



MAG HOLDINGS BERHAD

200401004611 (643114-X)

(Incorporated in Malaysia)

Unaudited Third Quarter

Ended

31 March 2024

Interim Financial Statements

Announcement



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss

	3 months		9 months	
	1.1.2024 to 31.3.2024 RM'000 (Unaudited)	1.1.2023 to 31.3.2023 RM'000 (Unaudited)	1.7.2023 to 31.3.2024 RM'000 (Unaudited)	1.7.2022 to 31.3.2023 RM'000 (Unaudited)
Revenue	65,789	40,878	164,156	114,495
Cost of sales	<u>(52,831)</u>	<u>(25,800)</u>	<u>(128,920)</u>	<u>(73,842)</u>
Gross profit	12,958	15,078	35,236	40,653
Other income	3,351	3,228	9,737	9,570
Operating expenses	(4,285)	(4,875)	(14,572)	(12,585)
Finance costs	(2,411)	(2,701)	(7,814)	(8,067)
Unrealised foreign exchange gain/ (loss)	(2,104)	(1,052)	(92)	(3,464)
Realised foreign exchange gain	46	(3)	55	207
	<u>7,555</u>	<u>9,675</u>	<u>22,550</u>	<u>26,314</u>
Profit before taxation	7,555	9,675	22,550	26,314
Taxation	<u>(1,057)</u>	<u>(1,456)</u>	<u>(2,753)</u>	<u>(2,506)</u>
Profit for the period	<u>6,498</u>	<u>8,219</u>	<u>19,797</u>	<u>23,808</u>
Profit for the period attributable to:				
-Owners of the Company	6,498	8,223	21,447	23,815
-Non-controlling interests	-	(4)	(1,650)	(7)
	<u>6,498</u>	<u>8,219</u>	<u>19,797</u>	<u>23,808</u>
Basic earnings per share (sen)	<u>0.40</u>	<u>0.54</u>	<u>1.33</u>	<u>1.62</u>
Diluted earnings per share (sen)	<u>0.39</u>	<u>0.53</u>	<u>1.29</u>	<u>1.55</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		9 months	
	1.1.2024 to 31.3.2024 RM'000 (Unaudited)	1.1.2023 to 31.3.2023 RM'000 (Unaudited)	1.7.2023 to 31.3.2024 RM'000 (Unaudited)	1.7.2022 to 31.3.2023 RM'000 (Unaudited)
Profit/(loss) for the period	6,498	8,219	19,797	23,808
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translations	3,911	4,508	5,838	(6,559)
Total other comprehensive income for the period, net of tax	10,409	12,727	25,635	17,249
Total comprehensive income for the period, net of tax	10,409	12,727	25,635	17,249
Total comprehensive income attributable to:				
Owners of the Company	10,409	12,731	25,635	17,256
Non-controlling interests	-	(4)	-	(7)
	10,409	12,727	25,635	17,249

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.



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Condensed Consolidated Statement of Financial Position

	As at 31.3.2024 RM'000 (Unaudited)	As at 30.6.2023 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	344,286	309,372
Intangible assets	55,718	56,903
Loan to a former subsidiary company	277,005	267,718
Goodwill	87,839	87,839
	<u>764,848</u>	<u>721,832</u>
CURRENT ASSETS		
Biological assets	10,319	9,215
Inventories	5,855	6,494
Short term investment	54,409	51,360
Trade and other receivables	145,028	122,272
Tax recoverable	810	-
Fixed deposit with licensed bank	1,342	1,342
Cash and bank balances	167,526	163,668
	<u>385,289</u>	<u>354,351</u>
TOTAL ASSETS	<u>1,150,137</u>	<u>1,076,183</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	543,805	534,226
Reserves	258,991	233,306
Total equity attributable to owners of the Company	802,796	767,532
Non-controlling interests	-	1,650
TOTAL EQUITY	<u>802,796</u>	<u>769,182</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	43,352	40,523
Borrowings	90,457	88,107
Lease liabilities	7,688	8,300
Redeemable preference shares (RPS)	72,823	72,061
	<u>214,320</u>	<u>208,991</u>
CURRENT LIABILITIES		
Trade and other payables	120,232	74,712
Bank borrowings	12,652	22,763
Lease liabilities	137	535
	<u>133,021</u>	<u>98,010</u>
TOTAL LIABILITIES	<u>347,341</u>	<u>307,001</u>
TOTAL EQUITY AND LIABILITIES	<u>1,150,137</u>	<u>1,076,183</u>
Net assets per share (Sen)	<u>49</u>	<u>48</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.



