



MAG HOLDINGS BERHAD

200401004611 (643114-X)
(Incorporated in Malaysia)

**Unaudited Forth Quarter
Ended
30 June 2023**

**Interim Financial Statements
Announcement**



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss

	3 months		12 months	
	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.4.2022 to 30.6.2022 RM'000 (Unaudited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)	1.7.2021 to 30.6.2022 RM'000 (Audited)
Revenue	87,142	60,494	201,637	137,105
Cost of sales	<u>(60,995)</u>	<u>(46,258)</u>	<u>(134,837)</u>	<u>(91,686)</u>
Gross profit	26,147	14,236	66,800	45,419
Other income	9,906	2,413	19,476	8,491
Operating expenses	(4,850)	(3,993)	(17,435)	(17,039)
Finance costs	(5,049)	(4,246)	(13,116)	(9,194)
Unrealised foreign exchange loss	(6,716)	(6,750)	(10,180)	(2,459)
Realised foreign exchange gain	65	55	272	81
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Profit before taxation	19,503	1,715	45,817	25,299
Taxation	<u>(8,830)</u>	<u>(4,110)</u>	<u>(11,336)</u>	<u>(7,579)</u>
Profit for the period	<u>10,673</u>	<u>(2,395)</u>	<u>34,481</u>	<u>17,720</u>
Profit/(loss) for the period attributable to:				
-Owners of the Company	10,678	(2,393)	34,493	17,726
-Non-controlling interests	<u>(5)</u>	<u>(2)</u>	<u>(12)</u>	<u>(6)</u>
	<u>10,673</u>	<u>(2,395)</u>	<u>34,481</u>	<u>17,720</u>
Basic earnings per share (sen)	<u>0.67</u>	<u>(0.17)</u>	<u>2.28</u>	<u>1.27</u>
Diluted earnings per share (sen)	<u>0.67</u>	<u>(0.16)</u>	<u>2.18</u>	<u>1.23</u>

Notes:

n/a - Not applicable

The Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss

	3 months		12 months	
	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.4.2022 to 30.6.2022 RM'000 (Unaudited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)	1.7.2021 to 30.6.2022 RM'000 (Audited)
Profit/(loss) for the period	10,673	(2,395)	34,481	17,720
Other comprehensive income, net of tax: Items that may be reclassified subsequently to profit or loss:				
Foreign currency translations	8,013	4,480	1,454	17,731
Total other comprehensive income for the period, net of tax	18,686	2,085	35,935	35,451
Total comprehensive income for the period, net of tax	18,686	2,085	35,935	35,451
Total comprehensive income attributable to:				
Owners of the Company	18,691	2,087	35,947	35,457
Non-controlling interests	(5)	(2)	(12)	(6)
	18,686	2,085	35,935	35,451

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position

	As at 30.6.2023 RM'000 (Unaudited)	As at 30.6.2022 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	309,371	277,167
Intangible assets	56,903	58,484
Loan to a former subsidiary company	267,718	270,461
Goodwill	87,839	87,839
	<u>721,831</u>	<u>693,951</u>
CURRENT ASSETS		
Biological assets	9,215	14,100
Inventories	6,073	5,051
Short term investment	51,360	50,800
Trade and other receivables	131,723	76,712
Tax recoverable	126	333
Fixed deposit with licensed bank	1,342	1,308
Cash and bank balances	163,668	162,038
	<u>363,507</u>	<u>310,342</u>
TOTAL ASSETS	<u>1,085,338</u>	<u>1,004,293</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	533,511	508,386
Reserves	233,636	197,689
Total equity attributable to owners of the Company	<u>767,147</u>	<u>706,075</u>
Non-controlling interests	1,650	1,662
TOTAL EQUITY	<u>768,797</u>	<u>707,737</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	40,666	29,899
Borrowings	87,343	94,653
Lease liabilities	8,254	2,139
Redeemable preference shares (RPS)	72,061	37,736
	<u>208,324</u>	<u>164,427</u>
CURRENT LIABILITIES		
Trade and other payables	84,831	75,142
Bank borrowings	22,851	19,807
Lease liabilities	535	591
Redeemable preference shares (RPS)	-	36,589
	<u>108,217</u>	<u>132,129</u>
TOTAL LIABILITIES	<u>316,541</u>	<u>296,556</u>
TOTAL EQUITY AND LIABILITIES	<u>1,085,338</u>	<u>1,004,293</u>
Net assets per share (Sen)	<u>48</u>	<u>49</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Changes in Equity (Unaudited)

