

**MAGMA GROUP BERHAD**  
(Formerly known as Impiana Hotels Berhad)  
Registration No: 200601021085 (740838-A)  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND PERIOD-TO-DATE ENDED 30 JUNE 2024**

|  | Individual Quarter                                  |   | Cumulative Quarter                                  |   |
|--|---|---|---|---|
|  | Current Year<br>Quarter<br>30.06.2024<br>(Reviewed) | Preceding Year<br>Corresponding<br>Quarter<br>30.06.2023<br>(Unaudited) | Current Year<br>Quarter<br>30.06.2024<br>(Reviewed) | Preceding Year<br>Corresponding<br>Quarter<br>30.06.2023<br>(Unaudited) |
| <b>RM'000</b>  |   |   |   |   |
| Revenue  | 6,988   | 4,911   | 13,911  | 12,278  |
| Other income   | 457   | 13  | 464   | (11)  |
| Operating expenses   | (6,718)   | (5,333)   | (15,214)  | (13,659)  |
| Finance costs  | (2,184)   | (2,380)   | (4,734)   | (4,810)   |
| Share of result of associate   | 47  | (25)  | 78  | (19)  |
| Operating loss before tax  | <u>(1,410)</u>                                      | <u>(2,814)</u>  | <u>(5,495)</u>                                      | <u>(6,220)</u>  |
| Taxation   | (409)   | (209)   | (592)   | (406)   |
| Net loss after tax, representing total comprehensive income for the period | <u>(1,819)</u>                                      | <u>(3,024)</u>  | <u>(6,087)</u>                                      | <u>(6,627)</u>  |
| Loss attributable to:  |   |   |   |   |
| Owners of the Company  | (1,829)   | (3,024)   | (6,095)   | (6,627)   |
| Non-controlling interest   | 10  | -   | 8   | -   |
|  | <u>(1,819)</u>                                      | <u>(3,024)</u>  | <u>(6,087)</u>                                      | <u>(6,627)</u>  |
| Total comprehensive income attributable to:                                |   |   |   |   |
| Owners of the Company  | (1,829)   | (3,024)   | (6,095)   | (6,627)   |
| Non-controlling interest   | 10  | -   | 8   | -   |
|  | <u>(1,819)</u>                                      | <u>(3,024)</u>  | <u>(6,087)</u>                                      | <u>(6,627)</u>  |
| Loss per share attributable to Owners of the Company (sen):-               |   |   |   |   |
| Basic  | <u>(0.193)</u>                                      | <u>(0.608)</u>  | <u>(0.644)</u>                                      | <u>(1.333)</u>  |

*The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached.*

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

| RM'000  | As at<br>30.06.2024<br>(Reviewed) | As at<br>31.12.2023<br>(Audited) |
|---|-----------------------------------|----------------------------------|
| <b>ASSETS</b>                                       |                                   |                                  |
| <b>Non-current assets</b>                           |                                   |                                  |
| Property, plant and equipment                       | 117,239                           | 111,193                          |
| Investment in associate                             | 40,301                            | 40,223                           |
| Total non-current assets                            | <u>157,540</u>                    | <u>151,416</u>                   |
| <b>Current assets</b>                               |                                   |                                  |
| Inventories   | 36,747                            | 36,335                           |
| Contract assets                                     | 7,356                             | 7,356                            |
| Trade receivables                                   | 17,956                            | 22,242                           |
| Other receivables                                   | 34,835                            | 7,329                            |
| Fixed deposits with licensed banks                  | 2,279                             | 712                              |
| Cash and bank balances                              | 6,778                             | 19,822                           |
| Total current assets                                | <u>105,951</u>                    | <u>93,796</u>                    |
| <b>TOTAL ASSETS</b>                                 | <u>263,491</u>                    | <u>245,212</u>                   |
| <b>EQUITY AND LIABILITIES</b>                       |                                   |                                  |
| <b>Equity</b>                                       |                                   |                                  |
| Share capital                                       | 183,053                           | 177,983                          |
| Irredeemable Convertible Preference Shares ("ICPS") | -                                 | 5,070                            |
| Accumulated losses                                  | (140,419)                         | (134,739)                        |
| Asset revaluation reserve                           | 55,844                            | 56,259                           |
| Equity attributable to Owners of the Company        | <u>98,478</u>                     | <u>104,573</u>                   |
| Non-controlling interest                            | 43                                | 35                               |
| Total equity  | <u>98,521</u>                     | <u>104,608</u>                   |
| <b>Non-current liabilities</b>                      |                                   |                                  |
| Deferred tax liabilities                            | 14,693                            | 14,824                           |
| Lease liabilities                                   | 5,746                             | 1,661                            |
| Borrowings  | 90,198                            | 66,836                           |
| Tax payable   | 1,584                             | 1,584                            |
| Total non-current liabilities                       | <u>112,221</u>                    | <u>84,905</u>                    |

