

# **MAGNA PRIMA BERHAD**

Company No.: 369519-P

(Incorporated in Malaysia)

**Interim Financial Statements**

**31 March 2017**

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(Incorporated in Malaysia)

## **Interim Financial Statements - 31 March 2017**

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**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2017

(The figures have not been audited)

	AS AT 31/03/2017 RM'000 (Unaudited)	AS AT 31/12/2016 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	1,438	1,501
Investment Properties	533,119	533,119
Land held for property development	65,058	65,037
Deferred tax assets	17,977	17,873
	<u>617,592</u>	<u>617,530</u>
<b>Current Assets</b>		
Inventories	274,538	311,014
Contract assets	51,861	16,046
Trade receivables	24,212	29,687
Other receivables	19,035	17,552
Tax recoverable	808	998
Cash held under Housing Development Accounts	7,077	4,193
Fixed and short term deposits with licensed banks	7,771	15,930
Cash and bank balances	15,788	15,175
<b>TOTAL CURRENT ASSETS</b>	<u>401,090</u>	<u>410,595</u>
<b>TOTAL ASSETS</b>	<u>1,018,682</u>	<u>1,028,125</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	119,188	83,222
Share premium	-	35,566
Treasury shares	(2,385)	(2,385)
Other reserves	39,744	30,387
Retained profits	448,012	455,831
	<u>604,559</u>	<u>602,621</u>
<b>Non-controlling interests</b>	<u>4,190</u>	<u>4,626</u>
<b>TOTAL EQUITY</b>	<u>608,749</u>	<u>607,247</u>
<b>Non-Current Liabilities</b>		
Borrowings	134,794	143,294
Deferred tax liabilities	20,496	20,496
	<u>155,290</u>	<u>163,790</u>
<b>Current Liabilities</b>		
Trade payables	46,047	38,988
Other payables	58,029	73,116
Borrowings	96,336	92,354
Current tax liabilities	54,231	52,630
	<u>254,643</u>	<u>257,088</u>
<b>TOTAL LIABILITIES</b>	<u>409,933</u>	<u>420,878</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,018,682</u>	<u>1,028,125</u>
<b>Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)</b>	<u>1.83</u>	<u>1.81</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the quarter and period to-date ended 31 March 2017

(The figures have not been audited)

	<b>3 months ended</b>	
	<b>31/03/2017</b>	31/03/2016
	<b>RM'000</b>	RM'000
Revenue	<b>9,634</b>	24,548
Cost of sales	<b>(1,730)</b>	(13,745)
Gross profit	<b>7,904</b>	10,803
Other operating income	<b>385</b>	4,906
Selling and distribution expenses	<b>(591)</b>	(516)
Administration expenses	<b>(3,555)</b>	(2,873)
Other operating expenses	<b>3,478</b>	(909)
	<b>7,621</b>	11,411
Finance costs	<b>(3,500)</b>	(1,873)
Profit before taxation	<b>4,121</b>	9,538
Taxation	<b>(2,458)</b>	(4,041)
Profit for the period	<b>1,663</b>	5,497
Other comprehensive income / (expense) :		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	<b>8,385</b>	(7,904)
Other comprehensive income / (expense) for the period	<b>8,385</b>	(7,904)
Total comprehensive income / (expense) for the period	<b>10,048</b>	(2,407)
Profit / (loss) attributable to:		
Owners of the Company	<b>2,099</b>	5,550
Non-controlling interests	<b>(436)</b>	(53)
	<b>1,663</b>	5,497
Total comprehensive income / (expense) attributable to:		
Owners of the Company	<b>10,484</b>	(2,354)
Non-controlling interests	<b>(436)</b>	(53)
	<b>10,048</b>	(2,407)
Earnings per share attributable to Owners of the Company:		
- Basic (sen)	<b>0.63</b>	1.67
- Diluted (sen)	<b>0.53</b>	1.59

The Condensed Consolidated Statement of Profit or Loss And Other Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the period ended 31 March 2017

(The figures have not been audited)

