

# **MAGNA PRIMA BERHAD**

Company No.: 369519-P

(Incorporated in Malaysia)

**Interim Financial Statements**

**30 September 2018**

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(Incorporated in Malaysia)

## **Interim Financial Statements - 30 September 2018**

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**MAGNA PRIMA BERHAD**

(Company No.: 369519-P)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2018

(The figures have not been audited)

	AS AT 30/09/2018 RM'000 (Unaudited)	AS AT 31/12/2017 RM'000 (Audited)
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	745	895
Investment properties	533,119	533,119
Land held for property development	65,100	65,100
Trade receivables	-	3,497
Deferred tax assets	12,175	13,392
	<u>611,139</u>	<u>616,003</u>
<b>Current Assets</b>		
Inventories	265,984	295,587
Contract assets	4,609	4,902
Trade receivables	22,273	24,554
Other receivables	17,316	9,284
Tax recoverable	329	3,652
Cash held under Housing Development Accounts	4,295	4,670
Fixed and short term deposits with licensed banks	9,397	4,459
Cash and bank balances	6,073	4,079
<b>TOTAL CURRENT ASSETS</b>	<u>330,276</u>	<u>351,187</u>
<b>TOTAL ASSETS</b>	<u>941,415</u>	<u>967,190</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to Owners of the Company</b>		
Share capital	121,009	121,009
Treasury shares	(2,385)	(2,385)
Other reserves	14,793	25,019
Retained profits	461,614	449,414
	<u>595,031</u>	<u>593,057</u>
<b>Non-controlling interests</b>	<u>4,480</u>	<u>5,491</u>
<b>TOTAL EQUITY</b>	<u>599,511</u>	<u>598,548</u>
<b>Non-Current Liabilities</b>		
Borrowings	187,423	124,137
Deferred tax liabilities	13,101	18,018
	<u>200,524</u>	<u>142,155</u>
<b>Current Liabilities</b>		
Trade payables	25,497	41,073
Other payables	55,226	52,558
Borrowings	26,707	96,889
Current tax liabilities	33,950	35,967
	<u>141,380</u>	<u>226,487</u>
<b>TOTAL LIABILITIES</b>	<u>341,904</u>	<u>368,642</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>941,415</u>	<u>967,190</u>
<b>Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)</b>	<u>1.79</u>	<u>1.78</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 30 September 2018

*(The figures have not been audited)*

	3 months ended		9 months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	RM'000	RM'000	RM'000	RM'000
Revenue	9,699	49,773	48,189	90,516
Cost of sales	(3,811)	(37,454)	(27,390)	(55,019)
Gross profit	5,888	12,319	20,799	35,497
Other operating income	5,102	848	11,723	1,516
Selling and distribution expenses	(655)	(1,607)	(1,570)	(2,786)
Administration expenses	(3,823)	(3,145)	(10,603)	(9,372)
Other operating expenses	(1,965)	(14,731)	(2,486)	(11,246)
Profit/(Loss) before interest and tax	4,547	(6,316)	17,863	13,609
Finance costs	(3,943)	(3,710)	(10,328)	(11,050)
Profit/(Loss) before taxation	604	(10,026)	7,535	2,559
Taxation	4,447	1,477	3,654	(3,809)
Profit/(Loss) for the period	5,051	(8,549)	11,189	(1,250)
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(5,032)	719	(10,226)	4,492
Other comprehensive income for the period	(5,032)	719	(10,226)	4,492
Total comprehensive income for the period	19	(7,830)	963	3,242
Profit/(Loss) attributable to:				
Owners of the Company	5,328	(8,168)	12,200	(23)
Non-controlling interests	(277)	(381)	(1,011)	(1,227)
	5,051	(8,549)	11,189	(1,250)
Total comprehensive income/(expense) attributable to:				
Owners of the Company	296	(7,449)	1,974	4,469
Non-controlling interests	(277)	(381)	(1,011)	(1,227)
	19	(7,830)	963	3,242
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	1.60	(2.46)	3.67	(0.01)
- Diluted (sen)	1.46	(2.04)	3.35	(0.01)

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 2017 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 30 September 2018

