



**MAG HOLDINGS BERHAD**  
Registration No. 200401004611 (643114-X)



# ANNUAL REPORT **2024**



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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Ng Min Lin**

Executive Chairman

**Yeoh Wooi Kia**

Independent Non-Executive Director

**Collin Goonting a/l O.S. Goonting**

Independent Non-Executive Director

**Datuk Lim Si Cheng**

Independent Non-Executive Director

**Wan Mohd Hazrie bin Wan Mokhtar**

Independent Non-Executive Director

**Melvin Lim Chun Woei**

Non-Independent Non-Executive Director

**Wong Jo Ann**

Non-Independent Non-Executive Director

### COMPANY SECRETARY

Wong Yuet Chyn  
(MAICSA 7047163)  
(SSM PC No. 202008002451)

### AUDIT AND RISK MANAGEMENT COMMITTEE

Yeoh Wooi Kia  
Chairman  
Collin Goonting a/l O.S. Goonting  
Datuk Lim Si Cheng

### NOMINATION COMMITTEE

Collin Goonting a/l O.S. Goonting  
Chairman  
Yeoh Wooi Kia  
Datuk Lim Si Cheng

### REMUNERATION COMMITTEE

Datuk Lim Si Cheng  
Chairman  
Yeoh Wooi Kia  
Collin Goonting a/l O.S. Goonting

### LONG-TERM INCENTIVE PLAN COMMITTEE

Ng Min Lin  
Chairman  
Datuk Lim Si Cheng  
Yeoh Wooi Kia

### CORPORATE OFFICE

B-3-12, Gateway Corporate Suites Gateway Kiaramas  
No. 1, Jalan Desa Kiara Mont Kiara  
50480 Kuala Lumpur  
W.P. Kuala Lumpur, Malaysia  
Tel : 603-6419 1385  
Fax : 603-6419 1386  
Website : <https://magholdings.com.my>

### REGISTERED OFFICE

A3-3-8, Solaris Dutamas  
No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur  
W.P. Kuala Lumpur, Malaysia  
Tel : 603-6413 3271  
Fax : 603-6413 3270

### AUDITORS

Morison LC PLT  
Chartered Accountants  
Level 11-01, Uptown 3  
Jalan SS 21/39  
Damansara Utama  
47400 Petaling Jaya  
Selangor Darul Ehsan, Malaysia  
Tel : 603-7491 4419

### SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
W.P. Kuala Lumpur, Malaysia  
Tel : 603-2084 9000  
Fax : 603-2094 9940

### PRINCIPAL BANKERS

CIMB Bank Berhad  
Bank Pertanian Malaysia Berhad  
MBSB Bank Berhad

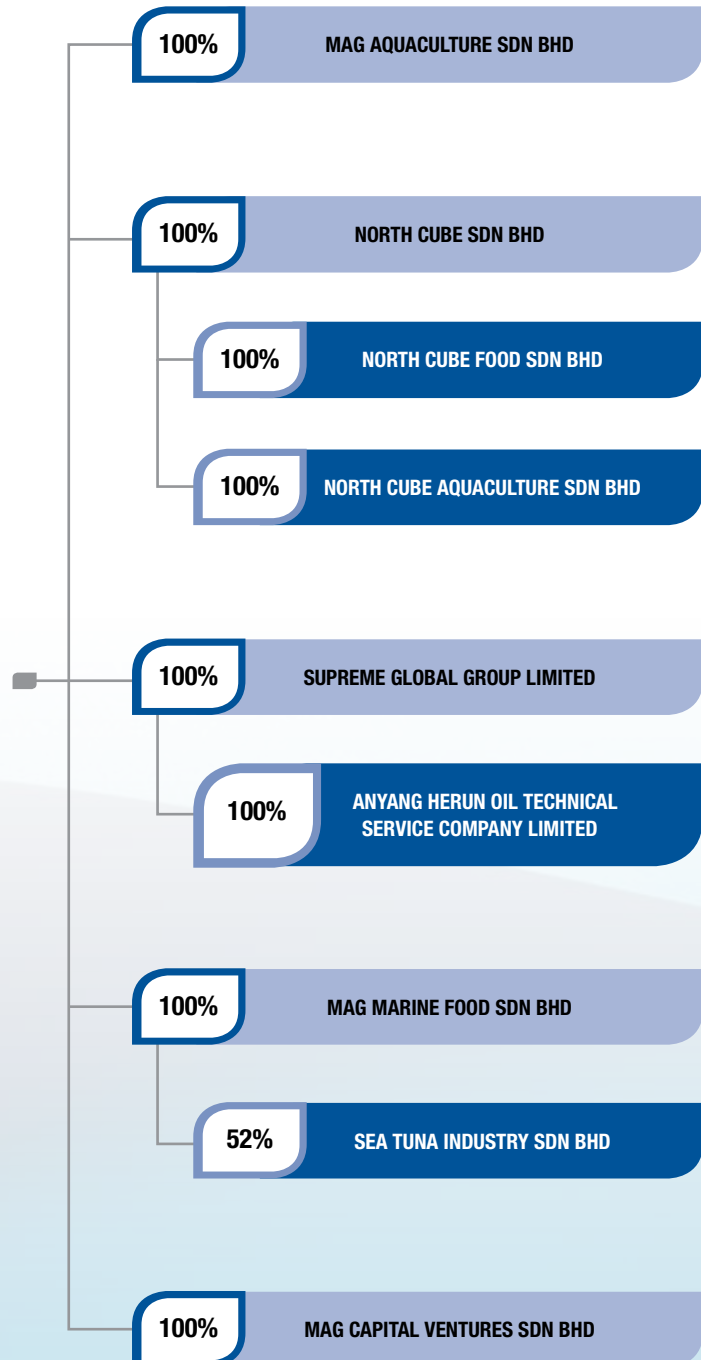
### STOCK EXCHANGE

ACE Market of Bursa Malaysia Securities Berhad  
Stock Name : MAG  
Stock Code : 0095

# CORPORATE STRUCTURE



**MAG HOLDINGS BERHAD**



# PROFILE OF THE DIRECTORS AND KEY MANAGEMENT

## Ng Min Lin

Executive Chairman

Malaysian | Aged 45 | Male

**Mr. Ng Min Lin** (Mr. Ng) was appointed as a Non-Independent Non-Executive Director of the Company on 28 January 2011 and was re-designated as an Executive Director on 1 April 2011.

On 24 April 2014, he was re-designated as a Non-Independent Non-Executive Director and on 6 September 2016, he was re-designated as the Senior Independent Director and appointed as Chairman of the Board of Directors. He relinquished his role as the Senior Independent Director on 28 December 2018.

On 31 December 2019, he was re-designated as the Executive Chairman of the Board. He is also the Chairman of the Long-Term Incentive Plan Committee.

Mr. Ng spent his early years as an audit associate with KPMG, Penang. Subsequently, he ventured into the corporate world when he became the Corporate Development Manager of a company that manufactures and franchises water vending machines. A year later, he was promoted to Group Finance Director when the company was listed on the PLUS Market (now known as ICAP Securities and Derivatives Exchange) in the United Kingdom.

As Mr. Ng looked for greener pastures, he established Esabee Biotika Sdn. Bhd., a multi-level marketing company which specialises in microalgae. He was the Chief Executive Officer of the company until his resignation in mid-2011.

Mr. Ng had also invested in companies that were involved in sectors such as mining, agriculture and energy. His involvement in these sectors had gained him vast experience in the corporate world.

Mr. Ng is an alumnus of The University of New South Wales, Sydney, Australia, having graduated there in 2002 with a Bachelor of Commerce, majoring in Finance and Accounting.

Currently, Mr. Ng is also the Executive Chairman of XL Holdings Berhad.

Mr. Ng is the spouse of Ms. Wong Jo Ann, the Non-Independent Non-Executive Director of the Company.

Mr. Ng attended all 7 Board of Directors' (Board) meetings held during the financial year ended 30 June 2024 (FYE 2024).



## Profile of the Directors and Key Management (cont'd)

### Yeoh Wooi Kia

Independent Non-Executive Director

Malaysian | Aged 47 | Male

**Mr. Yeoh Wooi Kia** (Mr. Yeoh), appointed on 1 June 2020, is an Independent Non-Executive Director. He is the chairman of the Board's Audit and Risk Management Committee, a member of the Nomination Committee, Remuneration Committee and Long-Term Incentive Plan Committee.

Mr. Yeoh started his career as an audit associate with KPMG Penang in 2001. Subsequently, he worked extensively in various capacities in the corporate world from 2004 to 2014, such as Accountant in Plexus Manufacturing Sdn. Bhd. and as Unit Manager in Hong Leong Assurance Bhd.

Mr. Yeoh is currently the Business Development Director of AYG Advisory which is engaged in the provision of marketing and general business advisory services and corporate training solutions to clients from various industries including trading, direct-selling, e-commerce, food and beverages, entertainment and events management.

Mr. Yeoh graduated from University of Tasmania in 2000 with a Bachelor of Commerce (Accounting) and has been a member of the Malaysian Institute of Accountants since 2008.

Mr. Yeoh presently does not holds directorship in other public companies or listed corporations.

Mr. Yeoh attended all 7 Board meetings held during the FYE 2024.

## Profile of the Directors and Key Management (cont'd)

### Collin Goonting a/l O.S. Goonting

Independent Non-Executive Director

Malaysian | Aged 77 | Male

**Mr. Collin Goonting a/l O.S. Goonting** (Mr. Goonting), appointed on 16 July 2020, is an Independent Non-Executive Director. He is the chairman of the Board's Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee.

Mr. Goonting was admitted to the Honourable Society of the Inner Temple as a barrister in 1972. He is an Advocate and Solicitor of the High Court of Malaya.

In addition to litigation, Mr. Goonting is also active in the corporate and financial sectors, internationally and in Malaysia, since 1972. He has acted as the lead counsel in many high-profile criminal and civil cases and is still in active practice.

In 1991, when Labuan was made an International Offshore Financial Centre by the Malaysian government, Mr. Goonting established a branch of his legal firm, Messrs. Collin Goonting & Co, in Labuan to serve international companies setting up offices there. His firm has acted for international offshore banks as

well as other foreign companies in financial matters especially in the setting up of offshore companies and special purpose vehicles. He is also active in providing legal services to local offshore banks involving Islamic financial products as well as legal advice in English and international laws to multinational oil corporations involved in offshore drilling in Labuan.

In 2001, Mr. Goonting set up a legal firm in Jakarta and was appointed as the legal consultant to a company building geothermal power plants and also acted for one of the largest shipping corporations in Indonesia. In addition, his firm advised on private equity funding, debt restructuring and recovery as well as liquidation to foreign banks and financial institutions in Indonesia. He still has a corresponding office in Jakarta, Indonesia.

Mr. Goonting had held Independent Non-Executive Directorship in two other Public listed companies but presently does not hold directorship in any other public companies or listed corporations.

Mr. Goonting attended all 7 Board meetings held during the FYE 2024.

## Profile of the Directors and Key Management (cont'd)

### Datuk Lim Si Cheng

Independent Non-Executive Director

Malaysian | Aged 74 | Male

**Datuk Lim Si Cheng** (Datuk Lim), appointed on 15 July 2021, is an Independent Non-Executive Director. He is the chairman of the Board's Remuneration Committee and a member of the Audit and Risk Management Committee, Nomination Committee and Long-Term Incentive Plan Committee.

Datuk Lim began his career as a journalist in 1968. He was the State Assemblyman of Bandar Segamat from 1982 to 1990 and Exco Member of Johor State Government from 1986 to 1990.

Datuk Lim served as the Political Secretary to the Minister of Transport of Malaysia from 1990 to 1995. He was elected as the Member of Parliament for Kulai, Johor for 3 consecutive terms from 1995 to 2008.

Datuk Lim was the Deputy Speaker of the House of Representative, Parliament Malaysia from 1999 to 2008. He was also a member of the Malaysian Pepper Board from 2008 to 2011.

Datuk Lim is very active in community works of various charitable organisations. Presently, he is a council member of University Tunku Abdul Rahman, trustee of Huaren Education Foundation, trustee of Chang Ming Thien Foundation and a committee member of Malaysia Mental Literacy Movement.

Currently, Datuk Lim is also a Board member of Koperasi Jayadiri Malaysia Berhad.

Datuk Lim attended all 7 Board meetings held during the FYE 2024.



## Profile of the Directors and Key Management (cont'd)

### Wan Mohd Hazrie Bin Wan Mokhtar

Independent Non- Executive Director

Malaysian | Aged 46 | Male

**Mr. Wan Mohd Hazrie bin Wan Mokhtar** (Mr. Wan), appointed on 14 February 2023, is an Independent Non-Executive Director.

Mr. Wan established and operated Xeron (M) Sdn. Bhd. in 2002 to supply mechanical & electrical instrumentation, providing mechanical maintenance to companies in the oil and gas industry and road, road & building maintenance services to various local companies including commercial buildings, industrial, hospitality and in other various sectors.

Mr. Wan has more than 20 years of extensive experience in road maintenance, property development, oil & gas industry and has excellent organisational and management skills, inter-personal skills and public relations and active in pursuing new business opportunities & ventures.

Mr. Wan presently does not holds directorship in other public companies or listed corporations.

Mr. Wan attended all 7 Board meetings held during the FYE 2024.

## Profile of the Directors and Key Management (cont'd)

### Melvin Lim Chun Woei

Non-Independent Non- Executive Director

Malaysian | Aged 32 | Male

**Mr. Melvin Lim Chun Woei** (Mr. Melvin Lim), appointed on 15 July 2021, is a Non-Independent Non-Executive Director.

Mr. Melvin Lim holds a degree in International Business from University of Leeds, United Kingdom.

Mr. Melvin Lim has vast experience in marketing and export, food manufacturing, aquaculture, agriculture and land and building development. He started his career in 2012 as Marketing Manager with Pegagau Food Products Sdn. Bhd. and Borneo Bina Jaya Sdn. Bhd. and progressed to the Marketing Director position. In 2018, he co-founded Borneo Bina Jaya Sdn. Bhd. which is involved in the business as land and building developer, property management and contractor business.

In 2022, Mr. Melvin Lim founded Synergy Travel Sdn. Bhd. which is involved in tour and travel businesses and in 2023 founded Hawan Maju Sdn. Bhd. for hot air balloon activities.

Mr. Melvin Lim presently does not holds directorship in other public companies or listed corporations.

Mr. Melvin Lim is the son of Mr. Lim Ah Cham, the Aquaculture Farming Advisor.

Mr. Melvin Lim attended all 7 Board meetings held during the FYE 2024.

## Profile of the Directors and Key Management (cont'd)

### Wong Jo Ann

Non-Independent Non- Executive Director

Malaysian | Aged 46 | Female

**Ms. Wong Jo Ann** (Ms. Wong), appointed on 31 May 2023, is a Non-Independent Non-Executive Director.

Ms. Wong is a professional auditor with previous experience at PWC, Kuala Lumpur, where she worked in the Consumer Industrial Products Group and was involved in auditing listed companies and their subsidiaries.

In addition to her work at PWC, Ms. Wong has also participated in auditing at a medium-sized audit firm. Her work encompasses auditing small to medium-sized businesses with a focus on manufacturing and services.

Furthermore, Ms. Wong has experience as a tax associate at a medium-sized taxation firm, where she handled individual and corporate tax matters.

Ms. Wong's experience extends beyond auditing and taxation. She served as a Human Resource (HR) and Operations Manager at Esabee Biotika Sdn. Bhd., where she was responsible for various HR functions, front office, back-end operations and product management.

Ms. Wong is also the Non-Independent Non-Executive Director of XL Holdings Berhad.

Ms. Wong is the wife of Mr. Ng Min Lin, the Executive Chairman of the Company.

Ms. Wong attended all 7 Board meetings held during the FYE 2024.

## Profile of the Directors and Key Management (cont'd)

### Lim Hock Wah

Farm Manager

Malaysian | Aged 53 | Male

**Mr. Lim Hock Wah** (Mr. Lim), was appointed as the Farm Manager of MAG Aquaculture Sdn. Bhd., a wholly owned subsidiary of the Company, on 1 December 2019. He is responsible for overseeing the overall operations of the Group's prawn aquaculture farming.

Mr. Lim has over 30 years of experience in the shrimp aquaculture industry. He joined Loongsyn Aquaculture Sdn. Bhd. in 1988 as a farm supervisor, spearheading the culture of tiger prawns after his secondary education. In 1993, he joined Dewasaga Sdn. Bhd. as the person-in-charge for tiger prawn farming. In 1997, he joined Unistate Seafood Sdn. Bhd. as a farm manager and was involved in the culture of tiger prawns and white vannamei shrimps. In 2003, he joined Shimmer Aquaculture Sdn. Bhd. as the farm manager overseeing its tiger prawn operations and in 2006, he joined Pelantar Cergas (M) Sdn. Bhd. (a subsidiary of Manjung Aquatic Sdn. Bhd.) to assume the post of farm manager.

In 2010, Mr. Lim joined Pegagau Aquaculture Sdn. Bhd. as the farm manager for Wakuba farm. Under his leadership, the Wakuba farm had adopted new methods in shrimp cultivation and ponds maintenance thereby shortening the cultivation period and improving the production yield of the prawn farm.

Mr. Lim presently does not holds directorship in other public companies or listed corporations.

## Profile of the Directors and Key Management (cont'd)

### Lim Ah Cham

Aquaculture Farming Advisor

Malaysian | Aged 77 | Male

**Mr. Lim Ah Cham** (Mr. Lim), was appointed as an advisor to the Group's prawn aquaculture farming on 1 December 2019 for a period of 5 years. He is the founder and a major shareholder of Pegagau Aquaculture Sdn. Bhd. (Pegagau).

Mr. Lim has vast experience in the prawn aquaculture farming having started the first shrimp farm in Kota Kinabalu in year 1997 on 50 acres of land with 18 ponds. 3 years later, in year 2000, he founded Pegagau and fully invested in black tiger prawn and white vannamei prawn cultivation.

Within 10 years, Pegagau became the biggest shrimp producer in Sabah with 3 shrimp farms in Semporna and Tawau. Mr. Lim also involved in food processing plant under Pegagau Food Products Sdn. Bhd. and hatchery centre under Pegagau Hatchery Sdn. Bhd.

In Year 2011, Mr. Lim and his Umas-Umas Farm was selected by Fishery Malaysia as an anchor company under the Ministry of Agriculture's NKEA Project, with commitment to create RM280 million national income and 450 jobs for the locals.

Mr. Lim presently does not holds directorship in other public companies or listed corporations. Mr. Lim is the father of Mr. Melvin Lim Chun Woei, the Non-Independent Non-Executive Director.

#### 1. Family Relationships

Save for Mr. Ng Min Lin, Mr. Melvin Lim Chun Woei, Ms. Wong Jo Ann and Mr. Lim Ah Cham, none of the Directors or Key Management has any family relationship with any other Director and/or any major shareholder of the Company.

#### 2. Conflict of Interest

None of the Directors or Key Management has any personal interest or conflict of interest or potential conflict of interest in any business arrangement involving the Group including any interest in any competing business with the Company and its Subsidiaries, other than the related party transactions disclosed in Note 27 to the financial statements on page 108 of the Annual Report.

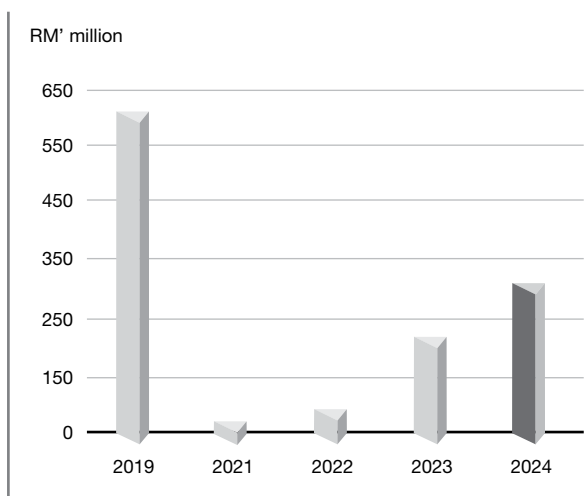
#### 3. Conviction of Offences

None of the Directors or Key Management has been convicted of any offences within the past 5 years other than traffic offences, if any, or any public sanctions or penalties were imposed on them by any relevant regulatory bodies during the FYE 2024.

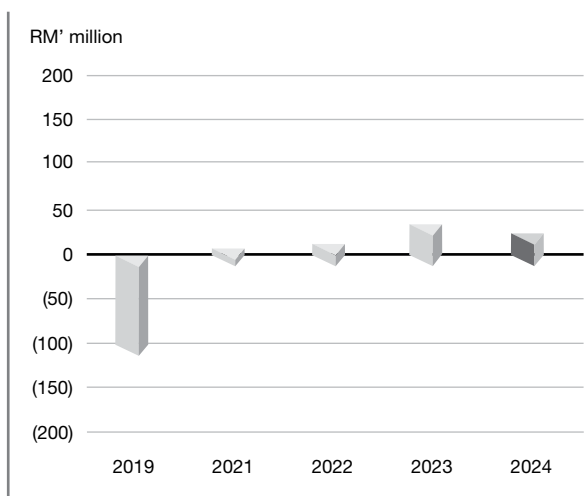
# FIVE-YEAR FINANCIAL SUMMARY

	Year				
	2024 12 months RM'000	2023 12 months RM'000	2022 12 months RM'000	2021 18 months RM'000	2019 12 months RM'000
Revenue	305,074	201,637	137,105	81,543	600,056
Profit/(loss) after taxation	32,696	34,151	17,720	9,196	(108,255)
Earnings/(loss) per share (sen)	2.07	2.28	1.27	1.38	(27.28)
Total assets	1,214,557	1,091,283	1,004,293	623,696	539,379
Total liabilities	398,455	322,173	296,556	85,075	59,444
Shareholder's fund	816,103	767,460	706,075	536,953	478,246
Net assets per share	0.49	0.48	0.49	0.72	0.80

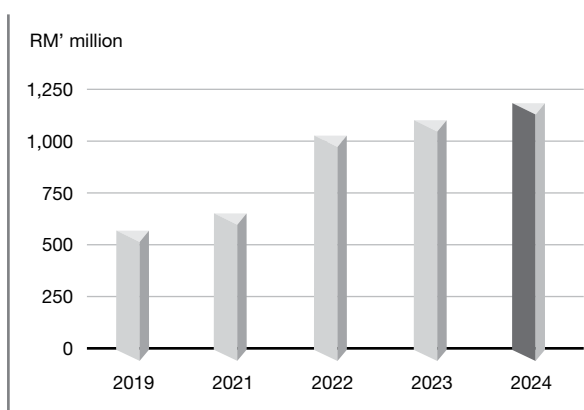
REVENUE



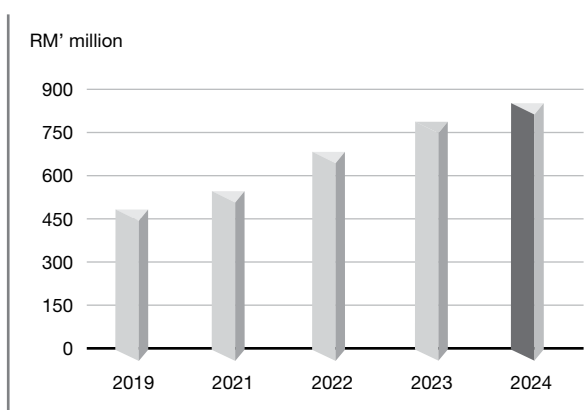
PROFIT/(LOSS) AFTER TAXATION



TOTAL ASSETS



SHAREHOLDER'S FUND





# CHAIRMAN'S STATEMENT

*Dear Valued*  
**Shareholders,**

*It is an honour for me to present to you the Annual Report and Audited Financial Statements of MAG Holdings Berhad (MAG or the Company) and its group of companies (the Group) for the financial year ended 30 June 2024 (FYE 2024).*

We are an aquaculture-based food producer specialising in the cultivation, processing and distribution of premium quality prawns, serving both local and global markets. Our business is grounded in the pillars of high-quality standards, food safety, ecological sustainability and social responsibility.

Since assuming the name 'Malaysian Aquaculture Group' in August 2020, we have remained focused on growing our aquaculture operations and leading the industry with sustainable, innovative practices that ensure long-term success.

## **STRENGTHENING RESILIENCE AND SUSTAINABLE GROWTH**

In FYE 2024, we navigated a challenging global landscape shaped by persistent macroeconomic headwinds, including inflationary pressures, geopolitical uncertainties, and supply chain disruptions. Despite these global challenges, Malaysia's economy showed resilience, with gross domestic product growth projected at 4.5%, underpinned by strong domestic demand and a recovery across key sectors.

