

MAGNA PRIMA BERHAD

Company No.: 369519-P

(Incorporated in Malaysia)

Interim Financial Statements

30 September 2019

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Interim Financial Statements - 30 September 2019

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MAGNA PRIMA BERHAD

(Company No.: 369519-P)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2019

(The figures have not been audited)

	AS AT 30/09/2019 RM'000 (Unaudited)	AS AT 31/12/2018 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, plant and equipment	580	697
Investment properties	520,769	520,769
Land held for property development	65,100	65,100
Deferred tax assets	5,439	5,443
	<u>591,888</u>	<u>592,009</u>
Current Assets		
Inventories	247,224	260,465
Trade and other receivables	11,492	19,354
Tax recoverable	835	384
Cash held under Housing Development Accounts	3,735	3,895
Fixed and short term deposits with licensed banks	7,567	14,085
Cash and bank balances	1,530	4,379
TOTAL CURRENT ASSETS	<u>272,383</u>	<u>302,562</u>
TOTAL ASSETS	<u>864,271</u>	<u>894,571</u>
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	121,009	121,009
Treasury shares	(2,385)	(2,385)
Other reserves	5,368	10,956
Retained profits	373,274	394,154
	<u>497,266</u>	<u>523,734</u>
Non-controlling interests	<u>2,754</u>	<u>4,033</u>
TOTAL EQUITY	<u>500,020</u>	<u>527,767</u>
Non-Current Liabilities		
Borrowings	125,262	133,422
Deferred tax liabilities	27,578	27,668
	<u>152,840</u>	<u>161,090</u>
Current Liabilities		
Trade and other payables	93,541	87,351
Borrowings	79,858	79,386
Current tax liabilities	38,012	38,977
	<u>211,411</u>	<u>205,714</u>
TOTAL LIABILITIES	<u>364,251</u>	<u>366,804</u>
TOTAL EQUITY AND LIABILITIES	<u>864,271</u>	<u>894,571</u>
Net assets per share at par value of RM0.25 each attributable to Owners of the Company (RM)	<u>1.49</u>	<u>1.57</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019

(The figures have not been audited)

	3 months ended		9 months ended	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
	RM'000	RM'000	RM'000	RM'000
Revenue	7,161	9,699	22,972	48,189
Cost of sales	(4,908)	(3,811)	(17,167)	(27,390)
Gross profit	2,253	5,888	5,805	20,799
Other operating income	428	5,102	3,003	11,723
Selling and distribution expenses	(234)	(655)	(1,640)	(1,570)
Administration expenses	(5,918)	(3,823)	(12,730)	(10,603)
Other operating expenses	748	(1,965)	(4,189)	(2,486)
Profit/(Loss) before interest and tax	(2,723)	4,547	(9,751)	17,863
Finance costs	(4,412)	(3,943)	(12,138)	(10,328)
Profit/(Loss) before taxation	(7,135)	604	(21,889)	7,535
Taxation	-	4,447	(270)	3,654
Profit/(Loss) for the period	(7,135)	5,051	(22,159)	11,189
Other comprehensive income / (expense) :				
Items that may be reclassified subsequently to profit or loss				
Currency translation differences	(4,406)	(5,032)	(5,588)	(10,226)
Other comprehensive income for the period	(4,406)	(5,032)	(5,588)	(10,226)
Total comprehensive income for the period	(11,541)	19	(27,747)	963
Profit/(Loss) attributable to:				
Owners of the Company	(6,731)	5,328	(20,880)	12,200
Non-controlling interests	(404)	(277)	(1,279)	(1,011)
	(7,135)	5,051	(22,159)	11,189
Total comprehensive income/(expense) attributable to:				
Owners of the Company	(11,137)	296	(26,468)	1,974
Non-controlling interests	(404)	(277)	(1,279)	(1,011)
	(11,541)	19	(27,747)	963
Earnings per share attributable to Owners of the Company:				
- Basic (sen)	(2.02)	1.60	(6.28)	3.67
- Diluted (sen)	(1.96)	1.46	(6.07)	3.35

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 2018 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 2019

(The figures have not been audited)

