



MAG HOLDINGS BERHAD

200401004611 (643114-X)
(Incorporated in Malaysia)

Unaudited Forth Quarter

Ended

30 June 2024

Interim Financial Statements

Announcement



MAG Holdings Berhad

200401004611 (643114-X)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Profit or Loss

	3 months		12 months	
	1.4.2024 to 30.6.2024 RM'000 (Unaudited)	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.7.2023 to 30.6.2024 RM'000 (Unaudited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)
Revenue	140,918	87,142	305,074	201,637
Cost of sales	<u>(109,924)</u>	<u>(60,995)</u>	<u>(238,843)</u>	<u>(134,837)</u>
Gross profit	30,994	26,147	66,231	66,800
Other income	3,085	9,906	12,822	19,476
Operating expenses	(6,558)	(4,850)	(21,129)	(17,435)
Finance costs	(3,945)	(5,049)	(11,760)	(13,116)
Unrealised foreign exchange gain/ (loss)	(1,172)	(6,716)	(1,263)	(10,180)
Realised foreign exchange gain	65	65	119	272
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Profit before taxation	22,469	19,503	45,020	45,817
Taxation	<u>(7,527)</u>	<u>(8,830)</u>	<u>(10,281)</u>	<u>(11,336)</u>
Profit for the period	<u>14,942</u>	<u>10,673</u>	<u>34,739</u>	<u>34,481</u>
Profit for the period attributable to:				
-Owners of the Company	14,943	10,678	36,390	34,493
-Non-controlling interests	<u>(1)</u>	<u>(5)</u>	<u>(1,651)</u>	<u>(12)</u>
	<u>14,942</u>	<u>10,673</u>	<u>34,739</u>	<u>34,481</u>
Basic earnings per share (sen)	<u>0.90</u>	<u>0.67</u>	<u>2.22</u>	<u>2.28</u>
Diluted earnings per share (sen)	<u>0.88</u>	<u>0.67</u>	<u>2.14</u>	<u>2.18</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		12 months	
	1.4.2024 to 30.6.2024 RM'000 (Unaudited)	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.7.2023 to 30.6.2024 RM'000 (Unaudited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)
Profit/(loss) for the period	14,942	10,673	34,739	34,481
Other comprehensive income, net of tax:				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translations	(2,273)	8,013	3,565	1,454
Total other comprehensive income for the period, net of tax	12,669	18,686	38,304	35,935
Total comprehensive income for the period, net of tax	12,669	18,686	38,304	35,935
Total comprehensive income attributable to:				
Owners of the Company	12,670	18,691	39,955	35,947
Non-controlling interests	(1)	(5)	(1,651)	(12)
	12,669	18,686	38,304	35,935

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 30.6.2024 RM'000 (Unaudited)	As at 30.6.2023 RM'000 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	377,457	309,372
Intangible assets	55,323	56,903
Loan to a former subsidiary company	276,723	267,718
Goodwill	87,839	87,839
	<u>797,342</u>	<u>721,832</u>
CURRENT ASSETS		
Biological assets	10,104	9,215
Inventories	4,870	6,494
Short term investment	54,393	51,360
Trade and other receivables	177,897	122,272
Tax recoverable	452	-
Fixed deposit with licensed bank	1,342	1,342
Cash and bank balances	168,182	163,668
	<u>417,240</u>	<u>354,351</u>
TOTAL ASSETS	<u>1,214,582</u>	<u>1,076,183</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	546,484	534,226
Reserves	271,661	233,306
Total equity attributable to owners of the Company	<u>818,145</u>	<u>767,532</u>
Non-controlling interests	(1)	1,650
TOTAL EQUITY	<u>818,144</u>	<u>769,182</u>
NON-CURRENT LIABILITIES		
Deferred tax liabilities	50,427	40,523
Borrowings	88,193	88,107
Lease liabilities	1,544	8,300
Redeemable preference shares (RPS)	73,585	72,061
	<u>213,749</u>	<u>208,991</u>
CURRENT LIABILITIES		
Trade and other payables	156,705	74,712
Bank borrowings	18,551	22,763
Lease liabilities	7,433	535
	<u>182,689</u>	<u>98,010</u>
TOTAL LIABILITIES	<u>396,438</u>	<u>307,001</u>
TOTAL EQUITY AND LIABILITIES	<u>1,214,582</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							Total Equity RM'000
	<-----Non-distributable----->				Distributable		Non- Controlling Interest RM'000	
	Share Capital RM'000	Private Placement Shares RM'000	Equity portion of RCN RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
At 1 July 2023	508,968	25,258	-	46,148	187,158	767,532	1,650	769,182
Total comprehensive income								
Profit/(loss) for the period	-	-	-	-	36,390	36,390	(1,651)	34,739
Foreign currency translations	-	-	-	3,565	-	3,565	-	3,565
	-	-	-	3,565	36,390	39,955	(1,651)	38,304
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	12,258	-	-	-	-	12,258	-	12,258
	12,258	-	-	-	(1,600)	10,658	-	10,658
At 30 June 2024	521,226	25,258	-	49,713	221,948	818,145	(1)	818,144
At 1 July 2022	508,386	-	-	44,694	152,995	706,075	1,662	707,737
Total comprehensive income								
Profit/(loss) for the period	-	-	-	-	34,163	34,163	(12)	34,151
Foreign currency translations	-	-	-	1,454	-	1,454	-	1,454
	-	-	-	1,454	34,163	35,617	(12)	35,605
Transactions with owners of the Company								
Issuance of redeemable convertible notes ("RCN")	-	-	-	-	-	-	-	-
Issuance of new shares	-	25,258	-	-	-	25,258	-	25,258
Conversion of Warrants-C into ordinary shares	582	-	-	-	-	582	-	582
RCN - liability portion	-	-	-	-	-	-	-	-
Amortisation of RCN transaction costs	-	-	-	-	-	-	-	-
	582	25,258	-	-	-	25,840	-	25,840
At 30 June 2023	508,968	25,258	-	46,148	187,158	767,532	1,650	769,182

