



MAG HOLDINGS BERHAD

200401004611 (643114-X)

(Incorporated in Malaysia)

Unaudited First Quarter

Ended

30 September 2023

Interim Financial Statements

Announcement



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss

| | 3 months | | 3 months | |
|-----------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2022 to 30.9.2022 RM'000 (Unaudited) | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2022 to 30.9.2022 RM'000 (Unaudited) |
| Revenue | 46,985 | 30,361 | 46,985 | 30,361 |
| Cost of sales | <u>(35,784)</u> | <u>(18,778)</u> | <u>(35,784)</u> | <u>(18,778)</u> |
| Gross profit | 11,201 | 11,583 | 11,201 | 11,583 |
| Other income | 2,004 | 3,255 | 2,004 | 3,255 |
| Operating expenses | (4,112) | (3,996) | (4,112) | (3,996) |
| Finance costs | (1,736) | (2,097) | (1,736) | (2,097) |
| Unrealised foreign exchange loss | (765) | (1,154) | (765) | (1,154) |
| Realised foreign exchange gain | 9 | 158 | 9 | 158 |
| | <u>6,601</u> | <u>7,749</u> | <u>6,601</u> | <u>7,749</u> |
| Profit before taxation | 6,601 | 7,749 | 6,601 | 7,749 |
| Taxation | <u>(176)</u> | <u>(724)</u> | <u>(176)</u> | <u>(724)</u> |
| Profit for the period | <u>6,425</u> | <u>7,025</u> | <u>6,425</u> | <u>7,025</u> |
| Profit/(loss) for the period attributable to: | | | | |
| -Owners of the Company | 6,426 | 7,027 | 6,426 | 7,027 |
| -Non-controlling interests | <u>(1)</u> | <u>(2)</u> | <u>(1)</u> | <u>(2)</u> |
| | <u>6,425</u> | <u>7,025</u> | <u>6,425</u> | <u>7,025</u> |
| Basic earnings per share (sen) | <u>0.40</u> | <u>0.49</u> | <u>0.40</u> | <u>0.49</u> |
| Diluted earnings per share (sen) | <u>0.39</u> | <u>0.47</u> | <u>0.39</u> | <u>0.49</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 2023 and the accompanying explanatory notes attached to these interim financial statements.



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Condensed Consolidated Statement of Profit or Loss

| | 3 months | | 3 months | |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2022 to 30.9.2022 RM'000 (Unaudited) | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2022 to 30.9.2022 RM'000 (Unaudited) |
| Profit/(loss) for the period | 6,425 | 7,025 | 6,425 | 7,025 |
| Other comprehensive income, net of tax: Items that may be reclassified subsequently to profit or loss: | | | | |
| Foreign currency translations | 1,558 | (3,026) | 1,558 | (3,026) |
| Total other comprehensive income for the period, net of tax | 7,983 | 3,999 | 7,983 | 3,999 |
| Total comprehensive income for the period, net of tax | 7,983 | 3,999 | 7,983 | 3,999 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 7,984 | 4,001 | 7,984 | 4,001 |
| Non-controlling interests | (1) | (2) | (1) | (2) |
| | 7,983 | 3,999 | 7,983 | 3,999 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

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Condensed Consolidated Statement of Financial Position

| | As at 30.9.2023 RM'000 (Unaudited) | As at 30.6.2023 RM'000 (Audited) |
|----------------------------------------------------|---------------------------------------------|-------------------------------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 300,642 | 279,762 |
| Intangible assets | 56,508 | 56,903 |
| Right of used assets | 18,157 | 29,610 |
| Loan to a former subsidiary company | 270,084 | 267,718 |
| Goodwill | 87,839 | 87,839 |
| | <u>733,230</u> | <u>721,832</u> |
| CURRENT ASSETS | | |
| Biological assets | 10,319 | 9,215 |
| Inventories | 5,192 | 6,494 |
| Short term investment | 51,360 | 51,360 |
| Trade and other receivables | 125,809 | 122,272 |
| Tax recoverable | 489 | 0 |
| Fixed deposit with licensed bank | 1,342 | 1,342 |
| Cash and bank balances | 165,428 | 163,669 |
| | <u>359,939</u> | <u>354,352</u> |
| TOTAL ASSETS | <u>1,093,169</u> | <u>1,076,184</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 535,518 | 534,226 |
| Reserves | 241,289 | 233,305 |
| Total equity attributable to owners of the Company | <u>776,807</u> | <u>767,531</u> |
| Non-controlling interests | 1,649 | 1,650 |
| TOTAL EQUITY | <u>778,456</u> | <u>769,181</u> |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liabilities | 40,700 | 40,525 |
| Borrowings | 85,321 | 88,107 |
| Lease liabilities | 8,408 | 8,300 |
| Redeemable preference shares (RPS) | 72,061 | 72,061 |
| | <u>206,490</u> | <u>208,993</u> |
| CURRENT LIABILITIES | | |
| Trade and other payables | 84,506 | 74,712 |
| Bank borrowings | 23,361 | 22,764 |
| Lease liabilities | 356 | 535 |
| | <u>108,223</u> | <u>98,011</u> |
| TOTAL LIABILITIES | <u>314,713</u> | <u>307,004</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,093,169</u> | <u>1,076,185</u> |
| Net assets per share (Sen) | <u><u>47</u></u> | <u><u>48</u></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 2023 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