Within this evolving environment, Malaysia's aquaculture industry continued its upward trajectory, buoyed by increasing demand for seafood both locally and globally. On the local front, Malaysia emerged as one of the top consumers of seafood in Asia Pacific region driving government plans to increase aquaculture production to 40% of the nation's total fisheries sector by 2030, to better meet the country's needs. Government-led initiatives to promote sustainable aquaculture and strengthen food security continued to bolster the industry's expansion. However, rising input costs and fluctuating market prices posed challenges, impacting profit margins across the sector.

<sup>1</sup> [https://www.nst.com.my/business/corporate/2024/06/1062681/malaysia-one-top-seafood-consumers-asia-pacific-listing-bound#google\\_vignette](https://www.nst.com.my/business/corporate/2024/06/1062681/malaysia-one-top-seafood-consumers-asia-pacific-listing-bound#google_vignette)

<sup>2</sup> [https://www.bernama.com/en/news.php?id=2318318#:~:text=GEORGE%20TOWN%2C%20July%2016%20\(Bernama,Minister%20Datuk%20Arthur%20Joseph%20Kurup](https://www.bernama.com/en/news.php?id=2318318#:~:text=GEORGE%20TOWN%2C%20July%2016%20(Bernama,Minister%20Datuk%20Arthur%20Joseph%20Kurup)

## Chairman's Statement (cont'd)

### **FINANCIAL REVIEW**

Despite these hurdles, we delivered strong revenue growth during the review period, recording a significant 51.3% increase to RM305.07 million, compared to RM201.64 million in the previous financial year. This remarkable growth was primarily driven by increased demand for high-quality prawns in both domestic and international markets, alongside strategic pricing adjustments that leveraged favourable market dynamics.

The Group's focus on operational efficiency and rigorous cost management contributed to maintaining profitability, underscoring its resilience in a competitive environment. While profit margins were slightly impacted by changes in the product mix, the Group's ability to adapt to fluctuating commodity prices and evolving consumer preferences reflected the importance of strategic foresight.

Further details on our financial and operational performance are available in the Management Discussion and Analysis section of this Report.

### **DIVIDEND**

Our Company had paid out its final single-tier dividend for the financial year ended 30 June 2023 of 0.1 sen per ordinary share amounting to RM1,599,695 on 24 January 2024.

On 29 October 2024, our Board of Directors had proposed a final single-tier dividend of 0.1 sen per ordinary share in respect of the financial year ended 30 June 2024 which is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

### **SUSTAINABILITY**

As an aquaculture business, MAG is cognisant of our role in ensuring that our operations are sustainable. The Group remained steadfast in advancing its sustainability agenda, prioritising eco-friendly practices across operations.

Key initiatives included adopting sustainable aquaculture methods, reducing chemical usage and enhancing biodiversity. The integration of energy-efficient technologies and a comprehensive waste management programme, such as converting sludge into fertiliser, contributed to a significant reduction in environmental impact. These efforts, underscored by certifications in sustainable aquaculture, demonstrate our commitment to responsible growth and our role in supporting long-term industry sustainability.

Please refer to the Sustainability Statement section of this Report for a more comprehensive overview of our sustainability initiatives and progress.

### **UPHOLDING GOOD CORPORATE GOVERNANCE**

Throughout FYE 2024, the Group continued to uphold the highest standards of corporate governance, ensuring transparency, accountability and integrity in all business practices. We remain committed to maintaining robust governance frameworks that align with regulatory requirements and best industry practices. Our Board of Directors and senior management prioritise sound decision-making processes, effective risk management and comprehensive internal controls to safeguard stakeholder interests.

The Group also implemented measures to enhance board oversight, including regular reviews of corporate policies, rigorous compliance monitoring and ongoing director training programmes. These initiatives reinforce our commitment to ethical business conduct and foster a culture of continuous improvement. We believe that strong corporate governance is essential for sustainable growth and is fundamental to our ability to deliver long-term value to our shareholders and other stakeholders.

## Chairman's Statement (cont'd)

### **CLEAR WATERS AHEAD**

Looking ahead, the Group is poised for growth as one of Malaysia's leading prawn producers. The expansion of the fourth farm in Tawau will boost capacity to 384 ponds and increase breeding output to 5,500 tonnes annually, further solidifying our market leadership.

We will continue to adopt advanced farming technologies to enhance productivity, reduce environmental impact and improve shrimp health. Our prawn processing facilities, focused on ready-to-eat and ready-to-cook products, have the potential to drive profitability through exports to key markets like South Korea, China, Taiwan and Australia.

Sustainability remains central to our operations, with eco-friendly farming practices ensuring compliance with international standards. These strategies will enhance financial performance, create operational efficiencies and position MAG for long-term success and shareholder value creation.

### **ACKNOWLEDGEMENTS**

On behalf of the Board of Directors, I would like to extend my deepest appreciation to our valued shareholders for their unwavering trust and confidence in MAG. Your continued support remains a cornerstone of our Group's resilience and success. I also wish to express my sincere gratitude to our employees for their dedication and hard work, which have been instrumental in driving our achievements, as well as to our partners in the aquaculture sector, whose collaboration has been key to our ongoing success.

The Board and I would also like to recognise the invaluable support and guidance we have received from our business partners, advisors, and the relevant government and regulatory agencies.

Lastly, I am grateful for the wisdom, commitment and camaraderie of my fellow Directors. Together, we are fully committed to delivering sustainable value to our shareholders, and I look forward to reaching new heights with all of you.

**Ng Min Lin**  
Executive Chairman

# MANAGEMENT DISCUSSION & ANALYSIS

The following is an analysis MAG Holdings Berhad's (MAG, or the Group) operational and financial performance for the financial year ended 30 June 2024 (FYE 2024).

## **OUR BUSINESS**

MAG (Malaysian Aquaculture Group) is a leading prawn aquaculture player. The Group is primarily involved in prawn aquaculture and seafood processing. We are involved in every aspect of ensuring our products retain the highest standard of quality, from cultivating our own prawn aquaculture farms to processing for domestic and export markets.

MAG is listed on the ACE Market of Bursa Malaysia Securities Berhad. The Group previously known as XingHe Holdings Berhad. In 2019, the Group pivoted its business interest from edible oils to aquaculture, acquiring two large prawn aquaculture farms in Tawau, Sabah and laying the foundation for our strategic direction.

Today, MAG continues to expand its operations and expertise in shrimp farming, processing and exporting high-quality seafood products to markets across the globe.

## **REVIEW OF OPERATIONS**

In FYE 2024, MAG operated in a complex environment shaped by significant global macroeconomic factors, including persistent inflation, geopolitical tensions and ongoing supply chain disruptions.

Within this context, the Malaysian aquaculture industry continued to expand, benefiting from increasing local and global demand for seafood. The government's initiatives to promote sustainable aquaculture practices and enhance food security further supported industry growth. However, challenges such as rising input costs and fluctuations in market prices persisted, affecting profit margins across the sector.

Throughout the year in review, the Group focused on several strategic initiatives to strengthen our position and support long-term growth and sustainability.

**Expansion and Capacity Enhancement:** We invested in expanding our capacity, establishing the "Wakuba II" farm in Tawau, Sabah, and a new processing plant, which significantly enhanced our production capacity, while maintaining high quality standards. The new farm has been in operation since year 2023.

With the addition of this new farm to the current Wakuba, Umas-Umas and Apas Paritf arms, the Group now has a total of 384 cultivation ponds, a breeding capacity of 5,500 tonnes and a processing capacity of 8,000 tonnes annually.

The combined output from these farms enables us to achieve economies of scale and operational synergies from prawn cultivation to production. This strategic advantage allows us to streamline operations and enhance overall efficiency.

The pristine coastal waters of Tawau, Sabah, where our farms are located, offer the ideal environment for culturing premium shrimp. By maintaining non-pesticidal cured marine ponds, we ensure that our shrimp products meet the highest standards of freshness and safety, catering to the growing demand from international consumers who are increasingly aware of the environmental impact of their food sources.

In addition to enhancing our capacity, the Group continued to explore new markets, such as Taiwan, in line with our long-term strategy of sustainable growth.

**Technological Advancements:** We implemented advanced farming techniques to improve feed conversion rates, yield and sustainability, resulting in reduced environmental impact. Our commitment to continuous water quality monitoring and rigorous health management protocols has further enhanced operational efficiency and product quality.

## Management Discussion & Analysis (cont'd)

**Supply Chain Resilience:** We focused on strengthening supplier relationships and optimising logistics to mitigate cost pressures and ensure consistent operations amid any potential supply chain disruptions.

### **REVIEW OF FINANCIAL PERFORMANCE**

During the review period, the Group capitalised on market opportunities, achieving a revenue of RM305.1 million, a 51.3% increase from the previous year (FYE 2023: RM201.6 million). This growth was largely attributed to increased market demand for premium prawns and strategic pricing initiatives. The implementation of effective cost management measures mitigated the impact of higher raw material costs, supporting sales growth across both international and domestic markets. The Group's overall performance for FYE 2024 was largely bolstered by the increasing demand in our aquaculture and food processing segments. However, profit margins were affected by shifts in the product mix, highlighting the need for strategic adaptability.

	FYE 2024 (RM '000)	FYE 2023 (RM '000)
Revenue	305,074	201,637
Cost of Sales	(237,868)	(134,414)
Gross Profit	67,206	67,223
Other Income	13,157	19,928
Operating Expenses	(22,605)	(18,626)
Finance Cost	(12,343)	(13,709)
Unrealised loss on foreign exchange	(1,387)	(9,472)
Profit Before Taxation	44,028	45,344
Taxation	(11,332)	(11,193)
Profit After Taxation	32,696	34,151

For FYE 2024:

- (a) Other income earned in FYE 2024 of RM13.16 million (FYE 2023: RM19.93 million) was mainly from fair value gain of RM7.55 million on loan to a former subsidiary company and interest income of RM5.44 million from the loan to the former subsidiary.
- (b) The lower finance cost of RM12.34 million was the result of lower interest expenses of RM1.37 million incurred during the review period.
- (c) The unrealised loss on foreign exchange was mainly due to the depreciated value of Renminbi against the Hong Kong Dollar.

## Management Discussion & Analysis (cont'd)

### **REVIEW OF FINANCIAL CONDITION**

#### i. Liquidity and Capital Resources

The Group's reserves of cash and cash equivalents were RM171.8 million during the review period of FYE 2024, an increase of RM8.1 million compared to the cash and cash equivalent recorded in financial year ended 30 June 2023 (FYE 2023), of RM163.7 million. The increase is analysed as follows:

	FYE 30.6.2024 RM'000	FYE 30.6.2023 RM'000
Cash generated from /(used in):		
– Operating activities	90,463	21,855
– Investing activities	(78,595)	(28,496)
– Financing activities	(2,902)	11,430
Effect of forex changes	(883)	(3,159)
Net increase	8,083	1,630

For FYE 2024:

- (a) The cash outflow in investing activities was mainly used for purchase of property, plant and equipment RM86.2 million (FYE 2023: RM29.73 million).

#### ii. Gearing

	30.6.2024 RM'000	30.6.2023 RM'000
Borrowings (interest-bearing)	108,760	110,870
Redeemable preference shares (RPS)	73,585	72,061
Shareholders' equity	816,103	767,460
Gearing ratio (times)	0.22	0.24

Lower gearing in FYE 2024 mainly due to the lower bank borrowings and RPS and higher shareholders equity.

MAG's gearing ratio in FYE 2024 is 0.22, down from 0.24 in FYE 2023. This reflects reduced reliance on bank borrowings and RPS, and the increase in shareholder's equity following the conversion exercise.



## Management Discussion & Analysis (cont'd)

### iii. Number of shares issued and net assets per share

	30.6.2024 RM'000	30.6.2023 RM'000
Total net assets	816,102	769,110
Number of shares in issue	1,667,900,515	1,590,838,865
Net assets per share	0.49	0.48

In FYE 2024, MAG's net assets per share increased marginally from RM0.48 in FYE 2023 to RM0.49 in FYE 2024, following the increase in the number of shares issued from the result of the conversion of warrants C into ordinary shares at a conversion price of RM0.16 per ordinary share.

## **SUSTAINABILITY AND EXCELLENCE**

MAG recognises the role of sustainability in ensuring operational excellence and long-term value creation for all our stakeholders. Throughout the year in review, we implemented a variety of initiatives designed to minimise our environmental impact while promoting responsible business practices.

**Sustainable Aquaculture Practices:** We have adopted eco-friendly farming methods, emphasising the reduction of chemical usage and the enhancement of biodiversity within our aquaculture operations. By prioritising these sustainable practices, we strive to create a harmonious balance between productive farming and ecological preservation.

**Resource Efficiency:** The integration of energy-efficient technologies into our operational framework has been a significant focus for us. This strategic move has led to a marked reduction in energy consumption, thereby not only lowering operational costs but also diminishing our overall environmental footprint.

**Waste Management:** In our pursuit of environmental responsibility, we established a comprehensive waste management programme, with a pronounced emphasis on recycling and waste reduction during production. A notable innovation within this programme has been the conversion of sludge into fertiliser, which has served to effectively diminish our waste output while simultaneously contributing to sustainable agricultural practices.

**Carbon Footprint Reduction:** Our various initiatives have resulted in a significant reduction of our carbon footprint, aligning with our long-term sustainability objectives and aiding in global climate action efforts. We are acutely aware of our role in mitigating climate change, and we continually seek ways to enhance our practices in line with this critical goal.

Our efforts have culminated in obtaining certifications aligned with sustainable aquaculture standards, further affirming our commitment to environmentally responsible practices. All our farms have been thoroughly evaluated and have received myGAP certification from the Ministry of Agriculture and Food Security. This certification reflects our adherence to Good Agricultural Practices (GAP), which emphasise environmental, economic, and social dimensions of our operations. We are also proud to hold esteemed certifications such as HACCP, GMP and Mesti, which bolster our credibility in the market.

Details of our sustainability initiatives and programmes are outlined in our Sustainability Statement section, page 24-31 of this annual report.

## Management Discussion & Analysis (cont'd)

### **STRATEGIC RISK MANAGEMENT**

MAG continuously identifies and mitigates key risks that may impact our operations. The following outlines the primary risks faced by the Group and the measures implemented to address them:

#### **1. Disease Outbreaks**

Prawns are highly susceptible to various diseases, which can significantly affect yield and profitability.

##### **Mitigation:**

- Implement comprehensive biosecurity measures, including the establishment of buffer zones around shrimp farms to prevent contamination from neighbouring farms or agricultural runoff.
- Use pathogen-free broodstocks and regularly monitor their health.
- Conduct regular health assessments and maintain strict sanitation practices.
- Diversify shrimp species to reduce reliance on a single species. Currently, we farm White Shrimp (*L. vannamei*) and Black Tiger Shrimp (*P. monodon*).

#### **2. Environmental Pollution**

Pollution from industrial or agricultural runoff can compromise water quality, affecting prawn health and growth.

##### **Mitigation:**

- Regularly test water quality and apply water treatment solutions as necessary.
- Collaborate with local authorities to monitor environmental factors.
- Adopt integrated farming practices that reduce the environmental footprint of our operations.

#### **3. Market and Foreign Currency Fluctuations**

Prawn prices are subject to volatility due to demand shifts, competition and global market conditions. Additionally, the Group is exposed to fluctuations in foreign exchange rates, particularly as revenue is predominantly denominated in US dollars.

##### **Mitigation:**

- Diversify product offerings to include value-added products like frozen or processed shrimp.
- Establish contractual agreements with buyers to secure pricing and sales volumes.
- Conduct ongoing market research to anticipate trends and adjust strategies accordingly.
- Assess and implement hedging strategies to mitigate foreign exchange risk.

#### **4. Regulatory Changes**

Changes in government regulations regarding aquaculture may impact operations, costs and compliance requirements.

##### **Mitigation:**

- Stay informed on regulatory developments and actively engage with industry associations.
- Ensure regulatory compliance through regular audits and staff training.
- Develop contingency plans to adapt to potential regulatory shifts.

## Management Discussion & Analysis (cont'd)

### 5. Climate Change

Climate change may affect water temperatures and salinity, influencing prawn farming conditions.

**Mitigation:**

- Implement adaptive farming practices that account for environmental variability.
- Develop emergency response plans and maintain insurance coverage to mitigate potential financial losses.

### 6. Supply Chain Disruptions

Disruptions in the supply of critical resources such as feed and equipment can impede operations.

**Mitigation:**

- Build relationships with multiple suppliers to ensure resource availability.
- Maintain inventory buffers for essential supplies to reduce the risk of shortages.

### 7. Reliance on Key Personnel

The success of prawn farming depends heavily on the expertise of key management and technical personnel. Loss of skilled workers or difficulty in attracting talent could negatively impact operations.

**Mitigation:**

- Offer competitive salaries and benefits to retain skilled personnel.
- Invest in training and development programmes to enhance employee skills and future leadership potential.
- Implement performance-based bonuses and profit-sharing schemes to align employee interests with the company's success.
- Introduce share option schemes to encourage long-term commitment from key personnel.

By proactively addressing these risks through structured mitigation strategies, the Group strengthens its resilience, ensuring the sustainability and profitability of its prawn farming operations.

## Management Discussion & Analysis (cont'd)

### **OUTLOOK AND PROSPECTS**

Looking ahead, MAG remains focused on aquaculture and food trading as primary growth drivers. The Group will continue to explore new market opportunities, increase exports and diversify our product range, particularly in value-added products. Despite external challenges such as economic uncertainties and regulatory changes, we are optimistic that our strategic initiatives and enhanced operational efficiencies will positively contribute to the Group's financial performance in financial year ending 30 June 2025.

The global demand for seafood continues to rise, driven by an increasing population and enhanced dietary preferences toward healthy, protein-rich foods. Given these emerging trends, it is pertinent to assess how we can strategically position ourselves to leverage opportunities in this sector.

Aquaculture production is projected to grow by an average annual growth rate of 6.7%. This gives us a compelling reason to focus on enhancing our production capabilities and embracing sustainable practices. Our commitment to responsible aquaculture is more crucial than ever as stakeholders become increasingly aware of the environmental impact associated with seafood production.

In line with our vision, we aim to implement innovative farming practices that not only optimise yield but also minimise ecological consequences. The integration of technology in our operations, is anticipated to boost our efficiency and sustainability. By investing in advanced aquaculture technologies, we can improve disease management and reduce reliance on antibiotics, thereby promoting healthier prawns and meeting the rising consumer expectations for quality.

As the trend toward farm-to-table continues to gain traction, quality processing becomes integral to our supply chain and drives the need to deliver premium products to customers with both freshness and traceability. We anticipate that investments in modern processing facilities will not only enhance food safety but also diversify our product offerings, allowing us to explore value-added products such as Ready-to-Cook and Ready-to-Eat prawns.

We foresee that consumer preferences will also dictate the future trajectory of our business. We are cognisant of the increasing consumer demand for sustainably sourced and responsibly farmed seafood. To address this, we will enhance our marketing efforts to communicate our sustainability credentials effectively. By prioritising transparency and education about our practices, we aim to build trust and loyalty among our consumers.

We are committed to positioning MAG at the forefront of responsible prawn farming and processing. With a focus on innovation, sustainability and collaboration, we are confident that we can meet the growing global demand for aquaculture products while simultaneously contributing to environmental stewardship.

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<sup>1</sup> [https://www.was.org/article/A-decadal-outlook-for-global-aquaculture.aspx#:~:text=It%20is%20often%20cited%20that,decades%20\(FAO%2C%202022b\).](https://www.was.org/article/A-decadal-outlook-for-global-aquaculture.aspx#:~:text=It%20is%20often%20cited%20that,decades%20(FAO%2C%202022b).)

# SUSTAINABILITY STATEMENT

This section outlines the progress of MAG Holdings Berhad (MAG, or the Group) in its sustainability journey, encompassing Economic, Environmental, Social and Governance activities and initiatives across the Group's business operations.

This Statement should be read alongside the Management Discussion and Analysis, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Corporate Governance Report.

## **REPORTING FRAMEWORK**

This Statement was prepared according to the ACE Market Listing Requirements, Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad (Bursa Securities), with reference to the Global Reporting Initiative (GRI) Standards.

MAG is currently in the early stages of outlining and implementing a Sustainability Roadmap which will include approaches to data collection, monitoring and KPIs. As such, for now, information is presented where available. In future editions of the Annual Report, the Group will strive to ensure a more comprehensive reporting of our sustainability initiatives as we improve on our processes.

## **REPORTING PERIOD & CYCLE**

This Statement covers MAG's sustainability initiatives for the financial period of 1 July 2023 to 30 June 2024 (FYE 2024). The Group's sustainability reporting cycle is concurrent with its financial year.

## **STATEMENT OF USE**

This Statement was prepared by the Group's Management Team and its accuracy has been assessed and approved by the Board of Directors (Board), who also acknowledge responsibility for its use.

## **REPORTING SCOPE & BOUNDARIES**

This Statement covers MAG's primary operations in Malaysia and the Group's wholly owned subsidiaries. It does not include any joint ventures, vendors, suppliers or entities in which the Group does not hold a controlling stake. The boundary of this Statement is in the areas beyond financial reporting and includes non-financial performance, risks, opportunities and outcomes attributable to or associated with our key stakeholders.

## **ASSURANCE**

Any financial data disclosed in this Statement is derived from the Financial Statements section of this Annual Report, which has been audited and assured by an external auditor. The non-financial data and information presented have not been externally assured.

## **LIMITATIONS**

While MAG has made all efforts to collect and present accurate, relevant and meaningful qualitative and quantitative data sourced from official company sources and records, we are cognisant of the existing gaps in data availability for certain indicators. We are currently working on a more comprehensive data gathering and tracking mechanism to enhance our reporting in future editions of the Annual Report.

## Sustainability Statement (cont'd)

### **FORWARD-LOOKING STATEMENT**

This Statement may contain forward-looking statements on MAG's targets, plans, operations and performance based on current business trajectories. The Group's business is subject to risks and unforeseen events beyond our control, as such, we advise readers not to rely solely on these statements, as actual results may differ.

### **FEEDBACK & COMMENTS**

The Annual Report containing this Statement is available to the public on our corporate website <https://magholdings.com.my>. MAG welcomes stakeholders' feedback and suggestions to enable continuous improvement to our disclosures.

Email: [mag@magholdings.com.my](mailto:mag@magholdings.com.my)

### **OUR APPROACH TO SUSTAINABILITY**

As a leading aquaculture player, our business is closely tied to the environment. As such, MAG is committed to embedding sustainability into every aspect of our business operations. Our approach is aligned with Bursa Securities' requirements and is structured around the key pillars of environmental, social and governance (ESG) responsibility. Additionally, where possible and relevant, we reference the GRI Standards in our reporting to ensure transparency, measurability and accountability.

As part of our long-term sustainability vision, MAG is developing a comprehensive Sustainability Roadmap. This roadmap will serve as a strategic framework for integrating sustainability deeper into our core business operations, enabling us to set clear, measurable targets across key ESG areas.

- **Key Focus Areas:** Our roadmap will concentrate on critical aspects such as reducing our carbon footprint, enhancing resource efficiency, adopting circular economy principles and promoting biodiversity within our aquaculture processes.
- **Stakeholder Engagement:** The roadmap will be developed in consultation with key stakeholders, including employees, customers, investors, regulators and local communities. This ensures that our sustainability efforts are aligned with the expectations and needs of those we impact the most.
- **Short-Term, Medium-Term and Long-Term Goals:** The roadmap will outline short-term, medium-term and long-term sustainability goals that align with global standards such as the United Nations Sustainable Development Goals (UNSDGs) and GRI. This phased approach will help us prioritise immediate actions while laying the foundation for future innovation in sustainable practices.
- **Performance Monitoring:** To ensure accountability, MAG will implement a performance monitoring system that tracks our progress against defined sustainability targets.

Regular updates on our progress will be disclosed to stakeholders through our annual sustainability reports, ensuring transparency and accountability.

This Roadmap will not only guide our sustainability journey but also position MAG as a leading player in the sustainable aquaculture industry, committed to creating positive impacts for our environment, society and economy.



## Sustainability Statement (cont'd)

### **SUSTAINABILITY GOVERNANCE**

Sustainability governance at MAG is overseen by our Board which ensures that our sustainability efforts align with our corporate objectives and stakeholder expectations. The Board is responsible for setting sustainability goals, overseeing materiality assessments and integrating governance ESG considerations into our day-to-day operations and long-term strategy.

We are committed to maintaining compliance with all relevant local and international regulations and standards. Moving forward, the Group will establish a dedicated Sustainability Committee as part of a robust structure to oversee the implementation of sustainability initiatives and monitor their progress.

### **GOVERNANCE OF CORPORATE ETHICS**

Ethical conduct, integrity, accountability and strong corporate governance are the pillars of our success. These core principles shape our company culture, fostering a commitment to excellence, high performance and creating a workplace of equal opportunities.

MAG has in place comprehensive corporate governance policies and guidelines that include the Anti-Bribery and Corruption Policy, Whistleblowing Policy, Board Guidelines, Gift and Hospitality Policy, Corporate Disclosure Policy and the Directors' Fit and Proper Policy. These materials are made available to our stakeholders and the public on our corporate website. More information is available in the Corporate Governance Overview Statement section of this Report.