	Attributable to Owners of the Company										
	Non-Distributable						Distributable				
	Share capital	Share premium	Treasury shares	Capital reserve	Capital redemption reserve	Warrants reserve	Foreign currency exchange reserve	Retained profits	Total	Non-controlling Interests	Total Equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Balance as at 1 January 2017</b>	<b>83,222</b>	<b>35,566</b>	<b>(2,385)</b>	<b>19,706</b>	<b>400</b>	<b>-</b>	<b>10,281</b>	<b>455,831</b>	<b>602,621</b>	<b>4,626</b>	<b>607,247</b>
<b>Adjustments for effects of Companies Act 2016 *</b>	<b>35,966</b>	<b>(35,566)</b>	<b>-</b>	<b>-</b>	<b>(400)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,099</b>	<b>2,099</b>	<b>(436)</b>	<b>1,663</b>
<b>Other comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,385</b>	<b>-</b>	<b>8,385</b>	<b>-</b>	<b>8,385</b>
<b>Total comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,385</b>	<b>2,099</b>	<b>10,484</b>	<b>(436)</b>	<b>10,048</b>
<b>Dividend paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,918)</b>	<b>(9,918)</b>	<b>-</b>	<b>(9,918)</b>
<b>Exercise of warrant right</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,372</b>	<b>-</b>	<b>-</b>	<b>1,372</b>	<b>-</b>	<b>1,372</b>
<b>Balance as at 31 March 2017</b>	<b>119,188</b>	<b>-</b>	<b>(2,385)</b>	<b>19,706</b>	<b>-</b>	<b>1,372</b>	<b>18,666</b>	<b>448,012</b>	<b>604,559</b>	<b>4,190</b>	<b>608,749</b>
Balance as at 1 January 2016	83,222	35,566	(77)	19,706	400	-	3,624	406,532	548,973	6,378	555,351
Effect of early adoption of MFRS 15	-	-	-	-	-	-	-	11,250	11,250	-	11,250
Balance as at 1 January 2016 (Restated)	83,222	35,566	(77)	19,706	400	-	3,624	417,782	560,223	6,378	566,601
<b>Profit / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,550</b>	<b>5,550</b>	<b>(53)</b>	<b>5,497</b>
<b>Other comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,904)</b>	<b>-</b>	<b>(7,904)</b>	<b>-</b>	<b>(7,904)</b>
<b>Total comprehensive income / (expense) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,904)</b>	<b>5,550</b>	<b>(2,354)</b>	<b>(53)</b>	<b>(2,407)</b>
<b>Acquisition of treasury shares</b>	<b>-</b>	<b>-</b>	<b>(2,172)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,172)</b>	<b>-</b>	<b>(2,172)</b>
<b>Balance as at 31 March 2016</b>	<b>83,222</b>	<b>35,566</b>	<b>(2,249)</b>	<b>19,706</b>	<b>400</b>	<b>-</b>	<b>(4,280)</b>	<b>423,332</b>	<b>555,697</b>	<b>6,325</b>	<b>562,022</b>

\* With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium and capital redemption reserve accounts of RM35,565,970 and RM400,000 respectively, has been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

For the period ended 31 March 2017

(The figures have not been audited)

	3 months ended 31/03/2017 RM'000	3 months ended 31/03/2016 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	4,121	9,538
Adjustments for :-		
Depreciation of property, plant and equipment	85	70
Amortisation of cost incurred to obtain a contract	430	103
Provision for liquidated and ascertained damages	-	57
Overprovision for liquidated and ascertained damages	(3,499)	-
Reversal impairment loss of trade receivables	(8)	-
Unrealised foreign exchange loss	-	(4,094)
Finance income	(78)	(484)
Finance expense	3,500	1,892
Operating profit before changes in working capital	<u>4,551</u>	<u>7,082</u>
Changes in working capital		
Inventories	36,476	4,660
Contract assets	(36,245)	4,842
Trade receivables	5,483	(1,240)
Other receivables	(1,483)	(804)
Trade payables	7,060	1,793
Other payables	(11,588)	(6,672)
Contract liabilities	-	1,993
	<u>(297)</u>	<u>4,572</u>
Net cash generated from operations	4,254	11,654
Interest paid	(2,238)	(4,581)
Interest received	78	484
Tax paid	(728)	(1,993)
Tax refund	4	477
	<u>(2,884)</u>	<u>(5,613)</u>
Net cash generated from operating activities	1,370	6,041
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	(21)	(164)
Purchase of investment property	-	(3,865)
Purchase of land held for property development	(22)	(8)
Net cash used in investing activities	<u>(43)</u>	<u>(4,037)</u>
<b>Cash Flows From Financing Activities</b>		
Dividend paid	(9,918)	-
Repayment of hire purchase liabilities	(36)	(9)
Repayment of bank borrowings	(16,907)	(5,536)
Fixed deposits with licensed banks	(53)	(32)
Proceeds from warrant exercised	1,372	-
Drawdown of bank borrowings	15,174	4,255
Repurchase of shares	-	(2,173)
Net cash used in financing activities	<u>(10,368)</u>	<u>(3,495)</u>
<b>Net change in cash &amp; cash equivalents</b>	<u>(9,041)</u>	<u>(1,491)</u>
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<u>9,471</u>	<u>97,409</u>
<b>Effect of exchange rate changes</b>	<u>8,336</u>	<u>(9,502)</u>
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<u><b>8,766</b></u>	<u><b>86,416</b></u>