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached.*

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)**

| <b>RM'000</b>  | <b>As at<br/>30.06.2024<br/>(Reviewed)</b> | <b>As at<br/>31.12.2023<br/>(Audited)</b> |
|--|--|---|
| <b>Current liabilities</b>   |  |   |
| Trade payables   | 6,819                                      | 7,157                                     |
| Other payables   | 32,730                                     | 38,790                                    |
| Contract liabilities   | 65   | 65  |
| Borrowings   | 7,452                                      | 6,362                                     |
| Lease liabilities  | 2,846                                      | 278                                       |
| Amounts due to Directors' related companies                        | 604  | 1,231                                     |
| Amounts due to related companies                                   | 2  | -   |
| Amount due to associate  | 36   | 44  |
| Tax payable  | 2,195                                      | 1,772                                     |
|  | <u>52,749</u>                              | <u>55,699</u>                             |
|  | <u>263,491</u>                             | <u>245,212</u>                            |
| <br>   |  |   |
| Net assets per share attributable to Owners of<br>the Company (RM) | <u>0.104</u>                               | <u>0.111</u>                              |

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached.*

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD-TO-DATE ENDED 30 JUNE 2024**

|   | ←----- Attributable to Owners of the Company -----> |              |                                      |                           |                    | Total         | Non-controlling Interest | Total Equity  |
|---|---|--------------|--------------------------------------|---------------------------|--------------------|---------------|--------------------------|---------------|
|   | Share Capital                                       | ICPS         | Redeemable Convertible Notes ("RCN") | Asset Revaluation Reserve | Accumulated Losses |               |                          |               |
| (Reviewed)  | RM '000   | RM '000      | RM '000                              | RM '000                   | RM '000            | RM '000       | RM '000                  | RM '000       |
| <b>6 months period</b>  |   |              |                                      |                           |                    |               |                          |               |
| Balance as of 1 January 2024  | 177,983   | 5,070        | -                                    | 56,259                    | (134,739)          | 104,573       | 35                       | 104,608       |
| Loss for the financial period, representing total comprehensive income        | -   | -            | -                                    | -                         | (6,095)            | (6,095)       | 8                        | (6,087)       |
| Realisation of depreciated asset revaluation reserve                          | -   | -            | -                                    | (415)                     | 415                | -             | -                        | -             |
| <b>Transaction with Owners of the Company</b>                                 |   |              |                                      |                           |                    |               |                          |               |
| Conversion of ICPS, representing total transaction with Owners of the Company | 5,070   | (5,070)      | -                                    | -                         | -                  | -             | -                        | -             |
| Balance as of 30 June 2024  | <u>183,053</u>                                      | <u>-</u>     | <u>-</u>                             | <u>55,844</u>             | <u>(140,419)</u>   | <u>98,478</u> | <u>43</u>                | <u>98,521</u> |
| <b>(Unaudited)</b>  |   |              |                                      |                           |                    |               |                          |               |
| <b>6 months period</b>  |   |              |                                      |                           |                    |               |                          |               |
| Balance as of 1 January 2023  | 125,960   | 5,070        | -                                    | 57,090                    | (122,435)          | 65,685        | -                        | 65,685        |
| Loss for the financial period, representing total comprehensive income        | -   | -            | -                                    | -                         | (6,627)            | (6,627)       | -                        | (6,627)       |
| Issuance of RCN, representing total transactions with Owners of the Company   | -   | -            | 14,500                               | -                         | -                  | 14,500        | -                        | 14,500        |
| Balance as of 30 June 2023  | <u>125,960</u>                                      | <u>5,070</u> | <u>14,500</u>                        | <u>57,090</u>             | <u>(129,062)</u>   | <u>73,558</u> | <u>-</u>                 | <u>73,558</u> |