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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	
At 1 July 2023	534,226	-	-	46,150	187,156	767,532	1,650	769,182
Total comprehensive income								
Profit/(loss) for the period	-	-	-	-	21,447	21,447	(1,650)	19,797
Foreign currency translations	-	-	-	5,838	-	5,838	-	5,838
	-	-	-	5,838	21,447	27,285	(1,650)	25,635
Transactions with owners of the Company								
Issuance of redeemable convertible notes ("RCN")	-	-	-	-	-	-	-	-
Issuance of new shares	-	-	-	-	-	-	-	-
Dividend paid to shareholders	-	-	-	-	(1,600)	(1,600)	-	1,600
Conversion of RCN into ordinary shares	-	-	-	-	-	-	-	-
RCN - liability portion	-	-	-	-	-	-	-	-
Amortisation of RCN transaction costs	-	-	-	-	-	-	-	-
Conversion of Warrants-C into ordinary shares	9,579	-	-	-	-	9,579	-	9,579
	9,579	-	-	-	1,600.00	7,979	-	7,979
At 31 March 2024	543,805	-	-	51,988	207,003	802,796	-	802,796
At 1 July 2022	508,386	-	-	44,694	152,995	706,075	1,662	707,737
Total comprehensive income								
Profit/(loss) for the period	-	-	-	-	23,815	23,815	(7)	23,808
Foreign currency translations	-	-	-	(6,559)	-	(6,559)	-	(6,559)
	-	-	-	(6,559)	23,815	17,256	(7)	17,249
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)
	(714)	25,258	-	-	-	24,544	-	24,544
At 31 March 2023	507,672	25,258	-	38,135	176,810	747,875	1,655	749,530

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.



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Condensed Consolidated Statement of Cash Flows

	01.07.2023 to 31.3.2024 RM'000 (Unaudited)	01.07.2022 to 31.3.2023 RM'000 (Unaudited)
Cash Flows from Operating Activities		
Profit before taxation	22,550	26,314
Adjustments for:		
Depreciation	9,755	9,830
Finance costs	7,814	8,067
Interest income	(4,233)	(4,103)
Loss/ (gain) in foreign exchange	37	(207)
Accretion of interest on loan to a former subsidiary	(9,287)	(5,467)
Provision for doubtful debts	1,728	-
Fair value loss on other investment	199	-
Fixed assets written off	-	641
Operating profit before working capital changes	<u>28,563</u>	<u>35,075</u>
Changes in working capital:		
Inventories	(465)	(926)
Receivables	(18,683)	5,424
Payables	45,520	(3,171)
Cash flows generated from operations	<u>54,935</u>	<u>36,402</u>
Interest paid	(7,814)	(8,067)
Tax paid	(734)	(513)
Net cash generated from operating activities	<u><u>46,387</u></u>	<u><u>27,822</u></u>
Cash Flows from Investing Activities		
Interest Income	4,233	4,103
Purchase of property, plant and equipment	(43,484)	(31,166)
Investment	(3,248)	-
Fair Value adjustment from RPS	762	611
Net cash used in investing activities	<u><u>(41,737)</u></u>	<u><u>(26,452)</u></u>



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Condensed Consolidated Statement of Cash Flows (con't)

	01.07.2023	01.07.2022
	to	to
	31.3.2024	31.3.2023
	RM'000	RM'000
	(Unaudited)	(Unaudited)
Cash Flows from Financing Activities		
Proceed from issuance of ordinary shares	9,579	-
Dividend paid to shareholders	(1,600)	-
Repayment of bank borrowings, net	(7,761)	(3,188)
Repayment to director	-	(113)
Repayment of lease liability, net	(1,010)	(383)
Net cash used in financing activities	(792)	(3,684)
Net increase/ (decrease) in cash and cash equivalents	3,858	(2,314)
Cash and cash equivalents at beginning of period	165,010	163,345
Cash and cash equivalents at end of period	168,868	161,031
Cash and cash equivalents comprise of:		
Cash and bank balances	168,868	161,031

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 (cont'd)

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 31 March 2024.