	Attributable to Owners of the Company							Non-controlling Interests RM'000	Total Equity RM'000
	Non-Distributable				Distributable		Total RM'000		
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Translation reserve RM'000	Retained profits RM'000				
Balance as at 1 January 2019	121,009	(2,385)	19,706	(8,750)	394,154	523,734	4,033	527,767	
Profit for the period	-	-	-	-	(20,880)	(20,880)	(1,279)	(22,159)	
Other comprehensive expense for the period	-	-	-	(5,588)		(5,588)	-	(5,588)	
Total comprehensive income / (expense) for the period	-	-	-	(5,588)	(20,880)	(26,468)	(1,279)	(27,747)	
Balance as at 30 September 2019	121,009	(2,385)	19,706	(14,338)	373,274	497,266	2,754	500,020	
Balance as at 1 January 2018	121,009	(2,385)	19,706	5,313	449,414	593,057	5,491	598,548	
Loss for the period	-	-	-	-	6,872	6,872	(1,011)	5,861	
Other comprehensive income for the period	-	-	-	(5,194)	-	(5,194)	-	(5,194)	
Total comprehensive income / (expense) for the period	-	-	-	(5,194)	6,872	1,678	(1,011)	667	
Balance as at 30 September 2018	121,009	(2,385)	19,706	119	456,286	594,735	4,480	599,215	

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019

(The figures have not been audited)

	9 months ended 30/09/2019 RM'000	9 months ended 30/09/2018 RM'000
Cash Flows From Operating Activities		
(Loss) /Profit before taxation	(21,889)	7,535
Adjustments for :-		
Depreciation of property, plant and equipment	116	151
Impairment of other receivables	340	(32)
Property, plant and equipment written off	1	-
Overprovision for liquidated and ascertained damages	(348)	(34)
Reversal impairment loss of trade receivables	(321)	(1,053)
Unrealised foreign exchange gain	(1,882)	(9,520)
Loss on deconsolidation of a subsidiary	(4,257)	-
Finance income	(156)	(121)
Finance expense	12,138	10,328
Operating profit before changes in working capital	(16,258)	7,254
Changes in working capital		
Inventories	16,004	31,194
Trade and other receivables	7,873	(908)
Trade and other payables	11,585	(3,174)
	35,462	27,112
Net cash generated from operations	19,204	34,366
Interest paid	(15,496)	(13,168)
Interest received	156	121
Tax paid	(2,359)	(2,248)
Tax refund	-	3,328
	(17,699)	(11,967)
Net cash from operating activities	1,505	22,399
Cash Flows From Investing Activities		
Proceeds from disposal of property, plant and equipment		32
Net cash inflow/(outflow) from deconsolidation of the subsidiary	222	-
Net cash generated from investing activities	222	32
Cash Flows From Financing Activities		
Repayment of hire purchase liabilities	(86)	(86)
Repayment of bank borrowings	(6,165)	(75,464)
Fixed deposits with licensed banks	6,543	(4,895)
Drawdown of bank borrowings	-	85,000
Net cash generated from financing activities	292	4,555
Net change in cash & cash equivalents	2,019	26,986
Cash & cash equivalents at the beginning of the financial period	8,435	(6,209)
Effect of exchange rate changes	(5,003)	(10,226)
Cash & cash equivalents at the end of the financial period	5,451	10,551

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

	As at 30/09/2019 RM'000	As at 30/09/2018 RM'000
Cash and bank balances	1,530	6,073
Cash held under Housing Development Accounts	3,735	4,295
Fixed and short term deposits with licensed banks	7,567	9,397
	12,832	19,765
Less: Fixed deposits pledged with licensed banks	(7,381)	(9,214)
	5,451	10,551

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2018. 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 2018.