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 30 JUNE 2024**

| <b>RM'000</b>   | <b>30.06.2024</b><br><b>(Reviewed)</b> | <b>30.06.2023</b><br><b>(Unaudited)</b> |
|---|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |  |   |
| Loss before taxation  | (5,495)                                | (6,220)                                 |
| Adjustments for:  |  |   |
| Amortisation of intangible assets                             | -                                      | (1,153)                                 |
| Depreciation of property, plant and equipment                 | 3,123                                  | 165                                     |
| Gain on lease modification                                    | (230)                                  | -                                       |
| Interest expense  | 4,734                                  | 3,489                                   |
| Interest income   | (70)                                   | -                                       |
| Share of results of associate                                 | (78)                                   | -                                       |
| <b>Operating profit/(loss) before working capital changes</b> | <b>1,984</b>                           | <b>(3,720)</b>                          |
| Inventories   | (412)                                  | (1,019)                                 |
| Contract assets   | -                                      | (4,415)                                 |
| Receivables   | (22,590)                               | 536                                     |
| Payables  | (5,942)                                | 827                                     |
| <b>Cash used in operations</b>                                | <b>(26,960)</b>                        | <b>(7,791)</b>                          |
| Interest received   | 70                                     | -                                       |
| Interest paid   | (3,138)                                | (709)                                   |
| Income tax paid   | (423)                                  | 160                                     |
| <b>Net cash used in operating activities</b>                  | <b>(30,451)</b>                        | <b>(8,340)</b>                          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |  |   |
| Purchase of property, plant and equipment                     | (225)                                  | -                                       |
| Advance to an associate                                       | -                                      | 175                                     |
| <b>Net cash (used in)/from investing activities</b>           | <b>(225)</b>                           | <b>175</b>                              |

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached.*

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD-TO-DATE ENDED 30 JUNE 2024  
(CONT'D)**

|  | <b>30.06.2024</b> | <b>30.06.2023</b>  |
|--|-------------------|--------------------|
|  | <b>(Reviewed)</b> | <b>(Unaudited)</b> |
| <b>RM'000</b>  |                   |                    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |                   |                    |
| Repayment to Director  | -                 | (1,800)            |
| Increase in fixed deposits pledged   | (1,567)           | (13)               |
| Repayment to Directors' related companies                                      | (627)             | (5,419)            |
| Repayment to a related company   | 20,298            | -                  |
| Repayment of borrowings  | (1,562)           | -                  |
| Proceeds from issuance of RCN  | -                 | 14,500             |
| <b>Net cash (used in)/from financing activities</b>                            | <b>16,542</b>     | <b>7,268</b>       |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                               | <b>(14,134)</b>   | <b>(897)</b>       |
| Effect of Exchange Rate Changes  | -                 | -                  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>              | <b>18,120</b>     | <b>(1,032)</b>     |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>                    | <b>3,986</b>      | <b>(1,929)</b>     |
| <br>   |                   |                    |
| <b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD<br/> COMPRISE:</b> |                   |                    |
| <br>   |                   |                    |
| Cash and bank balances   | 6,778             | 2,251              |
| Fixed deposit pledged to licensed banks  | 2,279             | 704                |
|  | 9,057             | 2,955              |
| Less : Fixed deposit pledged to licensed banks                                 | (2,279)           | (704)              |
| Less : Bank overdraft  | (2,792)           | (4,180)            |
|  | <b>3,986</b>      | <b>(1,929)</b>     |
|  | <b>3,986</b>      | <b>(1,929)</b>     |

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached.*

## NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE QUARTER AND 3 MONTHS ENDED 30 JUNE 2024

### A1. BASIS OF PREPARATION

These condensed consolidated interim financial statements (Condensed Report), other than financial instruments and certain property, plant and equipment, has been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance with the Malaysian Financial Reporting Standards (MFRS) 139 *Financial Instruments: Recognition and Measurement* and land and buildings of the Group are carried at the revaluation model in accordance with MFRS 116 *Property, Plant and Equipment*.

These condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with MFRS 134: *Interim Financial Reporting* and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

These Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023. The explanatory notes attached to the Condensed Report 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 31 December 2023.

### A2. SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The financial statements of the Group has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies adopted for the Condensed Report are consistent with those adopted for the audited financial statements for the financial year ended 31 December 2023.

The Group has also considered the new accounting pronouncements in the preparation of the financial statements.