### **STAKEHOLDER ENGAGEMENT**

Effective stakeholder engagement is central to MAG's sustainability strategy. We actively engage with a diverse group of stakeholders to understand their concerns, align our sustainability objectives, and ensure that we are addressing the needs of those most affected by our operations.

Our engagement with these stakeholders enables us to continuously refine our sustainability strategies, ensuring that our initiatives not only align with our business objectives but also address the broader social and environmental challenges we face.

Key Stakeholders	Engagement approach	Frequency	Expected Outcome
Investors/Shareholders	<ul style="list-style-type: none"> <li>➤ Corporate website</li> <li>➤ Bursa Securities announcements</li> <li>➤ Investor Relations channel</li> <li>➤ General/extraordinary meetings</li> <li>➤ Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>➤ Quarterly/annual</li> <li>➤ As required</li> </ul>	<ul style="list-style-type: none"> <li>➤ Clear two-way communication through dedicated platforms</li> <li>➤ Transparency and timeliness in disclosures</li> <li>➤ Feedback and suggestions</li> </ul>
Employees	<ul style="list-style-type: none"> <li>➤ Meetings and briefings</li> <li>➤ Memos/circulars</li> <li>➤ Reviews with management</li> <li>➤ Events organised by MAG</li> </ul>	<ul style="list-style-type: none"> <li>➤ As required</li> </ul>	<ul style="list-style-type: none"> <li>➤ Clear understanding of expectations</li> <li>➤ Feedback and suggestions</li> <li>➤ Open channels of communication with management</li> </ul>

## Sustainability Statement (cont'd)

Key Stakeholders	Engagement approach	Frequency	Expected Outcome
Customers	<ul style="list-style-type: none"> <li>➤ Meetings</li> <li>➤ Correspondence</li> </ul>	<ul style="list-style-type: none"> <li>➤ As required</li> </ul>	<ul style="list-style-type: none"> <li>➤ Feedback and suggestions to improve our products and services</li> <li>➤ Clear communication of expectations and standards</li> <li>➤ Timeliness of our delivery</li> <li>➤ Product quality</li> </ul>
Contractors and Suppliers	<ul style="list-style-type: none"> <li>➤ Meetings</li> <li>➤ Correspondence</li> </ul>	<ul style="list-style-type: none"> <li>➤ As required</li> </ul>	<ul style="list-style-type: none"> <li>➤ Clear communication of expectations, deliverables, and standards</li> <li>➤ Feedback and suggestions</li> <li>➤ Timeliness in payments</li> <li>➤ Long term relationships</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>➤ Compliance monitoring</li> <li>➤ Participation in events organised by government agencies and regulatory bodies</li> <li>➤ Updates provided by relevant agencies</li> </ul>	<ul style="list-style-type: none"> <li>➤ As required</li> </ul>	<ul style="list-style-type: none"> <li>➤ Compliance with laws and regulations</li> <li>➤ Licensing and permits</li> </ul>
Communities	<ul style="list-style-type: none"> <li>➤ Community events</li> <li>➤ Social contributions</li> <li>➤ Job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>➤ As required</li> </ul>	<ul style="list-style-type: none"> <li>➤ Positive relationship with the community</li> <li>➤ Contribute to socioeconomic development</li> <li>➤ Obtain their feedback to enhance our sustainability initiatives</li> </ul>

## Sustainability Statement (cont'd)

### **MATERIAL SUSTAINABILITY TOPICS**

MAG acknowledges the importance of identifying and addressing the material topics that significantly impact both our business and our stakeholders.

While we have yet to conduct an external materiality assessment, we have taken an internal approach to identify key issues related to our operations, including environmental impact, employee welfare, community development and economic performance. As we refine our Sustainability Roadmap, we plan to enhance our engagement with stakeholders to formalise a structured materiality assessment, in line with global best practices. This process ensures that sustainability efforts are aligned with both stakeholder expectations and business needs.

Based on the internal assessment and industry standards, we have identified several material topics as listed below:

	Material Topic	Description
<b>Environmental Impact</b>	Water Management	Ensuring clean, uncontaminated water for prawn farming and managing wastewater responsibly
	Biodiversity and Ecosystem Conservation	Protecting local ecosystems from the impacts of farming operations, particularly in terms of maintaining marine biodiversity
	Carbon Emissions	Reducing our carbon footprint through energy efficiency and waste reduction
	Waste Management	Proper handling of waste
<b>Economic Performance</b>	Sustainable Business Growth	Our ability to grow the aquaculture business, ensuring a balance between profitability and sustainability
	Supply Chain Management	Strengthening relationships with local suppliers and supporting the use of sustainable materials in their operations
	Market Demand and Pricing	Addressing fluctuations in the demand for premium prawns and managing the impact of market pricing and competition
<b>Social Impact</b>	Employee Health, Safety and Wellbeing	Ensuring the safety and wellbeing of workers
	Community Engagement and Development	Creating jobs and contributing to local economic growth
	Human Rights and Labour Practices	Ensuring fair treatment, equal opportunities, and safe working conditions for all employees, and maintaining compliance with local labour laws and international standards

## Sustainability Statement (cont'd)

	Material Topic	Description
<b>Governance and Compliance</b>	Regulatory Compliance	Ensuring full compliance with local and international aquaculture regulations, including environmental and food safety standards (e.g. MyGAP, HACCP, GMP certifications)
	Risk Management	Proactively managing risks such as disease outbreaks in aquaculture and supply chain disruptions
	Ethical Business Conduct	Maintaining robust corporate governance and ensuring transparency and accountability in all business practices
<b>Product Quality and Safety</b>	Product Safety and Quality Assurance	Ensuring that the prawns and other seafood products meet international food safety standards, particularly in export markets
	Sustainable Aquaculture Practices	Implementing responsible farming techniques that limit the use of harmful chemicals and protect consumer health

### **ECONOMIC SUSTAINABILITY**

MAG's focus is on creating long-term value for shareholders while contributing to the economic growth of the communities where we operate. In FYE 2024, we continued to diversify our aquaculture operations, which now span 384 cultivation ponds. This expansion has not only enhanced our production capacity but has also provided stable employment opportunities for local communities in Sabah.

In addition to producing our own shrimp supply from processing, we also source from local farmers. By prioritising local suppliers and promoting local employment, MAG has contributed to the socioeconomic development of the surrounding communities. In FYE 2024, 99% of our sourcing budget was allocated to local vendors and suppliers, in keeping with our standard practices.

We have adopted a forward-looking approach to our aquaculture business, ensuring that it remains resilient to external economic shocks, such as fluctuations in commodity prices and foreign exchange rates. Our emphasis on operational efficiency and cost management will allow us to maintain profitability even during periods of market volatility.

### **ENVIRONMENTAL SUSTAINABILITY**

Generally, prawn aquaculture farming does not generate much environmental issues as there are no emissions of harmful noxious gases or the production of toxic fluids and discharges. Solid particles in the ponds entrained by the turbulence of moving water are removed naturally by sedimentation, a process which uses gravity to remove suspended solids from water.

Our operations are designed to minimise the impact on natural ecosystems, particularly within our prawn aquaculture farming. With reference to GRI's environmental reporting standards, we focus on responsible water management, reduction of greenhouse gas emissions, and waste minimisation.

## Sustainability Statement (cont'd)

Key initiatives implemented in FYE 2024 include:

### **Sustainable Aquaculture Practices**

We have adopted eco-friendly farming methods that prioritise reducing chemical usage and maintaining biodiversity. Instead of relying on chemical pesticides, we introduce specific fish species that feed on parasites, helping to maintain a healthy, chemical-free environment. These practices are in line with internationally recognised standards, and all our farms are certified under Malaysia's MyGAP certification, reinforcing our commitment to sustainable farming.

### **Efficient Use of Resources**

We continue to integrate energy-efficient technologies within our operations, reducing energy consumption and lowering our carbon footprint. We have replaced some of our paddle wheels with more energy-efficient air blowers. In addition, air blowers have fewer moving parts, resulting in lower maintenance costs and longer operational lifespans.

### **Waste Management**

Our waste management strategy focuses on reducing, reusing and recycling waste materials. Our aquaculture operations produce sludge as a residue, which is rich in phosphorus and contains nitrogen – both essential components in organic fertiliser. MAG is currently in the process of researching the most efficient methods of converting sludge to fertiliser.

## **SOCIAL SUSTAINABILITY**

We are committed to ensuring the safety and well-being of our employees, fostering an inclusive workplace, and giving back to the communities in which we operate.

### **Employee Well-being**

Occupational health and safety are top priorities. We have implemented stringent safety protocols across all operations and provide regular training to ensure that our employees work in a safe and healthy environment.

MAG has established and implemented standard operating procedures in compliance with the Occupational Safety and Health Act (OSHA) and industry best practices. We have also formed an OSHA Committee to conduct regular audits and safety inspections. The Committee is tasked with identifying potential hazards and ensuring compliance with regulations.

In FYE 2024, MAG received zero complaints concerning human rights violations.

## Sustainability Statement (cont'd)

### Human Capital Development and Diversity

Our employees are our most valuable assets. We provide ongoing training and development opportunities to help our staffs grow in their careers and contribute meaningfully to our operations. We are committed to equal opportunity, ensuring that all employees, regardless of gender identity, sexual orientation, age, ethnicity or background, have the chance to succeed, while promoting a culture of respect and collaboration.

In FYE 2024, we began collecting data on all our workers across our operations, which includes gender and other details. This will allow us to plan and implement initiatives that specifically target their areas of need and foster a conducive workplace that prioritises their wellbeing.

### Community Engagement

MAG supports the local communities through job creation, social contributions and partnerships with local suppliers. Our prawn farming operations in Sabah are not only a key driver of the local economy but also an essential part of the community's social fabric.

### OUR COMMITMENT

MAG will continue to strengthen its sustainability efforts by further integrating ESG considerations into our business strategy. Our future focus will include exploring new sustainable technologies, enhancing biodiversity within our aquaculture operations and fostering deeper engagement with our stakeholders to ensure that our sustainability initiatives meet evolving expectations.

By aligning with Bursa Securities' guidelines and the GRI Standards, MAG remains dedicated to promoting sustainability as a foundation for long-term business success, environmental stewardship and social responsibility.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board) presents this Statement to provide shareholders and investors with an overview of the corporate governance practices of MAG Holdings Berhad (MAG or the Company) and together with its subsidiaries (the Group) for the financial year ended 30 June 2024 (FYE 2024). This overview takes guidance from the corporate governance principles set out in the Malaysian Code on Corporate Governance (MCCG).

This Statement is prepared in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements) (Bursa Securities) and is to be read in conjunction with the corporate governance report 2024 (CG Report) which is available on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my). The CG Report provides explanations on how the Group applied each corporate governance practice (Practice) set out in the Code in FYE 2024.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### a) Board Responsibilities

The Board acknowledges and fully supports the importance of corporate governance in directing and managing the businesses and affairs of the Group, and to safeguard and enhance shareholders' value and performance of the Group on a sustainable and long-term basis.

The Board determines the Group's strategic objectives and ensures that required resources are in place for the Group to meet its objectives and to guide the Group on its short-term and long-term goals, providing advice, stewardship and directions on the management and business development of the Group. The Board also sets the Group's values and standards and ensure that its obligations to the shareholders and other stakeholders are understood and fulfilled.

#### Board Charter

The roles and responsibilities of the Board is formalised in the Board Charter. The Board Charter also clearly sets all relevant governance matters and applicable limits of authority, including matters reserved for the Board and those which are expressly delegated to Board committees, the chairman of the Board, the Managing Director (MD)/Chief Executive Officer (CEO) or a nominated member of the Executive Management, subject always to the ultimate responsibility of the Directors under the Companies Act 2016. The Board Charter is reviewed periodically or as and when changes occur to ensure that it reflects the current needs of the Group. Further details of the Board Charter can be found on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my).

Further of the above and to ensure orderly and effective discharge of its functions and responsibilities, the Board has established the following Board committees:

- Audit and Risk Management Committee (ARMC)
- Nomination Committee (NC)
- Remuneration Committee (RC)
- Long-Term Incentive Plan Committee

Presently the Board has seven members, comprising the Executive Chairman, four Independent Non-Executive Directors and two Non-Independent Non-Executive Directors. Mr. Ng Min Lin is the Executive Chairman of the Board. The MD/CEO position is vacant.

In the absence of a MD/CEO, the Executive Chairman takes on the responsibility of managing the Group's businesses and resources as well as overseeing and managing the day-to-day operations of the Group. The Board took note of Practice 1.3 which states the positions of Chairman and CEO are to be held by different individuals to ensure a balance of power and authority.

While the Group is searching for a suitable MD/CEO to fill the vacancy, the Board (save for the Executive Chairman) is of the view that there are sufficient experienced and independent-minded Directors on the Board to provide sufficient checks and balances to ensure a balance of power and authority.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### a) Board Responsibilities (cont'd)

##### Code of Ethics and Conduct

The Board has formalised a Code of Ethics and Conduct which reflects the Group's vision and core values of integrity, respect and trust. The core areas concerned include the following:

- Conflict of interest
- Confidential information
- Insider information and securities trading
- Protection of assets
- Business records and control
- Compliance with laws
- Personal gifting and contributions
- Safety, health and environment

The Code of Ethics and Conduct governs the conduct of the Directors and all officers and employees of the Group and provides guidance on the communication process and the duty to report whenever there are breaches of the same. In connection thereto, each Director is to communicate any suspected violations of the Code of Ethics and Conduct to the chairman of the ARMC and all violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken if deemed appropriate. The Code of Ethics and Conduct is reviewed and updated from time to time by the Board to ensure that it continues to remain relevant and appropriate. The Code of Ethics and Conduct is published on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my).

##### Whistleblowing Policy

To maintain the highest standards of ethical conduct and integrity, the Group has adopted a formal Whistleblowing Policy to promote good business conduct and maintain business integrity. This policy establishes a framework where stakeholders can raise in confidence any possible corporate misdemeanors. The whistleblowing channel was created to help stakeholders raise their concerns without fear of retaliation and to provide protection from reprisals and victimisation provided that the whistleblowing was done in good faith. The Whistleblowing Policy is published on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my).

The Board will review and update the Whistleblowing Policy as and when necessary to ensure that it remains relevant to the Group's business circumstances and comply with the applicable laws and regulations.

##### Anti-Bribery and Corruption Policy

The Board ensures adequate policies and procedures on anti-bribery and corruption practices are in place to prevent any bribery or corruption practices within the Group.

The policy on anti-bribery and corruption established by the Group is in line with the corporate liability provisions pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which takes effect from 1 June 2020. The Anti-Bribery and Corruption Policy can be viewed on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my).

##### Succession Planning

The Group recognises that effective succession planning is integral to the delivery of its strategic plans. It is essential to ensure a continuous level of competency is in place in the key management team for a planned future change in key management and to mitigate risks that may cause the untimely departure of any key management member of the Group.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### a) Board Responsibilities (cont'd)

##### Company Secretary

The Board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures and advocate the adoption of corporate governance best practices.

All members of the Board have full and unrestricted access to the Company Secretary who is a member of the Malaysian Institute of Chartered Secretaries and Administrators.

##### Directors' Meetings and Time Commitment

All the Directors are committed to discharge their roles and responsibilities effectively. Board and Board committees meeting dates are pre-scheduled before the start of the financial year to enable all parties to plan their schedule ahead.

The Board had seven meetings during the FYE 2024, and their meeting attendance are as follows:

Director	Meetings attended	% of attendance
Ng Min Lin	7/7	100%
Yeoh Wooi Kia	7/7	100%
Collin Goonting a/l O.S. Goonting	7/7	100%
Datuk Lim Si Cheng	7/7	100%
Wan Mohd Hazrie Bin Wan Mokhtar	7/7	100%
Melvin Lim Chun Woei	7/7	100%
Wong Jo Ann	7/7	100%

##### Directors' Training

The Board's NC oversees the training needs of each Director and an annual assessment is carried out on the training needs. Directors' training is an ongoing process as the Board recognises that Directors should keep abreast with the current development of the industry as well as on the new or revised statutory and regulatory requirements to enable them to discharge their duties effectively.

All Directors appointed to the Board had attended the mandatory accreditation programme accredited by Bursa Securities.

During the FYE 2024, the Directors have attended the following training programs:

Director	Training courses, Briefings or Seminars	Date
Ng Min Lin	1. Management of Cyber Risk	25.10.2023
	2. Best Practice for Halal Supply Chain	14.11.2023
Yeoh Wooi Kia	1. Corporate Sustainability Fundamentals	23.05.2024
	2. A Guide to Strategic Risk Management	24.05.2024
Datuk Lim Si Cheng	1. Management of Cyber Risk organised by Ernst & Young	25.10.2023
	2. Integration of Corporate Social Due Diligence by KPMG	14.11.2023
Melvin Lim Chun Woei	1. Mandatory Accreditation Program Part II	29.04.2024 & 30.04.2024

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### a) Board Responsibilities (cont'd)

##### Directors' Training (cont'd)

Director	Training courses, Briefings or Seminars	Date
Wong Jo Ann	1. Management of Cyber Risk organised by Ernst & Young	25.10.2023
	2. Valuation in a Specialised Industry: Agriculture, Horticulture and Aquaculture - Addressing and Mitigating the Challenges faced by Auditors	29.05.2024

The Board also facilitates a familiarisation program for newly appointed Directors which include on-site visit to the Group's business operations and organise meetings with key management to understand the Group's affairs, operations and businesses.

#### b) Board Composition

The Group is led by an experienced and diversified Board which comprises professionals from various fields to bring together a balance of skills, diversity, mix of experience and expertise in areas relevant to the Group's business.

The present Board comprises of one Executive Chairman, four Independent Non-Executive Directors and two Non-Independent Non-Executive Directors, collectively bring with them wide and varied technical, financial and corporate experience to enable the Board to lead and steer the Group effectively.

The majority of Independent Non-Executive Directors on the Board help to bring objective and independence judgements to facilitate a balanced leadership in the Group.

##### Nomination Committee

The NC of the Company comprises exclusively of non-executive Directors, all of whom are Independent Non-Executive Directors.

The terms of reference of the NC which include, amongst others, the authority, duties, and selection and assessment of directors, can be viewed on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my).

The NC, in discharging its functions and responsibilities, carried out the following activities during the FYE 2024:

- Discussed, reviewed and recommended the re-election and re-appointment of Directors at the forthcoming annual general meeting;
- Assessed and confirmed the independence of Independent Non-Executive Directors in accordance with the criteria set by the Listing Requirements;
- Reviewed the structure, size, balance and composition of the Board having regard to the mix of skills, experience and expertise, diversity, gender and time commitment of each Board member to meet the needs of the Group;
- Reviewed the terms of office and performance of other Board committees;
- Reviewed and recommended the training needs of Directors; and
- Board evaluation as described below.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### b) Board Composition (cont'd)

##### Board Evaluation

The Board undertakes a formal and objective annual evaluation to determine the effectiveness of the Board as a whole, its committees and contribution of each individual Director.

This evaluation is facilitated by the Company Secretary and conducted using the evaluation forms set out in Bursa Securities' Corporate Governance Guide covering the following aspects:

- a) Board and Board committees
  - Board mix and composition
  - Quality of information and decision making
  - Boardroom activities
  - Board's relationship with the management
- b) Directors
  - Fit and proper
  - Contribution and performance
  - Caliber and personality

As for the ARMC, the annual evaluation also covers the following aspects:

- a) The ARMC as a whole on:
  - Quality and composition
  - Skills and competencies
  - Meeting administration and conduct
- b) Self and peer evaluation by the ARMC members

Based on the evaluation carried out in FYE 2024, the NC has informed the Board that it was satisfied with the contribution and performance of each individual Director.

In Board nomination and election process, the NC takes into consideration the following criteria in selection process:

- Skills, experience, expertise and personal traits of the candidate that will best complement the board effectiveness;
- The capability of the candidate to devote the necessary time to the role, his/her potential conflict of interest and ability to exercise independent judgment; and
- The existing composition of the Board, aimed at providing diversity to the Board

The use of external search organisations for the identification of potential director candidates may be considered if deemed necessary.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### b) Board Composition (cont'd)

##### Board Evaluation (cont'd)

The Board understands the requirements of the MCCG that the board must comprise at least 30% women directors. Currently, we have one (1) women director out of seven directors, representing approximately 14% of the Board's composition. In order to make the Company has good practice in corporate governance, the Board will review and consider the appointment of more female Directors, taking into consideration the combination of skills, experience and diversity necessary to strengthen the composition of the Board.

The seven (7) members of the Board are persons of high integrity and are responsible for overall governance of the Group by ensuring that the Group's internal control, risk management and reporting procedures are well in place. The current size and composition of the Board are considered adequate to provide mix of skills, experience and expertise. Furthermore, the Board is of the view that with the current Board size, the power and authority of Executive Directors and Independent Non-Executive Directors are balanced. The Board will continue to monitor and review the Board size and composition as and when necessary.

#### c) Remuneration

The Board, through the RC, ensure the level and compensation of remuneration of Directors and senior management commensurate with the skills, experience and responsibilities and that it must be sufficient to attract and retain the right talent to drive the Company's objectives.

The RC is guided by the remuneration policies and procedures as well as the market norms and industry practices to recommend the remuneration of Directors and senior management for Board approval.

The Board ensures the remuneration for non-executive directors, including Independent Non-Executive Directors, does not conflict with their obligations to bring objectivity and independent judgment to the Board.

The terms of reference and policies and procedures are included in the Board Charter which is available on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my).

The breakdown of the total remuneration paid or payable or otherwise made available to all Directors of the Company and the Group who served during the financial year is as follows:

##### Company

Director	Directors' Fee RM'000	Salary RM'000	Bonus RM'000	Other Emolument RM'000	Meeting Allowance RM'000	Total RM'000
Executive:						
Ng Min Lin	–	–	–	–	–	–
Non-Executive:						
Yeoh Wooi Kia	54.00	–	–	–	4.00	58.00
Collin Goonting a/l O.S. Goonting	42.00	–	–	–	4.00	46.00
Datuk Lim Si Cheng	42.00	–	–	–	4.00	46.00
Wan Mohd Hazrie Bin Wan Mokhtar	42.00	–	–	–	3.50	45.50
Melvin Lim Chun Woei	42.00	–	–	–	3.50	45.50
Wong Jo Ann	42.00	–	–	–	3.50	45.50
Total	264.00	–	–	–	22.50	286.50



## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

#### c) Remuneration (cont'd)

##### Group

Director	Directors' Fee RM'000	Salary RM'000	Bonus RM'000	Other Emolument RM'000	Meeting Allowance RM'000	Total RM'000
Executive:						
Ng Min Lin	–	720.00	–	91.16	–	811.16
Non-Executive:						
Yeoh Wooi Kia	54.00	–	–	–	4.00	58.00
Collin Goonting a/l O.S. Goonting	42.00	–	–	–	4.00	46.00
Datuk Lim Si Cheng	42.00	–	–	–	4.00	46.00
Wan Mohd Hazrie Bin Wan Mokhtar	42.00	–	–	–	3.50	45.50
Melvin Lim Chun Woei	42.00	–	–	–	3.50	45.50
Wong Jo Ann	42.00	–	–	–	3.50	45.50
<b>Total</b>	<b>264.00</b>	<b>720.00</b>	<b>–</b>	<b>91.16</b>	<b>22.50</b>	<b>1,097.66</b>

Other emolument comprises employer's contribution to EPF, Socso and Employment Insurance System (EIS).

The key management of the Company who served during the financial year is listed in the profile of key managements appearing on page 4 to 12 of the Annual Report and their total remuneration fall within the following bands:

Range of Remuneration (RM)	No. of Key Management
100,001 – 150,000	1
150,001 – 200,000	–
200,001 – 250,000	1
250,001 – 300,000	–
300,001 – 350,000	–
350,001 and above	1

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### a) Audit and Risk Management Committee

The ARMC is tasked with assisting and supporting our Board in fulfilling its statutory and fiduciary responsibilities related to areas such as financial reporting, internal controls, external and internal audit functions, risk management, governance and other matters impacting our Group's and Company's businesses and financial conditions.

The ARMC is currently chaired by Mr. Yeoh Wooi Kia, an Independent Non-Executive Director, and is supported by two other Independent Non-Executive Directors, namely Datuk Lim Si Cheng and Mr. Collin Goonting a/l O.S. Goonting.

The ARMC has policies and procedures to assess the performance, suitability, objectivity and independence of the external auditors. Prior to the commencement of the annual audit, the ARMC will seek confirmation from the external auditors as to their independence. This independence confirmation would be re-affirmed by the external auditors to the ARMC upon their completion of the annual audit. These confirmations were made pursuant to the independence guidelines of the Malaysian Institute of Accountants.

## Corporate Governance Overview Statement (cont'd)

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

#### b) Risk Management and Internal Control Framework

The Board ensure the Group has effective governance, risk management and internal control framework and this is achieved via a risk management framework that adopts a structured and integrated approach in managing the key business risks of the Group.