Attributable to owners of the Company

	<-----Non-distributable----->				Distributable		Non-Controlling Interest	Total Equity
	Share Capital	Private Placement Shares	Equity portion of RCN	Exchange Translation Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 July 2022	508,386	-	-	44,694	152,995	706,075	1,662	707,737
Total comprehensive income								
Profit/(loss) for the period	-	-	-	-	34,493	34,493	(12)	34,481
Foreign currency translations	-	-	-	1,454	-	1,454	-	1,454
	-	-	-	1,454	34,493	35,947	(12)	35,935
Transactions with owners of the Company								
Issuance of redeemable convertible notes ("RCN")	-	-	-	-	-	-	-	-
Issuance of new shares	-	25,258	-	-	-	25,258	-	25,258
Conversion of RCN into ordinary shares	-	-	-	-	-	-	-	-
RCN - liability portion	-	-	-	-	-	-	-	-
Amortisation of RCN transaction costs	(714)	-	-	-	-	(714)	-	(714)
Conversion of Warrants into ordinary shares	-	581	-	-	-	581	-	581
	(714)	25,839	-	-	-	25,125	-	25,125
At 30 June 2023	507,672	25,839	-	46,148	187,488	767,147	1,650	768,797
At 1 July 2021	374,361	-	360	26,963	135,269	536,953	1,668	538,621
Total comprehensive income								
Profit/(loss) for the period	-	-	-	-	17,726	17,726	(6)	17,720
Foreign currency translations	-	-	-	17,731	-	17,731	-	17,731
	-	-	-	17,731	17,726	35,457	(6)	35,451
Transactions with owners of the Company								
Issuance of redeemable convertible notes ("RCN")	-	-	795	-	-	795	-	795
Issuance of new shares	64,597	-	-	-	-	64,597	-	64,597
Conversion of RCN into ordinary shares	12,000	-	(1,155)	-	-	10,845	-	10,845
RCN - liability portion	-	-	-	-	-	-	-	-
Amortisation of RCN transaction costs	(1,072)	-	-	-	-	(1,072)	-	(1,072)
Issuance of sharing arising from the acquisition of subsidiary	58,500	-	-	-	-	58,500	-	58,500
	134,025	-	(360)	-	-	133,665.00	-	133,665
At 30 June 2022	508,386	-	-	44,694	152,995	706,075	1,662	707,737

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows

	1.7.2022 to 30.6.2023 RM'000 (Unaudited)	1.7.2021 to 30.6.2022 RM'000 (Audited)
Cash Flows from Operating Activities		
Profit before taxation	45,817	25,299
Adjustment for:		
Depreciation	12,742	10,760
Finance costs	13,116	9,194
Interest income	(5,300)	(5,590)
Unrealised loss in foreign exchange	8,307	7,943
Accretion of interest on loan to a former subsidiary	(2,590)	(2,566)
Fair value adjustment on RPS	(3,783)	-
Fair value adjustment on biological asset	4,885	2,383
Write off of Inventories	-	28
Fixed assets written off	305	-
Operating profit before working capital changes	<u>73,499</u>	<u>47,451</u>
Changes in working capital:		
Inventories	(1,022)	301
Receivables	(55,011)	(32,931)
Payables	9,689	26,940
Cash flows generated from operations	<u>27,155</u>	<u>41,761</u>
Interest paid	(13,116)	(4,568)
Tax refund	-	10
Tax paid	(362)	(1,211)
Net cash generated from operating activities	<u>13,677</u>	<u>35,992</u>
Cash Flows from Investing Activities		
Interest Income	5,300	5,590
Purchase of property, plant and equipment	(43,671)	(46,533)
Acquisition of a subsidiary	-	(57,238)
Placement of pledged fixed deposit	(34)	(1,308)
Short- term investment	(560)	-
Net cash used in investing activities	<u>(38,965)</u>	<u>(99,489)</u>



