

**MMAG HOLDINGS BERHAD** 200301007003 (609423-V)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FIRST QUARTER ENDED  
30 JUNE 2023**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

Note	UNAUDITED AS AT 30.06.2023 RM'000	AUDITED AS AT 31.03.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	386,555	384,846
Investment properties	3,955	3,978
Intangible assets	120	120
Other investments	59,109	59,371
Deferred tax assets	1,600	1,600
Goodwill on consolidation	37,226	37,226
Fixed deposits with a licensed bank	6,023	6,023
<b>Total non-current assets</b>	<b>494,588</b>	<b>493,164</b>
<b>Current assets</b>		
Inventories	10,198	8,275
Contract assets	1,662	3,418
Trade receivables	47,415	42,369
Other receivables	39,300	38,195
Tax recoverable	47	41
Fixed deposits with licensed banks	205	1,705
Cash and bank balances	8,847	11,326
<b>Total current assets</b>	<b>107,674</b>	<b>105,329</b>
<b>Assets of disposal group</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>602,262</b>	<b>598,493</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	340,920	340,920
Irredeemable convertible preference shares	-	-
Reserves	(170,307)	(170,296)
	170,613	170,624
Non-controlling interests	(22,416)	(22,328)
<b>TOTAL EQUITY</b>	<b>148,197</b>	<b>148,296</b>
<b>Non-current liabilities</b>		
Borrowings	B7 -	-
Lease liabilities	287,969	288,004
Deferred taxation	-	-
<b>Total non-current liabilities</b>	<b>287,969</b>	<b>288,004</b>
<b>Current liabilities</b>		
Trade payables	37,300	27,983
Other payables	74,024	69,520
Contract liabilities	-	325
Borrowings	B7 15,239	15,425
Lease liabilities	39,530	48,937
Tax payable	3	3
<b>Total current liabilities</b>	<b>166,096</b>	<b>162,193</b>
<b>Liabilities directly associated with disposal group classified as held for sale</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>454,065</b>	<b>450,197</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>602,262</b>	<b>598,493</b>
<b>Net Assets per share attributable to Owners of the Company</b>	<b>0.0704</b>	<b>0.0704</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes to these interim financial statements

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT & LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2023**

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER ENDED 30.06.2023 RM'000	PRECEDING YEAR CORRESPONDING QUARTER ENDED 30.06.2022 RM'000	CURRENT YEAR-TO-DATE ENDED 30.06.2023 RM'000	PRECEDING YEAR-TO-DATE ENDED 30.06.2022 RM'000
Revenue	111,457	101,041	111,457	101,041
Cost of sales	(105,557)	(96,634)	(105,557)	(96,634)
<b>Gross profit</b>	<b>5,900</b>	4,407	<b>5,900</b>	4,407
Other income	667	2,831	667	2,831
Gain on foreign exchange	(257)	35	(257)	35
Depreciation and amortisation	(3,555)	(3,277)	(3,555)	(3,277)
Bad debts written off	(13)	(14)	(13)	(14)
Finance costs	(3,105)	(3,111)	(3,105)	(3,111)
Other expenses	108	(8,639)	108	(8,639)
<b>Results from operating activities</b>	<b>(255)</b>	<b>(7,768)</b>	<b>(255)</b>	<b>(7,768)</b>
Interest income	44	15	44	15
<b>Loss before tax for the period</b>	<b>(211)</b>	<b>(7,753)</b>	<b>(211)</b>	<b>(7,753)</b>
Tax expenses	(10)	-	(10)	-
<b>Loss after tax for the period</b>	<b>(221)</b>	<b>(7,753)</b>	<b>(221)</b>	<b>(7,753)</b>
<b>Loss attributable to:</b>				
Owners of the Company	(133)	(7,427)	(133)	(7,427)
Non-controlling interest	(88)	(326)	(88)	(326)
	<b>(221)</b>	<b>(7,753)</b>	<b>(221)</b>	<b>(7,753)</b>
Basic loss per share (sen)	<b>(0.01)</b>	(0.55)	<b>(0.01)</b>	(0.55)
Diluted loss per share (sen)	<b>(0.01)</b>	(0.80)	<b>(0.01)</b>	(0.80)
<b>Loss after tax for the period</b>	<b>(221)</b>	<b>(7,753)</b>	<b>(221)</b>	<b>(7,753)</b>
<b>Other comprehensive income/(loss), net of tax</b>	<b>122</b>	(10,592)	<b>122</b>	(10,592)
<b>Total other comprehensive (loss)/income, net of tax</b>	<b>(99)</b>	<b>(18,345)</b>	<b>(99)</b>	<b>(18,345)</b>
<b>Total comprehensive (loss)/income, attributable to:</b>				
Owners of the parent	(11)	(18,019)	(11)	(18,019)
Non-controlling interests	(88)	(326)	(88)	(326)
	<b>(99)</b>	<b>(18,345)</b>	<b>(99)</b>	<b>(18,345)</b>