The risk management framework, together with the system of internal control, is designed to ensure the Group's risks are within its risk appetite.

As for the adequacy and effectiveness of the system of internal control, it is reviewed by the ARMC with assistance from the internal auditors. The internal audit function is outsourced to an independent professional consulting firm to provide independence and objective assurance on the effectiveness of governance, risk management processes and internal control system of the Group.

The internal auditors report directly to ARMC. Internal audit reports are tabled to the ARMC for review and Executive Management is required to be present at ARMC meetings to respond and provide feedback on the audit findings and its recommendation. In addition, Executive Management is also required to present to the ARMC, status updates on significant matters and changes in key processes that could impact the Group's operations.

Based on the above, the Board is of the view that the risk management process and system of internal control were in place during FYE 2024 for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### a) Communication with Stakeholders

The Board is committed to ensuring continuous communication between the Group and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

The Board strives to ensure the communication is effective, transparent and timely and is available on an equal basis.

The release of announcements and information via Bursa Securities is handled by the Company Secretary within the prescribed requirements of Listing Requirements and is guided by the Group Corporate Disclosure Policy. The Group Corporate Disclosure Policy outlined the procedures and processes to be followed in ensuring compliance by all Directors, officers and employees of the Group.

The Group's website also provides relevant information to stakeholders and the investing community. Quarterly and annual financial statements, announcements, financial information, annual reports, and circulars or statements to shareholders are uploaded onto the website for investors and the public.

Shareholders' queries or concerns relating to the Group may be conveyed to our Executive Chairman or the senior management team. Their contact details can be found at our website at [www.magholdings.com.my](http://www.magholdings.com.my).

Mr. Collin Goonting a/l O.S. Goonting, our Independent Non-Executive Director, is designated by the Board to be the contact person for a consultation and direct communication with shareholders on areas that cannot be resolved through the normal channels of contact with the Executive Chairman or senior management team.

## Corporate Governance Overview Statement (cont'd)

### **PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)**

#### **b) Conduct of General Meetings**

The Board recognise that general meetings, particularly the annual general meetings, are important platforms for the Directors and senior management to engage with shareholders to facilitate a greater understanding of the Group's business, governance and financial performance.

The Company strives to ensure all the Directors attend all the Company's general meetings and encourages shareholders to attend and exercise their ownership rights to ask questions, to express views and to vote at the general meetings. Members of the Board as well as Auditors of the Company are present in the AGM to answer and provide explanations on queries raised during the meetings.

Each item of special business included in the notice of the meeting will be accompanied by an explanatory statement for the proposed resolution to facilitate full understanding and evaluation of the issues involved.

In line with the best practice of Corporate Governance, notices for annual general meetings will be given to shareholders at least 28 days prior to the meeting. Shareholders were notified of their rights to demand poll voting. As mandated by Bursa Securities, voting at the General Meetings of the Company is by way of poll voting.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board on 24 October 2024.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This Statement on Risk Management and Internal Control which has been prepared in accordance with the Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) (Guidelines) is made pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements).

## BOARD RESPONSIBILITY

The Board of Directors (Board) acknowledges that risk management and internal control are integral to corporate governance and that it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness.

The Board recognises that the Group's risk management framework and internal control system are designed to manage the Group's risks within its acceptable risk appetite, rather than to eliminate the risk of failure to achieve the Group's business and corporate objectives. As risks are inherent in all business activities, the said framework and system provide reasonable, rather than absolute assurance against the risks of material misstatement of financial information or against financial losses and fraud or breaches of laws or regulations.

The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit and Risk Management Committee (ARMC).

## RISK MANAGEMENT

The Group's Enterprise Risk Management Framework adopts a structured and integrated approach in managing key business risks with the aim of safeguarding the Group's assets and the shareholders' interests.

The ARMC reviews the adequacy and effectiveness of the risk management process and the management has been entrusted to identify and assess risks as well as to ensure that the risk management processes are adequate and effective. All policies and procedures formulated to identify, assess, measure, manage and monitor various risk components are reviewed periodically.

Additionally, the ARMC reviews and assesses the adequacy of risk management policies and ensures that the infrastructure, resources and systems are in place for implementing the risk management processes.

The risk management processes involve the key management staff in each functional or operating unit of the Group. The risks identified remain the foundation in developing a risk profile and the action plans to assist key management to manage and respond to these risks.

The Group's risk management practices are business driven and the processes in identifying, evaluating and managing significant risks facing the Group are embedded into its culture and operations. These processes are driven by the Executive Chairman in response to the changes in the business environment and are clearly communicated to all levels, via management meetings (formal and informal) and discussions.

## INTERNAL CONTROL SYSTEM

The Board acknowledges the importance of the internal audit function and is committed to articulating, implementing and reviewing the Group's system of internal control. The internal audit function has been outsourced to an independent professional service provider to assist the ARMC in discharging their responsibilities and duties.

The outsourced Internal Auditor is led by a management team, who are registered with professional bodies. In addition, the entire outsourced internal audit team is re-affirmed to be totally independent and the internal auditors report directly to the ARMC.

## Statement On Risk Management And Internal Control (cont'd)

### INTERNAL CONTROL SYSTEM (cont'd)

The Group outsourced its internal audit function to an independent firm of consultants and the internal audit function was carried out in accordance with a risk-based audit plan approved by ARMC. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's system of internal control. The Internal Auditors present their Internal Audit Reports, which include their findings and recommendations for improvements, to the ARMC for its review and deliberation. The engagement director is an Accountant registered with the Malaysian Institute of Accountants (MIA), Fellow Certified Practising Accountant (FCPA) with CPA Australia, Chartered Member of the Institute of Internal Auditors Malaysia (CMIIA) and an Certified Internal Auditor accredited by the Institute of Internal Auditors Inc.

The ARMC also appraised the adequacy of the comments, actions and measures to be taken by the Executive Management in resolving the audit issues reported and recommended for further improvement.

The key elements of the Group's existing system of internal control include:

- (a) A management organisational structure with clearly defined lines of responsibilities, authority and accountability;
- (b) Approval and authority limits are imposed on key senior management in respect of daily operations and major non-operating transactions;
- (c) The Board and ARMC meet quarterly to discuss financial performances, business operations, strategies and corporate updates;
- (d) Management accounts and reports are prepared monthly for monitoring of actual performances;
- (e) Corporate and regulatory matters are controlled centrally at Group level;
- (f) The ARMC is comprised entirely of Independent Directors with full and unrestricted access to both internal and external auditors; and
- (g) The quarterly financial results and yearly audited financial statements are reviewed by the ARMC prior to the approval by the Board.
- (h) The Group has in place a Whistleblowing Policy which provides a channel to employees to report in confidentiality without fear of reprisals, concerns about possible improprieties in financial reporting or other matters; and
- (i) The Group has an Anti-Corruption and Bribery Policy in place to prevent the occurrence of corruption and bribery practice in relation to the business.

### ASSURANCE

The Board has reviewed the adequacy and effectiveness of the Group's risk management framework and system of internal control for the financial year ended 30 June 2024 (FYE 2024) and up to the date of approval of this Statement and is of the view that the risk management process and system of internal control are in place for the period covered by this Statement for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group.

The Executive Chairman is accountable to the Board for identifying risks relevant to the business of the Group, implementing and maintaining sound risk management practices and internal controls and monitoring and reporting to the Board on significant control deficiencies and changes in risks that could affect the Group's objectives and performance.

## Statement On Risk Management And Internal Control (cont'd)

### ASSURANCE (CONT'D)

The Executive Chairman and the acting head of finance have provided assurance to the Board that the Group's risk management process and internal control system were operating adequately and effectively in all material aspects, and that there were no material losses incurred as a result of any weaknesses in internal controls that would require disclosure in this Annual Report.

The Board and Executive Management will continuously improve and enhance the system of internal control to ensure its adequacy and relevance in safeguarding the shareholders' interests and the Group's assets.

### REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

#### REVIEW BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad's ACE Market Listing requirements, the external auditor has reviewed this statement on Risk Management & Internal Control. The review was performed in accordance with the Audit and Assurance Practice Guides (AAPG 3): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report of the Group for the FYE 2024, issued by the Malaysian Institute of Accountants. AAPG3 does not require the External Auditor to consider whether the Statement of Risk Management and Internal Control covers all risks and controls or to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is neither prepared, in all material aspects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 24 October 2024.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Audit and Risk Management Committee (ARMC) was established to act as a committee of the Board of Directors (Board) with the primary objective of assisting the Board in fulfilling its fiduciary duties in relation to:

- Assessing the processes in relation to the risk and control environment;
- Overseeing financial reporting and internal controls;
- Evaluating the internal and external audit processes; and
- Reviews conflict of interest situations and related party transactions.

The ARMC was also empowered by the Board to directly oversee the Group's risk management framework and policies and its implementation.

The ARMC is guided by its terms of reference which can be viewed on the Group's website at [www.magholdings.com.my](http://www.magholdings.com.my).

## COMPOSITION AND MEETINGS

The members of the ARMC during the financial year ended 30 June 2024 (FYE 2024) and as at the date of this Report together with their attendance record at meetings held during FYE 2024 are as follows:

Director	Designation	Meetings attended
Yeoh Wooi Kia (Chairman)	Independent Non-Executive Director	7/7
Collin Goonting a/l O.S. Goonting (Member)	Independent Non-Executive Director	7/7
Datuk Lim Si Cheng (Member)	Independent Non-Executive Director	7/7

Whilst the ARMC's terms of reference require the ARMC to meet at least four times in a financial year, it met seven times during FYE 2024. The Company Secretary who is also the Secretary to the ARMC was in attendance for all the meetings. Executive Management and other officers, if necessary, were invited to the meetings to deliberate on matters within their purview. Internal and external auditors were present at certain ARMC meetings to brief the ARMC on their respective findings and any other pertinent issues.

After each meeting, the ARMC Chairman submits a report on matters deliberated to the Board for their reference and notation. Matters reserved for the Board's approval are tabled at Board meetings. The Company Secretary records the decisions made and actions required and forward them to Executive Management for their actions.

## SUMMARY OF ACTIVITIES OF ARMC

The following activities were carried out by the ARMC in FYE 2024 in the discharge of its functions and duties and to meet its responsibilities:

### (a) Financial Reporting

- Reviewed the unaudited quarterly financial results including the announcements and before recommending to the Board for approval and release the results to Bursa Malaysia Securities Berhad; and
- Reviewed the Draft Audited Financial Statement of the Group and the company for the FYE 2024 and recommended the same for the Board's approval.

### (b) External Audit

- Reviewed and approved the external auditors' audit plan for FYE 2024;
- Reviewed and analysed the proposed audit fees for approval of the Board;
- Reviewed the nature, scope and appropriateness of the level of non-audit fees in respect of non-audit services rendered by the external auditors to ensure that their independence is not impaired;
- Reviewed and discussed with the external auditors of their audit findings inclusive of changes in or implementation of major accounting policies, significant matters arising from the audit, significant judgments made by the Executive Management, significant and unusual events or transactions, compliance with accounting standards and other legal and regulatory requirements and how all these matters are dealt with in the audit report and reported the same to the Board;



## Audit And Risk Management Committee Report (cont'd)

### SUMMARY OF ACTIVITIES OF ARMC (cont'd)

#### (b) External Audit (cont'd)

- Deliberated on significant matters raised by the external auditors including financial reporting issues, significant judgments made by the Executive Management, significant and unusual events or transactions and management reports and updates on actions recommended by the external auditors for improvement;
- Evaluated the performance, suitability and independence of the external auditors and recommended them to the Board for re-appointment; and
- Met with the external auditors without the presence of executive Board members and Management.

The ARMC was briefed by the external auditors on issues that the external auditors deemed appropriate and obliged to bring to the attention of ARMC.

#### (c) Internal Audit

- Reviewed and approved the internal audit plan and the internal auditors' scope of work;
- Reviewed and discussed with the internal auditor, the audit reports and assessed the findings, recommendations and management response;
- Conducted private sessions with the Internal Auditor without the presence of other directors and key management of the Group to enable the Internal Auditor to raise any other issues noted during the conduct of internal audit activities;
- Reviewed the adequacy and effectiveness of corrective actions taken by the Executive Management on all significant matters raised by the internal auditors; and
- Assessed the competency and adequacy of resources of internal audit team.

#### (d) Related Party Transactions

The ARMC reviewed on a quarterly basis the significant related party transactions (including recurrent related party transactions of a revenue or trade nature) to ensure that the said transactions are carried out at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and on terms not more favorable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

#### (e) Annual Report

- Reviewed and issued this ARMC Report for inclusion in the Annual Report 2024; and
- Reviewed the Statement on Risk Management and Internal Control and recommended the same for the Board's approval for inclusion in the Annual Report.

#### (f) Risk Management

- Reviewed the adequacy and effectiveness of the risk management process in identifying and assessing risks;
- Reviewed and assessed the adequacy of the risk management policies and ensured that the necessary infrastructure, resources and systems are in place for implementing the risk management process;
- Reviewed and discussed with the internal auditor, the risk management reports and assessed the findings, recommendations and management response; and
- In FYE 2024, the internal auditor assessed the change in MAG's risk profile and the review undertaken involves the following function/ operating units:
  - Risk Owner 1: Operation (Farm)
  - Risk Owner 2: Operation (Processing Factory)
  - Risk Owner 3: Finance
  - Risk Owner 4: Procurement
  - Risk Owner 5: Human Resource
  - Risk Owner 6: Sales

## Audit And Risk Management Committee Report (cont'd)

### INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional consulting firm to assist the ARMC in discharging their responsibilities and duties. The role of the internal audit function is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance to the ARMC that such systems continue to operate satisfactory and effectively in the Group. The Internal Auditor has carried out the internal audit activities based on the approved annual internal audit plan and is guided by the International Professional Practices Framework (IPPF) for internal auditing issued by The Institute of Internal Auditors.

The internal auditors present their audit reports which include their findings and recommendations for improvements to the ARMC for its review and deliberation. The internal auditors also carried out follow-up reviews to monitor the status of implementing the recommendations proposed by them and agreed by the management.

The ARMC appraised the adequacy of the comments, actions and measures to be taken by the management in resolving the audit issues reported and recommended for further improvement.

#### Summary of the work of the internal audit function

During the FYE 2024, the internal audit carried out review on the adequacy and effectiveness of the system of internal control on the Group's prawn aquaculture operations, in the following areas:

- (a) Human Resources and Payroll Management; and
- (b) Follow up review of the previous internal audit reports.

The ARMC discussed with the Internal Auditor for its findings and, where necessary, sought Management's clarification on the relevant matters. The ARMC took note of the findings raised by the Internal Auditor and their corresponding remedial action plans as agreed by Management, which shall be monitored for implementation and progress in the following internal audit cycles.

The cost incurred for the internal audit function in respect of FYE 2024 was RM24,500 (2023: RM18,000).

## STATEMENT OF DIRECTORS' RESPONSIBILITY

Pursuant to Rule 15.26(a) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors (Board) are required to issue statement on its responsibility in the preparation of the annual audited financial statements.

The Board of the Company is required by the Companies Act 2016 (Act) to prepare financial statements for each financial year which have been prepared in accordance with the applicable approved accounting standards so as to give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year then ended.

The Board is satisfied that in preparing the financial statements for the financial year ended 30 June 2024, the Group and the Company have adopted and applied appropriate accounting policies consistently, supported by reasonable and prudent judgments and estimates and that the financial statements have been prepared on a going concern basis.

The Board has the responsibility for ensuring that the Company keeps accounting records that disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Act.

The Board also has the responsibility for taking such steps that are reasonably expected of them to safeguard the assets of the Group and the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement is made in accordance with a resolution of the Board dated 24 October 2024.

# ADDITIONAL COMPLIANCE INFORMATION

## 1.0 STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

- (a) Proceeds from issuance of Redeemable Convertible Notes (RCN) of up to RM120 million.

The status of drawdown and utilisation as at 30 June 2024 are as follows:

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	

- \* The estimated timeframe for the utilisation is from the date of issue of the respective sub-tranches of the RCN.
- The proceed arising from RCN was fully utilised.

## 2.0 MATERIAL CONTRACTS

There were no material contracts, including contracts relating to loans, of the Company and its subsidiaries involving the interests of Directors or major shareholders, either still subsisting at the end of the financial year ended 30 June 2024 (FYE 2024) or, if not then subsisting, entered into since the end of the previous financial year.

## 3.0 AUDIT AND NON-AUDIT FEES

The amounts of audit and non-audit fees paid and payable by the Company and the Group to the external auditors of the Company, Messrs. Morison LC PLT, for the FYE 2024, are as follows:

	Company RM	Group RM
Audit fee	157,000	315,000
Non-audit fees*	5,000	5,000
<b>Total</b>	<b>162,000</b>	<b>320,000</b>

Note:

- \* Non-audit fees comprise review of Statement on Risk Management and Internal Control.



# Financial Statements

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# DIRECTORS' REPORT

The directors of **MAG HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2024.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 12 to the financial statements.

## RESULTS OF OPERATIONS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit/(Loss) before tax	44,028	(3,741)
Income tax expense	<u>(11,332)</u>	<u>(4)</u>
Profit/(Loss) for the financial year	<u><u>32,696</u></u>	<u><u>(3,745)</u></u>
Profit/(Loss) attributable to:		
Owners of the Company	34,347	(3,745)
Non-controlling interests	<u>(1,651)</u>	<u>-</u>
	<u><u>32,696</u></u>	<u><u>(3,745)</u></u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

## DIVIDENDS

As mentioned in Note 26 to the financial statements, a final single tier dividend of 0.10 sen per ordinary share amounting to RM1,599,695 which was proposed in the previous financial year and dealt with in the previous directors' report was declared and paid in cash by the Company during the current financial year.

The directors proposed a final single tier dividend of 0.10 sen per ordinary share for the financial year ended 30 June 2024 which is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2025.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## Directors' Report (cont'd)

### ISSUANCE OF SHARES OR DEBENTURES

During the financial year, the Company has increased its issued and paid-up capital from RM534,153,805 to RM546,483,669 through exercise of 77,061,650 Warrants C at an exercise price of RM0.16 per Warrant totaling RM12,329,864 for working capital purposes.

The new ordinary shares issued during the financial year rank pari passu in all respect with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year other than the issuance of Warrants B and Warrants C as disclosed below.

#### Warrants B

The salient terms of the Warrants B are disclosed in Note 19(b) to the financial statements.

The Warrants B had expired and lapsed on 1 September 2023, and the movement is as follows:

Balance as at 1.7.2023	Issued	Expired and lapsed	Balance as at 30.6.2024
333,387,142	-	(333,387,142)	-

#### Warrants C

The salient terms of the Warrants C are disclosed in Note 19(c) to the financial statements.

During the financial year, 77,016,650 units of Warrants C at an exercise price of RM0.16 per Warrant were exercised amounted to RM12,329,864.

The movement in the Company's Warrants C during the financial year is as follows:

Balance as at 1.7.2023	Issued	Exercised	Balance as at 30.6.2024
348,896,975	-	(77,061,650)	271,835,325

### SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.



## Directors' Report (cont'd)

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that no known bad debts need to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

### DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Ng Min Lin\*  
 Yeoh Wooi Kia\*  
 Collin Goonting a/l O.S. Goonting  
 Datuk Lim Si Cheng  
 Melvin Lim Chun Woei  
 Wan Mohd Hazrie bin Wan Mokhtar  
 Wong Jo Ann

## Directors' Report (cont'd)

The directors of the subsidiary companies in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Gooi Kok Song  
Lee Xiao Ding

\* Director of the Company and its subsidiary companies.

### DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors of the Company at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Balance as at 1.7.2023	Number of ordinary shares		Balance as at 30.6.2024
		Bought	Sold	
<b>Shares in the Company</b>				
<b>Direct interests</b>				
Ng Min Lin	426,220,097	59,597,700	(20,000,000)	465,817,797
Melvin Lim Chun Woei	48,250,652	-	(600,000)	47,650,652
Datuk Lim Si Cheng	80,000	-	-	80,000
Wong Jo Ann	6,816,600	-	-	6,816,600
<b>Indirect interest</b>				
Ng Min Lin*	6,816,600	-	-	6,816,600
Wong Jo Ann*	426,220,097	59,597,700	(20,000,000)	465,817,797
<b>Number of Warrants B over ordinary shares</b>				
	Balance as at 1.7.2023	Issued	Expired and lapsed	Balance as at 30.6.2024
<b>Warrants B in the Company</b>				
<b>Direct interests:</b>				
Ng Min Lin	17,175,224	-	(17,175,224)	-
<b>Number of Warrants C over ordinary shares</b>				
	Balance as at 1.7.2023	Issued	Sold	Balance as at 30.6.2024
<b>Warrants C in the Company</b>				
<b>Direct interests:</b>				
Ng Min Lin	84,320,948	-	(34,000,000)	50,320,948
Melvin Lim Chun Woei	5,762,663	-	-	5,762,663
Datuk Lim Si Cheng	20,000	-	-	20,000
Wong Jo Ann*	980,712	-	-	980,712
<b>Indirect interest</b>				
Ng Min Lin*	980,712	-	-	980,712
Wong Jo Ann*	84,320,948	-	(34,000,000)	50,320,948

## Directors' Report (cont'd)

\* Deemed interest by virtue of the spouse's shareholdings in the Company pursuant to Section 59(11)(c) of the Companies Act, 2016.

By virtue of the above directors' interest in the shares of the Company, they are deemed to have beneficial interest in the shares of all the subsidiary companies to the extent the Company has an interest.

The other directors in office at the end of the financial year did not hold shares, nor had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration of the Group and of the Company for the financial year are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Executive director:		
Salaries and other emoluments	720	-
Defined contribution plans	91	-
	<u>811</u>	<u>-</u>
Non-executive directors:		
Fees	264	264
Other emoluments	23	23
	<u>287</u>	<u>287</u>
	<u>1,098</u>	<u>287</u>

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There were no indemnity given to or insurance effected for any directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

## Directors' Report (cont'd)

### AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial year ended 30 June 2024 are as follows:

	<b>Group RM'000</b>	<b>Company RM'000</b>
Auditors' remuneration:		
Statutory audit	363	157
Other services	25	25
	<u>388</u>	<u>182</u>

### SUBSEQUENT EVENTS

The details of subsequent events are disclosed in Note 34 to the financial statements.

### AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board  
in accordance with a resolution of the directors,

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**NG MIN LIN**

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**YEOH WOUI KIA**

Kuala Lumpur,  
30 October 2024

# STATEMENT BY DIRECTORS

The directors of **MAG HOLDINGS BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 and of their financial performance and their cash flows for the financial year then ended.

Signed on behalf of the Board, as approved by the Board  
in accordance with a resolution of the directors,

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**NG MIN LIN**

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**YEOH WOOI KIA**

Kuala Lumpur,  
30 October 2024

# STATUTORY DECLARATION

## DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **NG MIN LIN**, the director primarily responsible for the financial management of the **MAG HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

---

**NG MIN LIN**

Subscribed and solemnly declared by the abovenamed  
**NG MIN LIN** at **PETALING JAYA** in State of  
Selangor Darul Ehsan on 30<sup>th</sup> day of October, 2024.