A2 Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2018, 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 2019 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:

MFRSs, Amendments to MFRSs and Interpretations		Effective for dates financial period beginning on or after
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 2018

The auditors' report on the financial statements for the financial year ended 31 December 2018 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 2019 / 30 September 2019	<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

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
<u>Period ended 30/09/2019 :</u>						
Total revenue	22,081	-	-	891	-	22,972
Intersegment revenue	-	-	-	209,967	(209,967)	-
Segment revenue :	<u>22,081</u>	<u>-</u>	<u>-</u>	<u>210,858</u>	<u>(209,967)</u>	<u>22,972</u>
<u>Primary geographical markets:</u>						
Australia	-	-	-	-	-	-
Malaysia	23,251	(1,170)	-	210,858	(209,967)	22,972
	<u>23,251</u>	<u>(1,170)</u>	<u>-</u>	<u>210,858</u>	<u>(209,967)</u>	<u>22,972</u>
<u>Nature of product</u>						
Commercial properties	3,932	(1,170)	-	210,858	(209,967)	3,653
Residential properties	19,319	-	-	-	-	19,319
	<u>23,251</u>	<u>(1,170)</u>	<u>-</u>	<u>210,858</u>	<u>(209,967)</u>	<u>22,972</u>
<u>Timing of revenue recognition:</u>						
Good transferred at a point in time	229,378	-	-	-	(207,297)	22,081
Good transferred over time	(206,127)	(1,170)	-	210,858	(2,670)	891
	<u>23,251</u>	<u>(1,170)</u>	<u>-</u>	<u>210,858</u>	<u>(209,967)</u>	<u>22,972</u>
Segment profit / (loss) before tax :	<u>(15,234)</u>	<u>(634)</u>	<u>(9)</u>	<u>198,470</u>	<u>(204,482)</u>	<u>(21,889)</u>
<i>Included in the segment profit / (loss) are :-</i>						
Finance income	153	-	-	3	-	156
Segment assets :	<u>861,961</u>	<u>44,842</u>	<u>20</u>	<u>564,227</u>	<u>(606,779)</u>	<u>864,271</u>
Segment liabilities :	<u>626,828</u>	<u>63,365</u>	<u>2,453</u>	<u>128,616</u>	<u>(457,011)</u>	<u>364,251</u>

Period ended 30/09/2018 :

Total revenue	47,406	(17,890)	-	960	17,713	48,189
Intersegment revenue	-	17,890	-	(177)	(17,713)	-
Segment revenue :	<u>47,406</u>	<u>-</u>	<u>-</u>	<u>783</u>	<u>-</u>	<u>48,189</u>

Primary geographical markets:

Australia	5,487	-	-	-	-	5,487
Malaysia	41,919	(17,890)	-	960	17,713	42,702
	<u>47,406</u>	<u>(17,890)</u>	<u>-</u>	<u>960</u>	<u>17,713</u>	<u>48,189</u>

Nature of product

Commercial properties	29,412	(17,890)	-	960	17,713	30,195
Residential properties	17,994	-	-	-	-	17,994
	<u>47,406</u>	<u>(17,890)</u>	<u>-</u>	<u>960</u>	<u>17,713</u>	<u>48,189</u>

Timing of revenue recognition:

Good transferred at a point in time	47,406	-	-	-	-	47,406
Good transferred over time	-	(17,890)	-	960	17,713	783
	<u>47,406</u>	<u>(17,890)</u>	<u>-</u>	<u>960</u>	<u>17,713</u>	<u>48,189</u>

Segment profit / (loss) before tax :	<u>27,210</u>	<u>(9,993)</u>	<u>1,040</u>	<u>(7,460)</u>	<u>(3,262)</u>	<u>7,535</u>
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Included in the segment profit / (loss) are :-

Finance income	98	4	-	19	-	121
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Segment assets :	<u>1,134,217</u>	<u>50,204</u>	<u>66</u>	<u>378,994</u>	<u>(622,066)</u>	<u>941,415</u>
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Segment liabilities :	<u>607,746</u>	<u>62,617</u>	<u>2,458</u>	<u>120,100</u>	<u>(451,019)</u>	<u>344,362</u>
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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
Period ended 30/09/2019 :			
Total revenue	22,972	-	22,972
Intersegment revenue	-	-	-
Segment revenue :	<u>22,972</u>	<u>-</u>	<u>22,972</u>
Segment profit / (loss) before tax :	<u>(23,258)</u>	<u>1,369</u>	<u>(21,889)</u>
Segment assets :	<u>773,800</u>	<u>90,471</u>	<u>864,271</u>
Segment liabilities :	<u>361,406</u>	<u>2,845</u>	<u>364,251</u>