Cash and cash equivalents at the end of the financial period comprises:

	As at 31/03/2017 RM'000	As at 31/03/2016 RM'000
Cash and bank balances	15,788	13,537
Cash held under Housing Development Accounts	7,077	7,962
Fixed and short term deposits with licensed banks	7,771	72,731
Bank overdrafts	(14,626)	(880)
	<u>16,010</u>	<u>93,350</u>
Less: Fixed deposits pledged with licensed banks	(7,244)	(6,934)
	<u><b>8,766</b></u>	<u><b>86,416</b></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to the interim financial statements.

**A Explanatory Notes Pursuant To MFRS 134**

**A1 Basis of Preparation**

The unaudited interim financial report has been prepared in accordance with the reporting requirements as set out in the Malaysian Financial Reporting Standards ("MFRS") No. 134 - Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2016. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

**A2 Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2016, except for the adoption of the following new standards and amendments/improvements to existing standards that are applicable to the Group for the financial period beginning on 1 January 2017 as set out below:

**MFRSs, Amendments to MFRSs and Interpretations**

Amendments to MFRS 107	Disclosure Initiative
Amendments to MFRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 12	Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014-2016 Cycle)

The effective new standards and amendments/improvements to existing standards above did not have any significant impact to the financial results and position of the Group.

**A2.1 Amendments to MFRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group:**

<b>MFRSs, Amendments to MFRSs and Interpretations</b>		<b>Effective for dates financial period beginning on or after</b>
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018
Amendment to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date yet to be determined by the Malaysian Accounting Standards Board

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have a material impact to the financial statements of the Group upon their initial recognition other than the adoption of MFRS 9 Financial Instruments. The Group is currently assessing the impact of these standards and plans to adopt these standards on the respective effective dates.

**A3 Auditors' Report For The Financial Year Ended 31 December 2016**

The auditors' report on the financial statements for the financial year ended 31 December 2016 was not subjected to any qualification.

**A4 Seasonal or Cyclical Factors**

The Group's operations during the financial period under review were not materially affected by any seasonal or cyclical factors.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items which affect the assets, liabilities, equity, net income or cash flows of the Group for the current quarter and current financial period under review .

**A6 Material Changes in Estimates of Amounts**

There were no changes in estimates that have had any material effect on the results for the current quarter and current financial period under review.

**A7 Debts and Equity Securities**

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial period to-date, except:

1) Share buy back

The Company repurchased 2,200,300 ordinary shares at an average price of RM1.049 each of its issued share capital from the open market.

	No. of Treasury Shares Units	Treasury Shares RM
Balance as at 1 January 2017	2,285,500	2,385,431
Repurchased during the period	-	-
Balance as at 31 March 2017	<u>2,285,500</u>	<u>2,385,431</u>

None of the treasury shares held were resold or cancelled during the period under review.

**A8 Dividends Paid**

The following dividends were paid during the current financial period to-date and previous corresponding period to date :

In respect of financial year ended 31 December 2015:

- second single tier interim dividend of 3.0 sen per ordinary share, paid on 4 May 2016, amounting to RM9,918,733.00.
- third single tier interim dividend of 3.0 sen per ordinary share, paid on 27 January 2017, amounting to RM9,918,133.20.

