabilities based on contractual undiscounted cash flows.

	Within one year RM	Within two to five years RM	Total RM
2023			
Financial liabilities:			
Trade payables	246,176	0	246,176
Other payables	190,133	0	190,133
Accruals	232,806	0	232,806
Amounts due to related parties	1,820,569	0	1,820,569
Amounts due to immediate holding company	200,000	0	200,000
Lease liabilities	986,064	1,040,398	2,026,462
	3,675,748	1,040,398	4,716,146

16. FAIR VALUE MEASUREMENT

The fair value of a financial instrument is the amount at which the instrument can be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amount of cash and bank balances, current trade and other receivables and current trade and other payables reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

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17. FINANCIAL INSTRUMENT BY CATEGORY

At the reporting date, the aggregate carrying amount of financial assets are amortised cost and financial liabilities at amortised cost were as follow:

	2023 RM
Financial assets	
Financial assets measured at amortised cost	
Other receivables	30,888
Amount due from related company	170,156
	201,044
Financial liabilities	
Financial liabilities measured at amortised cost	
Trade payables	246,176
Other payables	190,133
Accruals	232,806
Lease liabilities	1,950,388
Amount due to immediate holding company	200,000
Amount due to related companies	1,820,569
	4,640,072

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company currently does not adopt any formal dividend policy.

19. COMPARATIVE FIGURES

As this is the first period of financial statements being prepared, there are thus no comparative figures.

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

2.1. TA Securities

TA Securities, being the Principal Adviser to our Company for the Proposals, 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 Proposals.

2.2. SMITH ZANDER

SMITH ZANDER, being the independent market researcher, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IMR Report and all references thereto in the form and context in which it appears in this Circular.

SMITH ZANDER confirms that there is no conflict of interest that exists or is likely to exist in relation to its capacity as the independent market researcher.

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) the Subscription and Shareholders' Agreement;

(ii) the SSA;

(iii) the SPA;

(iv) 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. The shares sale agreement has been completed on 5 October 2023;

(v) 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. The shares sale agreement has been completed on 24 October 2024;

(vi) 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. The shares sale agreement has been completed on 11 October 2024;

(vii) installment Sale Agreement between JPA No. 161 Co., Ltd ("**JPA**") and MJets dated 23 December 2024 in respect of installment purchase arrangements for one Boeing Aircraft B737-400 SF aircraft with manufacturer's serial number 25180 for a total purchase consideration of USD4,605,000 (equivalent to RM20,759,340). The aircraft is expected to be delivered to MJets in the 2nd quarter of 2025; and

(viii) installment Sale Agreement between JPA and MJets dated 24 January 2025 in respect of installment purchase arrangements for one Boeing Aircraft B737-400 SF aircraft with manufacturer's serial number 26605 for a total purchase consideration of USD6,550,000 (equivalent to RM29,124,575). The aircraft is currently leased to MJets and in MJets' possession.

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) 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 on 14 April 2023 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 VIII** below). The next case management is fixed on 8 May 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 Khow 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 MJets, 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 MJets;

(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 Defendants (ii) had filed and served their memorandum of appearance on 24 July 2023 and their statement of defence on 2 October 2023. The Plaintiffs (ii) subsequently filed their reply to the statement of defence of the Defendants (ii) on 5 January 2024.

On 5 February 2024, the Defendants (ii) had filed their applications for leave to file rejoinder. On 15 May 2024, the High Court allowed the rejoinder applications whereas the oral application for leave to file a surrejoinder by the Plaintiffs (ii) had been refused by the High Court.

On 5 February 2024 and 19 February 2024, the Defendants (ii) had filed their applications to strike out the Plaintiffs (ii) claim. On 22 November 2024, the High Court dismissed the striking-out application of the Defendants (ii) with costs for each application.

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

Pursuant to the case management held on 14 March 2025, the High Court had directed as follows:

(a) parties to file pre-trail case management documents on or before 20 March 2025;

(b) parties to file witness statements on or before 17 April 2025; and

(c) case management is fixed on 21 April 2025 for parties to update as to the status of the High Court directions.

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5. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES

5.1. Material commitments

Save as disclosed below, as at the LPD, our Board confirmed that there are no material commitments incurred or known to be incurred by out Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group:

Capital commitments	RM'000
Contracted but not provided for:	
Lease of freehold land	6,540
Construction of buildings	3,648
Acquisition of property, plant and equipment	38,966
Total	**49,154**
Approved but not contracted for:	
Warehouse renovation	390

5.2. Contingent liabilities

Save as disclosed below, as at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the financial position or financial performance of our Group.