#### Accounting pronouncements that are effective and adopted during the financial year

|                                   |  |
|-----------------------------------|--|
| Amendments to MFRS 16             | Lease Liability in a Sale and Leaseback  |
| Amendments to MFRS 101            | Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 7 and MFRS 107 | Suppliers Finance Arrangements   |

#### Accounting pronouncements that are issued but not yet effective and have not been early adopted

The Group has not adopted the following new accounting pronouncements that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:-

#### Effective for financial periods beginning on or after 1 January 2025

|                        |                         |
|------------------------|-------------------------|
| Amendments to MFRS 121 | Lack of Exchangeability |
|------------------------|-------------------------|

#### Effective for financial periods beginning on or after 1 January 2026

|                                 |   |
|---------------------------------|---|
| Amendments to MFRS 9 and MFRS 7 | Classification and Measurement of Financial Instruments |
|---------------------------------|---|

#### Effective for financial periods beginning on or after 1 January 2027

|         |  |
|---------|--|
| MFRS 18 | Presentation and Disclosure in Financial Statements    |
| MFRS 19 | Subsidiaries without Public Accountability Disclosures |

#### 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 |
|------------------------------------|---|

**A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There were no audit qualifications in the annual financial statements for the financial year ended 31 December 2023.

**A4. SEASONAL AND CYCLICAL FACTORS**

During the quarter, the business of the Group had not been affected by any significant seasonal or cyclical factors, apart from the general economic environment in which it operated.

**A5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There were no unusual items that had a material effect on the assets, liabilities, equity, net income or cash flows of the Group for the period.

**A6. MATERIAL ESTIMATES AND CHANGES IN ESTIMATES**

There were no material changes in estimates of amounts reported in prior financial year.

**A7. ISSUANCES, CANCELLATIONS, REPURCHASES, RESALE AND REPAYMENTS OF DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current quarter and period-to-date ended 30 June 2024.

**Private Placement**

| Purpose  | Proposed Utilisation (RM'000) | Actual Utilisation (RM'000) | Intended for Utilisation | Deviation |     | Explanation (if the deviation is 5% or more) |
|--|-------------------------------|-----------------------------|--------------------------|-----------|-----|--|
|  |                               |                             |                          | (RM'000)  | %   |  |
| Monthly instalment of borrowing                                    | 12,980                        | 10,146                      | Within 12 months         | 2,834     | 22% | Monthly repayment of instalment              |
| Repayment to trade related creditors and settlement of authorities | 5,200                         | 5,200                       | -                        | -         | 0%  |  |
| Working Capital  | 1,233                         | 1,233                       | -                        | -         | 0%  |  |
| Estimated expenses for the Private Placement                       | 110                           | 110                         | -                        | -         | -   |  |
|  | 19,523                        | 16,689                      |                          | 2,834     | 15% |  |

On 13 December 2023, Private Placement of 85,930,800 shares which up to 10% of the total number of issued shares of Magma Group Berhad (excluding treasury shares, if any) at issue price per share of RM0.2272 with total of RM19.523 million was 100% fully subscribed by the investors.

On 8 April 2024, a total of 132,837,560 of Irredeemable Convertible Preference Share-A ("ICPS-A") were converted into 2,656,751 of ordinary shares at the conversion ratio of 50 ICPS-A for 1 new ordinary share hence the paid-up ordinary shares of the Group have increased from RM177.983 million to RM183.053 million.

**A8. DIVIDEND PAID**

There were no dividends paid during the current and previous corresponding quarter.



## A9. SEGMENTAL INFORMATION

MFRS 8 requires separate reporting of segmental information for operating segments. Operating segments reflect the Group's management structure and the way financial information is regularly reviewed by the top management and the Board of Directors.

The segmental analysis for the current quarter and period-to-date ended 30 June 2024 is as follows:

| RM'000                                    | Individual Quarter |                       | Cumulative Quarter |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Current Year       | Preceding Year        | Current Year       | Preceding Year        |
|   | Quarter            | Corresponding Quarter | Quarter            | Corresponding Quarter |
|   | 30.06.2024         | 30.06.2023            | 30.06.2024         | 30.06.2023            |
| <b><u>Segment Revenue and Results</u></b> |                    |                       |                    |                       |
| - Hotel Operation                         | 6,345              | 2,544                 | 12,632             | 5,320                 |
| - Hotel Management                        | 643                | 1,359                 | 1,279              | 2,364                 |
| - Property Development                    | -                  | 1,008                 | -                  | 4,594                 |
|   | <u>6,988</u>       | <u>4,911</u>          | <u>13,911</u>      | <u>12,278</u>         |
| <b>Total Revenue</b>                      | <b>6,988</b>       | <b>4,911</b>          | <b>13,911</b>      | <b>12,278</b>         |
| <b>RM '000</b>                            |                    |                       |                    |                       |
| Profit/(Loss) After Tax                   |                    |                       |                    |                       |
| - Hotel Operation                         | 950                | (935)                 | 790                | (1,703)               |
| - Hotel Management                        | 499                | 733                   | 826                | 1,287                 |
| - Property Development                    | (1,960)            | (733)                 | (3,151)            | (663)                 |
| - Other Unallocated Expenses              | (1,308)            | (2,089)               | (4,552)            | (5,547)               |
|   | <u>(1,819)</u>     | <u>(3,024)</u>        | <u>(6,087)</u>     | <u>(6,627)</u>        |