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 30.6.2024 RM'000 (Unaudited)	01.07.2022 to 30.6.2023 RM'000 (Unaudited)
Cash Flows from Operating Activities		
Profit before taxation	45,020	45,817
Adjustments for:		
Depreciation	13,538	12,742
Finance costs	11,760	13,116
Interest income	(5,547)	(5,300)
Loss/ (gain) in foreign exchange	1,214	8,307
Accretion of interest on loan to a former subsidiary	(9,005)	(2,590)
Provision for doubtful debts	3,450	-
Fair value loss on other investment	215	-
Fair value (gain)/ loss on biological asset	(889)	4,885
Fair value adjustment on RPS	1,524	(3,783)
Fixed assets written off	-	305
Operating profit before working capital changes	<u>61,280</u>	<u>73,499</u>
Changes in working capital:		
Inventories	1,624	(1,022)
Receivables	(56,723)	(55,011)
Payables	81,996	9,689
Cash flows generated from operations	<u>88,177</u>	<u>27,155</u>
Interest paid	(11,760)	(13,116)
Tax paid	(830)	(362)
Net cash generated from operating activities	<u>75,587</u>	<u>13,677</u>
Cash Flows from Investing Activities		
Interest Income	5,547	5,300
Purchase of property, plant and equipment	(80,043)	(43,671)
Placement of pledged fixed deposit	-	(34)
Short- term investment	(3,248)	(560)
Net cash used in investing activities	<u>(77,744)</u>	<u>(38,965)</u>



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Condensed Consolidated Statement of Cash Flows (con't)

	01.07.2023 to 30.6.2024 RM'000 (Unaudited)	01.07.2022 to 30.6.2023 RM'000 (Unaudited)
Cash Flows from Financing Activities		
Proceed from issuance of ordinary shares	12,258	25,125
Dividend paid to shareholders	(1,600)	-
Repayment of bank borrowings, net	(4,126)	(4,266)
Repayment to director	(3)	-
Drawdown/ (Repayment) of lease liability, net	142	6,059
Net cash from financing activities	<u>6,671</u>	<u>26,918</u>
Net increase in cash and cash equivalents	4,514	1,630
Cash and cash equivalents at beginning of period	<u>163,668</u>	<u>162,038</u>
Cash and cash equivalents at end of period	<u>168,182</u>	<u>163,668</u>
Cash and cash equivalents comprise of:		
Cash and bank balances	<u>168,182</u>	<u>163,668</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 (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 30 June 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 30 June 2024.

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.



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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

Bonus Issue of Warrant-C had been completed on 16 November 2021 following the listing and quotation for 352,080,075 Warrant-C on the Ace market of Bursa Securities.

During the financial year ended 30 June 2024 the company had a total conversion of Warrant-C to 77,061,650 ordinary shares at issue price RM0.16 per share.

Following the above issuance of new shares, the Company has 1,667,900,515 ordinary shares in issue as at 30 June 2024.

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 30 June 2024 except the following:

- a. There was conversion from Warrant-C to a total of 12,500,725 ordinary shares at issue price RM0.16 per share.

Following the above issuance of new shares, the Company has 1,680,401,240 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		12 Months	
	1.4.2024	1.4.2023	1.7.2023	1.7.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	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	150	150

A14. Fair value of financial instruments

Save for the fair value adjustment of the RM7.55million 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 June 2024.