Before me,

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**COMMISSIONER FOR OATHS**

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS MAG HOLDINGS BERHAD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **MAG HOLDINGS BERHAD**, which comprise the statements of financial position as at 30 June 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 64 to 122.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

(Forward)



## Independent Auditors' Report (cont'd)

### Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### Group

Key audit matters	Our audit performed and responses thereon
<p><b>Valuation of biological assets</b></p> <p>Refer to Notes 3, 4 and 15 to the financial statements for the Group's accounting policies on valuation of biological assets, key sources of estimation uncertainty and related disclosures.</p> <p>As at 30 June 2024, the Group's biological assets amounted to RM9,580,433. Biological assets comprise live prawns held for harvesting.</p> <p>The fair value of these biological assets is determined by multiplying the market price of prawns by the expected yield, adjusting for the estimated survival rate, and subtracting associated maintenance and harvesting costs.</p> <p>The significant judgments and estimates involved in determining the fair value of biological assets which involve the estimation of the following:</p> <ul style="list-style-type: none"> <li>• market price of prawns; and</li> <li>• survival rate of prawns.</li> </ul>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>(i) Obtained an understanding of the relevant controls in respect of compiling and transferring information to the independent professional valuer for the purpose of valuation of biological assets.</li> <li>(ii) Assessed the accuracy and completeness of the input data provided to the independent professional valuer for the valuation process.</li> <li>(iii) Assessed the independency, competency and objectivity of the independent professional valuer.</li> <li>(iv) Obtained the valuation report of biological assets prepared by the independent professional valuer, assessed and challenged the reasonableness of the key assumptions used and the appropriateness of the valuation methodology to determine the fair value less costs to sell of the biological assets.</li> <li>(v) Performed retrospective review to establish the reliability and reasonableness of the market price of prawns and survival rate.</li> <li>(vi) Performed sensitivity analysis to evaluate the impact of changes to the key assumptions on the fair value less costs to sell of the biological assets.</li> </ul>

(Forward)

## Independent Auditors' Report (cont'd)

Key audit matters	Our audit performed and responses thereon
<p><b>Goodwill arising on acquisition</b></p> <p>Refer to Notes 3, 4 and 11 to the financial statements for the Group's accounting policies on impairment of non-financial assets, key sources of estimation uncertainty and related disclosure.</p> <p>As at 30 June 2024, the Group's goodwill arising on acquisition of North Cube Sdn. Bhd. and MAG Aquaculture Sdn. Bhd., amounted to RM87,839,022.</p> <p>Based on MFRS 136, the Group is required to review the carrying amount of goodwill on acquisition annually and at other times when impairment indicator exist. The recoverable amount of the goodwill arising on acquisition has been determined on the basis of its value in use. The determination of recoverable amounts involved significant judgements and estimates as follows:</p> <ul style="list-style-type: none"> <li>• basis of assumptions supporting the underlying cash flow projections.</li> <li>• discount rate applied.</li> </ul>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>(i) Obtained an understanding of the relevant controls in respect of compiling information for the purpose of estimating the recoverable amounts.</li> <li>(ii) Assessed and challenged the management on the reasonableness of the key assumptions used in estimating the recoverable amount.</li> <li>(iii) Performed retrospective review to establish the reliability and reasonableness of the cash flow projections.</li> <li>(iv) Assessed the appropriateness of the discount rate used to determine the present value of the cash flows.</li> <li>(v) Performed the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.</li> </ul>

### Company

Key audit matters	Our audit performed and responses thereon
<p><b>Impairment of investment in subsidiary companies</b></p> <p>Refer to Notes 3, 4 and 12 to the financial statements for the Company's accounting policies on impairment of non-financial assets and related disclosures.</p> <p>As at 30 June 2024, the Company's investment in subsidiary companies amounted to RM525,918,778, which represent 89% of the total assets of the Company.</p> <p>The Company is required to review impairment of investment in subsidiary companies whenever the events or change in circumstances indicate the carrying amount of the cost of investment in subsidiary companies may not be recoverable. The determination of recoverable amount of the cost of investment in subsidiary companies involved significant judgements and estimates as follows:</p> <ul style="list-style-type: none"> <li>• basis of assumptions supporting the underlying cash flow projections.</li> <li>• discount rate applied.</li> </ul>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>(i) Obtained an understanding of the relevant control over the process of identifying the impairment indicator and estimating the recoverable amounts.</li> <li>(ii) Assessed and challenged the management on the reasonableness of the key assumptions used in estimating the recoverable amount.</li> <li>(iii) Performed retrospective review to establish the reliability and reasonableness of the cash flow projections.</li> <li>(iv) Assessed the appropriateness of the discount rate used to determine the present value of the cash flows.</li> <li>(v) Performed the sensitivity of key assumptions by assessing the impacts of these key assumptions and inputs that are expected to be most sensitive to the recoverable amount.</li> </ul>

(Forward)

## Independent Auditors' Report (cont'd)

### Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## Independent Auditors' Report (cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that the subsidiary companies of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

## Independent Auditors' Report (cont'd)

### Other Matters

- (a) The financial statements of the Company for the financial year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 October 2023.
- (b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**MORISON LC PLT (AF 002469)**  
**202206000028 (LLP0032572-LCA)**  
**Chartered Accountants**

**ERIC LIM HOE KUAN**  
**03717/02/2025 J**  
**Chartered Accountant**

Petaling Jaya  
30 October 2024

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	5	305,074	201,637	-	3,965
Cost of sales		(237,868)	(134,414)	-	-
<b>Gross profit</b>		67,206	67,223	-	3,965
Other income		13,157	19,928	1,704	4,233
Administrative expenses		(23,992)	(28,098)	(1,121)	(2,135)
<b>Profit/(Loss) from operations</b>		56,371	59,053	583	6,063
Finance costs	6	(12,343)	(13,709)	(4,324)	(4,319)
<b>Profit/(Loss) before tax</b>	7	44,028	45,344	(3,741)	1,744
Income tax expense	8	(11,332)	(11,193)	(4)	-
<b>Profit/(Loss) for the financial year</b>		32,696	34,151	(3,745)	1,744
<b>Other comprehensive income, net of income tax</b>					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		3,566	1,454	-	-
<b>Total comprehensive income/(loss) for the financial year</b>		36,262	35,605	(3,745)	1,744
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		34,347	34,163	(3,745)	1,744
Non-controlling interests		(1,651)	(12)	-	-
		32,696	34,151	(3,745)	1,744

(Forward)

## Statements Of Comprehensive Income (cont'd)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		37,913	35,617	(3,745)	1,744
Non-controlling interests		<u>(1,651)</u>	<u>(12)</u>	<u>-</u>	<u>-</u>
		<u>36,262</u>	<u>35,605</u>	<u>(3,745)</u>	<u>1,744</u>
Earnings per ordinary share attributable to owners of the Company:					
Basic (sen)	9	2.07	2.28		
Diluted (sen)	9	<u>2.02</u>	<u>2.21</u>		

The accompanying Notes form an integral part of the financial statements.



# STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	10	377,457	302,872	-	-
Intangible assets	11	143,161	144,742	-	-
Investments in subsidiary companies	12	-	-	525,918	526,018
Other investments	13	51,360	-	-	-
Loan to a former subsidiary company	14	276,723	267,718	-	-
<b>Total Non-Current Assets</b>		<u>848,701</u>	<u>715,332</u>	<u>525,918</u>	<u>526,018</u>
<b>Current Assets</b>					
Biological assets	15	9,580	9,215	-	-
Inventories	16	4,983	6,494	-	-
Trade and other receivables	17	172,489	139,385	67,319	58,250
Other investment	13	3,085	51,360	-	-
Tax recoverable		516	449	-	-
Fixed deposit with licensed bank	18	3,452	5,380	-	-
Cash and bank balances	18	171,751	163,668	263	670
<b>Total Current Assets</b>		<u>365,856</u>	<u>375,951</u>	<u>67,582</u>	<u>58,920</u>
<b>Total Assets</b>		<u>1,214,557</u>	<u>1,091,283</u>	<u>593,500</u>	<u>584,938</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	19	546,484	534,154	546,484	534,154
Reserves	20	269,619	233,306	(34,705)	(29,360)
<b>Equity attributable to Owners of the Company</b>		<u>816,103</u>	<u>767,460</u>	<u>511,779</u>	<u>504,794</u>
Non-controlling interests		(1)	1,650	-	-
<b>Total Equity</b>		<u>816,102</u>	<u>769,110</u>	<u>511,779</u>	<u>504,794</u>

(Forward)

## Statements Of Financial Position (cont'd)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-Current Liabilities</b>					
Bank borrowings	21	83,931	88,107	-	-
Lease liabilities	22	1,524	8,300	-	-
Redeemable preference shares ("RPS")	23	73,585	72,061	73,585	72,061
Deferred tax liabilities	24	51,477	40,523	-	-
<b>Total Non-Current Liabilities</b>		<u>210,517</u>	<u>208,991</u>	<u>73,585</u>	<u>72,061</u>
<b>Current Liabilities</b>					
Trade and other payables	25	155,591	89,884	8,136	8,083
Bank borrowings	21	24,829	22,763	-	-
Lease liabilities	22	7,454	535	-	-
Tax liabilities		64	-	-	-
<b>Total Current Liabilities</b>		<u>187,938</u>	<u>113,182</u>	<u>8,136</u>	<u>8,083</u>
<b>Total Liabilities</b>		<u>398,455</u>	<u>322,173</u>	<u>81,721</u>	<u>80,144</u>
<b>Total Equity and Liabilities</b>		<u>1,214,557</u>	<u>1,091,283</u>	<u>593,500</u>	<u>584,938</u>

The accompanying Notes form an integral part of the financial statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	Share capital RM'000	Non-distributable reserve - Translation reserve RM'000	Distributable reserve - Retained earnings RM'000	Equity attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Group</b>							
<b>As at 1 July 2022</b>		508,386	44,694	152,995	706,075	1,662	707,737
<b>Transactions with Owners of the Company:</b>	19						
Issuance of ordinary shares pursuant to:							
Private placement		25,258	-	-	25,258	-	25,258
Exercise of warrants		510	-	-	510	-	510
<b>Total transactions with Owners of the Company</b>		25,768	-	-	25,768	-	25,768
Profit for the financial year		-	-	34,163	34,163	(12)	34,151
Other comprehensive income		-	1,454	-	1,454	-	1,454
<b>Total comprehensive income for the financial year</b>		-	1,454	34,163	35,617	(12)	35,605
<b>As at 30 June 2023</b>		534,154	46,148	187,158	767,460	1,650	769,110

(Forward)

Statement Of Changes In Equity  
(cont'd)

	Share capital RM'000	Non-distributable reserve - Translation reserve RM'000	Distributable reserve - Retained earnings RM'000	Equity attributable to Owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Group</b>						
<b>As at 1 July 2023</b>	534,154	46,148	187,158	767,460	1,650	769,110
<b>Transactions with Owners of the Company:</b>						
Issuance of ordinary shares pursuant to exercise of warrants	12,330	-	-	12,330	-	12,330
Dividend	-	-	(1,600)	(1,600)	-	(1,600)
	12,330	-	(1,600)	10,730	-	10,730
<b>Total transactions with Owners of the Company</b>						
Profit for the financial year	-	-	34,347	34,347	(1,651)	32,696
Other comprehensive income	-	3,566	-	3,566	-	3,566
	-	3,566	34,347	37,913	(1,651)	36,262
<b>Total comprehensive income for the financial year</b>						
<b>As at 30 June 2024</b>	546,484	49,714	219,905	816,103	(1)	816,102

(Forward)

# Statement Of Changes In Equity (cont'd)

	Note	Share capital RM'000	Distributable reserve - Accumulated losses RM'000	Total equity RM'000
<b>Company</b>				
<b>As at 1 July 2022</b>		508,386	(31,104)	477,282
<b>Transactions with Owners of the Company:</b>				
Issuance of ordinary shares pursuant to:	19			
Private placement		25,258	-	25,258
Exercise of warrants		510	-	510
<b>Total transactions with Owners of the Company</b>		25,768	-	25,768
Profit for the financial year, representing total comprehensive income for the financial year		-	1,744	1,744
<b>As at 30 June 2023/1 July 2023</b>		534,154	(29,360)	504,794
<b>Transactions with Owners of the Company:</b>				
Issuance of ordinary shares pursuant to exercise of warrants	19	12,330	-	12,330
Dividend	26	-	(1,600)	(1,600)
<b>Total transactions with Owners of the Company</b>		12,330	(1,600)	10,730
Loss for the financial year, representing total comprehensive loss for the financial year		-	(3,745)	(3,745)
<b>As at 30 June 2024</b>		<u>546,484</u>	<u>(34,705)</u>	<u>511,779</u>

The accompanying Notes form an integral part of the financial statements.

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	44,028	45,344	(3,741)	1,744
Adjustments for:				
Amortisation of intangible assets	1,581	1,581	-	-
Accretion of interest on loan to a former subsidiary company	(7,545)	(2,588)	-	-
Depreciation of property, plant and equipment	12,021	10,228	-	-
Dividend income	-	-	-	(3,965)
Fair value loss/(gain) on:				
Biological assets	8,781	(1,153)	-	-
Other investments	163	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	(13)	52	-	-
Gain on remeasurement of RPS	-	(4,183)	-	(4,183)
Impairment loss on:				
Investment in a subsidiary company	-	-	100	-
Trade receivables	1,722	-	-	-
Interest expense	12,343	13,709	4,324	4,319
Interest income	(5,546)	(5,280)	-	-
Reversal of impairment loss on trade receivables	-	(251)	-	-
Unrealised loss on foreign exchange	1,387	9,472	-	-
Waiver of debt	-	(2,430)	(1,703)	-
(Forward)				

## Statements Of Cash Flows (cont'd)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Adjustments for: (Cont'd)				
Write off of property, plant and equipment	-	219	-	-
Operating profit/(loss) before changes in working capital	68,922	64,720	(1,020)	(2,085)
Changes in working capital: (Increase)/Decrease in:				
Biological assets	(9,146)	6,038	-	-
Inventories	1,511	(1,442)	-	-
Trade and other receivables	(33,224)	(49,173)	(165)	(322)
Increase/(Decrease) in:				
Trade and other payables	62,781	2,397	(1,013)	(1,868)
Cash from/(used in) operations	90,844	22,540	(2,198)	(4,275)
Tax paid	(381)	(685)	(4)	-
Net Cash From/(Used In) Operating Activities	90,463	21,855	(2,202)	(4,275)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>				
Advances to subsidiary companies	-	-	(8,935)	(20,853)
Interest received	5,546	5,280	-	-
Purchase of property, plant and equipment	(86,218)	(29,734)	-	-
Proceeds from disposal of property, plant and equipment	149	30	-	-
Uplift/(Placement) of fixed deposits with licensed banks	1,928	(4,072)	-	-
Net Cash Used In Investing Activities	(78,595)	(28,496)	(8,935)	(20,853)
(Forward)				



## Statements Of Cash Flows (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES</b>				
Dividend paid	(1,600)	-	(1,600)	-
Interest paid	(8,019)	(9,178)	-	-
Proceeds from issuance of ordinary shares	12,330	25,768	12,330	25,768
Advance from/(Repayment to) a director	17	(131)	-	-
Advance from/(Repayment to) related companies	109	(1,044)	-	-
Repayments of lease liabilities	(381)	(395)	-	-
Net repayments of bank borrowings	<u>(5,358)</u>	<u>(3,590)</u>	<u>-</u>	<u>-</u>
Net Cash (Used In)/From Financing Activities	<u>(2,902)</u>	<u>11,430</u>	<u>10,730</u>	<u>25,768</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	8,966	4,789	(407)	640
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR</b>	163,668	162,038	670	30
Effect of exchange differences	<u>(883)</u>	<u>(3,159)</u>	<u>-</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<u>171,751</u>	<u>163,668</u>	<u>263</u>	<u>670</u>

(Forward)

## Statements Of Cash Flows (cont'd)

The details of cash and cash equivalents are as follow:

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Fixed deposits with licensed banks	3,452	5,380	-	-
Cash and bank balances	<u>171,751</u>	<u>163,668</u>	<u>263</u>	<u>670</u>
	175,203	169,048	263	670
Less: Non-cash and cash equivalents				
Pledged fixed deposits with licensed banks	<u>(3,452)</u>	<u>(5,380)</u>	<u>-</u>	<u>-</u>
	<u>171,751</u>	<u>163,668</u>	<u>263</u>	<u>670</u>

\* During the current financial year, the Group purchased property, plant and equipment through the following arrangements:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Financed by:		
Cash payments	86,218	29,734
Lease liabilities	<u>524</u>	<u>6,500</u>
	<u>86,742</u>	<u>36,234</u>

The accompanying Notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company is principally engaged in investment holding.

The information on the name of subsidiary company, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is as disclosed in Note 12.

The registered office of the Company is located at A3-3-8, Solaris Dutamas 1, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal place of business of the Company is located at B-03-12, Gateway Corporate Suites, Gateway Kiaramas, No. 1, Jalan Desa Kiara, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

The financial statements of the Group and of the Company were authorised by Board of Directors for issuance on 30 October 2024.

The names of the Company's subsidiary companies and an associate in Chinese text in the financial statements have been translated into English solely for the convenience of the users of the financial statements. The translation is unofficial as there is no legal and official English translation for the Chinese text.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

### Adoption of MFRS and amendments to MFRSs standards

During the financial year, the Group and the Company have adopted the following applicable MFRS and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of these new and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except for:

## Notes to the Financial Statements (cont'd)

### Amendments to MFRS 101 Disclosure of Accounting Policies

The Group and the Company have adopted the amendments to MFRS 101 *Presentation of Financial Statements* for the first time in the current financial year. The amendments change the requirements in MFRS 101 *Presentation of Financial Statements* with regard to disclosure of accounting policies. The amendments replace all instances of the term “significant accounting policies” with “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements* are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments have no effect on the measurement, recognition or presentation of any items in the Group’s and the Company’s financial statements but affect the disclosure of accounting policies.

### **New MFRSs and amendments to MFRSs in issue but not yet effective**

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current <sup>1</sup>
Amendments to MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements <sup>1</sup>
Amendments to MFRS 121	Lack of Exchangeability <sup>2</sup>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>3</sup>
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 <sup>3</sup>
MFRS 18	Presentation and Disclosure in Financial Statements <sup>4</sup>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>4</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>5</sup> Deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of the effect of the said Amendments to MFRSs until the Group

## Notes to the Financial Statements (cont'd)

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### **Basis of measurement**

The financial statements of the Group and of the Company have been prepared on the historical cost basis unless otherwise indicated in the material accounting policy information below.

#### **Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest RM'000, unless otherwise stated.

#### **Basis of consolidation**

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

#### **Non-controlling Interests**

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interests' proportionate share of the acquiree's identifiable assets.

#### **Investment in subsidiary companies**

In the Company's separate financial statements, investments in subsidiary companies is stated at cost less accumulated impairment losses.

#### **Joint operation**

The Group has a joint operation with Pegagau Aquaculture Sdn. Bhd. in which the Group contributes capital expenditure and shares 30% of the revenue from the sales of the joint operations.

#### **Goodwill arising on acquisition**

Goodwill is initially measured at cost (being the excess of cost of the acquisition over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities) and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

## Notes to the Financial Statements (cont'd)

### Revenue from contract with customers

#### Sales of goods

Revenue is generated by the sales of goods to customers. Revenue is measured based on the consideration specified in a contract with a customer. The Group recognise revenue at a point in time when the Group transfer control over goods to a customer and satisfy their performance obligation to a customer. Where applicable, rebates and discounts to customers are accounted as net of revenue according to contract.

### Other income

#### (a) Interest income

Interest income is recognised using the effective interest method.

#### (b) Dividend income

Dividend income is recognised when the right to receive payment is established.

### Leases

The Group presents right-of-use assets as property, plant and equipment in Note 10.

#### Lessee accounting

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are initially measured at cost less any accumulated amortisation and accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. Amortisation is computed on the straight-line basis over the lease period.

Leasehold land	Over remaining leasehold period of 56 and 67 years
Plant and machinery	Over lease term of 6 years
Lease of premises	Over lease term between 2 and 6 years
Motor vehicles	5 to 10 years

The lease liabilities are initially measured at the present value of the lease payments that are paid at commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

### Property, plant and equipment

Property, plant and equipment other than right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Work in progress is not depreciated until it is completed and ready for intended use.

Property, plant and equipment other than work in progress and right-of-use assets are depreciated on straight-line basis over the estimated useful lives of the assets, at the following annual rates:

## Notes to the Financial Statements (cont'd)

Buildings	5%
Ponds and farm improvements	2.5%
Plant and machinery	10% to 50%
Factory and farm equipment	5% to 20%
Motor vehicles	10% to 20%
Office equipment	10% to 20%
Renovation	10%

### Intangible assets

Intangible assets, other than goodwill arising on acquisition, that are acquired by the Group, which have finite useful lives, are stated at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is computed on the straight-line basis over the estimated useful lives of 38 years for the assets.

### Biological assets

Biological assets are measured at fair value less costs to sell at the point of harvest.

The fair value of live prawns is determined using market price derived from observable market prices through historical and most recent market transaction price and unobservable estimated survival rates which are estimated through historical data. For live prawns not ready for harvest, a deduction is made to cover estimated residual costs to grow the live prawns to its optimal harvest weight.

### Inventories

Inventories are stated at lower of cost or net realisable value. Cost of inventories comprises the original cost of purchase plus incidental costs incurred in bringing the inventories to their present location, and accounted for on a first-in, first-out basis.

### Financial instruments

Financial assets and financial liabilities are recognised in the Group's and the Company's statements of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.



## Notes to the Financial Statements (cont'd)

### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (ii) below).

### *(i) Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

## Notes to the Financial Statements (cont'd)

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

### (ii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has designated investment in quoted unit trust and other investment as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss from other financial assets are recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other income” or “administrative expenses” line item.

### **Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

#### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

## Notes to the Financial Statements (cont'd)

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### **Impairment of non-financial assets**

The carrying amounts of non-financial assets (except for inventories, biological assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units.

The recoverable amount of an asset or a cash-generating units is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating units. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

An impairment loss is recognised if the carrying amount of an asset or cashgenerating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in profit or loss.

### **Impairment of financial assets**

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on trade receivables and other receivables, fixed deposit with licensed bank as well as cash and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The Group considers past loss experience, timing of billing and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

## Notes to the Financial Statements (cont'd)

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

### *Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company considers an event of default for internal credit risk management purposes when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security (if any is held).

### *Probability of default*

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 90 days past due after the lapsed of credit term granted unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### *Write-off policy*

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

### *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

## Notes to the Financial Statements (cont'd)

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

### Statements of cash flow

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

For the purpose of the statements of cash flows, cash and cash equivalents are presented excluding pledged fixed deposits with licensed banks.

## 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

### (a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

### (b) Key sources of estimation uncertainty

Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period, except for:

#### Impairment of goodwill arising on acquisition

The Group reviews the carrying amount of goodwill arising on acquisition annually and at other times when impairment indicators exist. The recoverable amount of the goodwill arising on acquisition has been determined on the basis of its value in use.

## Notes to the Financial Statements (cont'd)

Significant judgement involves in selecting the discount rate to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections. Cash flows that are projected based on assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the carrying amount of goodwill arising on acquisition.

The carrying amount of goodwill arising on acquisition and key assumptions used to determine the recoverable amounts are disclosed in in Note 11.

### Valuation of biological assets

In measuring the fair value of biological assets, estimates are required which included the observable market price and survival rate of prawn. Observable market prices is derive through historical data. Changes to any of these assumptions would affect the fair value of the biological assets.

The carrying value for biological assets is disclosed in Note 15.

### Valuation of trade and other receivables

The Group and the Company assess impairment losses for trade and other receivables based on assumptions about risk of default and expected loss rate. Significant judgement is required in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

Information about the valuation of trade and other receivables are disclosed in Note 17.

### Income taxes

Liability for taxation is recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice of whether additional taxes will be payable. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimate of the tax payable. Such difference may impact the income tax in the period when such determination is made. The Group and the Company will adjust for the differences as over- or under provision of income tax in the period in which those differences arise.

As at 30 June 2024, the Group has tax recoverable and tax liabilities of RM515,590 (2023: RM448,764) and RM63,518 (2023: RM Nil), respectively.

### Impairment of investment in subsidiary companies

The Company review impairment of investment in subsidiary companies whenever the events or changes in circumstances indicate that the carrying amount of the investment in subsidiary companies may not be recoverable.

When such indication exists, the management determine the recoverable amount based on present value of the estimated future cash flows expected to be derived from the subsidiary companies. In estimating the present value of the estimated cash flows, the management applied a suitable discount rate and assumptions supporting the underlying cash flow projections. Cash flows that are projected based on assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than carrying amount for investments in subsidiary companies.

The carrying amount for investments in subsidiary companies is disclosed in Note 12.



## Notes to the Financial Statements (cont'd)

### 5. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At a point in time:				
Trading of prawns	305,074	201,637	-	-
Dividend income	-	-	-	3,965
	<u>305,074</u>	<u>201,637</u>	<u>-</u>	<u>3,965</u>

Including in revenue, RM2,863,623 (2023: RMNil) is attributed to the joint operation with Pegagau Aquaculture Sdn. Bhd..

### 6. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense on:				
Bank borrowings	7,453	8,609	-	-
Lease liabilities	566	569	-	-
Redeemable preference shares	4,324	4,319	4,324	4,319
Amount due to a director	-	212	-	-
	<u>12,343</u>	<u>13,709</u>	<u>4,324</u>	<u>4,319</u>

### 7. PROFIT/(LOSS) FROM OPERATIONS

Profit/(Loss) before tax for the financial year is arrived at after charging/(crediting):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration				
Statutory audit:				
Current financial year				
Auditors of the Company	325	308	157	155
Other auditors	38	-	-	-
Underprovision in previous financial year				
Other auditors	27	51	-	61
Other services				
Auditors of the Company	5	5	5	5
Other auditors	20	20	20	20



## Notes to the Financial Statements (cont'd)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Accretion of interest on loan to a former subsidiary company	(7,545)	(2,588)	-	-
Amortisation of intangible assets	1,581	1,581	-	-
Depreciation of property, plant and equipment	12,021	10,228	-	-
Dividend income	-	-	-	3,965
Fair value loss/(gain) on:				
Biological assets	8,781	(1,153)	-	-
Other investments	163	(560)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(13)	52	-	-
Gain on remeasurement of redeemable preference shares	-	(4,183)	-	(4,183)
Impairment loss on:				
Investment in a subsidiary company	-	-	100	-
Trade receivables	1,722	-	-	-
Interest income	(5,546)	(5,280)	-	-
Loss/(Gain) on foreign exchange:				
Unrealised	1,387	9,472	-	-
Realised	(50)	(123)	-	-
Reversal of impairment loss on trade receivables	-	(251)	-	-
Property, plant and equipment written off	-	219	-	-
Staff costs	5,627	7,136	1,097	1,026
Waiver of debt	-	(2,430)	(1,703)	-

Included in staff costs of the Group and of the Company are directors' remuneration of RM1,098,000 (2023: RM1,026,000) and RM287,000 (2023: RM212,000), respectively as further disclosed in Note 27.