*(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	Translation 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
<b>Balance as at 1 January 2018</b>	121,009	-	(2,385)	19,706	-	5,313	449,414	593,057	5,491	598,548
<b>Profit for the period</b>	-	-	-	-	-	-	12,200	12,200	(1,011)	11,189
<b>Other comprehensive expense for the period</b>	-	-	-	-	-	(10,226)	-	(10,226)	-	(10,226)
<b>Total comprehensive income / (expense) for the period</b>	-	-	-	-	-	(10,226)	12,200	1,974	(1,011)	963
<b>Balance as at 30 September 2018</b>	121,009	-	(2,385)	19,706	-	(4,913)	461,614	595,031	4,480	599,511
	-	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2017	83,222	35,566	(2,385)	19,706	400	10,021	451,440	597,970	4,626	602,596
Adjustments for effects of Companies Act 2016 *	35,966	(35,566)	-	-	(400)	-	-	-	-	-
Loss for the period	-	-	-	-	-	-	(23)	(23)	(1,227)	(1,250)
Other comprehensive income for the period	-	-	-	-	-	4,492	-	4,492	-	4,492
Total comprehensive income / (expense) for the period	-	-	-	-	-	4,492	(23)	4,469	(1,227)	3,242
Dividend paid	-	-	-	-	-	-	(9,918)	(9,918)	-	(9,918)
Exercise of warrants	1,821	-	-	-	-	-	-	1,821	-	1,821
<b>Balance as at 30 September 2017</b>	121,009	-	(2,385)	19,706	-	14,513	441,499	594,342	3,399	597,741

\* 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 2017 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 30 September 2018

*(The figures have not been audited)*

	9 months ended 30/09/2018 RM'000	9 months ended 30/09/2017 RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before taxation	7,535	2,559
Adjustments for :-		
Depreciation of property, plant and equipment	151	249
Amortisation of cost incurred to obtain a contract	-	1,405
Net gain on disposal of property, plant & equipment	(32)	(108)
Property, plant and equipment written off	-	10
Provision for liquidated and ascertained damages	-	8,332
Overprovision for liquidated and ascertained damages	(34)	(7)
Reversal impairment loss of trade receivables	(1,053)	(60)
Unrealised foreign exchange gain	(9,520)	3,731
Finance income	(121)	(789)
Finance expense	10,328	11,050
Operating profit before changes in working capital	<u>7,254</u>	<u>26,372</u>
Changes in working capital		
Inventories	31,194	10,440
Contract assets	294	(29,683)
Trade receivables	6,830	1,230
Other receivables	(8,032)	10,090
Trade payables	(15,576)	3,621
Other payables	12,402	1,091
	<u>27,112</u>	<u>(3,211)</u>
Net cash generated from operations	34,366	23,161
Interest paid	(13,168)	(11,445)
Interest received	121	789
Tax paid	(2,248)	(14,925)
Tax refund	3,328	24
	<u>(11,967)</u>	<u>(25,557)</u>
Net cash generated from/(used in) operating activities	22,399	(2,396)
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment	-	(21)
Purchase of land held for property development	-	(63)
Proceeds from disposal of property, plant and equipment	32	108
Net cash generated from investing activities	<u>32</u>	<u>24</u>
<b>Cash Flows From Financing Activities</b>		
Dividend paid	-	(9,918)
Repayment of hire purchase liabilities	(86)	(115)
Repayment of bank borrowings	(75,464)	(59,029)
Fixed deposits with licensed banks	(4,895)	212
Proceeds from warrant exercised	-	1,820
Drawdown of bank borrowings	85,000	61,000
Net cash generated from/(used in) financing activities	<u>4,555</u>	<u>(6,030)</u>
<b>Net change in cash &amp; cash equivalents</b>	<u>26,986</u>	<u>(8,402)</u>
<b>Cash &amp; cash equivalents at the beginning of the financial period</b>	<u>(6,209)</u>	<u>9,471</u>
<b>Effect of exchange rate changes</b>	<u>(10,226)</u>	<u>4,898</u>
<b>Cash &amp; cash equivalents at the end of the financial period</b>	<u>10,551</u>	<u>5,967</u>

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

	As at 30/09/2018 RM'000	As at 30/09/2017 RM'000
Cash and bank balances	6,073	11,095
Cash held under Housing Development Accounts	4,295	7,487
Fixed and short term deposits with licensed banks	9,397	9,305
Bank overdrafts	-	(14,941)
	<u>19,765</u>	<u>12,946</u>
Less: Fixed deposits pledged with licensed banks	<u>(9,214)</u>	<u>(6,979)</u>
	<u>10,551</u>	<u>5,967</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 2017. 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 2017.