During current quarter, total revenue of RM6.988 million was mainly contributed from Hotel Operation segment under Impiana Ipoh Sdn Bhd amounted to RM2.995 million and Magma Bintang Sdn Bhd amounted to RM3.350 million and the Hotel Management segment which posted revenue amounted to RM0.643 million during the quarter. Improvement in the Hotel Operation segment was as a result of increased in occupancy rate due to special travel visa issued for China travellers and also included of business from WOLO Kuala Lumpur into a new subsidiary of the Group. No revenue contribution from Property Development segment to date due to finalisation of details with the main contractor to recommence the construction process.

The Group recorded a loss after tax of RM1.819 million as compared to loss after tax of RM3.024 million in the preceding quarter in FYE 2023 and this was mainly due to revenue contribution from Hotel Operation segment which included WOLO Kuala Lumpur into a new subsidiary of the Group. Decrease of profit after loss in property development was partly offset with the improved revenue contribution from Hotel Operation segment as above mentioned.

## A10. CHANGES IN THE COMPOSITION OF THE GROUP

There was no material changes in the composition of the Group except for the following:-

- On 20 February 2024, Magma Group Berhad ("MGB") subscribed 1,000 ordinary shares of RM1.00 each, representing the entire shareholding in Magma Capital Sdn. Bhd. ("MCSB") for a total cash consideration of RM1,000. Pursuant to that, MCSB became a wholly-owned subsidiary of MGB.
- On 12 March 2024, MGB subscribed 510 ordinary shares of RM1.00 each, representing the 51% equity interest in Magma Chain Management Sdn. Bhd. ("MCMSB") for a total cash consideration of RM510. Pursuant to that, MCMSB became a 51% subsidiary of MGB.
- On 5 June 2024, MGB subscribed 1,000 ordinary shares of RM1.00 each, representing the entire shareholding in Magma Land Sdn. Bhd. ("MLSB") for a total cash consideration of RM1,000. Pursuant to that, MLSB became a wholly-owned subsidiary of MGB. On 28 June 2024, MLSB has changed its name to Magma Properties Sdn Bhd ("MPSB").

## A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment (PPE) during the quarter and period-to-date ended 30 June 2024.

The last revaluation exercise of the Group's property, plant and equipment was conducted on 30 December 2022.

**A12. RELATED PARTY TRANSACTIONS**

|   | Individual Quarter |                | Cumulative Quarter |                |
|---|--------------------|----------------|--------------------|----------------|
|   | Current Year       | Preceding Year | Current Year       | Preceding Year |
|   | Quarter            | Corresponding  | Quarter            | Corresponding  |
|   | 30.06.2024         | 30.06.2023     | 30.06.2024         | 30.06.2023     |
| <b>RM '000</b>                              |                    |                |                    |                |
| <b>Hotel management fees received from:</b> |                    |                |                    |                |
| - Impiana Resort Patong                     | -                  | 222            | -                  | 367            |
| - Impiana Resort Villas Kata Noi            | -                  | 63             | -                  | 109            |
| - Impiana Resort Chaweng Noi                | -                  | 14             | -                  | 111            |
| - Impiana Private Villas Seminyak           | -                  | 321            | -                  | 461            |
| - Impiana Private Villas Cemagi             | -                  | 14             | -                  | 21             |
| Repayment to:                               |                    |                |                    |                |
| - Impiana Sdn Bhd                           | (1,230)            | -              | (1,230)            | -              |
| Hotel rental fees paid to:                  |                    |                |                    |                |
| - HYM Signature Sdn Bhd                     | (750)              | -              | (1,720)            | -              |

The transactions were entered in the normal course of business and have been established under normal commercial terms that are no less favourable than those arranged with independent third parties. The transactions were also transacted within the threshold as per the approved Recurrent Related Party Transactions ("RRPT") mandate.

**A13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no contingent liabilities and assets as at the date of this report.

**A14. CAPITAL COMMITMENT**

There were no capital commitments by the Group during the quarter and period-to-date ended 30 June 2024.