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 31 March 2024.

A7. Seasonality or cyclical nature 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.



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A8. Dividends paid

On 24 January 2024, the Company paid a final single-tier dividend of 1.0 sen per ordinary share amounting to RM1.60 million in respect of financial year ended 30 June 2023.

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 31 March 2024 the company had a total conversion of Warrant-C to 64,754,100 ordinary shares at issue price RM0.16 per share.

Following the above issuance of new shares, the Company has 1,655,592,965 ordinary shares in issue as at the date of this report.

A10. Change in the composition of the Group

The Company has on 15 August 2023 incorporated one new wholly-owned subsidiary, namely MAG Venture Sdn Bhd, for the purpose of investment holding. It has not commence any business operation as at 31 March 2024.

On 15 March 2024, MAG Holdings Berhad disposed of its 100% equity interest in MAG Venture Sdn Bhd for a total cash consideration of RM1,000.

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 31 March 2024 except the following:

- a. There was conversion from Warrant-C to a total of 8,968,900 ordinary shares at issue price RM0.16 per share.

Following the above issuance of new shares, the Company has 1,664,561,865 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		9 Months	
	1.1.2024 to 31.3.2024 RM'000	1.1.2023 to 31.3.2023 RM'000	1.7.2023 to 31.3.2024 RM'000	1.7.2022 to 31.3.2023 RM'000
	(Unaudited)	(Unaudited)	(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	113	113

A14. Fair value of financial instruments

Save for the fair value adjustment of the RM5.70million 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 31 March 2024.



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B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

3 months ended 31 March 2024 (“3M2024”)

Revenue for the current financial quarter ended 31 March 2024 increased by 60.93% to RM65.79 million compared with RM40.88 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 RM7.56 million for the current quarter ended 31 March 2024 compared with RM9.68 million in the previous year corresponding quarter. This was mainly due to lower margin resulted from product mix and foreign exchange loss for the current quarter.

Foreign exchange loss of RM2.10 million inter-company balances’ exchange rate fluctuations which was unrealized non-cash item.

9 months ended 31 March 2024 (“9M2024”)

The Group recorded revenue of RM164.16 million and profit before tax of RM22.55 million; compared with RM114.50 million and RM26.31 million respectively in the previous year corresponding period. This was mainly due to lower margin resulted from product mix and higher operating expenses for 9M2024.

The other income of RM9.74 million was mainly derived from the fair value gain of RM5.70 million on loan to former subsidiary company and interest income of RM4.04 million from the loan to the former subsidiary company.

B2. Comparison with immediately preceding quarter’s results

	Current quarter 1.1.2024 to 31.3.2024 RM'000	Preceding quarter 1.10.2023 to 31.12.2023 RM'000
Revenue	65,789	51,382
Cost of sales	(52,831)	(40,305)
Gross profit	12,958	11,077
Other income	3,351	4,382
Operating expenses	(4,285)	(6,175)
Finance costs	(2,411)	(3,667)
Unrealised foreign exchange (loss)/ gain	(2,104)	2,777
Realised foreign exchange gain/(loss)	46	-
Profit before taxation	7,555	8,394



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

The revenue for the current financial quarter increased by 28.04% mainly due to high demand for trading products.

The Group recorded a profit before taxation of RM7.56 million compared with RM8.39 million in the preceding quarter primarily due to the lower margins resulting from products pricing and foreign exchange loss for the current quarter.

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 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

No profit forecast or profit guarantee has been issued by the Group in the current quarter save for the following.

Pursuant to the share acquisition agreement dated 24 March 2021 between North Cube Sdn Bhd ("NCSB") and the Company ("purchaser"), the guarantors have given a guaranteed profit of not less than RM18 million (subject to not more than 10% deviation or a PAT of not less than RM16.2 million) based on consolidated audited profit after tax ("PAT") of NCSB Group for the financial period from 1 January 2021 to 30 June 2021 ("FYE 2021) and financial period from 1 July 2021 to 30 June 2022 ("FYE 2022).