**A2 Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2017, 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 1 January 2018 as set out below:

**MFRSs, Amendments to MFRSs and Interpretations**

MFRS 9	Financial Instruments
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transactions
Amendments to MFRS 128	Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
Amendment to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

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>
MFRS 16	Leases	1 January 2019
Amendments to MFRS 3	Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 11	Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 112	Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123	Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 128	Long-term Interest in Associates and Joint Ventures	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	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. 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 2017**

The auditors' report on the financial statements for the financial year ended 31 December 2017 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 2,285,500 ordinary shares at an average price of RM1.044 each of its issued share capital from the open market.

	No. of Treasury Shares Units	Treasury Shares RM
Balance as at 1 January 2018 / 30 September 2018	2,285,500	2,385,431

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

2) Warrant 2015/2020

166,444,970 warrants were allocated from Warrant 2015/2020 on the basis of 1 Warrant for every 2 existing ordinary shares of RM0.25 each held in the Company.

As at 30 September 2018, 2,022,700 ordinary share of RM0.25 each were issued at an exercise price of RM0.90 per share and 164,422,270 Warrants 2015/2020 remain unexercised.

**A8 Dividends Paid**

No dividend was paid during the quarter under review.

**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><u>Period ended 30/09/2018 :</u></b>						
Total revenue	47,406	(17,890)	-	960	17,713	48,189
Intersegment revenue	-	17,890	-	(177)	(17,713)	-
<b>Segment revenue :</b>	<b>47,406</b>	<b>-</b>	<b>-</b>	<b>783</b>	<b>-</b>	<b>48,189</b>
<b><u>Primary geographical markets:</u></b>						
Australia	5,487	-	-	-	-	5,487
Malaysia	41,919	(17,890)	-	960	17,713	42,702
	<b>47,406</b>	<b>(17,890)</b>	<b>-</b>	<b>960</b>	<b>17,713</b>	<b>48,189</b>
<b><u>Nature of product</u></b>						
Commercial properties	29,412	(17,890)	-	960	17,713	30,195
Residential properties	17,994	-	-	-	-	17,994
	<b>47,406</b>	<b>(17,890)</b>	<b>-</b>	<b>960</b>	<b>17,713</b>	<b>48,189</b>
<b><u>Timing of revenue recognition:</u></b>						
Good transferred at a point in time	47,406	-	-	-	-	47,406
Good transferred over time	-	(17,890)	-	960	17,713	783
	<b>47,406</b>	<b>(17,890)</b>	<b>-</b>	<b>960</b>	<b>17,713</b>	<b>48,189</b>
<b>Segment profit / (loss) before tax :</b>	<b>27,210</b>	<b>(9,993)</b>	<b>1,040</b>	<b>(7,460)</b>	<b>(3,262)</b>	<b>7,535</b>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	98	4	-	19	-	121
<b>Segment assets :</b>	<b>1,134,217</b>	<b>50,204</b>	<b>66</b>	<b>378,994</b>	<b>(622,066)</b>	<b>941,415</b>
<b>Segment liabilities :</b>	<b>607,746</b>	<b>62,617</b>	<b>2,460</b>	<b>120,100</b>	<b>(451,019)</b>	<b>341,904</b>