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES****B1. FINANCIAL REVIEW FOR CURRENT QUARTER AND CUMULATIVE QUARTER**

|   | Individual Quarter |                | Cumulative Quarter |                |
|---|--------------------|----------------|--------------------|----------------|
|   | Current Year       | Preceding Year | Current Year       | Preceding Year |
|   | Quarter            | Corresponding  | Quarter            | Corresponding  |
|   | 30.06.2024         | 30.06.2023     | 30.06.2024         | 30.06.2023     |
| <b>RM'000</b>                                 |                    |                |                    |                |
| Revenue                                       | 6,988              | 4,911          | 13,911             | 12,278         |
| Operating Loss Before Tax                     | (1,410)            | (2,814)        | (5,495)            | (6,220)        |
| Taxation                                      | (409)              | (209)          | (592)              | (406)          |
| Loss attributable to Owners of the Company    | (1,829)            | (3,024)        | (6,095)            | (6,627)        |
| Loss attributable to non-controlling interest | 10                 | -              | 8                  | -              |

During the 2nd quarter of FYE 2024, the Group generated six months revenue of RM13.911 million and incurred an operating loss before tax of RM5.495 million. Overall increase in revenue by approximately RM1.633 million as compared to preceding year corresponding quarter, there is injection of business from WOLO Bukit Bintang into a new subsidiary of the Group shown a positive trend in revenue, indicating the Group's sales or other income-generating activities are improving.

**B2. FINANCIAL REVIEW FOR CURRENT QUARTER AND PRECEDING QUARTER**

|   | Individual Quarter |            |
|---|--------------------|------------|
|   | Current Year       | Preceding  |
|   | Quarter            | Quarter    |
|   | 30.06.2024         | 31.03.2024 |
| <b>RM'000</b>                                 |                    |            |
| Revenue                                       | 6,988              | 6,922      |
| Loss before tax                               | (1,410)            | (4,085)    |
| Loss attributable to Owners of the Company    | (1,829)            | (4,266)    |
| Loss attributable to non-controlling interest | 10                 | (2)        |

The Group's financial performance has improved significantly in the current quarter compared to the preceding quarter. Key metrics such as revenue, loss before tax, and loss attributable to owners of the company indicate progress toward better financial health.

Revenue increased marginally by RM0.66 million, indicating stable sales performance quarter-over-quarter. The steady revenue suggests that market presence or sales activities have been consistent.

Loss before tax has shown notable improvement of RM2.675 million. The reduction in loss was mainly due to fee incurred for Cherating project incurred in Q1 2024 and remeasurement of lease liabilities in the current quarter.

**B3. CURRENT PROSPECTS**

The hospitality industry is gradually rebounding on a recovery trajectory with promising growth prospects from the disruptions caused by the global pandemic, showing strong signs of recovery and growth. Driven by increased consumer confidence, pent-up demand for travel, and adaptive business models, the industry is poised for positive developments in the near term. However, it faces several challenges, including inflationary pressure, evolving consumer preferences, and the need for sustainable practices. By focusing on sustainability, embracing technology, and enhancement of guest experiences, the industry is well-positioned to navigate the complexities of the current market and achieve long-term success.

**B4. PROFIT FORECAST**

Not applicable as the Group does not issue profit forecasts.

**B5. LOSS BEFORE TAXATION**

Loss before taxation is determined after charging/(crediting) amongst other items the following:-

| RM '000                                       | Individual Quarter |                       | Cumulative Quarter |                       |
|---|--------------------|-----------------------|--------------------|-----------------------|
|   | Current Year       | Preceding Year        | Current Year       | Preceding Year        |
|   | Quarter            | Corresponding Quarter | Quarter            | Corresponding Quarter |
|   | 30.06.2024         | 30.06.2023            | 30.06.2024         | 30.06.2023            |
| Amortisation of Intangible Assets             | -                  | 173                   | -                  | 347                   |
| Interest Expense                              | 2,184              | 2,380                 | 4,734              | 4,810                 |
| Interest Income                               | (63)               | -                     | (70)               | -                     |
| Depreciation of Property, Plant and Equipment | 1,294              | 581                   | 3,123              | 1,132                 |
| Share of Results of Associate                 | 47                 | (25)                  | 78                 | (19)                  |

Other than the above, the items listed under Appendix 9B Note 16 of the Listing Requirement of Bursa Malaysia Securities Berhad are not applicable.