The guarantors have achieved the profit guarantee with reference to the audited financial statements presented for the financial period from 1 January 2021 to 30 June 2022 with PAT of RM20.54 million.



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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		9 Months	
	1.1.2024 to 31.3.2024 RM'000 (Unaudited)	1.1.2023 to 31.3.2023 RM'000 (Unaudited)	1.7.2023 to 31.3.2024 RM'000 (Unaudited)	1.7.2022 to 31.3.2023 RM'000 (Unaudited)
<u>Income tax:</u>				
Malaysian income tax:				
- Current year	-	-	-	-
	-	-	-	-
Origination of temporary differences	1,057	1,456	2,753	2,506
	1,057	1,456	2,753	2,506

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 31 March 2024.
i. Proceed raised from RCN

Purpose	Proposed		Utilisation RM'000	Estimated timeframe*
	Utilisation RM'000	Drawdown RM'000		
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
	120,000	98,000	98,000	



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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 31.3.2024 RM'000	As at 31.3.2023 RM'000
	(Unaudited)	(Unaudited)
Current:		
Trade working capital-i	6,295	11,440
Term financing -i	5,361	10,122
Cashline-i	996	1,000
	12,652	22,562
Non-current:		
Term financing -i	90,457	88,710
	90,457	88,710
Total	103,109	111,272

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).



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B8. Material litigations (con't)

- (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 Ihearing/Decision on 17.01.2024.

The Court of Appeal on 17.01.2024 had decided to dismiss Appeal 183 with costs of RM30,000. The dismissal of Appeal 183 means that the decision of the High Court in Suit No: WA-22NC-43-01/2021 is upheld. There has been no further appeals in respect of this matter.

- (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).



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B8. Material litigations (con't)

- (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.

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

At the Annual General Meeting held on 29 November 2023, the shareholders have approved a final single-tier dividend of 1.0 sen per ordinary share for the financial year ended 30 June 2023. The dividend was paid on 24 January 2024.

B10. Basic and diluted earnings per share

Basic earnings per share

	3 months		9 months	
	1.1.2024 to 31.3.2024 (Unaudited)	1.1.2023 to 31.3.2023 (Unaudited)	1.7.2023 to 31.3.2024 (Unaudited)	1.7.2022 to 31.3.2023 (Unaudited)
Profit attributable to owners of the Company (RM'000)	6,498	8,223	21,447	23,815
Weighted average number of shares in issue ('000)	1,627,154	1,521,616	1,611,520	1,468,088
Basic earnings per share (Sen)	0.40	0.54	1.33	1.62



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

Diluted earnings per share

	3 months		9 months	
	1.1.2024	1.1.2023	1.7.2023	1.7.2022
	to	to	to	to
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RM'000)	6,498	8,223	21,447	23,815
Weighted average number of shares in issue ('000)	1,678,790	1,545,638	1,665,198	1,532,437
Diluted earnings/(loss) per share (sen)	0.39	0.53	1.29	1.55

B11. Notes to statement of comprehensive income

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

	3 months		9 months	
	1.1.2024	1.1.2023	1.7.2023	1.7.2022
	to	to	to	to
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	2,569	1,733	7,663	7,168
Depreciation of rights-of-use assets	96	50	320	146
Amortisation of intangible assets	591	885	1,772	1,185
Provision for doubtful debts	-	-	1,728	-
Fair value loss on other investment	83	-	199	-
Fair value adjustment on loan to a former subsidiary company	(1,949)	(1,841)	(5,703)	(5,466)
Finance costs	2,411	2,701	7,814	8,067
Interest income	(1,485)	(1,386)	(4,233)	(4,103)
Rental of office space	38	38	113	113
Realised foreign exchanges loss/(gain)	(46)	3	(55)	(207)
Unrealised foreign exchanges loss/(gain)	2,104	1,052	92	3,464



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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 inventories
- (b) Gain or loss on disposal of quoted or unquoted investments or properties
- (c) Impairment of assets
- (d) 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 May 2024

By order of the Board
Wong Yuet Chyn
Company Secretary