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B ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1. Review of performance

3 months ended 30 June 2024 (“3M2024”)

Revenue for the financial quarter ending 30 June 2024 rose by 61.72% to RM140.92 million compared with RM87.14 million in the previous year corresponding quarter. Higher revenue was mainly due to increased sales from the aquaculture business.

Despite higher revenue, the Group recorded a profit before taxation of RM22.47 million for the current quarter ended 30 June 2024 compared with RM19.50 million in the previous year corresponding quarter, mainly due to higher revenue.

There was a foreign exchange loss of RM1.17 million resulting from unrealized non-cash fluctuations in inter-company balances.

12 months ended 30 June 2024 (“12M2024”)

The Group recorded revenue of RM305.07 million and profit before tax of RM45.02 million; compared with RM201.64 million and RM45.82 million respectively in the previous year corresponding period. This was mainly due to lower margin resulted from product mix and higher operating expenses for 12M2024.

The other income of RM12.82 million was derived largely from the fair value gain of RM7.55 million on loan to former subsidiary company and interest income of RM5.27 million from the loan to the former subsidiary company.

B2. Comparison with immediately preceding quarter’s results

	Current quarter 1.4.2024 to 30.6.2024 RM'000	Preceding quarter 1.1.2024 to 31.3.2024 RM'000
Revenue	140,918	65,789
Cost of sales	(109,924)	(52,831)
Gross profit	30,994	12,958
Other income	3,085	3,351
Operating expenses	(6,558)	(4,285)
Finance costs	(3,945)	(2,411)
Unrealised foreign exchange (loss)/ gain	(1,172)	(2,104)
Realised foreign exchange gain/(loss)	65	46
Profit before taxation	22,469	7,555



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

The revenue for the current financial quarter increased by 114.20% mainly due to high demand for trading products.

The Group recorded a profit before taxation of RM22.47 million compared with RM7.56 million in the preceding quarter mainly due to the increase in sales and higher demand for the Group's products.

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

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		12 Months	
	1.4.2024 to 30.6.2024 RM'000 (Unaudited)	1.4.2023 to 30.6.2023 RM'000 (Unaudited)	1.7.2023 to 30.6.2024 RM'000 (Unaudited)	1.7.2022 to 30.6.2023 RM'000 (Unaudited)
<u>Income tax:</u>				
Malaysian income tax:				
- Current year	458	569	458	569
	-	-	-	-
Origination of temporary differences	7,069	8,261	9,823	10,767
	7,527	8,830	10,281	11,336

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	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
	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 30.6.2024 RM'000	As at 30.6.2023 RM'000
	(Unaudited)	(Unaudited)
Current:		
Trade working capital-i	7,993	12,167
Term financing -i	9,564	9,596
Cashline-i	994	1,000
	<hr/>	<hr/>
	18,551	22,763
Non-current:		
Term financing -i	88,193	88,107
	<hr/>	<hr/>
	88,193	88,107
	<hr/>	<hr/>
Total	106,744	110,870

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 Hearing/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 while the remaining trial date is fixed on 10.09.2024. 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		12 months	
	1.4.2024 to 30.6.2024 (Unaudited)	1.4.2023 to 30.6.2023 (Unaudited)	1.7.2023 to 30.6.2024 (Unaudited)	1.7.2022 to 30.6.2023 (Unaudited)
Profit attributable to owners of the Company (RM'000)	14,943	10,678	36,390	34,493
Weighted average number of shares in issue ('000)	1,662,649	1,587,924	1,636,033	1,514,075
Basic earnings per share (Sen)	0.90	0.67	2.22	2.28



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

Diluted earnings per share

	3 months		12 months	
	1.4.2024	1.4.2023	1.7.2023	1.7.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company (RM'000)	14,943	10,678	36,390	34,493
Weighted average number of shares in issue ('000)	1,699,107	1,603,181	1,699,107	1,579,453
Diluted earnings/(loss) per share (sen)	0.88	0.67	2.14	2.18

B11. Notes to statement of comprehensive income

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

	3 months		12 months	
	1.4.2024	1.4.2023	1.7.2023	1.7.2022
	to	to	to	to
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	3,043	3,211	10,706	10,379
Depreciation of rights-of-use assets	149	636	469	782
Amortisation of intangible assets	591	396	2,363	1,581
Provision for doubtful debts	1,722	-	3,450	-
Fair value loss on other investment	16	-	215	-
Fair value adjustment on loan to a former subsidiary company	(1,842)	2,876	(7,545)	(2,590)
Finance costs	3,945	5,049	11,760	13,116
Interest income	(1,314)	(1,197)	(5,547)	(5,300)
Rental of office space	37	38	150	150
Realised foreign exchanges loss/(gain)	(65)	(65)	(119)	(272)
Unrealised foreign exchanges loss/(gain)	1,172	6,716	1,263	10,180



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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 August 2024**

**By order of the Board
Wong Yuet Chyn
Company Secretary**