**B6. TAXATION**

| RM '000                  | Individual Quarter |                       | Cumulative Quarter |                       |
|--------------------------|--------------------|-----------------------|--------------------|-----------------------|
|                          | Current Year       | Preceding Year        | Current Year       | Preceding Year        |
|                          | Quarter            | Corresponding Quarter | Quarter            | Corresponding Quarter |
|                          | 30.06.2024         | 30.06.2023            | 30.06.2024         | 30.06.2023            |
| Income Tax               |                    |                       |                    |                       |
| - current period expense | (409)              | (209)                 | (592)              | (406)                 |

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% of the estimated assessable profit for the financial period.

**B7. GROUP BORROWINGS**

Group's total borrowing as at 30 June 2024 are as follows:

| RM '000          | 30.06.2024<br>(Reviewed) |           |        | 31.12.2023<br>(Audited) |           |        |
|------------------|--------------------------|-----------|--------|-------------------------|-----------|--------|
|                  | Short term               | Long term | Total  | Short term              | Long term | Total  |
| Secured          |                          |           |        |                         |           |        |
| - Term Loan      | 4,660                    | 90,198    | 94,858 | 4,661                   | 66,836    | 71,497 |
| - Bank Overdraft | 2,792                    | -         | 2,792  | 1,701                   | -         | 1,701  |
|                  | 7,452                    | 90,198    | 97,650 | 6,362                   | 66,836    | 73,198 |

## B8. TRADE RECEIVABLES

The Group's normal credit term ranges from 30 to 60 days (30.06.2023: 30 to 60 days). Other credit terms are assessed and approved on a case to case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

| RM '000                                     | As at<br>30.06.2024<br>(Reviewed) | As at<br>31.12.2023<br>(Audited) |
|---|-----------------------------------|----------------------------------|
| Not past due                                | 1,145                             | 21,175                           |
| Past due but not impaired:                  |                                   |                                  |
| 1 day to 30 days                            | 262                               | 151                              |
| 31 days to 60 days                          | 162                               | 191                              |
| 61 days to 90 days                          | 137                               | 129                              |
| 91 days to 270 days                         | 15,737                            | 266                              |
|   | 16,298                            | 737                              |
| Credit impaired                             | 2,152                             | 2,098                            |
|   | 19,595                            | 24,010                           |
| Less : Allowance for expected credit losses | (1,639)                           | (1,768)                          |
|   | 17,956                            | 22,242                           |

Trade receivables are non-interest bearing and normal credit terms offered by the Group is 30 to 60 days from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

## B9. MATERIAL LITIGATION

### i) Artha Global Sdn Bhd ("AGSB") vs Impiana Hotels ("IHB"), Impiana Sdn Bhd ("ISB") and Impiana Cherating Sdn Bhd ("ICSB")

On 1 August 2022, AGSB has filed a civil suit (WA-B52NCC-493-08/2022) against IHB, ISB and ICSB at Kuala Lumpur Sessions Court. The following are the claims by AGSB:

- Refund of deposit in the sum of RM750,000;
- Interest of 5% from 27 May 2022 until full settlement of judgement sum;
- Costs; and
- Such further and/or other reliefs as the Court deems fit and proper.

Subsequently, IHB, ISB and ICSB filed the following counterclaims;

- A declaration that AGSB has breached the Exclusive Right Agreement;
- A declaration that ICSB is entitled to forfeit the deposit paid by AGSB, in whole or in part, due to AGSB's breach of the Exclusive Right Agreement;
- An order for general damages;
- Further and/or in the alternative, damages to be assessed by the Court against AGSB for breach of contract, to be payable to IHB, ISB and ICSB;
- An Order for pre-judgement interest at the rate of 8% per annum on any sums awarded by the Court to IHB, ISB and ICSB from the date of the contractual breach up until the date of the judgement by the Court;
- An Order for post-judgement interest at a rate of 5% per annum on the judgement debt from the date of the judgement to the date of full payment and/or settlement by AGSB;
- Costs; and
- Such further and/or other reliefs as the Court deems fit and proper.

This Matter has been settled with the delivery of post-dated cheques on 12.07.2024. The Full Trial which was initially fixed from 25.11.2024 to 28.11.2024 has yet to be vacated.

### ii) Kuala Lumpur High Court of Malaya Civil Suit No.: WA-22NCvC-535- 08/2024

Marc Bovell Paul Desmidt & Erin Camille Desmidt (collectively, the "Plaintiffs") v. Impiana Selo Tioman Resorts Sdn Bhd (the "Defendant")

On 19 August 2024, the Defendant, being an indirect 75% owned subsidiary of MGB, was served with a Writ of Summons dated 12 August 2024 and a Statement of Claim dated 9 August 2024 from the Plaintiffs.