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

	Property devt RM'000	Const. & Engineering RM'000	Trading RM'000	Non-reportable segments RM'000	Intersegment eliminations RM'000	Consolidated RM'000
<i>Period ended 30/09/2017 :</i>						
Total revenue	89,745	16,662	-	918	(16,809)	90,516
Intersegment revenue	-	(16,662)	-	(147)	16,809	-
Segment revenue :	<u>89,745</u>	<u>-</u>	<u>-</u>	<u>771</u>	<u>-</u>	<u>90,516</u>
<i>Primary geographical markets:</i>						
Australia	12,283	-	-	-	-	12,283
Malaysia	77,462	16,662	-	918	(16,809)	78,233
	<u>89,745</u>	<u>16,662</u>	<u>-</u>	<u>918</u>	<u>(16,809)</u>	<u>90,516</u>
<i>Nature of product</i>						
Commercial properties	15,503	16,662	-	918	(16,809)	16,274
Residential properties	74,242	-	-	-	-	74,242
	<u>89,745</u>	<u>16,662</u>	<u>-</u>	<u>918</u>	<u>(16,809)</u>	<u>90,516</u>
<i>Timing of revenue recognition:</i>						
Good transferred at a point in time	27,786	-	-	918	(147)	28,557
Good transferred over time	61,959	16,662	-	-	(16,662)	61,959
	<u>89,745</u>	<u>16,662</u>	<u>-</u>	<u>918</u>	<u>(16,809)</u>	<u>90,516</u>
Segment profit / (loss) before tax :	<u>3,288</u>	<u>6,405</u>	<u>27</u>	<u>(6,600)</u>	<u>(561)</u>	<u>2,559</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	783	-	-	6	-	789
Segment assets :	<u>1,216,684</u>	<u>108,774</u>	<u>5,992</u>	<u>762,763</u>	<u>(1,067,205)</u>	<u>1,027,008</u>
Segment liabilities :	<u>687,266</u>	<u>112,808</u>	<u>9,146</u>	<u>504,473</u>	<u>(889,076)</u>	<u>424,617</u>

**By geographical segment :**

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

	Malaysia RM'000	Australia RM'000	Consolidated RM'000
<i>Period ended 30/09/2018 :</i>			
<b>Total revenue</b>	42,702	5,487	48,189
<b>Intersegment revenue</b>	-	-	-
<b>Segment revenue :</b>	<u>42,702</u>	<u>5,487</u>	<u>48,189</u>
<b>Segment profit / (loss) before tax :</b>	<u>(1,677)</u>	<u>9,212</u>	<u>7,535</u>
<b>Segment assets :</b>	<u>762,475</u>	<u>178,940</u>	<u>941,415</u>
<b>Segment liabilities :</b>	<u>341,534</u>	<u>370</u>	<u>341,904</u>
<i>Period ended 30/09/2017 :</i>			
Total revenue	78,233	12,283	90,516
Intersegment revenue	-	-	-
Segment revenue :	<u>78,233</u>	<u>12,283</u>	<u>90,516</u>
Segment profit before tax :	<u>3,405</u>	<u>(846)</u>	<u>2,559</u>
Segment assets :	<u>828,351</u>	<u>198,657</u>	<u>1,027,008</u>
Segment liabilities :	<u>423,835</u>	<u>782</u>	<u>424,617</u>

**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 other material events and transactions subsequent to the end of the current financial period till 15 November 2018 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 was 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 :

Company	As at 30/09/2018 RM'000	As at 31/12/2017 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	214,129	221,026
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities granted to subsidiary companies:		
- Unsecured	2	2
	<u>214,131</u>	<u>221,028</u>