**A9 Segmental Analysis**

The Group's segmental reports for the current financial period are as follows:

**By operating segment :**

	Property Dev't RM'000	Const. & Engineering RM'000	Trading RM'000	Non- reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<b>Period ended 31/03/2017 :</b>						
Total revenue	9,300	14,369	-	384	(14,419)	9,634
Intersegment revenue	-	(14,369)	-	(50)	14,419	-
<b>Segment revenue :</b>	<b>9,300</b>	<b>-</b>	<b>-</b>	<b>334</b>	<b>-</b>	<b>9,634</b>
<b>Primary geographical markets:</b>						
Australia	199	-	-	-	-	199
Malaysia	9,101	14,369	-	384	(14,419)	9,435
	<b>9,300</b>	<b>14,369</b>	<b>-</b>	<b>384</b>	<b>(14,419)</b>	<b>9,634</b>
<b>Nature of product</b>						
Commercial properties	7,792	14,369	-	384	(14,419)	8,126
Residential properties	1,508	-	-	-	-	1,508
	<b>9,300</b>	<b>14,369</b>	<b>-</b>	<b>384</b>	<b>(14,419)</b>	<b>9,634</b>
<b>Timing of revenue recognition:</b>						
Good transferred at a point in time	7,792	-	-	384	(50)	8,126
Good transferred over time	1,508	14,369	-	-	(14,369)	1,508
	<b>9,300</b>	<b>14,369</b>	<b>-</b>	<b>384</b>	<b>(14,419)</b>	<b>9,634</b>
<b>Segment profit / (loss) before tax :</b>	<b>3,185</b>	<b>2,928</b>	<b>(13)</b>	<b>(1,970)</b>	<b>(9)</b>	<b>4,121</b>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	75	-	-	3	-	78
<b>Segment assets :</b>	<b>1,172,922</b>	<b>145,519</b>	<b>5,942</b>	<b>742,520</b>	<b>(1,048,221)</b>	<b>1,018,682</b>
<b>Segment liabilities :</b>	<b>637,188</b>	<b>152,474</b>	<b>9,136</b>	<b>482,396</b>	<b>(871,261)</b>	<b>409,933</b>
<b>Period ended 31/03/2016 :</b>						
Total revenue	27,181	17,229	-	207	(20,069)	24,548
Intersegment revenue	(2,784)	(17,229)	-	(56)	20,069	-
Segment revenue :	<u>24,397</u>	<u>-</u>	<u>-</u>	<u>151</u>	<u>-</u>	<u>24,548</u>
Segment profit / (loss) before tax :	<u>10,662</u>	<u>1,792</u>	<u>(25)</u>	<u>(1,515)</u>	<u>(1,376)</u>	<u>9,538</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	428	2	-	54	-	484
Segment assets :	<u>998,112</u>	<u>133,906</u>	<u>7,539</u>	<u>649,993</u>	<u>(1,000,024)</u>	<u>789,526</u>
Segment liabilities :	<u>672,808</u>	<u>145,310</u>	<u>10,827</u>	<u>416,321</u>	<u>(817,493)</u>	<u>427,773</u>



**A9 Segmental Analysis (Cont'd)**

**By geographical segment :**

The Group's activities are carried out in Malaysia and Australia, represented by the following geographical segments :-

	<b>Malaysia RM'000</b>	<b>Australia RM'000</b>	<b>Consolidated RM'000</b>
<b><i>Period ended 31/03/2017 :</i></b>			
<b>Total revenue</b>	9,435	199	9,634
<b>Intersegment revenue</b>	-	-	-
<b>Segment revenue :</b>	<b>9,435</b>	<b>199</b>	<b>9,634</b>
<b>Segment profit / (loss) before tax :</b>	<b>4,100</b>	<b>21</b>	<b>4,121</b>
<b>Segment assets :</b>	<b>811,835</b>	<b>206,847</b>	<b>1,018,682</b>
<b>Segment liabilities :</b>	<b>406,585</b>	<b>3,348</b>	<b>409,933</b>
 <b><i>Period ended 31/03/2016 :</i></b>			
Total revenue	17,012	7,536	24,548
Intersegment revenue	-	-	-
Segment revenue :	17,012	7,536	24,548
Segment profit / (loss) before tax :	4,106	5,432	9,538
Segment assets :	568,224	221,302	789,526
Segment liabilities :	387,433	40,340	427,773

**Major customers**

The Group is engaged primarily in property development and construction, and sells real estate properties by individual units to the mass market. As such, the Group does not have reliance on any particular major customer.

**A10 Property, Plant and Equipment**

There were no valuations done on the Group's property, plant and equipment during the financial period under review.