The Plaintiffs' claim arises from an alleged breach of the terms of a Sale and Purchase Agreement ("SPA") dated 24 January 2022, entered into between the Plaintiffs and the Defendant. The SPA concerns five (5) parcels of land held under Lot 539 (GM 581), Lot 7063 (GM 591), Lot 7064 (GM 592), Lot 16 (PM 102), and Lot 7051 (PM 111), all located within the Mukim of Tioman, District of Rompin, State of Pahang, Malaysia (collectively, the "Lands"). The Plaintiffs allege that there has been no progress in the development of the Lands and were informed that the development will not proceed.

The reliefs sought by the Plaintiffs are as follows:

- The sum of USD974,968.00 (which is equivalent to RM4,587,711.92) calculated at the exchange rate of RM4.706) to be paid by Defendant within fourteen (14) days from the date of the judgment;
- Interest of 5% per annum on the sum stated in paragraph (i) to be calculated from the date of the judgment entered until full and final settlement;
- Costs of the proceedings to be borne by the Defendant; and
- Such other orders and / or reliefs that the Court deems fit and proper.

The Defendant is currently in consultation with its solicitors and has sent a letter to the Plaintiffs' solicitor as part of ongoing efforts to settle this matter amicably.

The suit is next fixed for case management on 20 September 2024

**B10. DERIVATIVE FINANCIAL INSTRUMENT**

The Group does not have any derivative financial instrument as at the end of reporting period.

**B11. OFF BALANCE SHEET FINANCIAL INSTRUMENT**

There is no off balance sheet financial instrument which has a material impact to the financial statement under review as at the end of financial period and up to date of this announcement.

**B12. DIVIDEND PAYABLE**

No interim dividend has been declared for the current financial period-to-date-ended 30 June 2024.

**B13. EARNINGS/(LOSS) PER SHARE ("EPS")/("LPS")**

| RM '000  | Individual Quarter |            | Cumulative Quarter |            |
|--|--------------------|------------|--------------------|------------|
|  | 30.06.2024         | 30.06.2023 | 30.06.2024         | 30.06.2023 |
| Loss attributable to Owners of the Company (RM '000)       | (1,829)            | (3,024)    | (6,095)            | (6,627)    |
| Basic:   |                    |            |                    |            |
| Weighted average number of Ordinary Shares in issue ('000) | 947,662            | 497,021    | 946,451            | 497,021    |
| Basic LPS (sen)  | (0.193)            | (0.608)    | (0.644)            | (1.333)    |

**B14. AUTHORISED FOR ISSUE**

The interim financial statements were reviewed by the Audit Committee ("AC") and duly authorised for issue by the Board of Directors ("BOD") in accordance with a resolution of the Directors dated 30 August 2024.

**B15. SUBSEQUENT EVENTS**

On behalf of the Board, Kenanga IB wishes to announce that Bursa Securities had vide its letter dated 14 August 2024 has resolved to approve the listing and quotation of up to 1,000,000,000 new Shares to be issued pursuant to the conversion of the Notes arising from the Proposed Notes Issue.

The approval by Bursa Securities for the above is subject to the following conditions:

- 1) MGB and Kenanga IB must fully comply with the relevant provisions under the Main Market Listing Requirements ("Listing Requirements") pertaining to the implementation of the Proposed Notes Issue;
- 2) MGB / Kenanga IB is required to furnish Bursa Securities with a certified true copy of the resolution passed by shareholders in general meeting approving the Proposed Notes Issue;
- 3) MGB and Kenanga IB are required to inform Bursa Securities upon completion of the Proposed Notes Issue;
- 4) MGB is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Notes Issue is completed; and
- 5) Payment of additional listing fees pertaining to the conversion of the Notes, if relevant. In this respect, Magma is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of Notes as at the end of each quarter together with a detailed computation of the listing fees payable.

**B16. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 31 December 2023 was unmodified.

**B17. REVIEW BY EXTERNAL AUDITORS**

The Board of Directors ("Board") had engaged the external auditors to review and report on the Condensed Report of Bursa Malaysia Berhad for the quarter and year-to-date ended 30 June 2024 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The external auditors reported to the Board that nothing had come to their attention to cause them to believe that the Condensed Report was not prepared, in all material respects, in accordance with the MFRS 134 *Interim Financial Reporting*. The report was made to the Board in accordance with the terms of the engagement letter with external auditors and for no other purpose.