Period ended 30/09/2018 :

Total revenue	42,702	5,487	48,189
Intersegment revenue	-	-	-
Segment revenue :	<u>42,702</u>	<u>5,487</u>	<u>48,189</u>
Segment profit before tax :	<u>3,189</u>	<u>4,346</u>	<u>7,535</u>
Segment assets :	<u>762,245</u>	<u>179,170</u>	<u>941,415</u>
Segment liabilities :	<u>343,927</u>	<u>435</u>	<u>344,362</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 14 November 2019 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 30/09/2019 RM'000	As at 31/12/2018 RM'000
Utilised portion of corporate guarantees given to financial institutions for facilities granted to subsidiary companies:		
- Secured on assets of subsidiary companies	205,120	212,808
Utilised portion of corporate guarantees given to trade payables of subsidiary companies for credit facilities aranted to subsidiary companies:		
- Unsecured	2	2
	<u>205,122</u>	<u>212,810</u>

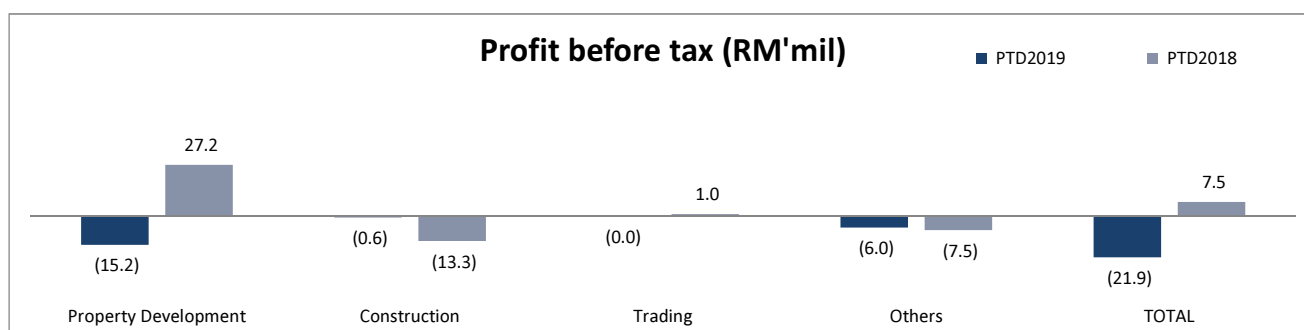
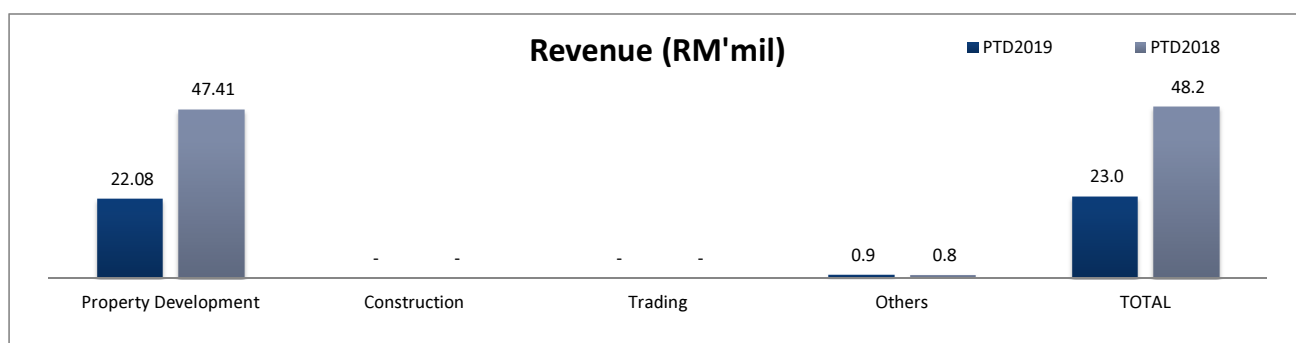
B Bursa Malaysia Listing Requirements