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes to these interim financial statements

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 30 JUNE 2023**

	Attributable to Equity Holders of the Company								Non-controlling interests RM'000	Total equity RM'000	
	Non-distributable										
	Share capital RM'000	Irredeemable convertible preference shares RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Warrant reserve RM'000	Merger deficit RM'000	Exchange translation reserve RM'000	Accumulated losses RM'000	Total RM'000		
At 1 April 2023	340,920	-	-	(30,315)	-	-	(146)	(139,835)	170,624	(22,328)	148,296
<b>Transactions with owners:</b>											
Change in ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-	-	-	-
Realisation of fair value reserve upon disposal of shares	-	-	-	36	-	-	-	(36)	-	-	-
<b>Net loss for the period</b>	-	-	-	-	-	-	-	(133)	(133)	(88)	(221)
<b>Other comprehensive (loss)/income for the period</b>	-	-	-	(60)	-	-	182	-	122	-	122
<b>Total comprehensive (loss)/income for the period</b>	-	-	-	(60)	-	-	182	(133)	(11)	(88)	(99)
<b>At 30 June 2023</b>	<b>340,920</b>	-	-	<b>(30,339)</b>	-	-	<b>36</b>	<b>(140,004)</b>	<b>170,613</b>	<b>(22,416)</b>	<b>148,197</b>
At 1 April 2022	270,547	754	9,875	165,346	25,143	(7,900)	23	(87,537)	376,251	1,551	377,802
<b>Transaction with owners:</b>											
Disposal of subsidiaries	23,754	-	(1,319)	-	-	7,900	-	(7,900)	22,435	(6,188)	16,247
Issuance of shares arising from conversion of ICPS	260	(65)	-	-	-	-	-	-	195	-	195
<b>Total transaction with owners</b>	<b>24,014</b>	<b>(65)</b>	<b>(1,319)</b>	<b>-</b>	<b>-</b>	<b>7,900</b>	<b>-</b>	<b>(7,900)</b>	<b>22,630</b>	<b>(6,188)</b>	<b>16,442</b>
Realisation of fair value reserve upon disposal of shares	-	-	-	(17,105)	-	-	-	17,105	-	-	-
<b>Net loss for the period</b>	-	-	-	-	-	-	-	(7,427)	(7,427)	(326)	(7,753)
<b>Other comprehensive loss for the period</b>	-	-	-	(10,560)	-	-	(32)	-	(10,592)	-	(10,592)
<b>Total comprehensive loss for the period</b>	-	-	-	(10,560)	-	-	(32)	(7,427)	(18,019)	(326)	(18,345)
<b>At 30 June 2022</b>	<b>294,561</b>	<b>689</b>	<b>8,556</b>	<b>137,681</b>	<b>25,143</b>	<b>-</b>	<b>(9)</b>	<b>(85,759)</b>	<b>380,862</b>	<b>(4,963)</b>	<b>375,899</b>

The condensed consolidated statement of changes of equity should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes to these interim financial statements

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE QUARTER ENDED 30 JUNE 2023**