Staff costs include salaries, bonuses, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF by the Group during the financial year amounted to RM238,000 (2023: RM258,000).

## Notes to the Financial Statements (cont'd)

### 8. INCOME TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Estimated tax payable:				
Current financial year	453	524	-	-
(Over)/Under provision in prior financial years	(75)	45	4	-
	378	569	4	-
Deferred tax (Note 24):				
Current financial year	12,346	10,554	-	-
Realisation of deferred tax	(705)	(705)	-	-
(Over)/Under provision in prior financial years	(687)	775	-	-
	10,954	10,624	-	-
	11,332	11,193	4	-

A reconciliation of income tax expense applicable to profit/(loss) before tax at the applicable statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) before tax	44,028	45,344	(3,741)	1,744
Taxation at statutory rate of 24% (2023: 24%)	10,567	10,900	(878)	400
Effect of tax rates in foreign jurisdictions	(230)	(226)	-	-
Tax effects of:				
Non-taxable income	(2,564)	(2,005)	-	(1,916)
Expenses not deductible	5,026	2,409	878	1,516
Realisation of deferred tax (Over)/Under provision in prior financial years:	(705)	(705)	-	-
Estimated tax payable	(75)	45	4	-
Deferred tax	(687)	775	-	-
	11,332	11,193	4	-

## Notes to the Financial Statements (cont'd)

### 9. EARNINGS PER ORDINARY SHARE

#### Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	<b>2024</b>	<b>Group</b>	<b>2023</b>
Profit attributable to owners of the Company (RM'000)	34,347		34,163
Weighted average number of ordinary shares ('000)	1,663		1,498
Basic earnings per share (sen)	2.07		2.28

#### Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the Group's profit for the financial year attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the outstanding warrants, adjusted by the number of such shares that would have been issued at fair value as follows:

	<b>2024</b>	<b>Group</b>	<b>2023</b>
Profit attributable to owners of the Company (RM'000)	34,347		34,163
Weighted average number of ordinary shares ('000)	1,663		1,498
Effect of dilution:			
Warrant B ('000)	*		*
Warrant C ('000)	36		48
Adjusted weighted average number of ordinary shares ('000)	1,699		1,546
Diluted earnings per share (sen)	2.02		2.21

\* Exercise of Warrant B has no dilutive effect as the average market price of the ordinary share was lower than the exercise price of Warrant B.

Notes to the Financial Statements  
(cont'd)

10. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Ponds and farm				Lease of				Motor				Work-in progress		Factory and farm equipment		Renovation		Total	
	Leasehold land RM'000	Buildings RM'000	improve- ments RM'000	Plant and machinery RM'000	Office equipment RM'000	premises RM'000	vehicles RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 July 2022	23,554	9,971	231,879	17,438	204	1,744	1,852	13,625	1,332	58	301,657									
Addition	-	-	14,107	701	15	6,500	97	12,575	2,239	-	36,234									
Disposal	-	-	-	(120)	-	-	-	-	-	-	(120)									
Expiry of leases	-	-	-	-	-	(67)	-	-	-	-	(67)									
Written off	-	-	-	(253)	(34)	-	(34)	-	-	-	(321)									
Reclassification	-	-	13,265	-	-	-	-	(13,265)	-	-	-									
As at 30 June 2023/ 1 July 2023	23,554	9,971	259,251	17,766	185	8,177	1,915	12,935	3,571	58	337,383									
Addition	-	4,660	77,946	1,150	84	324	281	-	2,297	-	86,742									
Disposal	-	-	-	-	-	-	-	-	(149)	-	(149)									
Transfer	-	-	12,575	-	-	-	-	(12,575)	-	-	-									
As at 30 June 2024	23,554	14,631	349,772	18,916	269	8,501	2,196	360	5,719	58	423,976									

# Notes to the Financial Statements (cont'd)

	Leasehold land RM'000	Buildings RM'000	Ponds and farm improve- ments RM'000	Plant and machinery RM'000	Office equipment RM'000	Lease of premises RM'000	Motor vehicles RM'000	Work-in progress RM'000	Factory and farm equipment RM'000	Renovation RM'000	Total RM'000
<b>Accumulated Depreciation</b>											
As at 1 July 2022	1,811	1,472	13,197	7,108	69	388	265	-	162	18	24,490
Charge for the financial year	1,146	499	5,553	2,046	26	442	282	-	228	6	10,228
Disposal	-	-	-	(38)	-	-	-	-	-	-	(38)
Expiry of leases	-	-	-	-	-	(67)	-	-	-	-	(67)
Written off	-	-	-	(65)	(28)	-	(9)	-	-	-	(102)
As at 30 June 2023/ 1 July 2023	2,957	1,971	18,750	9,051	67	763	538	-	390	24	34,511
Charge for the financial year	1,146	531	7,062	2,066	23	441	379	-	367	6	12,021
Disposal	-	-	-	-	-	-	-	-	(13)	-	(13)
As at 30 June 2024	4,103	2,502	25,812	11,117	90	1,204	917	-	744	30	46,519
<b>Net carrying amount</b>											
As at 30 June 2023	20,597	8,000	240,501	8,715	118	7,414	1,377	12,935	3,181	34	302,872
As at 30 June 2024	19,451	12,129	323,960	7,799	179	7,297	1,279	360	4,975	28	377,457

## Notes to the Financial Statements (cont'd)

Included in property, plant and equipment of the Group are motor vehicles under finance lease arrangements with net book value RM1,168,286 (2023: RM1,231,737). These motor vehicles have been charged to local licensed banks for finance lease obligations as disclosed in Note 22.

The leasehold land has been pledged to financial institutions as securities for the term financing-i and cash line-i facilities granted to subsidiary companies as disclosed in Note 21.

### Right-of-use assets

The information about leases for which the Group are lessee is presented below:

	<b>Leasehold land RM'000</b>	<b>Plant and machinery RM'000</b>	<b>Lease of premises RM'000</b>	<b>Motor vehicles RM'000</b>	<b>Total RM'000</b>
<b>Group Cost</b>					
As at 1 July 2022	23,554	490	1,744	1,727	27,515
Addition	-	-	6,500	-	6,500
Expiry of leases	-	-	(67)	-	(67)
As at 30 June 2023/ 1 July 2023	23,554	490	8,177	1,727	33,948
Addition	-	-	324	278*	602
Expiry of leases	-	-	-	(95)	(95)
At 30 June 2024	23,554	490	8,501	1,910	34,455
<b>Accumulated Depreciation</b>					
As at 1 July 2022	1,811	41	388	229	2,469
Charge for the financial year	1,146	82	442	266	1,936
Expiry of leases	-	-	(67)	-	(67)
As at 30 June 2023/ 1 July 2023	2,957	123	763	495	4,338
Charge for the financial year	1,146	82	441	290	1,959
Expiry of leases	-	-	-	(44)	(44)
As at 30 June 2024	4,103	205	1,204	741	6,253
<b>Net carrying amount</b>					
As at 30 June 2023	20,597	367	7,414	1,232	29,610
As at 30 June 2024	19,451	285	7,297	1,169	28,202

\* Obligations under finance lease

The lease term for right-of-use assets ranges from 2 to 7 (2023: 1 to 7) years. The Group has options to extend the lease term for 1 year (2023: 1 year) at the end of the lease term.

## Notes to the Financial Statements (cont'd)

### 11. INTANGIBLE ASSETS

<b>Group</b>		<b>Goodwill arising on acquisition RM'000</b>	<b>Technology know-how RM'000</b>	<b>Total RM'000</b>
<b>Cost</b>				
As at 1 July 2022/30 June 2023/ 2023/30 June 2024	1 July	87,839	60,065	147,904
<b>Accumulated Amortisation</b>				
As at 1 July 2022		-	1,581	1,581
Charge for the financial year		-	1,581	1,581
As at 30 June 2023/1 July 2023		-	3,162	3,162
Charge for the financial year		-	1,581	1,581
As at 30 June 2024		-	4,743	4,743
<b>Net carrying amount</b>				
At 30 June 2023		87,839	56,903	144,742
At 30 June 2024		87,839	55,322	143,161

#### Goodwill arising on acquisition

The carrying amount of goodwill arising on acquisition allocated to an individual CGU.

The recoverable amount is determined based on “value-in-use” where management make an estimate of the expected future cash flows covering a five-years (2023: five-years) period. The key assumptions for the value-in-use calculation are as below:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
Growth rate of market price of prawn	2.0%	0.0%
Survival rate	75.0%	55.0%
	to	to
	78.0%	79.0%
Expected harvest cycle (times)	2.3 to 2.5	1.5 to 2.0 per
	per year	year
Pre-tax discount rate	8.5%	7.8%

The Group has conducted an analysis on the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount. The directors believe that any reasonably change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount.

#### Technology know-how

Relates to technology know-how for the prawn aquaculture, food processing and manufacturing businesses of North Cube Sdn. Bhd. (“NCSB”) and its subsidiary companies, which were arising from the farming techniques, processing and manufacturing processes. Technology know-how and the experience in these industries were acquired by the Group through acquisition of NCSB and its subsidiary companies.

The amortisation of the technology know-how of the Group amounted to RM1,580,647 (2023: RM1,580,647) is included in “administrative expenses” in the statements of profit or loss and other comprehensive income of the Group and the amortisation rate used is based on the estimated useful lives of 38 years.



## Notes to the Financial Statements (cont'd)

### 12. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2024 RM'000	2023 RM'000
<b>Unquoted shares - at cost:</b>		
As at 1 July	466,116	416,116
Addition	-	50,000
As at 30 June	466,116	466,116
Less: Impairment loss during the financial year	(100)	-
	<u>466,016</u>	<u>466,116</u>
<b>Non-cumulative convertible redeemable preference shares*</b>		
As at 1 July/30 June	<u>59,902</u>	<u>59,902</u>
	<u>525,918</u>	<u>526,018</u>

\* The shares in Supreme Global Group Limited were subscribed by the Company in prior years for settlement of RM59,901,002 due to the Company.

Details of the subsidiary companies are as follows:

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2024 %	2023 %	
Direct subsidiary companies				
MAG Marine Food Sdn. Bhd. (“MAG MF”)	Malaysia	100	100	Investment holding
Supreme Global Group Limited (“SGGL”) *	Hong Kong Special Administrative Region of The People’s Republic of China	100	100	Investment holding
MAG Aquaculture Sdn. Bhd.	Malaysia	100	100	Prawn aquaculture
North Cube Sdn. Bhd. (“NCSB”)	Malaysia	100	100	Prawn aquaculture

## Notes to the Financial Statements (cont'd)

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2024 %	2023 %	
Indirect subsidiary companies held through SGGL				
Anyang Herun Oil Technical Service Company Limited [安阳市合润油脂技术服务有限公司] (“AHOT”)*	The People’s Republic of China	100	100	Investment holding
Indirect subsidiary companies held through MAG MF				
Sea Tuna Industry Sdn. Bhd. (“STI”)^	Malaysia	52	52	Dormant
Indirect subsidiary companies held through NCSB				
North Cube Food Sdn. Bhd. (“NCFSB”)	Malaysia	100	100	Food processing, manufacturing and export of prawns
North Cube Aquaculture Sdn. Bhd. (“NCASB”)	Malaysia	100	100	Dormant

\* Audited by auditors other than the auditors of the Company

^ Currently undergoing liquidation exercise and the financial statements are prepared on break-up basis.

### 13. OTHER INVESTMENTS

	Group	
	2024 RM'000	2023 RM'000
<b>Unquoted shares measured at fair value through profit or loss</b>		
As at 1 July	51,360	50,800
Fair value gain	-	560
As at 30 June	51,360	51,360
<b>Quoted shares measured at fair value through profit or loss</b>		
As at 1 July	-	-
Addition	3,274	-
Disposal	(26)	-
Fair value loss	(163)	-
As at 30 June	3,085	-
	54,445	51,360

## Notes to the Financial Statements (cont'd)

The investment in unquoted shares represents 19.86% (2023: 19.86%) equity interest in Henan Xinghe Oil and Fat Company Limited ("HXOF"). In prior financial year, the major shareholder of HXOF has indicated his intention to acquire the remaining 19.86% equity interest in HXOF owned by the Group for a total consideration of RM51 million (equivalent to CNY 80 million). The indicative offer price of RM51 million (equivalent to CNY 80 million) by the major shareholder of HXOF is valid for three (3) years until 2024, which has been extended until 2029.

Investment in quoted shares refers to the purchase of stocks traded on Bursa Malaysia. The fair values of these quoted shares are determined based on published price quotations in an active market.

### 14. LOAN TO A FORMER SUBSIDIARY COMPANY

This loan was granted to HXOF on 1 October 2019 when it was still a subsidiary company of the Group and is unsecured and collectible in five years on 30 September 2024, which has approved by directors to further extended to 30 September 2029. This loan was interest-free for the period from 1 October 2019 to 31 March 2020 and bears interest at 1.75% per annum with effect from 1 April 2020. The interest is receivable annually in arrears. This deferred receivable is measured at amortised cost at imputed interest rate of 2.75% per annum.

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
As at 1 July	267,718	270,461
Add/(Less):		
Accretion of interest	7,545	2,588
Interest income	5,435	5,244
Foreign exchange difference	1,460	(5,331)
	14,440	2,501
Less: Repayment	(5,435)	(5,244)
As at 30 June	<u>276,723</u>	<u>267,718</u>

The maturity of loan to a former subsidiary company is as follows:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Receivable later than 1 year but not later than 5 years	-	267,718
Receivable later than 5 years	276,723	-
	<u>276,723</u>	<u>267,718</u>

### 15. BIOLOGICAL ASSETS

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
At fair value:		
Live prawns	<u>9,580</u>	<u>9,215</u>

## Notes to the Financial Statements (cont'd)

Movement of the live prawns at fair value can be analysed as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 July	9,215	14,100
Additions	82,224	21,710
Changes in fair value	(8,781)	1,153
Transferred to inventories	(73,078)	(27,748)
	9,580	9,215

Additions of biological assets include cost of fry, feeds and farm consumables. The remaining costs such as pond maintenance, labour costs and utilities are recognised to the statement of profit or loss as incurred.

As at 30 June 2024, the Group held 102 (2023: 138) active ponds with an estimated harvestable produce of 520,592 KGs (2023: 609,802 KGs) of live prawns. The Group is exposed to risks arising from fluctuations in the price and survival rate affecting production volume of live prawns.

In measuring the fair value of biological assets, the management has relied upon independent valuer's estimates and judgements to the selling price and estimated survival rates. No deductions are made for sales expenses/costs to sell, as these are not observable on the market, where such expenses are also deemed immaterial.

The fair values of the biological assets are categorised at Level 3 of the fair value hierarchy and were estimated using observable and unobservable inputs for the assets. There was no transfer between hierarchy during the financial year ended 30 June 2024. The following table shows the quantitative information used in the determination of fair values within Level 3:

Key inputs used	Significant unobservable inputs	Inter-relationship between key inputs and fair value
Selling price	The historical and most recent market transaction price	The higher the market transaction price or market prices, the higher the fair value of the biological assets.
Survival rates	Historical survival rates according to sizes of live prawns	The higher the survival rates, the higher the fair value of the biological assets.

### 16. INVENTORIES

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
At cost:		
Finished goods	3,161	3,309
Packaging materials	693	628
Consumables materials	1,129	2,136
Goods in transit	-	421
	4,983	6,494

The Group recognised inventories as cost of sales amounted to RM234,861,019 (2023: RM122,794,294).

Goods in transit in previous financial year consist of purchases of prawn feeds and consumables materials that are yet to be received at the end of the reporting period.

## Notes to the Financial Statements (cont'd)

### 17. TRADE AND OTHER RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Trade receivables	151,972	108,336	-	-
Less: Allowance of impairment losses	(1,886)	(164)	-	-
Trade receivables, net	150,086	108,172	-	-
Other receivables	3,152	34	-	-
Amount due from a former subsidiary company	17,249	17,386	-	-
Amount due from shareholder of a subsidiary company	-	1,728	-	-
Amount due from subsidiary companies	-	-	66,078	57,174
Deposits	1,971	8,312	1,241	1,076
Prepayments	31	3,753	-	-
	<u>22,403</u>	<u>31,213</u>	<u>67,319</u>	<u>58,250</u>
	<u>172,489</u>	<u>139,385</u>	<u>67,319</u>	<u>58,250</u>

The credit period granted to customers ranges from 90 days (2023: 90 days).

The Group applies a simplified approach in calculating loss allowances for trade receivable at an amount equal to lifetime ECL.

The Group does not hold any collateral or other credit enhancements over trade receivable balances.

The movement of allowance for impairment during the financial year is as follows:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
As at 1 July	164	415
Charge for the financial year	1,722	-
Reversal during the financial year	<u>-</u>	<u>(251)</u>
As at 30 June	<u>1,886</u>	<u>164</u>

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period.

## Notes to the Financial Statements (cont'd)

	Gross trade receivables  RM'000	Individually assessed RM'000	Total ECL RM'000
<b>Group</b>			
<b>2024</b>			
Neither past due nor impaired	90,768	-	-
Past due but not impaired:			
1 to 30 days	29,927	-	-
31 days to 60 days	15,258	-	-
61 days to 90 days	14,133	-	-
	59,318	-	-
Past due and impaired:			
More than 90 days	1,886	1,886	1,886
	151,972	1,886	1,886
<b>2023</b>			
Neither past due nor impaired	85,961	-	-
Past due but not impaired:			
1 to 30 days	9,578	-	-
31 days to 60 days	4,692	-	-
61 days to 90 days	4,890	-	-
More than 90 days	3,051	-	-
	22,211	-	-
Past due and impaired:			
More than 90 days	164	164	164
	108,336	164	164

### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

### Receivables that are past due but not impaired

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered recoverable.

Amount due from a former subsidiary company, which arose mainly from advances is unsecured, interest free and repayable on demand.

Amount due from shareholder of a subsidiary company is non-trade in nature, unsecured, interest-free and will be set off against capital to be returned to shareholders upon completion of the liquidation exercise of a subsidiary company, as shown in Note 12.

Amount due from subsidiary companies, which arose mainly from advances is unsecured, interest free and repayable on demand.

## Notes to the Financial Statements (cont'd)

Included in the deposits of the Group and of the Company is an amount of RM1,221,105 (2023: RM1,046,520) being deposits paid to an external party for the Group's proposed investment in Lim Shrimp Aquapolis Pte. Ltd. and joint venture with PT Gerbang NTB Emas for shrimp farming and processing in Sumbawa, Indonesia. The proposed investment had been terminated on 16 November 2023 and the refund is in the process.

### 18. FIXED DEPOSITS WITH LICENSED BANKS AND CASH AND BANK BALANCES

The Group's fixed deposits with licensed banks have been pledged to licensed financial institutions for banking facilities granted to the Group as disclosed in Note 22.

Fixed deposits with licensed banks earn interest at rates ranging from 2.60% to 3.45% (2023: 2.00% to 3.45%) per annum. Fixed deposits with licensed banks of the Group have maturity terms ranges from 1 month to 12 months (2023: 1 month to 12 months).

Included in cash and bank balances of the Group are bank balances amounted to RM167,889,328 (2023: RM162,146,029) placed with financial institutions located in the People's Republic of China ("PRC").

### 19. SHARE CAPITAL

	Group and Company		Amount	
	Number of ordinary shares 2024 '000	2023 '000	2024 RM'000	2023 RM'000
<b>Issued and fully paid:</b>				
<u>Ordinary shares</u>				
As at 1 July	1,590,838	1,443,323	534,154	508,386
Issuance of ordinary shares pursuant to:				
Private placement	-	144,332	-	25,258
Warrants C exercised	77,062	3,183	12,330	510
As at 30 June	<u>1,667,900</u>	<u>1,590,838</u>	<u>546,484</u>	<u>534,154</u>

#### (a) Ordinary Shares

During the financial year, the Company had increased its issued and paid-up capital from RM534,153,805 to RM546,483,669 through exercise of 77,061,650 Warrants C at an exercise price of RM0.16 per Warrant totaling RM12,329,864.

In prior year, the Company had increased its issued and paid-up capital from RM508,386,356 to RM534,153,805 by way of the following for working capital purposes:

- (i) issuance of 120,001,300 new ordinary shares on 9 February 2023 at RM0.175 per ordinary share totalling RM21,000,228 pursuant to a private placement.
- (ii) issuance of 24,331,000 new ordinary shares on 15 February 2023 at RM0.175 per ordinary share totalling RM4,257,925 pursuant to a private placement; and
- (iii) exercise of 3,183,100 Warrants C at an exercise price of RM0.16 per Warrant totalling RM509,296.



## Notes to the Financial Statements (cont'd)

### (b) Warrants B

On 2 September 2020, the Company issued 333,387,142 free warrants ("Warrant B") on the basis of one (1) Warrant B for every two (2) ordinary shares. Each Warrant B entitles the holder of the right to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.23 per Warrant B.

The salient features of the Warrants B are as follows:

- (i) The issue date of the Warrants B is 2 September 2020 and the expiry date is 1 September 2023. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (ii) Each Warrant B entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.23 per Warrant B;
- (iii) The Warrants B may be exercisable at any time within three (3) years commencing from and including the date of issuance of Warrant B and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 3<sup>rd</sup> anniversary of the date of issuance of the Warrant B and if such date is not a market day, then on the preceding market day;
- (iv) The exercise price and the number of Warrants B is subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company; and
- (v) All new ordinary shares to be issued pursuant to the exercise of the Warrants B will rank pari passu in all respects with the then ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares concerned.

The Warrants B had expired and lapsed on 1 September 2023, and the movement is as follows:

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>'000</b>	<b>'000</b>
As at 1 July	333,387,142	333,387,142
Expired and lapsed	<u>(333,387,142)</u>	<u>-</u>
As at 30 June	<u>-</u>	<u>333,387,142</u>

### (c) Warrants C

On 16 November 2021, the Company issued 352,080,075 free warrants ("Warrant C") on the basis of one (1) Warrant C for every four (4) ordinary shares. Each Warrant C entitles the holder the right to subscribe for one (1) ordinary share in the Company at an exercise price of RM0.16 per Warrant C.

The salient features of the Warrants C are as follows:

- (i) The issue date of the Warrants C is 30 September 2021 and the expiry date is 1 September 2024. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose;
- (ii) Each Warrant C entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.16 per Warrant C;

## Notes to the Financial Statements (cont'd)

- (iii) The Warrants C may be exercisable at any time within three (3) years commencing from and including the date of issuance of Warrant C and ending 5pm on the expiry date. The expiry date is a day falling immediately before the 3<sup>rd</sup> anniversary of the date of issuance of the Warrant C and if such date is not a market day, then on the preceding market day;
- (iv) The exercise price and the number of Warrants C is subject to adjustments in the event of alteration to the share capital of the Company in accordance with the provisions of Deed Poll. However, no adjustment shall be made in any event whereby the exercise price would be reduced to below the par value of ordinary share in the Company; and
- (v) All new ordinary shares to be issued pursuant to the exercise of the Warrants C will rank pari passu in all respects with the then ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares concerned.

The movement in the Company's Warrants C during the financial year is as follows:

	<b>Group and Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>'000</b>	<b>'000</b>
As at 1 July	348,896,975	352,080,075
Exercised	<u>(77,061,650)</u>	<u>(3,183,100)</u>
As at 30 June	<u><u>271,835,325</u></u>	<u><u>348,896,975</u></u>

### 20. RESERVES

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-distributable:</b>				
Translation reserve	49,714	46,148	-	-
<b>Distributable:</b>				
Retained earnings/ (Accumulated losses)	<u>219,905</u>	<u>187,158</u>	<u>(34,705)</u>	<u>(29,360)</u>
	<u><u>269,619</u></u>	<u><u>233,306</u></u>	<u><u>(34,705)</u></u>	<u><u>(29,360)</u></u>

#### Translation reserve

Exchange differences arising from translation of foreign controlled entities' financial statements are taken to the translation reserve as described in the accounting policies.