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

	3 months ended			9 months ended		
	30/09/2019 RM'000	30/09/2018 RM'000	Changes %	30/09/2019 RM'000	30/09/2018 RM'000	Changes %
Revenue	7,161	9,699	(26%)	22,972	48,189	(52%)
Cost of sales	(4,908)	(3,811)	29%	(17,167)	(27,390)	(37%)
Gross profit	2,253	5,888	(62%)	5,805	20,799	(72%)
Profit/(Loss) before interest and tax	(2,723)	4,547	(160%)	(9,751)	17,863	(155%)
Profit/(Loss) before taxation	(7,135)	604	(1281%)	(21,889)	7,535	(390%)
Profit/(Loss) for the period	(7,135)	5,051	241%	(22,159)	11,189	298%
Profit/(Loss) attributable to:						
Owners of the Company	(6,731)	5,328	226%	(20,880)	12,200	271%

For the 9 months ended 30 September 2019, the Group achieved a revenue of RM23.0 million, a decrease of 52% compared to previous corresponding period amounting to RM48.2 million and an increase of 390% for loss before tax of RM21.9 million compared to profit of RM7.5 million recorded in the previous correspondina period ended 30 September 2018.

The increase in loss before tax compare to the previous corresponding period mainly due to the poor sale for the service apartment and shop office in Jalan Kuching residential project as compared with the previous corresponding period.

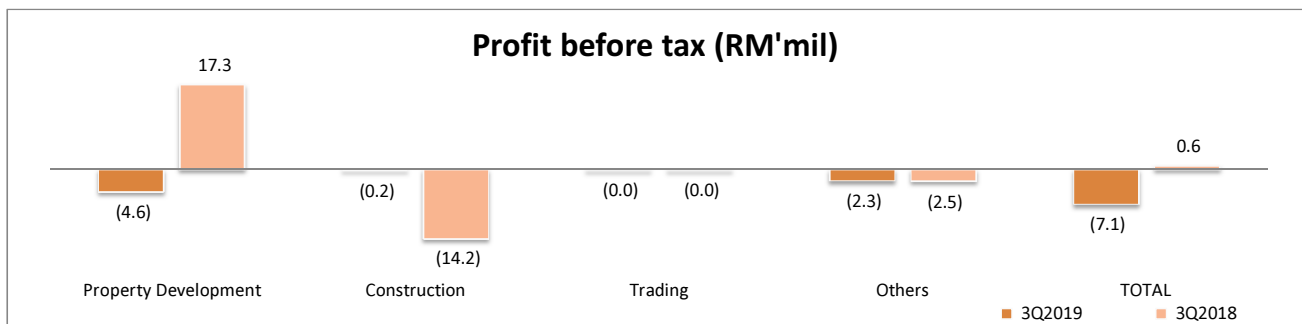
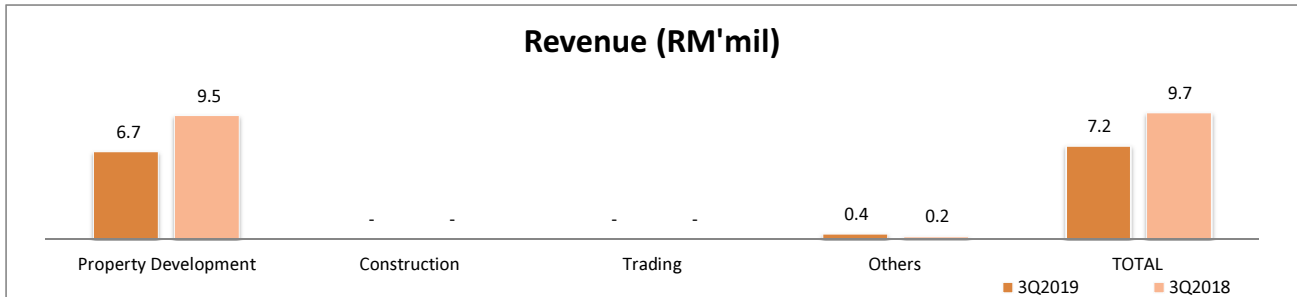


B1 Review of Performance - Comparison with Previous Corresponding Period and Quarter (cont'd)

For the current quarter ended 30 September 2019, the Group recorded a revenue of RM7.2 million, a decrease of 26% from RM9.7 million compared to the previous corresponding quarter ended 30 September 2018.