**A11 Material Events Subsequent to the End of the Period**

There were no material events and transactions subsequent to the end of the current financial period till 17 May 2017 being the latest practicable date which is not earlier than 7 days from the date of issuance of these Interim Financial Statements.

**A12 Changes in the Composition of the Group**

There were no changes in the composition of the Group during the current financial period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations.

**A13 Contingent Liabilities**

Details of contingent liabilities of the company are as follows :

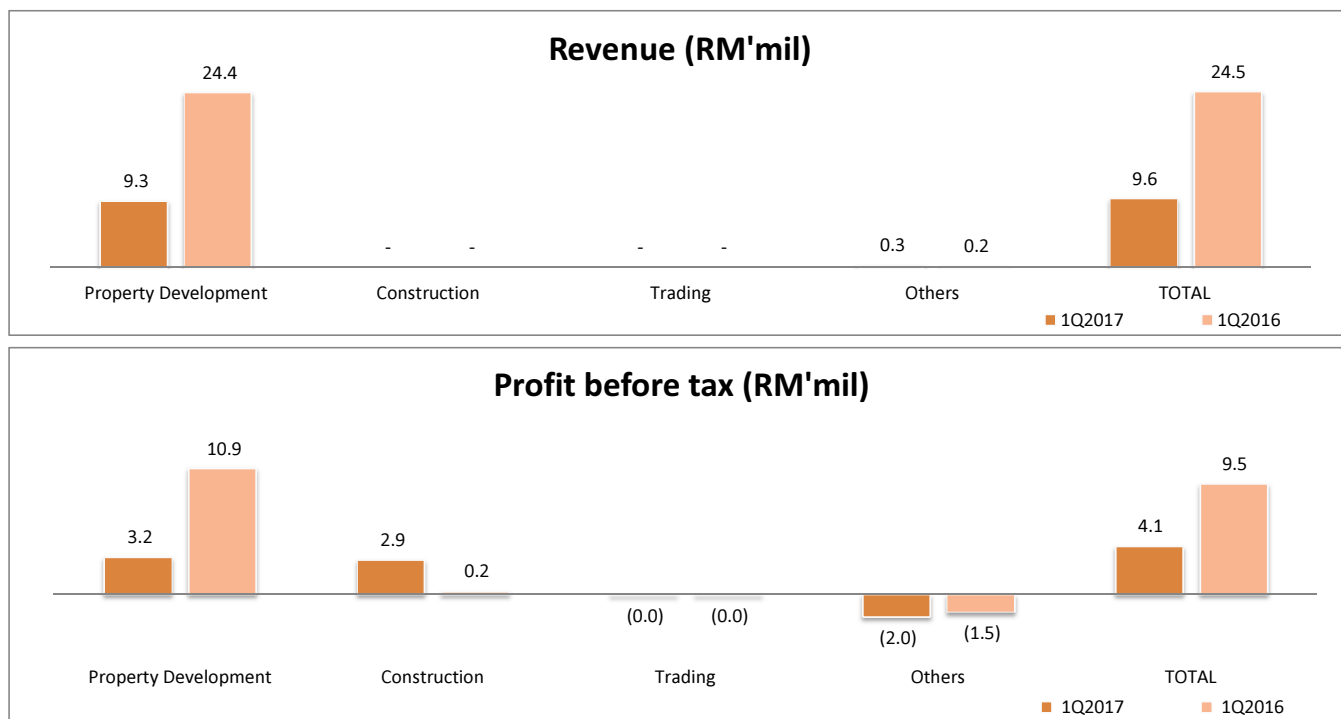
<b>Company</b>	<b>As at 31/03/2017 RM'000</b>	<b>As at 31/12/2016 RM'000</b>
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	<b>231,130</b>	242,399
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	<b>2</b>	77
	<b>231,132</b>	242,476

**B Bursa Malaysia Listing Requirements**

**B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter**

For the current quarter ended 31 March 2017, the Group recorded a revenue of RM9.6 million, a decrease of 61% from RM24.5 million in the previous corresponding quarter ended 31 March 2016.

The profit before tax for the current quarter is RM4.1 million, a decrease of 57% as compared to RM9.5 million in the corresponding quarter.



**Property Development**

The property development segment recorded revenue of RM9.3 million and profit before tax of RM3.2 million in the current quarter compared to revenue of RM24.4 million and profit before tax of RM10.9 million in the corresponding quarter of the previous financial year.