	<b>CURRENT YEAR-TO-DATE ENDED 30.06.2023 RM'000</b>	<b>PRECEDING YEAR-TO-DATE ENDED 30.06.2022 RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Loss before tax	(211)	(7,753)
<b>Adjustments for:</b>		
Non-cash items	8,993	9,534
Non-operating items	3,130	2,890
<b>Operating profit before working capital changes</b>	<u>11,912</u>	<u>4,671</u>
Changes in working capital		
Inventories	(1,923)	4,006
Contract customers	1,431	(3,277)
Receivables	(6,164)	(16,893)
Payables	23,293	14,563
<b>Cash from operations</b>	<u>28,549</u>	<u>3,070</u>
Tax paid	(17)	(23)
Interest received	44	15
<b>Net cash from operating activities</b>	<u>28,576</u>	<u>3,062</u>
<b>Investing Activities</b>		
Net cash inflow from disposal of subsidiaries	-	17,600
Proceeds from disposal of property, plant and equipment	152	99
Purchase of other investment	215	(1,440)
Purchase of property, plant and equipment and investment properties	(10,465)	(5,405)
<b>Net cash (used in)/from investing activities</b>	<u>(10,098)</u>	<u>10,854</u>
<b>Financing Activities</b>		
Repayment to other payables	(9,472)	(25,146)
Drawdown of borrowings	123	50,227
Interest paid	(3,105)	(3,111)
Proceeds from issuance of shares	-	23,949
Repayment of borrowings	(309)	(53,478)
Repayment of lease liabilities	(9,858)	(8,154)
Termination of lease liabilities	-	(120)
<b>Net cash used in financing activities</b>	<u>(22,621)</u>	<u>(15,833)</u>
<b>Cash and cash equivalents</b>		
Net changes	(4,143)	(1,917)
Effect of foreign currency translation differences	164	(36)
At beginning of period	13,031	22,389
<b>At end of period</b>	<u>9,052</u>	<u>20,436</u>
<b>Cash and cash equivalents comprise of:</b>		
Cash and bank balances	8,847	9,436
Fixed deposits with licensed banks	6,228	14,040
	<u>15,075</u>	<u>23,476</u>
Less:		
Fixed deposits pledged to licensed banks	(6,023)	(3,040)
	<u>9,052</u>	<u>20,436</u>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 March 2023 and the accompanying explanatory notes to these interim financial statements

NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”)  
- INTERIM FINANCIAL REPORTING**

**A1 Basis of preparation**

The interim financial statements are unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the annual audited financial statement of the Group for the financial year ended 31 March 2023.

The accounting policies and methods adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2023.

The adoption of MFRSs and amendments to MFRSs which were effective for financial year beginning on and after 1 April 2023 are not expected to have any significant financial impacts on the Group.

**A2 Auditors’ Report of preceding annual financial statements**

There were no qualifications to the audited financial statements for the Company and its subsidiaries for the financial year ended 31 March 2023.

**A3 Seasonal or cyclical factors**

Our business is heavily dependent on working days, public or festive holidays during the current quarter and period under review.

**A4 Unusual items affecting assets, liabilities, equity, net income or cash flows**

During the current quarter under review, there were no items or events that arose, which affect the assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

**A5 Changes in estimates**

There were no material changes in the estimates of amounts reported in previous reporting which have a material effect in the current financial quarter.

**A6 Debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter.

**A7 Dividend**

There was no dividend paid during the current quarter under review.

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**A8 Segmental information**

Segment information is presented in respect of the Group's business segments.

The Group comprises the following main business segments:-

- (i) **Mobile and fulfilment ("Mobile & Fulfilment")**  
Mobile operators' 3PL & 4PL contract, fulfilment business and physical and online sale of smart devices and IT related products.
- (ii) **Courier and logistics services**  
Express delivery or last mile delivery services business to business ("B2B"), business to customers ("B2C") and customers to customers ("C2C"), warehousing, fulfilment services and freight forwarding.
- (iii) **Air freight**  
Provision of air cargo services.

Segmental information for the Group is presented as follows:-

For the financial period ended 30 June 2023	Mobile & fulfilments RM'000	Courier & logistic services RM'000	Air freight RM'000	Others RM'000	Total RM'000	Adjustments and eliminations RM'000	Total RM'000
<b>Sales to external customer</b>	50,796	18,369	42,285	8	111,458	(1)	111,457
<b>Inter-segment sales</b>	9	1,213	5,294	31	6,547	(6,547)	-
<b>Total sales</b>	50,805	19,582	47,579	39	118,005	(6,548)	111,457
<b>Profit/(Loss) before tax</b>	1,092	(642)	(81)	(520)	(151)	(60)	(211)
<b>Segment assets</b>	81,775	94,885	326,496	64,122	567,278	(2,290)	564,988
<b>Other unallocated assets</b>							37,274
							602,262
<b>Segment liabilities</b>	25,220	62,198	340,191	28,849	456,458	(2,396)	454,062
<b>Other unallocated liabilities</b>							3
							454,065