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows (con't)

	1.7.2022	1.7.2021
	to	to
	30.6.2023	30.6.2022
	RM'000	RM'000
	(Unaudited)	(Audited)
Cash Flows from Financing Activities		
Proceed from issuance of ordinary shares	25,125	64,597
Proceed from issuance of RCN	-	8,928
Repayment of bank borrowings, net	(4,266)	1,521
Repayment to related company/(ies)	-	(2,535)
Drawdown/(Repayment) of lease liability, net	6,059	(378)
Net cash generated from financing activities	<u>26,918</u>	<u>72,133</u>
Net increase in cash and cash equivalents	1,630	8,636
Cash and cash equivalents at beginning of period	<u>162,038</u>	<u>153,402</u>
Cash and cash equivalents at end of period	<u>163,668</u>	<u>162,038</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	<u>163,668</u>	<u>162,038</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting and Rule 9.22 of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 and the explanatory notes attached to this interim financial report. The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2022.

A2. Significant accounting policies

The accounting policies and methods of computation adopted by the Group in the preparation of the interim financial statements are consistent with those adopted in the preparation of the Group's financial statements for the year ended 30 June 2022, except for the adoption of the following accounting standards:

Amendments to MFRS 3 Reference to the Conceptual Framework
Amendments to MFRS 116 Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137 Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRSs 2018 – 2020

Effective for financial periods beginning on or after 1 January 2023 but are not yet effective and have not been adopted by the Group

MFRS 17 – Insurance Contracts
Amendment to MFRS 17 – Insurance Contracts
Amendment to MFRS 101 – Classification of Liabilities as Current or Non-Current
Amendment to MFRS 101 and MFRS Practice Statement 2 – Disclosure of Accounting Policies
Amendments to MFRS 108 - Definition of Accounting Estimates
Amendment to MFRS 112 – Deferred Tax related to Assets and Liabilities Arising from a Single Transaction
Amendment to MFRS 10 and 128 – Sale or Contribution of Assets and Liabilities arising from a Single Transaction

The Group will adopt the above accounting pronouncements when they become effective in the respective financial period. The adoption of the above new standards, amendments to published standards and interpretation, where relevant, did not have any significant impact on the financial results of the Group.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2022 was not qualified.

A4. Segment information

The Group is primarily involved in one business segment which is in the business of prawn aquaculture and seafood processing. The business is entirely operated in Malaysia and therefore segment information based on geographical location is not presented. Further, the Group's assets and liabilities are managed on a group-wide basis and the chief decision maker relies on internal reports which is similar to those currently disclosed externally and therefore no further segment analysis is presented.

A5. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and financial period ended 30 June 2023.

A6. Changes in estimates

There were no changes in estimates of amounts reported in the prior financial year that have a material effect on the current quarter and financial period ended 30 June 2023.

A7. Seasonality or cyclicity of operations

Live prawn aquaculture is generally affected by rainy season where prawn fries supply is disrupted by the lower productivity of suppliers' brood stock. In addition, the quality of prawn fries supplied is usually lower and the growth rate of prawn fries is also diminished during the rainy season.

A8. Dividends paid

No dividends were paid by the Company during the current quarter.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

A9. Changes in debt and equity securities

Pursuant to the Proposed Private Placement announced on 3 January 2023, during the financial period ended 31 March 2023 the company had:

- a. on 10 Feb 2023, issued 120,001,300 ordinary shares at issued price of RM0.175 per share for total cash proceeds of RM21.0 million
- b. on 16 Feb 2023, issued 24,331,000 ordinary shares at issued price of RM0.175 per share for total cash proceeds of RM4.26 million.