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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 2023 | 534,226 | - | - | 46,149 | 187,156 | 767,531 | 1,650 | 769,181 |
| Total comprehensive income | | | | | | | | |
| Profit/(loss) for the period | - | - | - | - | 6,426 | 6,426 | (1) | 6,425 |
| Foreign currency translations | - | - | - | 1,558 | - | 1,558 | - | 1,558 |
| | - | - | - | 1,558 | 6,426 | 7,984 | (1) | 7,983 |
| Transactions with owners of the Company | | | | | | | | |
| Conversion of Warrant - C into ordinary shares | 1,292 | - | - | - | - | 1,292 | - | 1,292 |
| | 1,292 | - | - | - | - | 1,292 | - | 1,292 |
| At 30 September 2023 | 535,518 | - | - | 47,707 | 193,582 | 776,807 | 1,649 | 778,456 |
| At 1 July 2022 | 508,386 | - | - | 44,694 | 152,995 | 706,075 | 1,662 | 707,737 |
| Total comprehensive income | | | | | | | | |
| Profit/(loss) for the period | - | - | - | - | 7,025 | 7,025 | (2) | 7,023 |
| Foreign currency translations | - | - | - | (3,026) | - | (3,026) | - | (3,026) |
| | - | - | - | (3,026) | 7,025 | 3,999 | (2) | 3,997 |
| Transactions with owners of the Company | | | | | | | | |
| Amortisation of RCN transaction costs | (3) | - | - | - | - | (3) | - | (3) |
| | (3) | - | - | - | - | 3.00 | - | (3) |
| At 30 September 2022 | 508,383 | - | - | 41,668 | 160,020 | 710,071 | 1,660 | 711,731 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year 30 June 2023 and the accompanying explanatory notes attached to these interim financial statements.



MAG Holdings Berhad

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Condensed Consolidated Statement of Cash Flows

| | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2022 to 30.9.2022 RM'000 (Unaudited) |
|------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| Cash Flows from Operating Activities | | |
| Profit before taxation | 6,601 | 7,749 |
| Adjustment for: | | |
| Depreciation | 3,134 | 3,054 |
| Finance costs | 1,602 | 2,097 |
| Interest income | - | (1,394) |
| Unrealised loss in foreign exchange | 774 | (158) |
| Accretion of interest on loan to a former subsidiary | (2,367) | (1,861) |
| Operating profit before working capital changes | <u>9,744</u> | <u>9,487</u> |
| Changes in working capital: | | |
| Inventories | 198 | (494) |
| Receivables | (2,465) | (8,126) |
| Payables | 9,507 | 7,510 |
| Cash flows generated from operations | <u>16,984</u> | <u>8,377</u> |
| | | |
| Interest paid | (1,602) | (2,097) |
| Tax refund | - | - |
| Tax paid | (489) | (292) |
| Net cash generated from operating activities | <u>14,893</u> | <u>5,988</u> |
| Cash Flows from Investing Activities | | |
| Interest Income | - | 1,394 |
| Purchase of property, plant and equipment | (12,166) | (8,579) |
| Acquisition of a subsidiary | - | - |
| Placement of pledged fixed deposit | - | - |
| Short- term investment | - | - |
| Fair Value adjustment from RPS | - | - |
| Net cash used in investing activities | <u>(12,166)</u> | <u>(7,185)</u> |