This quarter revenue and profit were contributed mainly from sales of remaining completed units of "Jalan Kuching" residential project of which the revenue and profit were recognised based on percentage of completion method in accordance with MFRS 15.

The corresponding quarter revenue and profit before tax were contributed mainly from sales of completed units of "The Istana" and "Jalan Kuching" commercial project.

**Construction & Engineering**

The Construction & Engineering segment registered no revenue and a profit before tax of RM2.9 million in current quarter as compared to no revenue and profit before tax of RM0.2 million in the corresponding quarter of the previous financial year.

The construction and engineering segment only carried out internal projects in the current year.

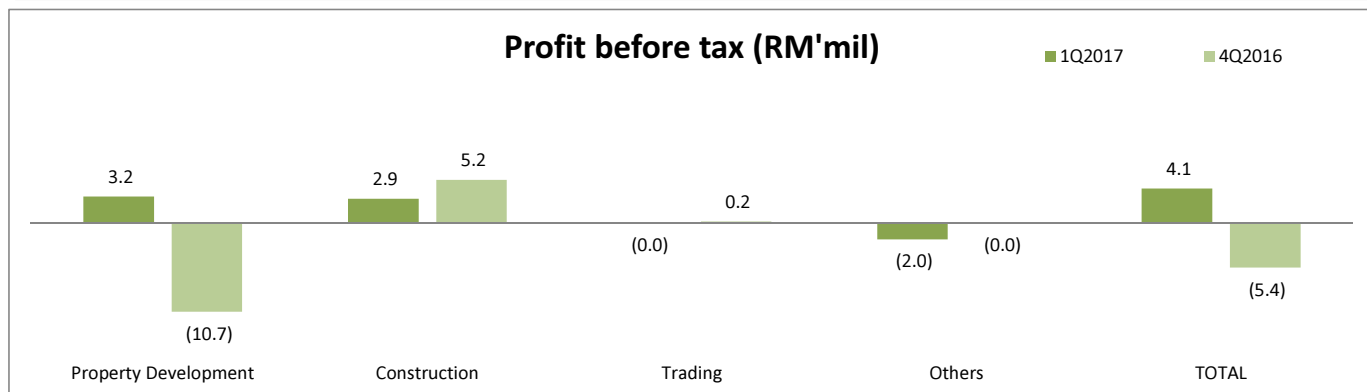
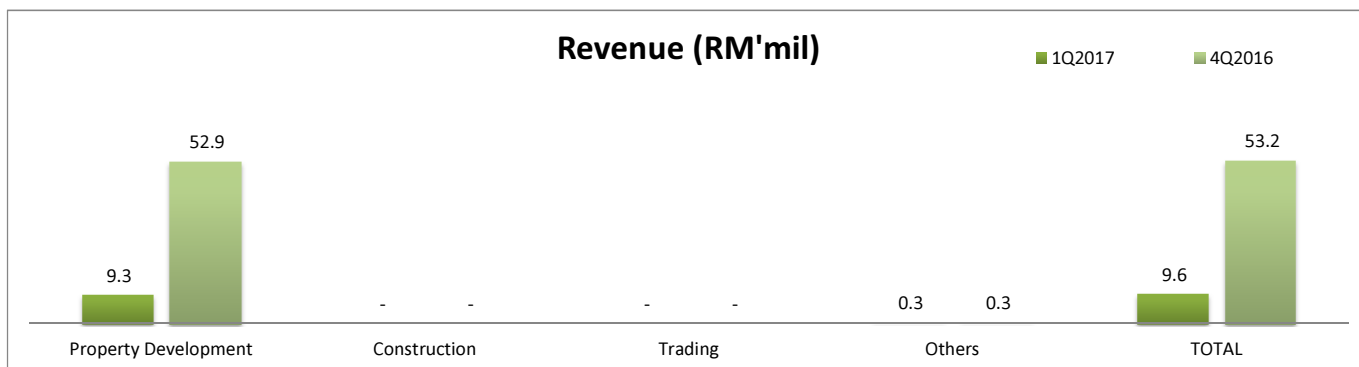
**Trading**

The trading segment had discontinued operation.

**B2 Review of Performance - Comparison with Immediate Preceding Quarter**

For the current quarter, the Group recorded a revenue of RM9.6 million, as compared to RM53.2 million in the immediate preceding quarter ended 31 March 2017.