Pursuant to the Bonus Issue of Warrant- C announced on 12 November 2021, during the financial period ended 30 June 2023 the company had:

- a. on 21 Jun 2023, conversion from Warrant C to 2,500,000 ordinary shares at issue price RM0.16 per share.
- b. on 26 Jun 2023, conversion from Warrant-C to 260,000 ordinary shares at issue price RM0.16 per share.
- c. on 28 Jun 2023, conversion from Warrant-C to 423,100 ordinary shares at issue price RM0.16 per share.

A10. Change in the composition of the Group

The Group has no changes in the composition of the Group during the current quarter and financial period ended on 30 June 2023.

A11. Contingent assets or liabilities

The Group has no material contingent assets or liabilities since the end of the previous financial year.

A12. Material events subsequent to the end of current quarter

There was no other material event subsequent to the current quarter ended 30 June 2023 except the following:

- a. from 6 July 2023 to 7 Aug 2023, total conversion from Warrant-C to 7,879,000 ordinary shares at issue price RM0.16 per share.

Following the above issuance of new shares, the Company has 1,598,917,865 ordinary shares in issue as at the date of this report.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

A13. Significant related party transactions

The related party transactions of the Group have been entered into in the normal course of business and were carried out on normal commercial terms. The list below are the significant transactions with related party:

	3 Months		12 Months	
	1.4.2023	1.4.2022	1.7.2022	1.7.2021
	to	to	to	to
	30.6.2023	31.6.2022	30.6.2023	30.6.2022
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
With companies in which a Director who is also a substantial shareholder of the Company, has interests:				
- Rental of office space	38	38	150	150

A14. Fair value of financial instruments

Save for the fair value adjustment of the RM2.59 million loan to a former subsidiary company and RM3.78 million for Redeemable Preference Share (RPS). There was no gain or loss arising from fair value changes on financial assets and liabilities for the current financial quarter and the financial period ended 30 June 2023.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

3 months ended 30 June 2023 (“3M2023”)

Revenue for the current financial quarter ended 30 June 2023 increased by 44.05% to RM87.14 million compared with RM60.50 million in the previous year corresponding quarter. The increase in revenue was mainly due to increase sales from the aquaculture business.

The Group recorded a profit before taxation of RM19.50 million for the current quarter ended 30 June 2023 compared with RM 1.72 million in the previous year corresponding quarter. This was mainly due to higher revenue and higher other income.

12 months ended 30 June 2023 (“12M2023”)

The Group recorded revenue of RM201.64 million and profit before tax of RM45.82 million, compared with RM137.10 million and RM25.30 million respectively in the previous year corresponding period. Higher PBT for 12M2023 was mainly due to higher revenue and other income for 12M2023.

The other income of RM 19.50 million was mainly derived from the fair value gain on Redeemable Preference Shares (RPS) of RM3.78 million, fair value gain of RM 2.59 million on loan to former subsidiary company and interest income of RM5.30 million from the loan to the former subsidiary company.

B2. Comparison with immediately preceding quarter’s results

	Current quarter 1.4.2023 to 30.6.2023 RM'000	Preceding quarter 1.1.2023 to 31.3.23 RM'000
Revenue	87,142	40,878
Cost of sales	(60,995)	(25,800)
Gross profit	26,147	15,078
Other income	9,906	3,228
Operating expenses	(4,850)	(4,875)
Finance costs	(5,049)	(2,701)
Unrealised foreign exchange loss	(6,716)	(1,052)
Foreign exchange gain/(loss)	65	(3)
Profit before taxation	19,503	9,675



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B2. Comparison with immediately preceding quarter's results (cont'd)

The revenue for the current financial quarter increased by 73.4 % mainly due to increased sales from the aquaculture business. Gross profit for the current financial quarter increased to RM26.15 million compared with RM 15.08 million in the preceding quarter mainly due to higher revenue.