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Condensed Consolidated Statement of Cash Flows (con't)

| | 1.7.2023 | 1.7.2022 |
|-----------------------------------------------------|------------------|------------------|
| | to | to |
| | 30.9.2023 | 30.9.2022 |
| | RM'000 | RM'000 |
| | (Unaudited) | (Unaudited) |
| Cash Flows from Financing Activities | | |
| Proceed from issuance of ordinary shares | 1,293 | - |
| Repayment of bank borrowings, net | (2,189) | (1,318) |
| Repayment to related company/(ies) | - | |
| Repayment of lease liability, net | (71) | (134) |
| Net cash generated from financing activities | <u>(967)</u> | <u>(1,452)</u> |
| | | |
| Net increase in cash and cash equivalents | 1,760 | (2,649) |
| Cash and cash equivalents at beginning of period | <u>165,010</u> | <u>163,346</u> |
| Cash and cash equivalents at end of period | <u>166,770</u> | <u>160,697</u> |
| Cash and cash equivalents comprise of: | | |
| | | |
| Cash and bank balances | <u>166,770</u> | <u>160,697</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 2023 and the accompanying explanatory notes attached to these interim financial statements.



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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 2023 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 2023.

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 2023, except for the adoption of the following accounting standards:

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 Single Transaction

Effective for financial periods beginning on or after 1 January 2024 but are not yet effective and have not been adopted by the Group

Amendments to MFRS 16 Lease Liability in a Sale and Leaseback

Amendments to MFRS 101 Non-current Liabilities with Covenants

Amendments to MFRS 7 and MFRS 107 Supplier Finance Arrangements

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121 Lack of Exchangeability



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A2. Significant accounting policies(con't)

Effective date to be announced

Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company will adopt the above accounting pronouncements when they become effective in the respective financial years. These accounting pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial applications.

A3. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 30 June 2023 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 September 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 September 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.



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A9. Changes in debt and equity securities

Pursuant to the Bonus Issue of Warrant- C announced on 12 November 2021, during the financial period ended 30 September 2023 the company had a total conversion of Warrant-C to 8,529,000 ordinary shares at issue price RM0.16 per share.

Following the above issuance of new shares, the Company has 1,599,367,865 ordinary shares in issue as at the date of this report.:

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 September 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 September 2023 except the following:

- a. on 9 November 2023, conversion from Warrant-C to 150,000 ordinary shares at issue price RM0.16 per share.

Following the above issuance of new shares, the Company has 1,599,517,865 ordinary shares in issue as at the date of this report.



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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

| | 1.7.2023 to 30.9.2023 RM'000 | 1.7.2022 to 30.9.2022 RM'000 |
|---------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| | (Unaudited) | (Unaudited) |
| With companies in which a Director who is also a substantial shareholder of the Company, has interests: | | |
| - Rental of office space | 38 | 38 |

A14. Fair value of financial instruments

Save for the fair value adjustment of the RM1.84 million loan to a former subsidiary company, 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 September 2023.



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B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

3 months ended 30 September 2023

Revenue for the current financial quarter ended 30 Sep 2023 increased by 54.8% to RM46.99 million compared with RM30.36 million in the previous year corresponding quarter. The increase in revenue was mainly due to higher demand for the Group's products.

Despite higher revenue, the Group recorded a profit before taxation of RM6.60 million for the current quarter ended 30 September 2023 compared with RM7.75 million in the previous year corresponding quarter. This was mainly due to lower other income and lower gross margin resulted from market conditions.

The other income of RM 2.0 million was mainly derived from the fair value gain on fair value gain of RM 1.84 million on loan to former subsidiary company and interest income of RM0.15 million from the loan to the former subsidiary company.

B2. Comparison with immediately preceding quarter's results

| | Current quarter 1.7.2023 to 30.9.2023 RM'000 | Preceding quarter 1.4.2023 to 30.06.23 RM'000 |
|----------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------|
| Revenue | 46,985 | 87,142 |
| Cost of sales | (35,784) | (60,995) |
| Gross profit | 11,201 | 26,147 |
| Other income | 2,004 | 9,906 |
| Operating expenses | (4,112) | (4,850) |
| Finance costs | (1,736) | (5,049) |
| Unrealised foreign exchange loss | (765) | (6,716) |
| Foreign exchange gain/(loss) | 9 | 65 |
| Profit before taxation | 6,601 | 19,503 |

The revenue for the current financial quarter decreased by 46.1 % mainly due to decreased in sales from the aquaculture business and lower demand for the Group's products.

The Group recorded a profit before taxation of RM6.60 million compared with RM19.50 million in the preceding quarter mainly due to lower revenue and lower other income.



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B3. Commentary on prospects

For financial year ended 30 June 2024, the Group will continue to focus on the aquaculture and food trading business 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 and contribute to the growth of the aquaculture sector of Malaysia.

The Group anticipates that the business conditions will likely remain challenging especially the challenging external factors due to slow down in world economy, reduction in purchasing power due to high inflation, foreign exchange fluctuations, raw material price fluctuations, increase in the interest rate and transportation costs.