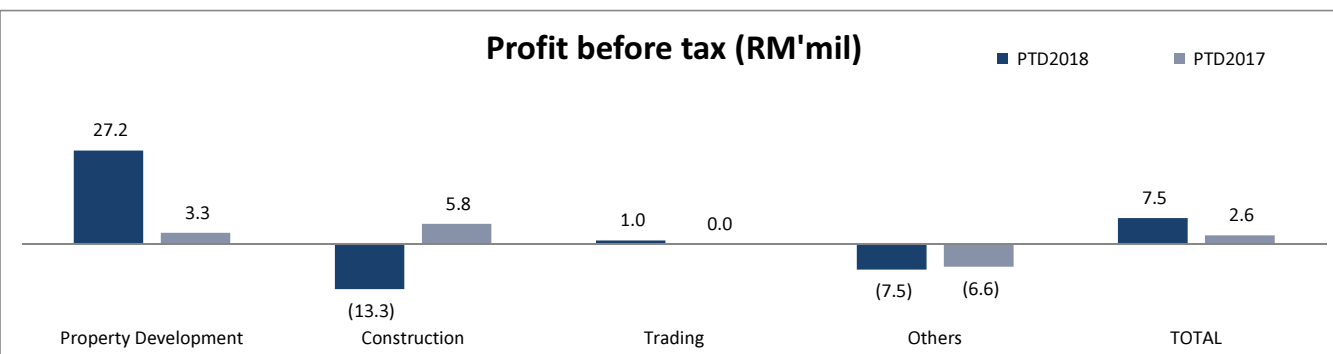
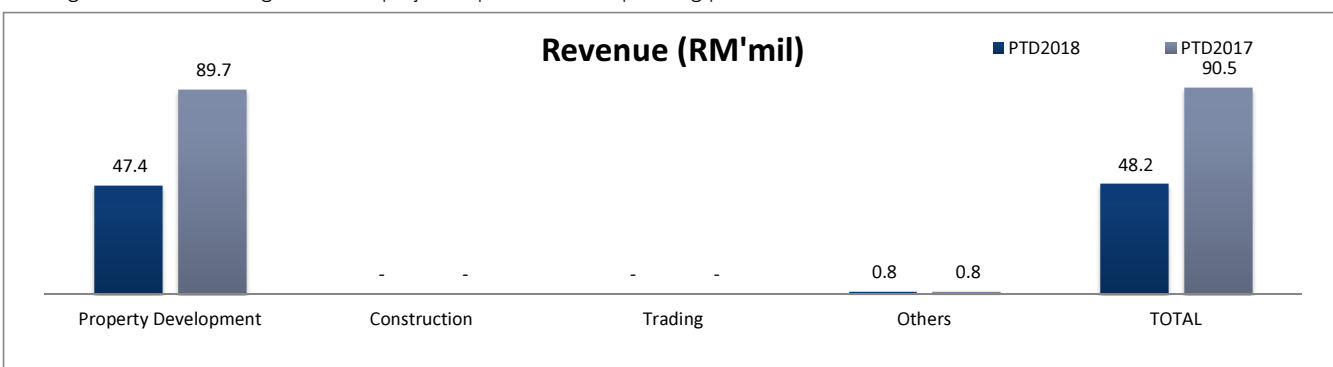
#### B Bursa Malaysia Listing Requirements

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

	3 months ended			9 months ended		
	30/09/2018 RM'000	30/09/2017 RM'000	Changes %	30/09/2018 RM'000	30/09/2017 RM'000	Changes %
Revenue	9,699	49,773	(81%)	48,189	90,516	(47%)
Cost of sales	(3,811)	(37,454)	(90%)	(27,390)	(55,019)	(50%)
Gross profit	5,888	12,319	(52%)	20,799	35,497	(41%)
Profit/(Loss) before interest and tax	4,547	(6,316)	172%	17,863	13,609	31%
Profit/(Loss) before taxation	604	(10,026)	106%	7,535	2,559	194%
Profit/(Loss) for the period	5,051	(8,549)	159%	11,189	(1,250)	995%
Profit/(Loss) attributable to: Owners of the Company	5,328	(8,168)	165%	12,200	(23)	53143%

For the 9 months ended 30 September 2018, the Group achieved a revenue of RM48.2 million, a decrease of 47% compared to previous corresponding period amounting to RM90.5 million and an increase of 194% for profit before tax of RM7.5 million compared to RM2.6 million recorded in the previous corresponding period ended 30 September 2017.

The increase in profit before tax compare to the previous corresponding period mainly due to the provision for liquidated and ascertained damages on Jalan Kuching residential project in previous corresponding period.