## Notes to the Financial Statements (cont'd)

### 21. BANK BORROWINGS

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured</b>		
Cash Line-i	994	1,000
Share margin financing	1,509	-
Term financing-i	92,765	97,703
Trade working capital financing-i	13,492	12,167
	108,760	110,870
<b>Current</b>		
Cash Line-i	994	1,000
Share margin financing	1,509	-
Term financing-i	8,834	9,596
Trade working capital financing-i	13,492	12,167
	24,829	22,763
<b>Non-Current</b>		
Term financing-i	83,931	88,107
	108,760	110,870

The weighted average effective interest rates for bank borrowings (per annum) as at reporting date are as follows:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Cash Line-i	8	8
Share margin financing	8	-
Term financing-i	4.81 - 6.70	3.82 - 6.75
Trade working capital financing-i	5.50 - 6.75	3.40 - 6.25

The bank borrowings are secured by way of:

- (i) First party legal charge on the leasehold lands of the Group as disclosed in Note 10;
- (ii) Debenture over fixed and floating charge on the assets, both present and future;
- (iii) Corporate guarantee by the Company;
- (iv) Personal guarantee by a director of the Company;
- (v) Corporate guarantee by a subsidiary company;
- (vi) Fixed deposit with licensed bank as disclosed in Note 18; and
- (vii) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan ("SJPP") with guarantee limit of 80% from the Term financing-I limit of RM0.5 million.

## Notes to the Financial Statements (cont'd)

### 22. LEASE LIABILITIES

The maturity analysis of the lease liabilities are as follows:

	Group	
	2024 RM'000	2023 RM'000
Minimum lease payments:		
Less than one year	8,022	877
Later than one year but not later than five years	649	9,061
Later than five years	985	81
Total minimum lease payments	9,656	10,019
Less: Unearned interest	(678)	(1,184)
Present value of lease liabilities	8,978	8,835

The lease liabilities component is analysed as follows:

	Group	
	2024 RM'000	2023 RM'000
Current	7,454	535
Non-current	1,524	8,300
	8,978	8,835

The Group does not face a significant liquidity risk with regard to their lease liabilities.

The lease liabilities comprise leasehold land, plant and machinery, lease of premises and obligations under finance lease on motor vehicles.

#### Leasehold land, plant and machinery and lease of premises

The Group applied the incremental borrowing rate to the lease liabilities ranging from 6.98% to 10.5% (2023: 6.98% to 10.92%) per annum.

#### Obligations under finance lease

The Group's obligations under finance lease bear effective interest at rate ranging from 2.12% to 4.78% (2023: 2.12% to 3.99%) per annum. The obligations under finance lease are secured by a charge over the property, plant and equipment as disclosed in Note 10.

### 23. REDEEMABLE PREFERENCE SHARES ("RPS")

	Group and Company	
	2024 RM'000	2023 RM'000
As at 1 July	72,061	74,325
Remeasurement	-	(4,183)
Accretion of interest	4,324	4,319
RPS interest payable	(2,800)	(2,400)
	73,585	72,061

## Notes to the Financial Statements (cont'd)

The fair value of the RPS was calculated on the assumption that the profit guarantee can be met during the guarantee period and was remeasured in previous financial year due to changes in the expected full redemption in financial year ending 2027, the interest rate remains as 3.0% per annum.

The redemption amount and dividend cash flows are discounted based on cost of borrowing of 6%.

The salient features of the RPS are as follows:

Issue price	RM0.20 per RPS
Size	400,000,000 RPS
Tenure	5 years commencing from and inclusive of the date of issuance of the RPS
Maturity date	The day immediately preceding the 5th anniversary from the date of issue of the RPS. If such a day fall on a non-market day, then the maturity date will be the preceding market day
Voting rights	Restricted to any resolution on winding-up and/or any resolution directly affecting the rights of the RPS holders
Notices	The RPS holders shall be entitled to receive notices of general meetings, reports and audited accounts of the Company and other information which may be reasonably sought
Dividend	3.0% per annum on the Issue Price of RPS, payable semi- annually, subject to the provisions of the Act
Form and denomination	The RPS are to be issued in registered form and constituted by the Constitution of the Company
Conversion right	The RPS are not convertible into new Company Shares
Ranking of the RPS	<p>The RPS shall, upon allotment and issuance, rank equally without any preference or priority among themselves and in priority to the Company's shares, but shall rank behind all secured and unsecured obligations of the Company. In the event of liquidation, dissolution, winding-up or other repayment of capital (other than on redemption):</p> <ol style="list-style-type: none"> <li>(i) the RPS shall confer on the RPS holders the right to receive in priority to the holders of all other class of securities in the share capital of the Company, cash repayment in full of the amount (and the amount of any coupon that has fallen due and remaining in arrears) of up to 100% of the Issue Price of the RPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of the Company;</li> <li>(ii) the RPS shall not confer on the RPS holders thereof the right to participate in the distribution of surplus assets or profits; and</li> <li>(iii) in the event that the Company has sufficient assets to permit payment of the full issue price to the RPS holders, the assets of the Company shall be distributed proportionally to the RPS holders in proportion to the amount that each RPS holder would otherwise be entitled to receive.</li> </ol>

## Notes to the Financial Statements (cont'd)

Redemption	<p>The RPS is redeemable at the Issue Price of the RPS at any time after the Guarantee Period and the auditors of NCSB having issued a certificate confirming the actual profit after tax ("PAT") of NCSB for the Guarantee Period, and during the tenure of the RPS, at the option of the Company, subject to not less than 7 business days' notice in writing being given prior to the Redemption</p> <p>In the event of any Shortfall, the amount of the Shortfall shall be set-off against the redemption of the equivalent value of RPS</p> <p>Any RPS not redeemed by the Company or surrendered by the RPS holders at the Maturity Date shall be redeemed by the Company at the Issue Price of the RPS</p>
Redemption price	The redemption price is at the Issue Price of the RPS together with arrears of dividend payments (if any) up to the date of redemption
Transferability	Non-transferable
Listing	The RPS will not be listed on any stock exchange

### 24. DEFERRED TAX LIABILITIES

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
As at 1 July	40,523	29,899
Charged to profit or loss (Note 9):		
Property, plant and equipment	9,994	2,026
Right-of-use assets and lease liabilities	(444)	692
Unabsorbed capital allowances	841	8,611
Fair value adjustment in respect of acquisition of subsidiary company	563	(705)
	<u>10,954</u>	<u>10,624</u>
As at 30 June	<u>51,477</u>	<u>40,523</u>

The deferred tax in the financial statements is in respect of the tax effects on the following:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
<b>Deferred tax assets (before offsetting):</b>		
Temporary differences arising from:		
Right-of-use assets and lease liabilities	417	-
Unabsorbed capital allowances	<u>10,785</u>	<u>11,626</u>
	<u>11,202</u>	<u>11,626</u>
Offsetting	<u>(11,202)</u>	<u>(11,626)</u>
<b>Deferred tax assets (after offsetting)</b>	<u>-</u>	<u>-</u>

## Notes to the Financial Statements (cont'd)

	Group	
	2024 RM'000	2023 RM'000
<b>Deferred tax liabilities (before offsetting):</b>		
Temporary differences arising from:		
Property, plant and equipment	44,141	34,147
Right-of-use assets and lease liabilities	-	27
Fair value adjustment in respect of acquisition of subsidiary company	18,538	17,975
	62,679	52,149
Offsetting	(11,202)	(11,626)
<b>Deferred tax liabilities (after offsetting)</b>	<u>51,477</u>	<u>40,523</u>

At the end of the reporting period, the Group has unabsorbed capital allowances that are available for offsetting against future taxable profits, subject to the agreement with the tax authorities.

The details of unabsorbed capital allowances are as follows:

	Group	
	2024 RM'000	2023 RM'000
Unabsorbed capital allowances	<u>44,938</u>	<u>49,517</u>

The unabsorbed capital allowances do not expire under current tax legislation.

### 25. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables	86,162	58,416	-	-
Other payables	39,289	2,671	183	29
Amount due to a former subsidiary company	2,733	2,733	2,733	2,733
Amount due to subsidiary companies	-	-	514	2,249
Amounts due to related companies	14,236	14,127	-	-
Amounts due to a director	6,519	6,502	-	-
Warrants conversion monies	224	72	224	72
Accruals	6,428	5,363	4,482	3,000
	<u>69,429</u>	<u>31,468</u>	<u>8,136</u>	<u>8,083</u>
	<u>155,591</u>	<u>89,884</u>	<u>8,136</u>	<u>8,083</u>

Trade payables comprise mainly amounts outstanding for goods delivered by suppliers. The credit period granted to the Group is 30 days (2023: 30 days).



## Notes to the Financial Statements (cont'd)

Amount due to a former subsidiary company, subsidiary companies and related companies represent advances and payments made on behalf for the Group and the Company which are unsecured, interest-free and are repayable on demand.

As at 30 June 2023, included in amount due to a director of the Group is an amount of RM6,480,000, which is payable at year 3 commencing from year 2020 and the payment arrangement had expired in financial year ended 2023. The deferred payable is measured at amortised cost at imputed interest rate of 6.75% per annum.

As of 30 June 2024, the amount due to a director is unsecured, interest-free and are repayable on demand.

Included in accruals of the Group and of the Company is an amount of RM2,800,000 (2023: RM2,400,000) being 3% RPS interest payable as disclosed in Note 23.

### 26. DIVIDEND

A final single tier dividend of 0.10 sen per ordinary share amounting to RM1,599,695 which was proposed in the previous financial year and dealt with in the previous directors' report was declared and paid in cash by the Company during the current financial year.

### 27. RELATED PARTY DISCLOSURES

#### (a) Identify related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company.

#### (b) Significant related party transactions and balances

Related party transactions have been entered in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Former subsidiary company:				
Interest income	5,435	5,244	-	-
Subsidiary companies:				
Dividend income	-	-	-	3,965

## Notes to the Financial Statements (cont'd)

(c) Compensation of key management personnel

The remuneration of key management personnel during the financial year are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Executive directors:				
Salaries and other emoluments	720	723	-	-
Defined contribution plans	91	91	-	-
	<u>811</u>	<u>814</u>	<u>-</u>	<u>-</u>
Non-executive directors:				
Fees	264	199	264	199
Other emoluments	23	13	23	13
	<u>287</u>	<u>212</u>	<u>287</u>	<u>212</u>
	<u><u>1,098</u></u>	<u><u>1,026</u></u>	<u><u>287</u></u>	<u><u>212</u></u>

### 28. SEGMENT REPORTING

Information about operating segments has not been reported separately as the Group's activities are mainly confined to a single operating segment which predominantly operates in Malaysia. The Group is principally involved in trading of prawns.

### 29. CAPITAL COMMITMENTS

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Approved and contracted for:		
Ponds and farm improvements	<u>34,970</u>	<u>127,328</u>

### 30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statements of cash flows as cash flows (used in)/from financing activities.

## Notes to the Financial Statements (cont'd)

	<b>Bank borrowings (Note 21) Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
As at 1 July	110,870	114,460
Investment in quoted shares	3,248	-
Net repayments of bank borrowings	(5,358)	(3,590)
Interest expense incurred (Note 6)	7,453	8,609
Interest expense paid	(7,453)	(8,609)
As at 30 June	108,760	110,870

	<b>Lease liabilities (Note 22) Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
As at 1 July	8,835	2,730
Additions to right-of-use assets	524	6,500
Repayments of lease liabilities	(381)	(395)
Interest expense incurred (Note 6)	566	569
Interest expense paid	(566)	(569)
As at 30 June	8,978	8,835

	<b>Amount due to related companies (Note 25) Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
As at 1 July	14,127	15,171
Advance from/Repayment to related companies	109	(1,044)
As at 30 June	14,236	14,127

	<b>Amount due to a director (Note 25) Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
As at 1 July	6,502	8,851
Waiver of debt	-	(2,430)
Interest expense	-	212
Advance from/(Repayment to) a director	17	(131)
As at 30 June	6,519	6,502

## Notes to the Financial Statements (cont'd)

### 31. FINANCIAL INSTRUMENTS

#### Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Financial assets</b>				
<i><u>Fair value through profit or loss</u></i>				
Other investments	54,445	51,360	-	-
<i><u>At amortised cost</u></i>				
Trade and other receivables	172,458	135,632	67,319	58,250
Loan to a former subsidiary company	276,723	267,718	-	-
Fixed deposit with licensed bank	3,452	5,380	-	-
Cash and bank balances	171,751	163,668	263	670
<b>Financial Liabilities</b>				
<i><u>At amortised cost</u></i>				
Trade and other payables	155,591	89,884	7,912	8,011
Bank borrowings	108,760	110,870	-	-
Lease liabilities	8,978	8,835	-	-
RPS	73,585	72,061	73,585	72,061

#### Financial Risk Management Objectives and Policies

The Group and the Company are exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and market risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

##### (i) Credit risk

Credit risk is the risk of financial loss to the Group and to the company that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk mainly from trade and other receivables, loan to a former subsidiary company and financial guarantee given to licensed banks and third parties whereas the Company's exposure to credit risk mainly from amount other receivables and financial guarantee given to licensed banks.

The management has in place a credit procedure to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all customers requiring credit over certain amount.

For cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

## Notes to the Financial Statements (cont'd)

The Company provides advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

### Concentration profile

Concentration of credit risk arises when a number of customers are engaged in similar business activities or activities within the same geographic region, or when they have similar risk characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Group monitors various portfolios to identify and assess risk concentration.

The Group's major concentration of credit risk relates to the amount due from two (2023: two) receivables which constituted 97% (2023: 98%) of its trade receivables at the end of the reporting period.

### Exposure to credit risk

The carrying amount of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk in relation to financial assets. No financial assets carry a significant exposure to credit risk.

In addition, the Company is exposed to credit risk in relation to financial guarantee given to licensed banks and third parties for credit facilities and supply of goods respectively granted to subsidiary companies. The financial guarantees have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies. At the end of the reporting period, no events have arisen which may cause the financial guarantees provided by the Company to be called upon or claimed by any counterparty pursuant to the relevant contracts entered by the Company.

At the end of the reporting period, the Company's maximum exposure to credit risk in relation to the financial corporate guarantees given are as below:

	<b>Company</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Bank borrowings	<u>96,967</u>	<u>48,576</u>
Trade payables	<u>2,069</u>	<u>2,310</u>

### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company encounter difficulty in meeting its obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from trade and other payables, bank borrowings, lease liabilities and RPS.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Notes to the Financial Statements  
(cont'd)Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

	Weighted average effective interest rate %	Total carrying amount RM'000	On demand or within 1 year RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000	Total undiscounted cash flows RM'000
<b>Group</b>						
<b>2024</b>						
<b>Non-interest bearing:</b>						
Trade payables and other payables		155,591	155,591	-	-	155,591
<b>Interest bearing:</b>						
Bank borrowings	3.40 - 7.60	108,760	30,107	69,958	36,738	136,803
Lease liabilities	2.12 - 10.50	8,978	8,022	649	985	9,656
RPS	3	73,585	-	92,000	-	92,000
		<u>346,914</u>	<u>193,720</u>	<u>162,607</u>	<u>37,723</u>	<u>394,050</u>

# Notes to the Financial Statements (cont'd)

	Weighted average effective interest rate %	Total carrying amount RM'000	On demand or within 1 year RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000	Total undiscounted cash flows RM'000
<b>2023</b>						
<b>Non-interest bearing:</b>						
Trade payables and other payables		89,884	89,884	-	-	89,884
<b>Interest bearing:</b>						
Bank borrowings	3.40 - 7.60	110,870	26,897	55,635	46,948	129,480
Lease liabilities	2.12 - 10.92	8,835	877	9,061	81	10,019
RPS	3	72,061	-	92,000	-	92,000
		281,650	117,658	156,696	47,029	321,383
<b>Company</b>						
<b>2024</b>						
<b>Non-interest bearing:</b>						
Trade payables and other payables		8,136	8,136	-	-	8,136
Financial guarantees*		-	99,036	-	-	99,036
<b>Interest bearing:</b>						
RPS	3	73,585	-	92,000	-	92,000
		81,721	107,172	92,000	-	199,172



# Notes to the Financial Statements (cont'd)

	Weighted average effective interest rate %	Total carrying amount RM'000	On demand or within 1 year RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000	Total undiscounted cash flows RM'000
<b>Company</b>						
<b>2023</b>						
<b>Non-interest bearing:</b>						
Trade payables and other payables		8,083	8,083	-	-	8,083
Financial guarantees*		-	50,886	-	-	50,886
<b>Interest bearing:</b>						
RPS	3	72,061	-	92,000	-	92,000
		80,144	58,969	92,000	-	150,969

\* This exposure to liquidity risk is included for illustration purpose only as the related guarantees have not yet crystallised.

## Notes to the Financial Statements (cont'd)

### (iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates risk will affect the Group's and the Company's financial position or cash flows.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has not entered into forward foreign exchange contracts during the current financial year.

The Group is exposed to currency translation risk arising from the inter-company transactions in PRC subsidiary company denominated in Chinese Yuan ("CNY") and Hong Kong subsidiary company denominated in Hong Kong Dollar ("HKD") and United States Dollar ("USD") for trade receivables and cash and bank balances. This inter-company transaction is not hedged as the currency position in CNY and HKD are considered to be long-term in nature.

Foreign exchange exposures in transactional currency other than functional currency of the Group is kept to an acceptable level.

#### *Exposure to foreign currency risk*

The Group's significant exposure to foreign currency (a currency which is other than functional currency of the respective Group entity) risk, based on carrying amounts as at end of the reporting period was:

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Denominated in USD		
Trade receivables	3,082	1,870
Cash and bank balances	8	8
	<u>3,090</u>	<u>1,878</u>
Denominated in CNY		
Other receivables	171,197	145,296
Loan to a former subsidiary company	276,723	267,718
Cash and bank balances	167,888	162,145
	<u>615,808</u>	<u>575,159</u>

#### *Foreign currency sensitivity analysis*

The following table demonstrates the sensitivity analysis of the Group's profit after tax to reasonably possible changes in HKD and USD exchange rate against the functional currencies of the other Group entities, with all other variables being constant.

## Notes to the Financial Statements (cont'd)

	<b>Group (Decrease)/Increase in Profit net of tax 2024 RM'000</b>	<b>Profit net of tax 2023 RM'000</b>
USD/RM		
strengthened 3%	(70)	(43)
weakened 3%	70	43
HKD/CNY		
strengthened 3%	(14,040)	(11,114)
weakened 3%	14,040	11,114

### Interest Rate Risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from the bank borrowing with floating interest rates.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	<b>Group 2024 RM'000</b>	<b>2023 RM'000</b>
<b>Floating rate instruments</b>		
Bank borrowings	108,760	110,870

### *Interest rate risk sensitivity analysis*

The following table details the sensitivity analysis on the floating rate instruments to a reasonably possible change in the interest rate as at the end of the reporting period with all other variables held constant:

	<b>Group Increase/(Decrease) in Profit net of tax/ equity 2024 RM'000</b>	<b>Profit net of tax/ equity 2023 RM'000</b>
Increase of 100 basis points	(827)	(843)
Decrease of 100 basis points	827	843

## Notes to the Financial Statements (cont'd)

### Equity Price Risk

The group is exposed to equity price risk arising from investment in quoted shares.

### *Equity price risk sensitivity analysis*

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been RM0.01 higher/lower, the profit net of tax would increase/decrease by RM23,445 (2023: RMNil) as a result of the changes in fair value of the investments in quoted shares.

### **Fair values of financial instruments**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

	<b>Level 3 RM'000</b>	<b>Total fair value RM'000</b>	<b>Carrying amount RM'000</b>
<b>Group</b>			
<b>2024</b>			
<b>Assets</b>			
Other investments	<u>51,360</u>	<u>51,360</u>	<u>51,360</u>
<b>2023</b>			
<b>Assets</b>			
Other investments	<u>51,360</u>	<u>51,360</u>	<u>51,360</u>

### Level 3:

The fair value of investment in unquoted shares was determined based on the indicative offer price from the major shareholder of HXOF as disclosed in Note 13.

The fair value measurement hierarchies used to measure non-financial assets at fair values in the statements of financial positions are disclosed in Notes 13.

There was no material transfer between Level 1, Level 2 and Level 3 during the financial year.

### Financial instrument other than those carried at fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values.

The carrying amount of long-term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The carrying amounts of short-term receivables and payables, investment in quoted shares and cash and cash equivalents approximate their fair values due to the relatively short-term nature of these financial instruments and the insignificant impact of discounting.

## Notes to the Financial Statements (cont'd)

### 32. CAPITAL MANAGEMENT

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged during the current financial year.

The capital structure of the Group consists of debt (as disclosed in Notes 21 and 22).

	<b>Group</b>	
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
Debt	117,738	119,705
Equity attributable to Owners of the Company	816,103	767,460
Debts to equity ratio	0.14	0.16

Debt consists of bank borrowings and lease liabilities.

Debt to equity ratio is not applicable to the Company as the Company has no debt at the end of the reporting period.

### 33. MATERIAL LITIGATION

- (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 were 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 had lapsed, and that Reymee was 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 had been delivered on 5 January 2023 and had been consolidated with WA-22NCC-43-0112021 under Note 33(ii).

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

Reymee was 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 had been assigned to Reymee. Reymee was further seeking a declaration that he was the Chief Corporate Officer of NCSB and 1st Defendant and NCSB were jointly and severally liable to him for the sum of RM2,700,000, being the value of 3% of NCSB's shares.

The matter had 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 under Note 33(i) & Note 33(ii). The Court dismissed Reymee's claim in case No WA-22NCC-43-01/2021 with costs of RM75,000 to be paid by Reymee and Wondeux. By virtue of dismissal, it was no longer necessary for the Court to deal with Case No. WA-22NCC-437-09/2020 [Note 33(i)], and therefore, this case was also dismissed with costs of RM15,000.

## Notes to the Financial Statements (cont'd)

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 was fixed for hearing/decision on 17 January 2024.

The Court of Appeal on 17 January 2024 had decided to dismiss Appeal 183 with costs of RM30,000. The dismissal of Appeal 183 meant that the decision of High Court in Suit: WA-22NC-43-01/2021 was upheld. There had been no further appeals in respect of this matter, and there is no financial impact to NCSB.

- (iii) High Court of Kuala Lumpur Case No. WA-22/P-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 were 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 had lapsed, that Steven is not the Chief Marketing Officer of NCSB, and further that Steven did not own the copyrights and trademarks of NCSB.

The matter had been consolidated with WA-22IP-43-08/2020 under Note 33(iv).

- (iv) High Court of Kuala Lumpur Case No. WA-22/P-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 was seeking for declarations that the validity period of the Funding Agreement was mutually extended, and that Steven was owed the sum of RM405,900 (payment order) being works done for NCSB. Steven was further seeking a declaration that he was the Chief Marketing Officer or an employee of NCSB, and that Steven owned the copyrights and trademarks of “North Cube”, and was 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 was 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 had responded to the interrogatories.

The matter had been consolidated with WA-22IP-38-07/2020 under Note 33(iii) and had undergone full trial on 5, 6, 12 and 13 June 2024 before YA Puan Adlin Binti Abdul Majid while the remaining trial was on 10 September 2024. 1st Defendant and NCSB had obtained a Security for Costs of RM40,000 against Steven Mak pending the disposal of both matters. After the trial on 10 September 2024, the case is now pending for Court’s decision. The directors are of the opinion that the outcome will be favourable to NCSB.

### 34. SUBSEQUENT EVENTS

- (i) Investment in a subsidiary company

On 1 July 2024, the Company incorporated a wholly-owned subsidiary company, named MAG Capital Venture Sdn. Bhd., with 100,000 ordinary shares at RM1.

- (ii) Loan extension agreement with a former subsidiary company

On 1 October 2019, AHOT granted an unsecured, interest-bearing loan at a rate of 1.75% per annum to its former subsidiary, HXOF, with a maturity date of 30 September 2024. On 21 August 2024, AHOT entered into an agreement to extend the loan for an additional five years, now maturing on 30 September 2029.

## Notes to the Financial Statements (cont'd)

### (iii) Exercise of Warrants C

Subsequent to the financial year end, a total of 151,606,593 units of Warrants C at an exercise price of RM0.16 were exercised amounted to RM24,257,054.88. As at the date of the financial statements of the Group and of the Company were authorised by Board of Directors for issuance, 30 October 2024, the total numbers of Warrants C that remain unexercised amounted to 120,228,732 units.

### (iv) Dividend

On 29 October 2024, the directors of the Company proposed a final single tier dividend of 0.10 sen per ordinary share for the financial year ended 30 June 2024 which is subject to the shareholders' approval at the forthcoming Annual General Meeting of the Company.