The Group posted a profit before tax of RM4.1 million in the current quarter, as compared to a loss before tax of RM5.4 million in the immediate preceding quarter ended 31 March 2017. The increase in profit before tax for current quarter is mainly due to there were provision of liquidated ascertained damages on "Jalan Kuching" residential project, impairment of other receivables on dismissal of Ibsul Development (SEL) Sdn Bhd's claim which is disclosed in item B10(i) in the preceding quarter.



**B3 Prospects for the Current Financial Year**

The Board expects the current financial year to be satisfactory.

**B4 Variance from Profit Forecast and Profit Guarantee**

Not applicable as there were no profit forecast and profit guarantee published.

**B5 Taxation**

The breakdown of income tax charge is as follows:

Group	3 months ended	
	31/03/2017 RM'000	31/03/2016 RM'000
In respect of :		
- current year	2,514	4,371
- deferred taxation	(56)	(330)
	<u>2,458</u>	<u>4,041</u>

The effective tax rate of the Group for the financial period ended 31 March 2017 is not consistent with the applicable statutory tax rate of 30% imposed by the Australian Tax Authority and 24% under the Malaysian statutory tax rate due to unrelieved tax losses.

**B6 Retained Profits**

Pursuant to Bursa Malaysia's directive on the disclosure of breakdowns for unappropriated profits or accumulated losses into realised and unrealised profits or losses issued on 25 March 2010, and subsequent guidance issued on 20 December 2010, the breakdown of the Group's retained profits are disclosed as follows :-

<b>Group</b>	<b>As at 31/03/2017 RM'000</b>	<b>As at 31/12/2016 RM'000</b>
Realised	<b>220,907</b>	240,042
Unrealised	<b>236,170</b>	225,284
	<b>457,077</b>	465,326
Consolidation adjustments	<b>(9,065)</b>	(9,495)
Total retained profits	<b>448,012</b>	455,831

**B7 Corporate Proposals**

The following corporate proposals announced by the Company has not been completed as at 17 May 2017 being the latest practicable date which is not earlier than 7 days from the date of issuance of this quarterly report:-

On 9 June 2016, the Board of Directors of MPB announced that Magna City Shah Alam Sdn Bhd, a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with Regalia Raintree Sdn Bhd to purchase a piece of land measuring approximately 5.25 acres located at Lot 737, Seksyen 13, Bandar Shah Alam, District of Petaling, Selangor Darul Ehsan for a purchase consideration of RM43.0 million to be satisfied in cash.

At an Extraordinary General Meeting held on 23 September 2016, the shareholder of the Company had approved the Corporate Exercise.

On 22 December 2016, 22 March 2017, 20 April 2017 and 19 May 2017, the Board of Directors of MPB further announced that Magna City Shah Alam Sdn Bhd and Regalia Raintree Sdn Bhd, being the vendor of the Property, have mutually agreed to extend the completion date of the conditional sales and purchase agreement to 22 June 2017.

**B8 Group Borrowings**

Details of Group borrowings as at 31 March 2017 are as follows:

<b>Secured</b>	<b>As at 31/03/2017 RM'000</b>	<b>As at 31/12/2016 RM'000</b>
Borrowings repayable		
- within 12 months	<b>96,336</b>	92,354
- after 12 months	<b>134,794</b>	143,294
Total borrowings	<b>231,130</b>	235,648

**B9 Details of Financial Instruments with Off Balance Sheet Risks**

There were no off-balance sheet risks envisaged as at the date of this report that might materially affect the Group's business position.

**B10 Changes and Details of Pending Material Litigation**

- (i) Shah Alam High Court Civil Suit No: 22NCVC-93-02/2015  
Ibsul Development (SEL) Sdn Bhd -v- Perbadanan Kemajuan Negeri Selangor

On 19 May 2015, Ibsul Development (SEL) Sdn. Bhd. ("Ibsul") filed an action against Perbadanan Kemajuan Negeri Selangor ("PKNS") at the High Court of Shah Alam via Writ Summon of Claim. The three main claims by Ibsul were for:

- a) Declaration on unlawfully termination of the SPA dated 5 August 2009;
- b) Order for specific performance to complete the SPA; and
- c) To obtain an injunction to restrain PKNS from dealing with land of Plot B.

PKNS had replied with their Defence on 1 June 2015.

On 9 July 2015, Ibsul had filed for Discovery Application at High Court against PKNS and Land Office by compelling PKNS to produce minutes and other related documentations on the re-consideration on the purchase price of Plot B land.