The Group recorded a profit before taxation of RM19.50 million compared with RM9.68 million in the preceding quarter mainly due to higher revenue and other income. However, it was offset by the finance cost and unrealized foreign exchange loss.

The unrealized foreign exchange loss was mainly due to the depreciated value of Renminbi against the Hong Kong Dollar.

B3. Commentary on prospects

The Group will continue to focus on prawn aquaculture as the main business driver. The Group believes in the long-term sustainability of the food industry and will continue to strengthen the Group's position as a leading prawn aquaculture player in the industry.

Premised on the above and barring any unforeseen circumstances, the Group will continue to undertake cost control measures and improve productivity and efficiency to enhance the profitability of the Group. In addition, the Group will also closely monitor the challenging external factors due to foreign exchange fluctuations, raw material price fluctuations, increase in the interest rate and transportation costs.

B4. Profit forecast or profit guarantee

Not applicable to the Group as no profit forecast was published.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B5. Taxation

The effective tax rate of the Group for the financial period to-date is lower than the statutory tax rate mainly due to non-taxable gains.

	3 Months		12 Months	
	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.4.2022 to 30.6.2022 RM'000 (Unaudited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)	1.7.2021 to 30.6.2022 RM'000 (Audited)
<u>Income tax:</u>				
Malaysian income tax:				
- Current year	569	(417)	569	194
- Overprovision in prior year	-	-	-	(61)
	<u>569</u>	<u>(417)</u>	<u>569</u>	<u>133</u>
<u>Deferred tax:</u>				
Origination of temporary differences				
	<u>8,261</u>	<u>4,527</u>	<u>10,767</u>	<u>7,446</u>
	<u>8,830</u>	<u>4,110</u>	<u>11,336</u>	<u>7,579</u>

B6. Corporate proposals

- a) Status of utilization proceed raised as at 30 June 2023.
i. Proceed raised from RCN

<u>Purpose</u>	<u>Proposed Utilisation RM'000</u>	<u>Drawdown RM'000</u>	<u>Utilisation RM'000</u>	<u>Estimated timeframe*</u>
Financing the acquisition of Wakuba prawn farming	101,000	79,609	78,901	within 3 years
Working capital for the prawn farm	9,000	8,421	8,421	within 6 months
Estimated expenses in relation to the issuance of RCN:				
-Setting up costs	1,600	1,600	1,600	within 1 month
-Implementation costs	8,400	8,370	8,370	within 3 years
	<u>120,000</u>	<u>98,000</u>	<u>97,292</u>	



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B6. Corporate proposals (cont'd)

ii. Proceed raised from Private Placement

Purpose	Proposed		Remaining Balance RM'000	Intended timeframe*
	Utilisation RM'000	Utilisation RM'000		
Expansion of the Wakuba Farm	20,875	20,875	-	Within 12 months
Working Capital	3,000	3,000	-	Within 6 months
Estimated expenses relating to the Proposed Private Placement	200	200	-	Within 1 months
	<u>24,075</u>	<u>24,075</u>	-	

B7. Borrowings and debt securities

The Group's borrowings, all of which are secured and denominated in Ringgit Malaysia, were as follows:

	As at 30.6.2023 RM'000	As at 30.6.2022 RM'000
	(Unaudited)	(Audited)
Current:		
Trade working capital-i	12,302	7,910
Term financing -i	9,549	10,891
Cashline-i	1,000	1,006
	<u>22,851</u>	<u>19,807</u>
Non-current:		
Term financing -i	87,343	94,653
	<u>87,343</u>	<u>94,653</u>
Total	<u>110,194</u>	<u>114,460</u>



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B8. Material litigations

The Group has no material litigation pending as at 25 November 2022 (the "LPD") except the following:-