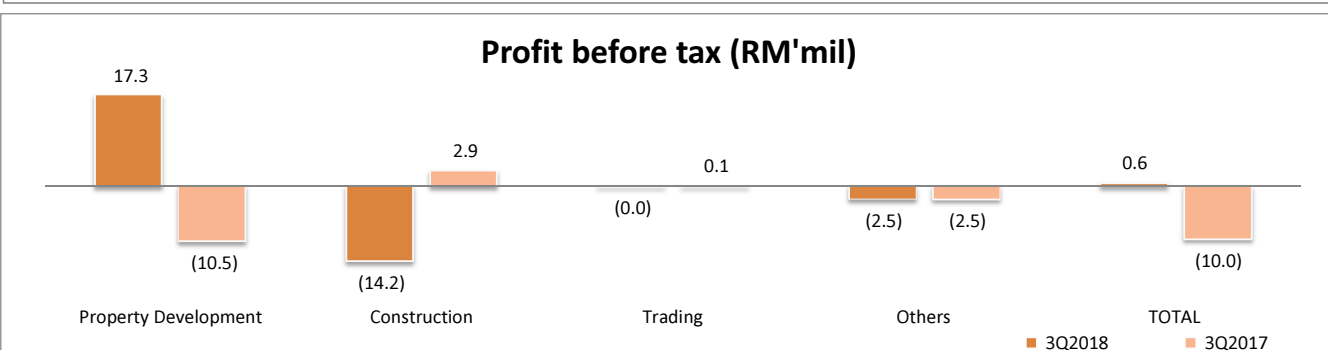
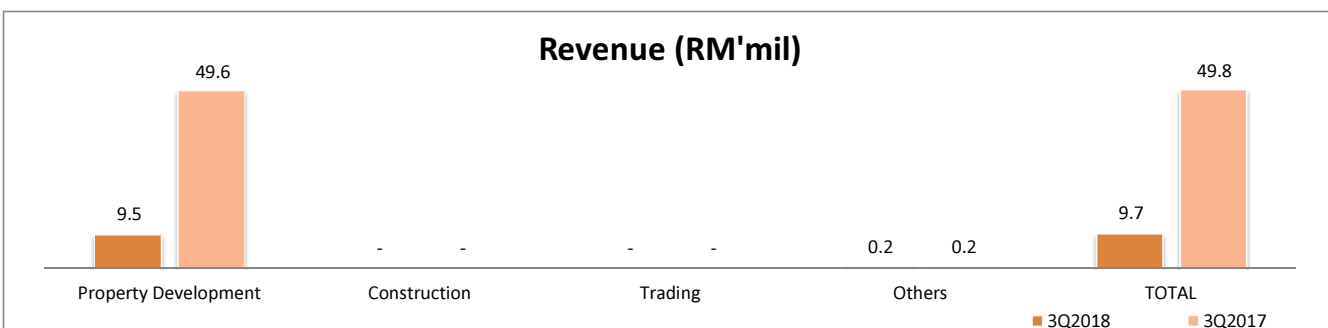


**B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)**

For the current quarter ended 30 September 2018, the Group recorded a revenue of RM9.7 million, a decrease of 81% from RM49.8 million compared to the previous corresponding quarter ended 30 September 2017.

The decrease of revenue for current quarter compare to the previous corresponding quarter mainly due to the completion of the Jalan Kuching residential project in previous financial year. The revenue for current quarter only derived from the sales of remaining completed properties from Jalan Kuching residential project and shop officie. For previous corresponding quarter, the revenue were contributed by the sales on remaining completed units of "The Istana", "Jalan Kuching Phase 1 Shop Office", and "Desa Mentari" commercial project and "Jalan Kuching" residential project's revenue and profit were recognised based on percentage of completion method in accordance with MFRS 15.

The profit before tax for the current quarter is RM0.6 million, an increase of 106% as compared to loss before tax of RM-10.0 million in the corresponding quarter. These mainly due to the provision for liquidated and ascertained damages on Jalan Kuching residential project and unrealised loss on foreian exchangeae in previous correspondina period.



**Property Development**

The property development segment recorded revenue of RM9.5 million and profit before tax of RM17.3 million in the current quarter compared to revenue of RM49.6 million and loss before tax of RM-10.5 million in the corresponding quarter of the previous financial year.

Revenue achieved amounting RM9.5 million in current quarter which mainly from sales of remaining completed units of "Jalan Kuching" residential project and shop office.

The corresponding quarter revenue and loss before tax were contributed mainly from sales of completed units of "Jalan Kuching" Phase 1 Shop Office, "The Istana", and "Jalan Kuching" residential project of which the revenue and profit were recognised based on percentage of completion method in accordance with MFRS 15.

**Construction & Engineering**

The Construction & Engineering segment registered no revenue and loss before tax of RM-14.20 million in current quater as compared to no revenue and profit before tax of RM2.9 million in the corresponding quarter of the previous financial year.

The construction and engineering segment only carried out internal projects.

**Trading**

The trading segment had discontinued operation.