The decrease revenue for current quarter compare to the previous corresponding quarter mainly due to poor sale for service apartments and shop offices in Jalan Kuching residential project in current quarter due to slow market condition.

The loss before tax for the current quarter is RM7.1 million, an increase of 1281% as compared to profits before tax of RM0.6 million in the corresponding quarter. This is mainly due to poor sale in completed units in Jalan Kuching residential project in the current quarter as compared with the previous corresponding quarter.



Property Development

The property development segment recorded a revenue of RM6.7 million and loss before tax of RM4.6 million in the current quarter compared to revenue of RM9.5 million and profits before tax of RM17.3 million in the corresponding quarter of the previous financial year.

The low revenue achieved in current quarter mainly due to the poor sale of properties in Jalan Kuching residential project as compared with the previous quarter due to slow market condition.

Construction & Engineering

The Construction & Engineering segment registered no revenue and loss before tax of RM0.17 million in current quarter as compared to no revenue and loss before tax of RM-14.2 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.

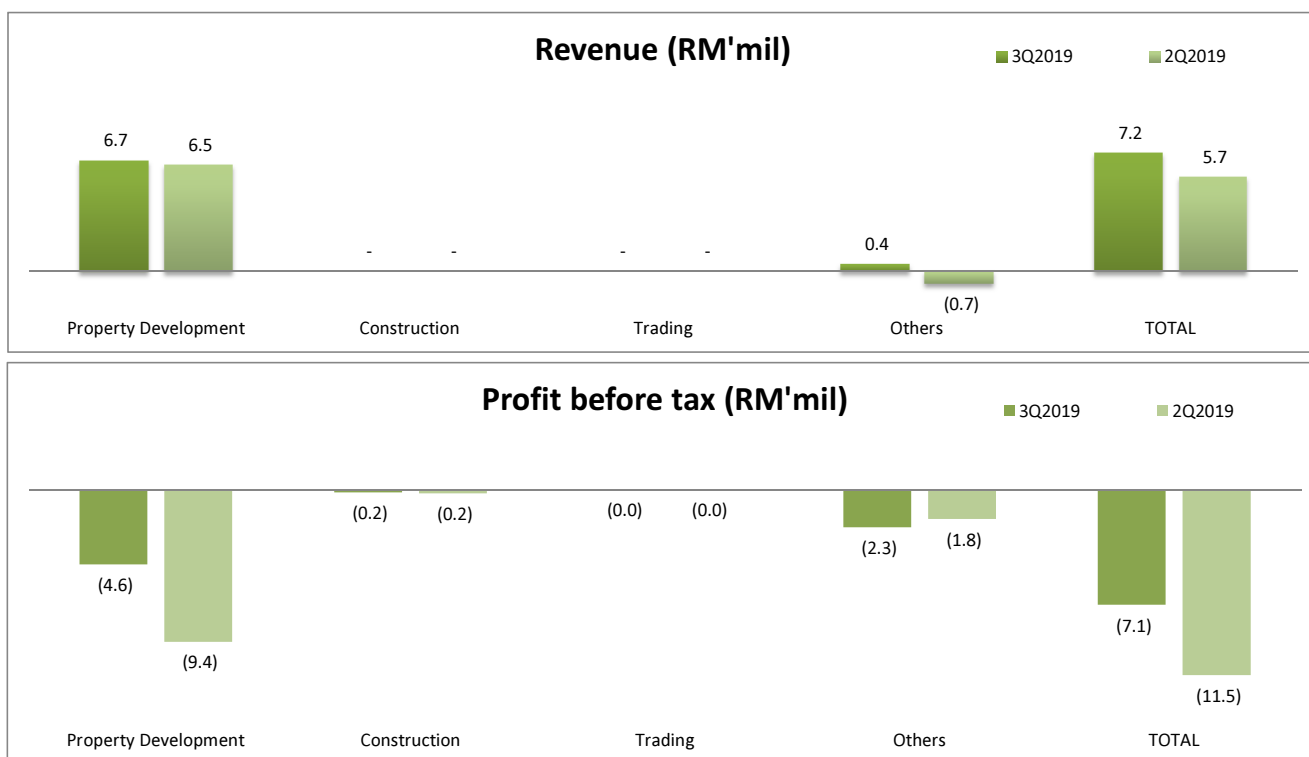
B2 Review of Performance - Comparison with Immediate Preceding Quarter