- i) *High Court of Kuala Lumpur Case No. WA-22NCC-437-09/2020. Ng Min Lin ("1st Plaintiff") and North Cube Sdn Bhd ("NCSB or 2nd Plaintiff") v Reymee Bin Mohamed Hussein ("Reymee or 1st Defendant") and Wondeux (M) Sdn Bhd ("WMSB or 2nd Defendant")*

1st Plaintiff and NCSB are claiming for compensation amounting to RM2,000,000 arising from the alleged breaches by Reymee and WMSB of the terms of the Funding Agreement dated 8 January 2019 entered into between NCSB and WMSB ("Funding Agreement"). 1st Plaintiff and NCSB further seek a series of declarations, inter alia that the Funding Agreement has lapsed, and that Reymee is not the Chief Corporate Officer of NCSB.

The trial came up on 23 August 2021 to 27 August 2021, 4 to 8 April 2022, 12 to 14 April 2022 and 5 to 9 September 2022 before the Judge. The decision of this matter which has been delivered on 5 January 2023 is summarised in item (ii).

- (ii) *High Court of Kuala Lumpur Case No. WA-22NCC-43-01/2021. Reymee Bin Mohamed Hussein ("Reymee or 1st Plaintiff") v Ng Min Lin ("1st Defendant") and North Cube Sdn Bhd ("NCSB or 2nd Defendant")*

Reymee is seeking for declarations that the validity period of the Funding Agreement was mutually extended, and there was an oral collateral contract between Reymee and 1st Defendant and NCSB that 3% of the NCSB's shares have been assigned to Reymee. Reymee is further seeking a declaration that he is the Chief Corporate Officer of NCSB and 1st Defendant and NCSB are jointly and severally liable to him for the sum of RM2,700,000, being the value of 3% of NCSB's shares.

The matter has undergone a joint trial on 23 August 2021 to 27 August 2021, 4 to 8 April 2022, 12 to 14 April 2022 and 5 to 9 September 2022 before the Judge.

On 5 January 2023, the learned High court Judge delivered a joint Judgement for both cases listed in item (i) & item (ii). The Court dismissed Reymee's claim in case No WA-22NCC-43-01/2021 (item (ii)) with costs of RM75,000 to be paid by Reymee and Wondeux. By virtue of dismissal of item (ii), it was no longer necessary for the Court to deal with Case No. WA-22NCC-437-09/2020 (item (i)) and therefore, item (i) was also dismissed with costs of RM 15,000.

Reymee filed an appeal against the dismissal of Suit 43 via Putrajaya Court of Appeal Civil Appeal No: W-02(NCC)(W)-183-02/2023. The Appeal is currently fixed for Hearing/Decision on 17.01.2024.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B8. Material litigations (cont'd)

- (iii) *High Court of Kuala Lumpur Case No. WA-22IP-38-07/2020. Ng Min Lin (“1st Plaintiff”) and North Cube Sdn Bhd (“NCSB or 2nd Plaintiff”) v Steven Mak (“Steven or 1st Defendant”) and Wondeux (M) Sdn Bhd (“WMSB or 2nd Defendant”)*

1st Plaintiff and NCSB are claiming for compensation amounting to RM2,000,000 arising from the alleged breaches by Steven and WMSB of the terms of the Funding Agreement. 1st Plaintiff and NCSB further seek a series of declarations, *inter alia* that the Funding Agreement has lapsed, that Steven is not the Chief Marketing Officer of NCSB, and further that Steven does not own the copyrights and trademarks of NCSB.

The matter has been consolidated with WA-22IP-43-08/2020 under item (iv).