## 35. RECLASSIFICATION OF COMPARATIVE FIGURES

Certain comparative figures in prior year's statements of financial position as shown below have been reclassified to enhance comparability with current year's presentation. As a result, certain line items have been amended on the face of the statements of financial position and statements of cash flows. The items reclassified were as follows:

	As previously stated RM'000	Reclassification RM'000	As reclassified RM'000
<b>Group</b>			
<b>Statements of financial position as at 30 June 2023</b>			
<b>Non-current assets</b>			
Property, plant and equipment	309,372	(6,500)	302,872
<b>Current assets</b>			
Trade and other receivables	121,823	17,562	139,385
Fixed deposit with licensed bank	1,342	4,038	5,380
<b>Capital and Reserves</b>			
Share capital	534,226	(72)	534,154
<b>Current liabilities</b>			
Trade and other payables	74,712	15,172	89,884
<b>Statements of cash flow for the financial year ended 30 June 2023</b>			
<b>Cash flow from operating activities</b>			
Trade and other receivables	(46,711)	(2,462)	(49,173)
Trade and other payables	2,325	72	2,397
Interest paid	(8,980)	8,980	-
<b>Cash flow used in investing activities</b>			
Purchase of property, plant and equipment	(36,234)	6,500	(29,734)
Placement of fixed deposits with licensed banks	(34)	(4,038)	(4,072)



# Notes to the Financial Statements (cont'd)

	As previously stated RM'000	Reclassification RM'000	As reclassified RM'000
<b>Cash flow from financing activities</b>			
Proceeds from issuance of ordinary shares	25,840	(72)	25,768
Repayments of lease liabilities	(593)	198	(395)
Interest paid	-	(9,178)	(9,178)
<b>Company</b>			
<b>Statements of financial position as at 30 June 2023</b>			
<b>Capital and Reserves</b>			
Share capital	534,226	(72)	534,154
<b>Current liabilities</b>			
Trade and other payables	8,011	72	8,083
<b>Statements of cash flow for the financial year ended 30 June 2023</b>			
<b>Cash flow from operating activities</b>			
Trade and other payables	(1,940)	72	(1,868)
<b>Cash flow from financing activities</b>			
Proceeds from issuance of ordinary shares	25,840	(72)	25,768

# LIST OF PROPERTIES

AS AT 30 JUNE 2024

Address	Description/ existing use	Tenure	Land Area	Age of buildings	Net Book Value RM'000	Date of Acquisition
<b>Wakuba Farm</b> CL105466466 Kampung Wakuba Daerah Tawau, Sabah	An aquaculture farm with 102 shrimp ponds, buildings, structures, and plant and machinery	99-year leasehold interest (expiring on 31 December 2088).	97.90 hectares	9 - 22 years	158,257	12.12.2019
<b>Umas Farm</b> CL105571971 Kampung Umas-umas Daerah Tawau, Sabah	An aquaculture farm with 151 shrimp ponds, buildings, structures, and plant and machinery	99-year leasehold interest (expiring on 31 December 2078)	120.52 hectares	17 years	120,929	3.5.2019

# ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2024

Number of Issued Shares	:	1,693,238,340 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share held

## DISTRIBUTION OF SHAREHOLDERS

Size of shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	584	12.40	22,999	0.00*
100 - 1,000	517	10.98	217,652	0.01
1,001 - 10,000	1,394	29.60	7,130,658	0.42
10,001 - 100,000	1,678	35.63	61,694,085	3.64
100,001 - 84,661,916**	536	11.38	1,493,648,146	88.21
84,661,917 and above***	1	0.02	130,524,800	7.71
<b>TOTAL</b>	<b>4,710</b>	<b>100.00</b>	<b>1,693,238,340</b>	<b>100.00</b>

Notes:

\* The percentage of shares is negligible.

\*\* Less than 5% of issued holdings

\*\*\* 5% and above of issued shares

## DIRECTORS' SHAREHOLDINGS

(Based on the Registrar of Directors' Shareholdings)

Name of Directors	Nationality	Direct Interest		Indirect Interest	
		Number of Shares	%	Number of Shares	%
1. Ng Min Lin	Malaysia	465,817,797	27.51	—	—
2. Yeoh Wooi Kia	Malaysia	—	—	—	—
3. Collin Goonting					
a/l O.S. Goonting	Malaysia	—	—	—	—
4. Datuk Lim Si Cheng	Malaysia	80,000	0.01	—	—
5. Wan Mohd Hazrie					
bin Wan Mokhtar	Malaysia	—	—	—	—
6. Melvin Lim Chun Woei	Malaysia	47,650,652	2.81	—	—
7. Wong Jo Ann	Malaysia	6,816,600	0.40	—	—

## SUBSTANTIAL SHAREHOLDERS

(Based on the Registrar of Substantial Shareholders)

Name of Substantial Shareholders	Nationality	Direct Interest		Indirect Interest	
		Number of Shares	%	Number of Shares	%
1. Ng Min Lin	Malaysia	465,817,797	27.51	—	—

## Analysis Of Shareholdings (cont'd)

### THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS

(Based on the Record of Depositors)

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Holders	Number of Shares	%
1.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin</i>	130,524,800	7.71
2.	Hsu, Ching-fu	80,413,700	4.75
3.	RHB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin</i>	75,230,000	4.44
4.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Pembangunan Sumber Manusia Berhad</i>	70,000,000	4.13
5.	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin (CTS-NML0003CI)</i>	66,250,100	3.91
6.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Agrobulk Holdings Sdn. Bhd.</i>	61,599,000	3.64
7.	Mercsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin (NAF231)</i>	57,457,500	3.39
8.	M & A Nominee (Tempatan) Sdn. Bhd. <i>Pledged Securities Account Majestic Salute Sdn. Bhd. for Megan Mezanin Sdn. Bhd. (M&amp;A)</i>	56,101,700	3.31
9.	HLB Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Tang &amp; Co Sdn. Bhd.</i>	55,599,000	3.28
10.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account - AmBank (M) Berhad for Ng Min Lin (Smart)</i>	48,500,000	2.86
11.	Melvin Lim Chun Woei	41,650,652	2.46
12.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin</i>	33,828,950	2.00
13.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ooi Chen Seng</i>	30,000,000	1.77
14.	CGS International Nominees Malaysia (Asing) Sdn. Bhd. <i>CGS International Securities Singapore PTE. LTD. (Prop A/C)</i>	25,000,000	1.48
15.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ooi Chieng Sim (E-BBB)</i>	25,000,000	1.48
16.	HSBC Nominees (Asing) Sdn. Bhd. <i>Societe Generale Paris</i>	23,000,000	1.36
17.	Maybank Nominees (Asing) Sdn. Bhd. <i>Chang Mei Jung</i>	22,963,900	1.36

## Analysis Of Shareholdings (cont'd)

### THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS (CONT'D)

(Based on the Record of Depositors)

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Holders	Number of Shares	%
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Lee Seng Teck</i>	22,000,000	1.30
19.	Bimsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin (MGNM88833)</i>	20,782,000	1.23
20.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Soo San Hem</i>	20,500,000	1.21
21.	Lee Choon Hooi	20,000,000	1.18
22.	Phillip Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Megan Mezanin Sdn. Bhd.</i>	19,131,713	1.13
23.	Fiamma Holdings Berhad	18,000,000	1.06
24.	Cimsec Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Sim Keng Chor (PB)</i>	15,995,400	0.94
25.	Lagenda Perdana Sdn. Bhd.	15,000,000	0.89
26.	Lai Choon Meng	15,000,000	0.89
27.	TA Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Wai Mun</i>	14,284,000	0.84
28.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin (MY3571)</i>	13,950,000	0.82
29.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Teo Yek Ming (0129944)</i>	13,555,600	0.80
30.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin</i>	12,514,000	0.74

# ANALYSIS OF WARRANTS C HOLDINGS

AS AT 30 SEPTEMBER 2024

Number of outstanding Warrants C	:	246,497,500 Warrants C
Exercise Price	:	RM0.16
Exercise Period	:	10 November 2021 to 08 November 2024
Exercise Rights	:	No voting rights
Voting Rights	:	Each Warrants C entitles the holder during the Exercise Period to subscribe for one (1) new ordinary share in the Company at the Exercise Price

## DISTRIBUTION OF WARRANTS C HOLDERS

Size of Warrants C holders	Number of Warrants C Holders	%	Number of Warrants C	%
1 - 99	1,309	31.66	44,987	0.02
100 - 1,000	869	21.02	423,007	0.17
1,001 - 10,000	1,308	31.64	4,833,957	1.96
10,001 - 100,000	480	11.61	17,328,963	7.03
100,001 - 12,324,874*	165	3.99	159,301,986	64.63
12,324,875 and above**	3	0.07	64,564,600	26.19
<b>TOTAL</b>	<b>4,134</b>	<b>100.00</b>	<b>246,497,500</b>	<b>100.00</b>

### Notes:

\* Less than 5% of issued holdings

\*\* 5% and above of issued holdings

## DIRECTORS' WARRANTS C HOLDINGS

(Based on the Registrar of Directors' Warrant C Holdings)

	Name of Directors	Nationality	Direct Interest		Indirect Interest	
			Number of Warrants C	%	Number of Warrants C	%
1.	Ng Min Lin	Malaysia	50,320,948	20.41	—	—
2.	Yeoh Wooi Kia	Malaysia	—	—	—	—
3.	Collin Goonting					
	a/I O.S. Goonting	Malaysia	—	—	—	—
4.	Datuk Lim Si Cheng	Malaysia	20,000	0.01	—	—
5.	Wan Mohd Hazrie					
	bin Wan Mokhtar	Malaysia	—	—	—	—
6.	Melvin Lim Chun Woei	Malaysia	—	—	—	—
7.	Wong Jo Ann	Malaysia	980,712	0.40	—	—

## Analysis Of Warrants C Holdings (cont'd)

### THIRTY (30) LARGEST WARRANTS C HOLDERS

(Based on the Record of Depositors)

(Without aggregating securities from different securities accounts belonging to the same person)

No.	Name of Warrants C Holders	Number of Warrants C	%
1.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account - AmBank (M) Berhad for Ng Min Lin (Smart)</i>	30,000,000	12.17
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Lee Seng Teck</i>	22,000,000	8.93
3.	Kingsley Lim Fung Wang	12,564,600	5.10
4.	Pelican Prospect Sdn. Bhd.	10,613,000	4.31
5.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Rakuten Trade Sdn. Bhd. for Soo San Hem</i>	10,500,000	4.26
6.	Ng Min Lin	10,246,987	4.16
7.	Megan Mezanin Sdn. Bhd.	9,475,900	3.84
8.	Pelican Prospect Sdn. Bhd.	8,070,000	3.27
9.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ooi Chieng Sim (E-BBB)</i>	6,250,000	2.54
10.	Sea Sanctuary Sdn. Bhd.	4,029,700	1.63
11.	Lagenda Perdana Sdn. Bhd.	3,750,000	1.52
12.	Ang Yee Hooi	3,259,900	1.32
13.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Exempt an for Aham Asset Management Berhad (TSTAC/CLNTT)</i>	3,150,000	1.28
14.	Lim Wee Yang	3,000,000	1.22
15.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Chow Choon Futt (E-TCS)</i>	3,000,000	1.22
16.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin</i>	2,591,000	1.05
17.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Gan Seong Liam</i>	2,500,000	1.01
18.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin (MY3571)</i>	2,487,500	1.01
19.	Lee Hock Lee	2,300,000	0.93
20.	Goh Lipton	2,249,300	0.91

## Analysis Of Warrants C Holdings (cont'd)

### THIRTY (30) LARGEST WARRANTS C HOLDERS (CONT'D)

*(Based on the Record of Depositors)*

*(Without aggregating securities from different securities accounts belonging to the same person)*

No.	Name of Warrants C Holders	Number of Warrants C	%
21.	Yong Boon Chieh	2,200,000	0.89
22.	Lim Siew Lee	2,000,000	0.81
23.	AMSEC Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin</i>	1,945,703	0.79
24.	Mercsec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Min Lin (NAF231)</i>	1,939,375	0.79
25.	Tan Jayne Qi	1,900,000	0.77
26.	Gan Siok Yen	1,800,000	0.73
27.	VC Marine Sdn. Bhd.	1,701,775	0.69
28.	Megan Mezanin Sdn. Bhd.	1,668,900	0.68
29.	Ting Seafood and Machinery Sdn. Bhd.	1,548,525	0.63
30.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Roger Phiong Yoon Sam</i>	1,500,000	0.61



# NOTICE OF 19TH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** THAT the 19th Annual General Meeting (AGM) of MAG Holdings Berhad (MAG or the Company) will be held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur on **Tuesday, 26 November 2024 at 9.00 a.m.** or at any adjournment thereof to consider and if thought fit, to pass the following resolutions with or without modifications:

## AGENDA

### Ordinary Business

1. To receive the audited financial statements for the financial year ended 30 June 2024 (FYE 2024) together with the Directors' and Auditors' Reports thereon. *(See Explanatory Note 1)*
2. To approve the payment of a Final Single Tier Dividend of 0.1 sen per ordinary share for the FYE 2024. **Ordinary Resolution 1**  
*(See Explanatory Note 2)*
3. To approve the payment of Directors' fees from the conclusion of the 19th AGM until the conclusion of the next AGM for: **Ordinary Resolution 2**  
*(See Explanatory Note 3)*
  - (i) RM3,500 per month for the Non-Executive Members of the Board of Directors (Board); and
  - (ii) RM1,000 per month for the Chairman of the Audit and Risk Management Committee (ARMC).

(each of the foregoing payments being exclusive of the other).
4. To approve the payment of daily meeting attendance allowance of RM500 to the Non-Executive Directors from the conclusion of the 19th AGM until the conclusion of the next AGM. **Ordinary Resolution 3**  
*(See Explanatory Note 4)*
5. To re-elect Mr. Ng Min Lin who retires pursuant to Article 106 of the Company's Constitution (Constitution) and who has offered himself for re-election. **Ordinary Resolution 4**  
*(See Explanatory Note 5)*

Datuk Lim Si Cheng who retires pursuant to Article 106 of the Constitution, indicated his intention of not seeking re-election. Hence, he will remain in office until the conclusion of this AGM.
6. To appoint Messrs. Morison LC PLT as auditors of the Company for the financial year ending 30 June 2025 at such remuneration to be determined by the Directors. **Ordinary Resolution 5**  
*(See Explanatory Note 6)*

### Special Business

To consider and if thought fit, to pass the following resolution, with or without modification:

7. **Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 (CA 2016) (Proposed General Mandate)** **Ordinary Resolution 6**  
*(See Explanatory Note 7)*

"**THAT** subject always to Sections 75 and 76 of the CA 2016, the Constitution, the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the next AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

## Notice Of 19Th Annual General Meeting (cont'd)

**THAT** the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Article 52 of the Constitution arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

**AND THAT** the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

8. To transact any other ordinary business of which due notice shall have been given in accordance with the Constitution and the CA 2016.

### BY ORDER OF THE BOARD MAG HOLDINGS BERHAD

**WONG YUET CHYN (MAICSA 7047163)  
(SSM PC No. 202008002451)**

Company Secretary  
30 October 2024  
Kuala Lumpur

### Notes:

1. *A depositor shall not be regarded as a member entitled to attend this AGM or at any adjournment thereof and to speak and vote thereat unless his/her/its name appears on the Record of Depositors as at 18 November 2024 (which is not less than three clear market days before the date of this AGM) issued by Bursa Malaysia Depository Sdn. Bhd. (Bursa Depository) in accordance with the rules of Bursa Depository.*
2. *A member who is a holder of 2 or more shares shall be entitled to appoint up to 2 proxies to attend and vote at this AGM. Where a member appoints 2 proxies, the appointments shall be invalid unless he/she/it specifies the proportions of his/her/its holdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her/its stead, if such member personally attends this AGM, his/her/its proxy shall be precluded from the meeting.*
3. *A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.*
4. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
5. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.*
7. *The Form of Proxy and the duly completed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be lodged at the Company's registered office at A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, W.P. Kuala Lumpur or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time appointed for holding this AGM or at any adjournment meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.*
8. *Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all resolutions set out in this Notice of AGM shall be put to vote by poll.*

## Notice Of 19Th Annual General Meeting (cont'd)

### Explanatory Notes

#### 1. Audited financial statements for the FYE 2024

This item of the Agenda is for discussion purposes only, as Section 340(1)(a) of the CA 2016 does not require the shareholders to approve the audited financial statements formally. Hence, this item will not put forward for voting.

#### 2. Ordinary Resolution 1 - Notice of Dividend Entitlement and Payment

Notice is also hereby given that subject to the approval of the shareholders at the 19th AGM, a Final Single Tier Dividend of 0.1 sen per ordinary share will be paid 23 January 2025 to the shareholders whose names appear in the Record of Depositors at the close of business on 14 January 2025.

A depositor shall qualify for entitlement only in respect of:

- (a) shares transferred to the Depositors' Securities Account before 4.30 p.m. on 14 January 2025 in respect of ordinary transfers; and
- (b) shares bought on Bursa Securities on a cum entitlement basis according to the AMLR of Bursa Securities.

#### 3. Ordinary Resolution 2 - Payment of Directors' fees from the conclusion of the 19th AGM until the conclusion of the next AGM

Section 230(1) of the CA 2016 and Article 92(1) of the Constitution provide that the Company shall determine Directors' Fees in general meeting.

The Remuneration Committee (RC) had recommended that the Directors' fees remain unchanged, details as follows:

	Current	Proposed
(i) Non-Executive Members of the Board	RM3,500 per month	RM3,500 per month
(ii) Chairman of the ARMC	RM1,000 per month	RM1,000 per month

The Board had accepted the RC's proposal as it opined that it is fair and reasonable and in the Company's best interest.

The payment of fees to the Non-Executive Members of the Board is on a monthly basis. This is to commensurate and compensate the Non-Executive Directors for their time and effort contributed to the Company on an on-going basis throughout the year whereas the additional fee for the Chairman of the ARMC is to commensurate and compensate him for his additional responsibilities as chairman of the ARMC.

#### 4. Ordinary Resolution 3 - Payment of daily meeting attendance allowances to the Non-Executive Directors from the conclusion of the 19th AGM until the conclusion of the next AGM

Section 230(1) of the CA 2016 provides that "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

At the 18th AGM held on 29 November 2023, the shareholders of the Company had approved the payment of daily meeting attendance allowances to the Non-Executive Directors from the conclusion of 18th AGM until the conclusion of the 19th AGM. These allowances were intended to defray their travelling and other incidental costs for attending Board, Board committees and shareholders' meetings.

The Board had accepted the RC's proposal as it opined that it is fair and reasonable.

## Notice Of 19Th Annual General Meeting (cont'd)

### Explanatory Notes (Cont'd)

#### 5. Ordinary Resolution 4 - Re-election of Director pursuant to Article 106 of the Constitution

Article 106 of the Constitution expressly states that at every AGM, at least one-third of the Directors for the time being, or the number nearest to one-third, shall retire from office. The said Article also states that all Directors shall retire from office at least once in every three (3) years and that if there is only one (1) Director who is subjected to retirement by rotation, he/she shall retire. All Directors who retire from office shall be eligible for re-election.

Mr. Ng Min Lin (Mr. Ng) being eligible, has offered himself for re-election at this AGM pursuant to Article 106 of the Constitution.

Mr. Ng had undergone an annual assessment on their performance and contribution for FYE 2024 by the Nomination Committee (NC) and based on the assessment, the Board recommends his re-election. He had abstained from all deliberation and decision on his eligibility to stand for re-election at the relevant NC and/or Board meetings and will continue to abstain from all deliberation and decision on their eligibility to stand for re-election at this AGM.

Datuk Lim Si Cheng who is due to retire pursuant to Article 106 of the Constitution, has intimated his intention of not seeking re-election. Hence, he will remain in office until the conclusion of this AGM.

#### 6. Ordinary Resolution 5 - Appointment of auditors

Pursuant to Section 273(b) of the CA 2016, the term of office of the present auditors, Messrs. Morison LC PLT (Morison), shall lapse at the conclusion of this AGM unless they are reappointed by the shareholders to continue in office. Morison, have indicated their willingness to be appointed as auditors for the financial year ending 30 June 2025. The appointment of Morison as auditors has been considered by the ARMC, against the relevant criteria prescribed by Rule 15.21 of the AMLR.

This Ordinary Resolution 5, if passed, will also give the Directors, the authority to determine the remuneration of the auditors.

#### 7. Ordinary Resolution 6 - Authority to allot and issue shares pursuant to Sections 75 and 76 of the CA 2016

The proposed Ordinary Resolution 6 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The proposed Ordinary Resolution 6, if passed, will give the Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company.

The Proposed General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the CA 2016 and Article 52 of the Constitution of the Company to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the last AGM held on 29 November 2023 and this authority will lapse as the conclusion of this AGM of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the Proposed General Mandate is in the best interests of the Company and its shareholders.

## Notice Of 19Th Annual General Meeting (cont'd)

### Explanatory Notes (Cont'd)

#### 8. Personal Data Privacy

By registering for the meeting via remote participation and electronic voting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents) compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively the Purpose); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

PURSUANT TO RULE 8.29(2) OF THE AMLR

1. Further details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

No individual is seeking election as Director at the forthcoming 19th AGM.

2. Proposed General mandate for issue of securities in accordance with Rule 6.04(3) of the AMLR

The details of the proposed authority for Directors to issue shares in the Company pursuant to Sections 75 and 76 of the CA 2016 are set out in Explanatory Note 7 of the Notice of AGM.

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## FORM OF PROXY

Number of ordinary shares held

I/We, \_\_\_\_\_ CDS Account No. \_\_\_\_\_

of \_\_\_\_\_

being a Member/Members of **MAG HOLDINGS BERHAD**, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ or failing him/her, \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 19th Annual General Meeting (AGM) of the Company to be held at Balai Tunku Abdul Rahman, The Royal Commonwealth Society, No. 4, Jalan Birah, Damansara Heights, 50490 Kuala Lumpur, W.P. Kuala Lumpur on **Tuesday, 26 November 2024 at 9.00 a.m.** and at any adjournment thereof. My/Our proxy is to vote as indicated below:

Ordinary Business		Ordinary Resolutions	For	Against
1.	To approve the payment of a Final Single Tier Dividend of 0.1 sen per ordinary share for the financial year ended 2024	Resolution 1		
2.	To approve the payment of the Directors' fees from the conclusion of the 19th AGM until the conclusion of the next AGM on the basis as set out in the Notice of this AGM	Resolution 2		
3.	To approve the payment of daily meeting attendance allowance to the Non-Executive Directors from the conclusion of the 19th AGM until the conclusion of the next AGM	Resolution 3		
4.	To re-elect Mr. Ng Min Lin as Director	Resolution 4		
5.	To appoint Messrs Morison LC PLT as auditors of the Company for the financial year ending 30 June 2025 at such remuneration to be determined by the Directors	Resolution 5		
Special Business				
6.	To authorise the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016	Resolution 6		

(Please indicate with a "x" as to how you wish your vote/s to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion).

Where two (2) proxies are appointed, please indicate below the proportion of your shareholdings to be represented by each proxy.

First named proxy \_\_\_\_\_ %

Second named proxy \_\_\_\_\_ %

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024

Signature \_\_\_\_\_

(If shareholder is a corporation, this part should be executed under seal)

### Notes:

- A depositor shall not be regarded as a member entitled to attend this AGM or at any adjournment thereof and to speak and vote thereat unless his/her/its name appears on the Record of Depositors as at 18 November 2024 (which is not less than three clear market days before the date of this AGM) issued by Bursa Malaysia Depository Sdn. Bhd. (Bursa Depository) in accordance with the rules of Bursa Depository.
- A member who is a holder of 2 or more shares shall be entitled to appoint up to 2 proxies to attend and vote at this AGM. Where a member appoints 2 proxies, the appointments shall be invalid unless he/she/it specifies the proportions of his/her/its holdings to be represented by each proxy. Provided that having appointed a proxy to attend in his/her/its stead, if such member personally attends this AGM, his/her/its proxy shall be precluded from the meeting.
- A proxy may but need not be a member of the Company and there shall be no restriction as to the qualification of the proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), it may appoint at least 1 proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) as defined under SICDA, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- The Form of Proxy and the duly completed instrument appointing a proxy or the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be lodged at the Company's Registered Office at A3-3-8, No. 1, Jalan Dutamas, Solaris Dutamas, 50480 Kuala Lumpur, W.P. Kuala Lumpur or fax to 03-6413 3270 or email to [infosr@wscs.com.my](mailto:infosr@wscs.com.my) not less than forty-eight (48) hours before the time appointed for holding this AGM or at any adjournment meeting at which the person named in the instrument, proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, otherwise the person so named shall not be entitled to vote in respect thereof.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of this AGM shall be put to vote by poll.

### Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 30 October 2024.





Fold this flap for sealing

Then fold here

AFFIX  
STAMP

The Company Secretary  
**MAG HOLDINGS BERHAD**  
Registration No. 200401004611 (643114-X)  
A3-3-8, No. 1, Jalan Dutamas  
Solaris Dutamas  
50480 Kuala Lumpur  
W. P. Kuala Lumpur

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## **MAG HOLDINGS BERHAD**

Registration No. 200401004611 (643114-X)

### **Registered Office**

A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1  
50480 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia

**Tel :** +603-6413 3271 **Fax :** +603-6413 3270

### **Principle Place of Business**

B-03-12, Gateway Corporate Suites  
Gateway Kiaramas, No. 1, Jalan Desa Kiara, Mont Kiara  
50480 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia

**Tel :** +603-6419 1385 **Fax :** +603-6419 1386

[www.magholdings.com.my](http://www.magholdings.com.my)