	Current Quarter 30/09/2019 RM'000	Immediate Preceding 30/06/2019 RM'000	Changes %
Revenue	7,161	5,724	25%
Cost of sales	(4,908)	(4,522)	9%
Gross profit	2,253	1,202	87%
Profit/(Loss) before interest and tax	(2,723)	(7,823)	(65%)
Profit/(Loss) before taxation	(7,135)	(11,472)	(38%)
Profit/(Loss) for the period	(7,135)	(11,495)	(38%)
Profit/(Loss) attributable to: Owners of the Company	(6,731)	(10,968)	(39%)

For the current quarter, the Group recorded a revenue of RM7.2 million, as compared to turnover RM5.7 million in the immediate preceding quarter ended 30 June 2019.

The Group posted a loss before tax of RM7.1 million in the current quarter, as compared to loss before tax of RM11.5 million in the immediate preceding quarter ended 30 June 2019.

Current quarter performance were due to poor sale from projects in Jalan Kuching residential and shop office and Desa Mentari commercial project as compared with similar project from the in the preceding quarter.



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. Cash flow will remain tight. The Board will continue to seek way to improve the company performance and cash flow for the current financial year.

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	9 months ended	
	30/09/2019 RM'000	30/09/2018 RM'000
In respect of :		
- current year	267	(3,701)
- deferred taxation	4	47
	<u>271</u>	<u>(3,654)</u>

The effective tax rate of the Group for the financial period ended 31 December 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 :-

Group	As at	As at
	30/09/2019 RM'000	31/12/2018 RM'000
Realised	159,962	230,547
Unrealised	193,174	225,284
	<u>353,136</u>	<u>455,831</u>
Consolidation adjustments	20,138	(61,677)
Total retained profits	<u>373,274</u>	<u>394,154</u>

B7 Corporate Proposals

There were no corporate proposal announced not completed as at 14 November 2019, 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 2019 are as follows:

Secured	As at	As at
	30/09/2019 RM'000	31/12/2018 RM'000
Borrowings repayable		
- within 12 months	79,480	79,386
- after 12 months	129,148	133,422
Total borrowings	<u>208,628</u>	<u>212,808</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 2019.

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	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(6,731)	5,328	(20,880)	12,200
Weighted average number of ordinary shares in issue ('000)	332,627	332,627	332,627	332,627
Basic EPS (sen)	(2.02)	1.60	(6.28)	3.67

(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	
	30/09/2019	30/09/2018	30/09/2019	30/09/2018
Net profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	(6,731)	5,328	(20,880)	12,200
Weighted average number of ordinary shares in issue ('000)	332,627	332,627	332,627	332,627
Effect of dilutive potential ordinary shares from the exercise of bonus warrants ('000)	11,284	31,838	11,284	31,838
Weighted average number of ordinary share in issue for diluted earnings per share ('000)	343,911	364,465	343,911	364,465
Diluted EPS (sen)	(1.96)	1.46	(6.07)	3.35

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

	9 months ended	
	30/9/2019 RM'000	30/9/2018 RM'000
Depreciation of property, plant and equipment	116	151
Interest expenses	12,138	10,328
Interest income	(156)	(121)
Other income	(156)	(248)
Overprovision of liquidated and ascertained damages (LAD)	(348)	(34)
Reversal impairment loss of trade receivables	(321)	(1,053)
Unrealised (gain)/loss of foregin exchange	(1,882)	(9,520)
Loss on deconsolidation of a subsidiary	(4,257)	-

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
 21 November 2019