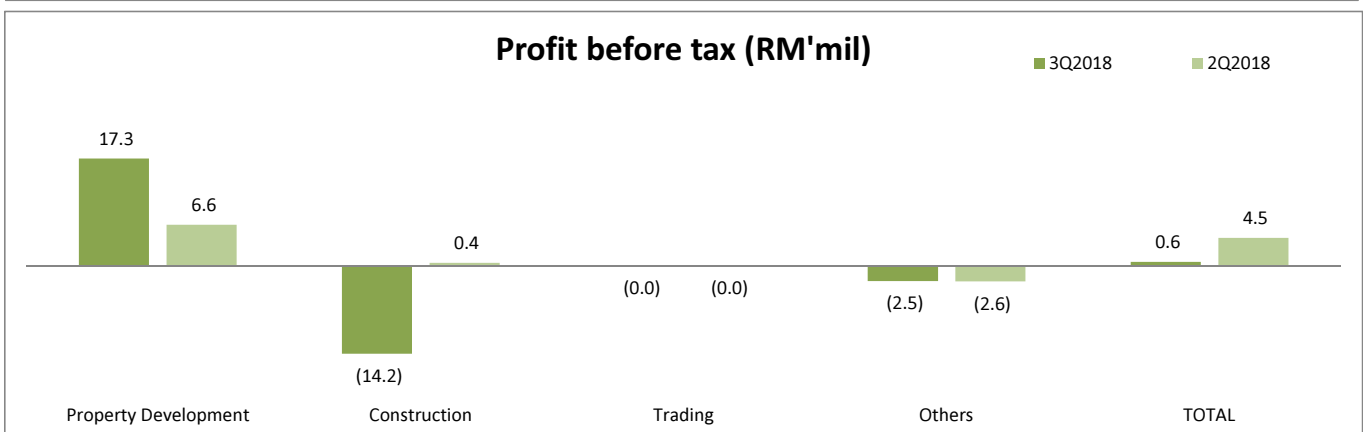
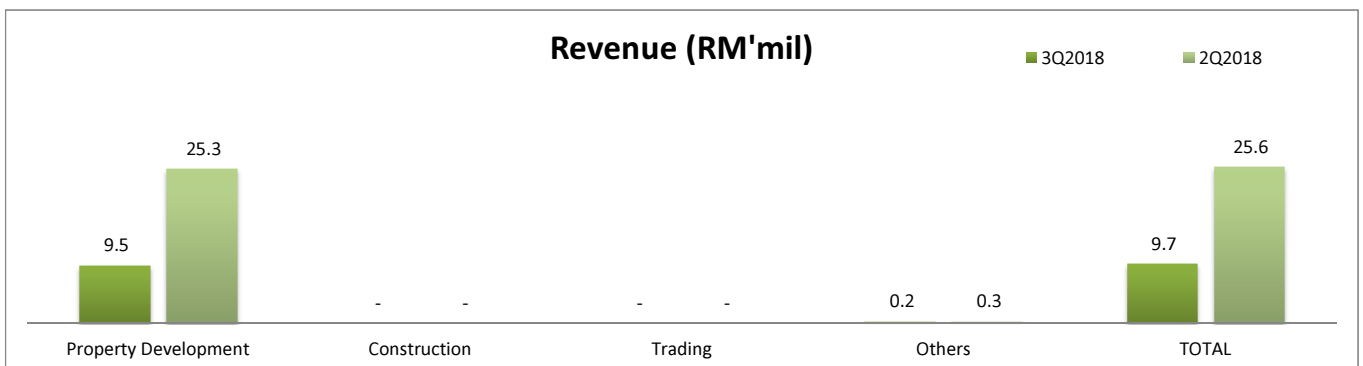
**B2 Review of Performance - Comparison with Immediate Preceding Quarter**

	<b>Current Quarter 30/09/2018 RM'000</b>	Immediate Preceding 30/06/2018 RM'000	Changes %
Revenue	<b>9,699</b>	25,585	(62%)
Cost of sales	<b>(3,811)</b>	(15,418)	(75%)
Gross profit	<b>5,888</b>	10,167	(42%)
Profit/(Loss) before interest and tax	<b>4,547</b>	7,751	(41%)
Profit/(Loss) before taxation	<b>604</b>	4,461	(86%)
Profit/(Loss) for the period	<b>5,051</b>	3,244	56%
Profit/(Loss) attributable to: Owners of the Company	<b>5,328</b>	3,656	46%

For the current quarter, the Group recorded a revenue of RM9.7 million, as compared to RM25.6 million in the immediate preceding quarter ended 30 June 2018.