On 17 August 2015, the learned Judge had allowed the Discovery Application in so far as the documents, emails and correspondences are concerned. However, the Judge did not allow the disclosure of the minutes.

On 9 November 2015, mediation had been adjourned by the request of PKNS to further obtain an instruction from the State Government of Selangor to enter into a Joint Venture Agreement ("JV Agreement") with Ibsul, the discussion of the proposal on an out of court settlement by way of JV Agreement was held on 18 November 2015. However, Ibsul is not agreeable on the proposed terms of the said JV Agreement and instructed its solicitors to proceed with a trial.

The High Court Judge has fixed full trial from 26 January 2016 to 28 January 2016 and further trial is to be continued on 7 April 2016, 8 April 2016 and 18 April 2016.

**B10 Changes and Details of Pending Material Litigation (continued)**

- (i) Shah Alam High Court Civil Suit No: 22NCVC-93-02/2015  
 Ibsul Development (SEL) Sdn Bhd -v- Perbadanan Kemajuan Negeri Selangor (continued)

On 30 June 2016 the High Court had awarded Judgement in favour of PKNS by dismissing Ibsul's application on Specific Performance to complete on the purchase of the said land. In light to the above, Ibsul had instructed its solicitors to file an application of Appeal in Court of Appeal against the decision of the High Court Judge. Moreover at interim Ibsul had also requested its solicitors to file an Injunction on PKNS to restrain them from disposing the said land pending the decision of the Appeal.

On 13 December 2016 after hearing the Appeal, the Court of Appeal had dismissed Ibsul's claim and upheld the decision of High Court as valid, thereof ordered Ibsul to surrender their land and PKNS to refund back the purchase price.

The Company has file in leave application and Federal Court has fixed for case management on 7 March 2017, at the interim Ibsul has initiated separate legal suit against PKNS to surrender the remaining 13 titles to be transferred and registered under Ibsul Development Sdn Bhd. The Federal Court has fixed the hearing date of the leave application on 29 May 2017.

**B11 Dividend Proposed/Declared**

There were no dividend proposed for the current financial quarter ended 31 March 2017.

**B12 Earnings per Share ("EPS")**

**(a) Basic EPS**

The basic earnings per share has been calculated by dividing the Group's net profit attributable to ordinary equity holders of the Company for the period to-date by the weighted average number of ordinary shares in issue.

	<b>3 months ended</b>	
	<b>31/03/2017</b>	31/03/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	<b>2,099</b>	5,550
Weighted average number of ordinary shares in issue ('000)	<b>330,604</b>	332,862
Basic EPS (sen)	<b><u>0.63</u></b>	<u>1.67</u>

**(b) Diluted EPS**

The diluted EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period after adjustment for the effects of dilutive potential ordinary shares comprising warrants in accordance with MFRS 133.

	<b>3 months ended</b>	
	<b>31/03/2017</b>	31/03/2016
Net profit attributable to ordinary equity holders of the Company (RM'000)	<b><u>2,099</u></b>	<u>5,550</u>
Weighted average number of ordinary shares in issue ('000)	<b>330,604</b>	332,880
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<b><u>67,892</u></b>	<u>16,644</u>
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<b><u>398,496</u></b>	<u>349,524</u>
Diluted EPS (sen)	<b><u>0.53</u></b>	<u>1.59</u>

**B13 Additional disclosures pursuant to para 16, Part A, Appendix 9b of Bursa Malaysia Securities Berhad Listing Requirements**

	3 months ended	
	31/03/2017	31/03/2016
	RM'000	RM'000
Depreciation of property, plant and equipment	85	70
Interest expenses	3,500	1,873
Interest income	(78)	(484)
Other income	(307)	(85)
Realised (gain)/loss of foregin exchange	20	-
Reversal of impairment of trade receivables	(8)	-
(Over)/Underprovision of liquidated and ascertained damages (LAD)	(3,499)	57
Unrealised (gain)/loss of foregin exchange	-	(4,094)

Other than items above which have been included in the profit or loss, there were no impairment of assets or exceptional items which may have an effect on the results for the current financial period under review.

BY ORDER OF THE BOARD

Magna Prima Berhad  
Yuen Yoke Ping (MAICSA 7014044)

Secretary

Petaling Jaya  
24 May 2017