Contingent liabilities	RM'000
Secured:	
Corporate guarantees given to certain lessors and financial institutions of certain subsidiaries	28,550
Unsecured:	
Corporate guarantees given to certain suppliers and financial institutions of certain subsidiaries	188,462

6. 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 FYE 31 March 2023 and 18-month FPE 30 September 2024 as well as the unaudited consolidated financial statements for the 3-month FPE 31 December 2024;

(iii) the audited financial statements of Titiwangsa Capital for the FYE 31 December 2022 and FYE 31 December 2023 as well as the latest unaudited financial results of Titiwangsa Capital for the FYE 31 December 2024;

(iv) the audited financial statements of Menzies Aviation for the FYE 31 December 2023 as well as the latest unaudited financial results of Menzies Aviation for the FYE 31 December 2024;

(v) the IMR Report;

(vi) the Subscription and Shareholders' Agreement;

(vii) the SSA;

(viii) the SPA;

(ix) the letter of consent and declaration of conflict of interest referred to in Section 2 of this **Appendix VIII**;

(x) the material contracts referred to in Section 3 of this **Appendix VIII**; and

(xi) the relevant cause papers in respect of material litigation referred to in Section 4 of this **Appendix VIII**.

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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 Wednesday, 9 April 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 resolutions:

ORDINARY RESOLUTION 1

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF MMAG AND ITS GROUP OF SUBSIDIARIES ("MMAG GROUP" OR "GROUP") TO INCLUDE THE PROVISION OF FINANCIAL SERVICES BUSINESS ("PROPOSED DIVERSIFICATION INTO FINANCIAL SERVICES BUSINESS")

"THAT approval be and is hereby given to the Board of Directors of the Company ("**Board**") to implement the Proposed Diversification into Financial Services Business;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign and deliver or cause to be delivered for and on behalf of the Company, all such documents as it may consider necessary and/or expedient and in the best interest of the Company in order to give full effect to the Proposed Diversification into Financial Services Business with full power to assent to any terms, conditions, modifications, variations and/or amendments in any manner as the Board may deem necessary and/or expedient and in the best interest of the Company."

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OF THE GROUP TO INCLUDE AVIATION AND RELATED SERVICES ("PROPOSED DIVERSIFICATION INTO AVIATION BUSINESS")

"THAT approval be and is hereby given to the Board to implement the Proposed Diversification into Aviation Business;

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and to execute, sign and deliver or cause to be delivered for and on behalf of the Company, all such documents as it may consider necessary and/or expedient and in the best interest of the Company in order to give full effect to the Proposed Diversification into Aviation Business with full power to assent to any terms, conditions, modifications, variations and/or amendments in any manner as the Board may deem necessary and/or expedient and in the best interest of the Company."

ORDINARY RESOLUTION 3

PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK AUTHORITY")

"THAT subject always to the provisions of the Companies Act 2016 ("**Act**"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:

(a) the maximum aggregate number of ordinary shares which may be purchased by the Company or held as treasury shares shall not exceed 10% of the total number of issued shares of the Company at any point in time; and

(b) the maximum amount of funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total amount of retained profits of the Company at the time of purchase;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them;

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and shall continue to be in force until:

(a) the conclusion of the next annual general meeting ("**AGM**") following the general meeting at which the authorisation is obtained, at which time the authority will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) 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

(c) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first;

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority."

By Order of the Board
Lim Seck Wah (MAICSA 0799845) (SSM PC NO. 202008000054)
Kong Mei Kee (MAICSA 7039391) (SSM PC NO. 202008002882)
Company Secretaries
Kuala Lumpur
Date: 19 March 2025

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 3 April 2025. Only a depositor whose name appears on the Record of Depositors of the Company as at 3 April 2025 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote of his/her stead.*

2. *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 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 Wednesday, 9 April 2025 at 10.00 a.m. or any adjournment thereof in the manner as indicated below:-

ORDINARY RESOLUTIONS		**FIRST PROXY**		**SECOND PROXY**	
		FOR	**AGAINST**	**FOR**	**AGAINST**
1.	Proposed Diversification into Financial Services Business				
2.	Proposed Diversification into Aviation Business				
3.	Proposed Share Buy-Back Authority				

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

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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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