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

## A8 Segmental information (Cont'd)

Segmental information for the Group is presented as follows (Cont'd):-

For the financial period ended 30 June 2022	Mobile & fulfilments RM'000	Courier & logistic services RM'000	Air freight RM'000	Others RM'000	Total RM'000	Adjustments and eliminations RM'000	Total RM'000
Sales to external customer	34,018	14,519	52,458	45	101,040	1	101,041
Inter-segment sales	75	987	1,351	73	2,486	(2,486)	-
<b>Total sales</b>	<b>34,093</b>	<b>15,506</b>	<b>53,809</b>	<b>118</b>	<b>103,526</b>	<b>(2,485)</b>	<b>101,041</b>
Profit/(Loss) before tax	815	(11,132)	1,151	(187)	(9,353)	1,600	(7,753)
Segment assets	89,707	90,297	289,096	255,249	724,349	(2,582)	721,767
Other unallocated assets							37,261
							<b>759,028</b>
Segment liabilities	11,193	65,461	288,416	20,152	385,222	(3,059)	382,163
Other unallocated liabilities							966
							<b>383,129</b>

## A9 Valuation of property, plant and equipment

There were no valuation of the property, plant and equipment in the current quarter under review.

## A10 Significant events during the interim reporting period

The following were the significant events during the financial period ended 30 June 2023:-

- (i) On 18 May 2023, the Board of Directors announced that the Company proposed to undertake the followings:-
  - (a) proposed consolidation of every 10 existing ordinary shares in MMAG (“MMAG Share(s)” or “Share(s)”) into 1 MMAG Share (“Consolidated Share(s)”) (“Proposed Share Consolidation”); and
  - (b) proposed renounceable rights issue of up to 1,453,434,942 new MMAG Shares (“Rights Shares”) on the basis of 6 Rights Shares for every 1 Consolidated Share held as at the close of business on an entitlement date to be determined later at an issue price of RM0.10 per Rights Share, together with up to 726,717,471 free detachable warrants in MMAG on the basis of 1 Warrant for every 2 Rights Shares subscribed for (“Proposed Rights Issue”), collectively refer to as the “Proposals”; and
- (ii) On 26 May 2023, the Board of Directors announced that the additional listing application in relation to the Proposals has been submitted to Bursa Securities.

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**A11 Event subsequent to the end of the interim reporting period**

The following was the material event subsequent to the financial period ended 30 June 2023:-

- (i) On 14 July 2023, the Board of Directors announced that within the past twelve (12) months, during the period from 22 March 2023 to 14 July 2023, the Company had disposed in aggregate 252,100,000 ordinary shares of Ingenieur Gudang Berhad (“IGB”), representing 18.22% of total equity interest in IGB for an aggregate sum of RM27,116,000 in cash (“Disposals”).

Included in the aforementioned Disposals, on 14 July 2023 the Company had disposed in aggregate 113,600,000 ordinary shares of IGB, representing 8.21% of total equity interest in IGB for an aggregate sum of RM12,496,000 in cash to Madam Chan Swee Ying (“CSY”), the Non-Independent Non-Executive Director and substantial shareholder of MMAG (“Disposal to CSY”). CSY is also an Executive Director of IGB. The Disposal to CSY is a related party transaction pursuant to the provisions under Rule 10.08 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad by virtue of the interests in IGB and MMAG held by CSY.

**A12 Changes in the composition of the Group**

During the financial period ended 30 June 2023, the board’s approval for the acquisitions, disposal and incorporation of subsidiaries, associate and other investments was as below:-

- (i) On 31 May 2023, the Company subscribed further 230,000,000 ordinary shares in M Jets International Sdn Bhd (“MJets”) by way of capitalisation of amount owing by MJets amounting to RM10,000,000.

**A13 Contingent liabilities**

The amounts of contingent liabilities of the Company as at the end of the current financial period as follows:-

	<b>As at 30.06.2023 RM'000</b>
Corporate guarantees given to certain suppliers and financial institutions of certain subsidiaries	197,962
	<b>197,962</b>

**A14 Commitments**

The amounts of commitments of the Company as at the end of the current financial period as follows:-

	<b>As at 30.06.2023 RM'000</b>
<b>Commitments authorised but not provided for</b>	
Lease of land	7,740
Construction of buildings	7,206
Acquisition of property, plant and equipment	5,142
	<b>20,088</b>

The Company leased a land and the lease period is for three years with an option to renew after every three years for a further three (3) years up to total lease period of fifteen (15) years (included original three (3) years plus optional twelve (12) years).