The Group is endeavoring to improve productivity and efficiency to enhance the profitability of the Group and expand our customer base by actively engaging in various marketing activities such as appointing new distributors.

Notwithstanding the above, the Group will continue to implement its business strategies and explore future business opportunity cautiously, as well as to closely monitor and continue to adapt to the challenging and uncertain economic environment. We stay optimistic that through the various initiatives, it will contribute positively to the Group's financial performance going forward.

B4. Profit forecast or profit guarantee

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



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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 | |
|--------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|
| | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) |
| <u>Income tax:</u> | | |
| Malaysian income tax: | | |
| - Current year | - | - |
| - Overprovision in prior year | - | - |
| | - | - |
| Origination of temporary differences | 176 | 176 |
| | 176 | 176 |

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.

B6. Corporate proposals

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

| <u>Purpose</u> | Proposed Utilisation RM'000 | Drawdown RM'000 | Utilisation RM'000 | Estimated timeframe* |
|--------------------------------------------------------|--------------------------------------------|----------------------------|-------------------------------|---------------------------------|
| Financing the acquisition of Wakuba prawn farming | 101,000 | 79,609 | 79,609 | 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>98,000</u> | |



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B7. Borrowings and debt securities

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

| | As at 30.9.2023 RM'000 | As at 30.9.2022 RM'000 |
|-------------------------|------------------------------|------------------------------|
| | (Unaudited) | (Unaudited) |
| Current: | | |
| Trade working capital-i | 12,340 | 10,156 |
| Term financing -i | 10,018 | 8,593 |
| Cashline-i | 1,003 | 1,681 |
| | <hr/> | <hr/> |
| | 23,361 | 20,430 |
| Non-current: | | |
| Term financing -i | 85,321 | 92,712 |
| | <hr/> | <hr/> |
| | 85,321 | 92,712 |
| | <hr/> | <hr/> |
| Total | 108,682 | 113,142 |

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 and has been consolidated with 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.



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B8. Material litigations (con't)

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.

- (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.



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B8. Material litigations (con't)

The matter has been consolidated with item (iii) and both matters are currently fixed for full trial on 5, 6, 10, 11, 12 and 13 June 2024 before YA Puan Adlin Binti Abdul Majid. 1st Defendant and NCSB have obtained a Security for Costs of RM40,000 against Steven Mak pending the disposal of both matters.

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.

Date of entitlement: 04 January 2024

Date of payment: 24 January 2024

This dividend is subject to shareholders' approval at the forthcoming general meeting on 29 November and has not been reflected in the financial statements as at 30 September 2023.

B10. Basic and diluted earnings per share

Basic earnings per share

| | 3 months | |
|-------------------------------------------------------|--------------------------------------------|------------------------------------------|
| | 1.7.2023 to 30.9.2023 (Unaudited) | 1.7.2022 to 30.9.2022 (Audited) |
| Profit attributable to owners of the Company (RM'000) | 6,426 | 7,027 |
| Weighted average number of shares in issue ('000) | 1,599,198 | 1,433,323 |
| Basic earnings per share (Sen) | 0.40 | 0.49 |



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B10. Basic and diluted earnings per share (con't)

Diluted earnings per share

| | 3 months | |
|-------------------------------------------------------|------------------------------------------------------|----------------------------------------------------|
| | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2022 to 30.9.2022 RM'000 (Audited) |
| Profit attributable to owners of the Company (RM'000) | 6,426 | 7,027 |
| Weighted average number of shares in issue ('000) | 1,644,992 | 1,501,385 |
| Diluted earnings/(loss) per share (sen) | 0.39 | 0.47 |

B11. Notes to statement of comprehensive income

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

| | 3 months | |
|--------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| | 1.7.2023 to 30.9.2023 RM'000 (Unaudited) | 1.7.2022 to 30.9.2022 RM'000 (Unaudited) |
| Depreciation of property, plant and equipment | 2,403 | 2,706 |
| Depreciation of rights-of-use assets | 140 | 48 |
| Amortisation of intangible assets | 591 | - |
| Fair value adjustment on loan to a former subsidiary company | (1,843) | (1,861) |
| Finance costs | 1,736 | 2,097 |
| Interest income | (149) | (1,394) |
| Rental of office space | 38 | 23 |
| Realised foreign exchanges loss/(gain) | (9) | 1,154 |
| Unrealised foreign exchanges loss/(gain) | 765 | (158) |



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B11. Notes to statement of comprehensive income(con't)

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
29 November 2023

By order of the Board
Wong Yuet Chyn
Company Secretary