- (iv) *High Court of Kuala Lumpur Case No. WA-22IP-43-08/2020. Steven Mak (“Steven or 1st Plaintiff”) v Ng Min Lin (“1st Defendant”) and North Cube Sdn Bhd (“NCSB or 2nd Defendant”)*

Steven is seeking for declarations that the validity period of the Funding Agreement was mutually extended, and that Steven is owed the sum of RM405,900 (payment order) being works done for NCSB. Steven is further seeking a declaration that he is the Chief Marketing Officer or an employee of NCSB, and that Steven owns the copyrights and trademarks of ‘North Cube’, and is further claiming damages of RM5,000,000 from 1st Defendant and NCSB for breach of his intellectual property’s trademarks and copyrights. In addition, Steven is also seeking an injunction to prohibit NCSB from using his copyright and trademarks, a mandatory injunction for NCSB to produce NCSB’s book of accounts. 1st Defendant and NCSB’s interlocutory application for interrogatories against Steven was allowed on 9 February 2021. Steven has responded to the interrogatories.

Both matters are currently fixed for full trial on 5,6,10,11,12, and 13 June 2024 before YA Tuan Ahmad Murad bin Abdul Aziz. Northcube and NML have obtained a Security for Costs of RM40,000.00 against Steven Mak pending the disposal of both matters.

1st Defendant’s and NCSB’s lawyer are of the view that there is a good chance of successfully defending the claim by Steven.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B9. Proposal dividends

The Board proposed a single tier final dividend in respect of the financial year ended 30 June 2023 of 0.1 sen per ordinary share (FYE 2022: Nil). This dividend is subject to shareholders' approval at the forthcoming general meeting and has not been reflected in the current year financial statements.

The dates of entitlement and payment will be determined later.

B10. Basic and diluted earnings per share

Basic earnings per share

	3 months		12 months	
	1.4.2023 to 30.6.2023 (Unaudited)	1.4.2022 to 30.6.2022 (Audited)	1.7.2022 to 30.6.2023 (Unaudited)	1.7.2021 to 30.6.2022 (Audited)
Profit attributable to owners of the Company (RM'000)	10,678	(2,393)	34,493	17,726
Weighted average number of shares in issue ('000)	1,587,924	1,443,323	1,514,075	1,393,310
Basic earnings per share (Sen)	0.67	(0.17)	2.28	1.27

Diluted earnings per share

	3 months		12 months	
	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.4.2022 to 30.6.2022 RM'000 (Audited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)	1.7.2021 to 30.6.2022 RM'000 (Audited)
Profit attributable to owners of the Company (RM'000)	10,678	(2,393)	34,493	17,726
Weighted average number of shares in issue ('000)	1,603,181	1,523,222	1,579,453	1,439,674
Diluted earnings/(loss) per share (sen)	0.67	(0.16)	2.18	1.23

Diluted earnings per share for the previous year was not disclosed as the effect was anti-dilutive.



MAG Holdings Berhad

200401004611 (643114-X)
(Incorporated in Malaysia)

B11. Notes to statement of comprehensive income

The profit before tax is arrived at after charging/(crediting):

	3 months		12 months	
	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.4.2022 to 30.6.2022 RM'000 (Unaudited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)	1.7.2021 to 30.6.2022 RM'000 (Audited)
Depreciation of property, plant and equipment	3,211	1,521	10,379	8,984
Depreciation of rights-of-use assets	636	49	782	195
Amortisation of intangible assets	396	1,581	1,581	1,581
Fair value adjustment on loan to a former subsidiary company	2,876	3,053	(2,590)	(2,566)
Finance costs	5,049	4,246	13,116	9,194
Interest income	(1,197)	(5,456)	(5,300)	(5,590)
Rental of office space	38	(139)	150	-
Realised gain on foreign exchanges	(65)	(57)	(272)	(81)
Unrealised loss on foreign exchanges	6,716	6,752	10,180	2,460

The following items which were not disclosed were not applicable:

- (a) Allowance and write off of receivables
- (b) Allowance and write off of inventories
- (c) Gain or loss on disposal of quoted or unquoted investments or properties
- (d) Impairment of assets
- (e) Gain or loss derivatives
- (f) Exceptional item (with details)

B12. Authorisation for issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors.

Kuala Lumpur
30 August 2023

By order of the Board
Wong Yuet Chyn
Company Secretary