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) FOR THE ACE MARKET****B1 Financial review for current quarter and financial period-to-date**

	Individual period		Changes		Cumulative period		Changes	
	Current year quarter ended 30.06.2023	Preceding year corresponding quarter ended 30.06.2022			Current year-to-date ended 30.06.2023	Preceding year-to-date ended 30.06.2022		
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	111,457	101,041	10,416	10%	111,457	101,041	10,416	10%
Operating loss	(255)	(7,768)	(7,513)	-97%	(255)	(7,768)	(7,513)	-97%
Profit/(Loss) before interest and tax	2,894	(4,642)	(7,536)	-162%	2,894	(4,642)	(7,536)	-162%
Loss before tax	(211)	(7,753)	(7,542)	-97%	(211)	(7,753)	(7,542)	-97%
Loss after tax	(221)	(7,753)	(7,532)	-97%	(221)	(7,753)	(7,532)	-97%
Loss attributable to owners of the company	(133)	(7,427)	(7,294)	-98%	(133)	(7,427)	(7,294)	-98%

The Group’s revenue for current quarter ended 30 June 2023 was RM111.46 million, which is RM10.42 million or 10% higher as compared to RM101.04 million in the preceding year corresponding quarter ended 30 June 2022. The higher revenue contribution was mainly contributed from the courier & logistics segment.

However, the Group registered a loss before tax (“LBT”) of RM0.21 million for the current quarter ended 30 June 2023 as compared to LBT of RM7.75 million in the preceding year corresponding quarter ended 30 June 2022. This improvement on LBT was resulted from the rationalisation initiative taken continuously since previous financial year on the operations of the courier & logistics segment.

**B2. Change in the quarterly results compared to the results of the immediate preceding quarter**

	Current quarter RM'000	Immediate preceding quarter RM'000	Changes	
			RM'000	%
Revenue	111,457	102,371	9,086	9%
Operating loss	(255)	(63,420)	(63,165)	-100%
Profit/(Loss) before interest and tax	2,894	(55,793)	(58,687)	-105%
Loss before tax	(211)	(63,359)	(63,148)	-100%
Loss after tax	(221)	(63,802)	(63,581)	-100%
Loss attributable to owners of the Company	(133)	(52,774)	(52,641)	-100%

Revenue of the current quarter (Q1-2024) is RM111.46 million, which is an increase of RM9.09 million as compared to the immediate preceding quarter (Q4-2023). The LBT stood at RM0.21 million versus RM63.36 million in Q4-2023. This improvement on LBT was resulted from the rationalisation initiative taken continuously since previous financial year on the operations of the Group.

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**B3 Prospects**

The Group provides a one-stop-shop supply chain solution to all B2B and B2C customers that includes first mile delivery (transportation of goods from manufacturers/retailers' warehouses to holding centres), middle mile delivery (delivery of goods from warehouses to fulfilment facilities) via road and air and also last mile delivery (movement of goods from a transportation hub to a final destination). The Group will provide end-to-end solutions through its experienced personnel, robust IT system and an extensive networks/facilities. With the well-planned air cargo routes, bonded warehouse facility and ground handling services, the Group will strive to be a key player in this field.

The Group will continue to work on revenue enhancement initiatives through higher capacity utilisation of its fleet of vehicles, cargo planes and warehouses. Cost optimisation tools and models will be implemented as well.

**B4 Variance on profit forecast**

There was no profit forecast issued by the Group.

**B5 Corporate proposal**

Save from the following, there were no corporate proposal announced but not completed as at 21 August 2023, being the last practicable date from the date of the issue of this report.

**On-going Corporate Exercise**

- (i) Proposed Share Consolidation and Proposed Right Issue
  - (a) On 18 May 2023, the Board of Directors announced that the Company proposes to undertake the proposed consolidation of every 10 existing ordinary shares in MMAG ("MMAG Share(s)" or "Share(s)") into 1 MMAG Share ("Consolidated Share(s)") ("Proposed Share Consolidation"); and proposed renounceable rights issue of up to 1,453,434,942 new MMAG Shares ("Rights Shares") on the basis of 6 Rights Shares for every 1 Consolidated Share held as at the close of business on an entitlement date to be determined later at an issue price of RM0.10 per Rights Share, together with up to 726,717,471 free detachable warrants in MMAG on the basis of 1 Warrant for every 2 Rights Shares subscribed for ("Proposed Rights Issue").