The Group posted a profit before tax of RM0.6 million in the current quarter, as compared to profit before tax of RM4.5 million in the immediate preceding quarter ended 30 June 2018.

Current quarter revenue and profit before tax were contributed from the sales of completed units of "Jalan Kuching" residential and commercial project while immediate preceding quarter were contributed from the sale of completed units of "The Istana" and "Desa Mentari" commercial project and "Jalan Kuching" residential and commercial project.



**B3 Prospects for the Current Financial Year**

The Board expects the current financial year to be challenging due to the current sentiment of the property market.

**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:

<b>Group</b>	<b>9 months ended</b>	
	<b>30/09/2018</b>	30/09/2017
	<b>RM'000</b>	RM'000
In respect of :		
- current year	<b>(3,701)</b>	6,456
- deferred taxation	<b>47</b>	(2,647)
	<b><u>(3,654)</u></b>	<u>3,809</u>

The effective tax rate of the Group for the financial period ended 30 June 2018 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</b>	As at
	<b>30/09/2018</b>	31/12/2017
	<b>RM'000</b>	RM'000
Realised	<b>241,707</b>	220,942
Unrealised	<b>219,975</b>	227,744
	<b><u>461,682</u></b>	<u>448,686</u>
Consolidation adjustments	<b>(68)</b>	728
Total retained profits	<b><u>461,614</u></b>	<u>449,414</u>

**B7 Corporate Proposals**

There were no corporate proposal announced not completed as at 15 November 2018, being the latest practicable date which is not earlier than 7 days from the date of the issuance of this interim financial statements.

**B8 Group Borrowings**

Details of Group borrowings as at 30 September 2018 are as follows:

<b>Secured</b>	<b>As at</b>	As at
	<b>30/09/2018</b>	31/12/2017
	<b>RM'000</b>	RM'000
Borrowings repayable		
- within 12 months	<b>26,707</b>	96,889
- after 12 months	<b>187,423</b>	124,137
Total borrowings	<b><u>214,130</u></b>	<u>221,026</u>

**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**

There is no material litigation to be disclosed in these interim financial statements.

**B11 Dividend Proposed/Declared**

There were no dividend proposed for the current financial quarter ended 30 September 2018.

**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.

	3 months ended		9 months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	5,328	(8,168)	12,200	(23)
Weighted average number of ordinary shares in issue ('000)	332,627	331,464	332,012	331,464
Basic EPS (sen)	<u>1.60</u>	<u>(2.46)</u>	<u>3.67</u>	<u>(0.01)</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.

	3 months ended		9 months ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
Net profit attributable to ordinary equity holders of the Company (RM'000)	<u>5,328</u>	<u>(8,168)</u>	<u>12,200</u>	<u>(23)</u>
Weighted average number of ordinary shares in issue ('000)	332,627	331,464	332,012	331,464
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	<u>31,838</u>	<u>68,536</u>	<u>31,838</u>	<u>68,536</u>
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	<u>364,465</u>	<u>400,000</u>	<u>363,850</u>	<u>400,000</u>
Diluted EPS (sen)	<u>1.46</u>	<u>(2.04)</u>	<u>3.35</u>	<u>(0.01)</u>

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

	9 months ended	
	30/09/2018 RM'000	30/09/2017 RM'000
Depreciation of property, plant and equipment	151	249
Interest expenses	10,328	11,050
Interest income	(121)	(789)
Gain on disposal of property plant and equipments	(32)	(108)
Other income	(121)	(363)
Property, plant and equipment written off	-	10
Provision for liquidated and ascertained damages (LAD)	-	8,322
Overprovision of liquidated and ascertained damages (LAD)	(34)	(7)
Reversal impairment loss of trade receivables	(1,053)	(60)
Unrealised (gain)/loss of foregin exchange	<u>(9,520)</u>	<u>3,731</u>

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  
 22 November 2018