**B6 Utilisation of proceeds**

Proceeds raised from corporate proposals (Private Placement III) had been fully utilised on 31 March 2023.

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**B7 Borrowing and debt securities**

The Group's borrowings as at 30 June 2023 are as follows:-

	Quarter ended 30.06.2023 RM'000	Quarter ended 30.06.2022 RM'000
<b>Secured</b>		
Borrowings		
- Short term	54,769	17,399
- Long term	287,969	2,705
	342,738	20,104

During the financial period under review, the total finance costs (inclusive of lease liabilities) for the financial period ended 30 June 2023 was RM3.15 million as compared to RM2.77 million in the corresponding financial period ended 30 June 2022.

**B8 Material litigations**

Save as disclosed below, as at 21 August 2023 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group:-

- (i) On 18 April 2022, MJets ("Defendant") had been served a Writ and Statement of Claim dated 13 April 2022 by Comone International Logistics Co Limited ("Comone") ("Plaintiff").

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

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

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

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

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

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

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

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

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

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

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**B8 Material litigations (Cont'd)**

Save as disclosed below, as at 21 August 2023 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group (Cont'd):-

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

During the case management on 17 August 2023, the Court directed (with respect to the Plaintiff's summary judgement application):-

- (a) Parties to file Written Submissions on 11 September 2023;
- (b) Parties to file Reply Submissions on 25 September 2023; and
- (c) The subsequent case management is fixed on 25 September 2023

The suit is not expected to have any material operational impact on MJets for the current financial period ended 30 June 2023. If the claim is allowed, there is no financial impact as the amount had already been fully provided in the accounts except for any additional cost or interest granted, if any.

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

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

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

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

The financial impact of the legal suit, if any, can only be ascertained pending the legal review by the defendants' solicitors. There is no operational impact of the legal suit on the Company and MJets.

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

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

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

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

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

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

The suit is not expected to have any material operational impact on MJets for the current financial period ended 30 June 2023. If the claim is allowed, there is no financial impact as the amount had already been fully provided in the accounts except for any additional cost or interest granted, if any.

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**B8 Material litigations (Cont'd)**

Save as disclosed below, as at 21 August 2023 (being the latest practicable date which is not earlier than 7 days from the date of issue of this Quarterly Report), the Group was not engaged in any material litigation either as plaintiff or defendant and the directors are not aware of any proceedings pending or threatened against the Group or any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group (Cont'd):-

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

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

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

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

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

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

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

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

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

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

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

**B9 Dividends**

There was no dividend has been proposed nor declared during the financial period under review.

## NOTES TO THE QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023

**B10 Loss per share****10.1 Basic loss per share**

The basis loss per share is calculated by dividing the net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period.

	<b>Current year quarter ended 30.06.2023 RM'000</b>	<b>Preceding year corresponding quarter ended 30.06.2022 RM'000</b>	<b>Current year-to-date ended 30.06.2023 RM'000</b>	<b>Preceding year year-to-date ended 30.06.2022 RM'000</b>
Loss attributable to Owners of the Company	(133)	(7,427)	(133)	(7,427)
Weighted average number of shares in issue ('000)	2,422,392	1,351,712	2,422,392	1,351,712
Basic loss per share (sen)	(0.01)	(0.55)	(0.01)	(0.55)

**10.2 Diluted loss per share**

The diluted loss per share is calculated by dividing the net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares that would have been issued upon full conversion of Warrant 2017/2022. There is no diluted loss per share for current financial period as warrants had been expired.

	<b>Current year quarter ended 30.06.2023 RM'000</b>	<b>Preceding year corresponding quarter ended 30.06.2022 RM'000</b>	<b>Current year-to-date ended 30.06.2023 RM'000</b>	<b>Preceding year year-to-date ended 30.06.2022 RM'000</b>
Loss attributable to Owners of the Company	(133)	(7,427)	(133)	(7,427)
Weighted average number of shares in issue ('000)	2,422,392	1,351,712	2,422,392	1,351,712
Effect of dilution:				
Exercise of warrants	-	(425,553)	-	(425,553)
Adjusted weighted average number of ordinary shares in issue ('000)	2,422,392	926,159	2,422,392	926,159
Diluted loss per share (sen)	(0.01)	(0.80)	(0.01)	(0.80)

**B11 Authorised for issue**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 August 2023.